

<<MERGE RECORD #>>-M71030

«POLICY_MAKER»

«POLICY_MAKER_TITLE»

«GROUPNAME»

«ADDR1»

«ADDR2»

«CITY» «STATE» «ZIP»

July 2009

Dear «POLICY_MAKER»:

PLEASE READ THIS DOCUMENT CAREFULLY. YOUR RESPONSE MAY BE NEEDED BY JULY 24, 2009.

On October 3, 2008, the Wellstone and Domenici Mental Health Parity and Addiction Act of 2008 (the "Act") was signed into law. For groups with fifty-one (51) or more employees that offer mental health and substance abuse ("MH/SA") benefits, the Act requires that the group offer these benefits at the same level as their medical benefits.

In most cases, the Act will dictate that day, dollar, and visit limits that previously applied to only MH/SA benefits be eliminated. Cost shares for MH/SA will be equal to the cost shares predominately applied to all in-network and out-of-network medical care. Out-of-network care for MH/SA cannot be excluded unless it is also excluded for all medical care. State mandates for MH/SA benefits were generally not preempted by the Act.

The Act states that the effective date of parity benefits will be the start of the first ERISA plan year after October 3, 2009. For groups with collective bargaining agreements ("CBA") in place, the Act states parity benefits will become effective at the later date of either January 1, 2010, or the date that the CBA in place when the Act was signed (October 3, 2008) expires. The purpose of this letter is to solicit the effective date that would apply to your group for this legislation. Please complete and return the attached Mental Health and Substance Abuse Parity Form (the "Form") to provide Capital BlueCross with the needed information by July 24, 2009.

In the event that you do not complete and return the attached Form by the deadline, Capital BlueCross will make certain assumptions regarding your plan. Thus, in the event we do not receive your completed Form, Capital BlueCross will assume that MH/SA parity rules apply to your group's benefits at the next renewal. If you believe a different effective date for this legislation applies to your group or your group is exempt from the law, you must complete and return the attached Form by July 24, 2009.

For groups that have multiple CBAs in place, parity will be applied within a group at the first identified effective date according to the legislation. For groups with union and nonunion plans, Capital BlueCross will apply parity benefits across all plans at the earliest identified effective date for the legislation. Capital BlueCross will not apply parity benefits at different effective dates within the same group.

Certain non-ERISA plans are exempt from this legislation. If you believe your group meets the exemption criteria, please indicate so on the Form. Also, if your group is exempt from this legislation but still wishes to cover MH/SA at parity, please indicate so on the Form.

If you have any questions about application of this Act to your plan and its effect on your benefits, please contact your Capital BlueCross account representative or agent/producer.

Mental Health and Substance Abuse Parity Reply Form

NO RESPONSE IS NEEDED IF YOU OPT TO HAVE THE CHANGES APPLIED AT YOUR NEXT RENEWAL

Group # «GROUP_NO»

Group Name «GROUPNAME»

ERISA plan year start date _____.

Date CBA in effect on October 3, 2008 expires or expired (if applicable) _____.

Group certifies exemption from this legislation. Yes No

Group is exempt but would like parity benefits applied at next renewal. Yes No

Group would like parity benefits applied at next renewal even though identified effective date falls after next renewal. Yes No

No response is needed if you opt to have the changes applied at your next renewal.

Please return the completed form in the enclosed envelope.