Empire BlueCross

October 27, 2011

IMPORTANT: Enclosed Rate Changes Filing Q2 2012

Dear Group Benefits Administrator,

Rising medical costs and the growing use of medical goods and services continue to drive health care costs higher. Due to these increasing costs, we have submitted a rate change request to the New York Department of Financial Services (NYDFS) to modify premium rates effective April 1, 2012.

What you need to know
New York State law requires that health insurance carriers provide an initial notice to you when we submit requests for premium rate changes to the NYDFS. The law also requires that we explain any proposed rate change. Therefore, the enclosed grid shows the requested rate change range for the Healthy New York product that you offer your employees. This submitted rate change request, pending NYDFS approval, is effective April 1, 2012. A narrative, which explains this proposed rate change request, will be available on empireblue.com/priorapproval.

Since the NYDFS must approve all community rates, the actual rate increase will not be available until approval is received. At that time, we will send you another notice. The second notice, which we will send to you at least 60 days prior to the effective date of the rate change, will include the approved rate changes.

What you need to do
Please share the enclosed memo and rate change grid with your employees who are enrolled in the Healthy New York health plan. We recommend that you provide any additional information with this notice, such as expected changes in employee contribution levels, that may help your employees better understand this rate change filing notice.

Questions
You have 30 days from the date of this letter to contact Empire or the NYDFS to request more information about the rate change filing, or to submit written comments to the NYDFS. Contact Empire via e-mail at premiumratechange@empireblue.com or by calling the GBA Contact Center at (866) 422-2583. Submit comments to the NYDFS by writing to:

Premium Rate Increases
Health Bureau
New York Department of Financial Services
25 Beaver Street
New York, NY 10004

You may also reach the NYDFS at premiumrateincreases@dfs.ny.gov or (800) 342-3736.

Your business and your employees' health and well-being are important to us. Thank you for choosing Empire for your employee health benefits plan.

Sincerely,

Mark Wagar
President

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