



EmblemHealth[®]

55 Water Street, New York, New York 10041-8190

**IMPORTANT NOTICE REGARDING NEW POLICIES
AND NEW PREMIUM RATES FOR YOUR SMALL GROUP COVERAGE**

<<Date>>

Group #: <<Account_Code>>

<<CONTACTNAME>>
<<ACCOUNT>>
<<SERVSTREET>>
<<SERVCITY>>, <<SERVESTATE >> <<SERVZIP5>>

Dear <<CONTACTNAME>>:

This letter will replace the letter dated September 25, 2013, that you recently received from us about the above topic. Please disregard the earlier letter. As a policyholder with a ConsumerDirect high deductible health plan with a deductible that accrues on a basis other than a calendar year, this is the letter that applies to you.

We are writing to let you know about important changes to your small group health insurance coverage that will take effect on **January 1, 2014**. These changes are required by federal health care reform, called the Affordable Care Act (the “ACA”). As outlined below, the changes will include a core set of comprehensive benefits, more cost sharing choices and new premiums.

To make sure your group’s policy includes these new requirements, your existing policy will end effective **upon renewal in 2014**. We will roll out a new product portfolio beginning on January 1, 2014 that meets the ACA requirements. Check with us later in the year to see our new product portfolio at **www.emblemhealth.com**. New York is establishing the Health Benefit Exchange where you can shop for replacement group health insurance.

What do I need to do?

Since your existing Group Health Incorporated (“GHI”) group policy is ending effective upon renewal in 2014, you have the option to purchase any other ACA compliant policy offered to small groups through the New York Health Benefit Exchange at **http://nystateofhealth.ny.gov**. It is important for you to select a new plan for your group if you wish to have group coverage effective upon renewal in 2014.

New Options for Coverage in 2014

New York Health Benefit Exchange – Small Business Health Options Program (SHOP). In 2014, small businesses (50 or fewer employees) can buy coverage directly from their insurer or from New York’s new Health Benefit Exchange **http://nystateofhealth.ny.gov**. The Exchange will help you shop for and enroll in health insurance. You will be able to use the Exchange to compare insurance options and prices offered through the Exchange. You will also be able to calculate costs and enroll in coverage online, in person, over the phone or by mail. You can purchase insurance through the Health Benefit Exchange beginning in October 2013 for coverage starting January 1, 2014.

Benefits. All health insurance policies will include a core set of benefits, called the “Essential Health Benefits.” In addition, some policies may include out-of-network coverage. Your current policy may already include some or all of the Essential Health Benefits. For more information on the Essential Health Benefits, you can visit the New York Benefit Exchange website at **http://nystateofhealth.ny.gov/resource/benefits-what-are-essential-health-benefits**.

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Cost Sharing Choices. All policies will include the Essential Health Benefits, but the amount you pay out-of-pocket will be different depending on the cost sharing options that you choose. The ACA creates four uniform categories of cost sharing, called “metal” levels, that will make it easier for you to compare different health insurance policies.

These metal levels are based on the average percentage of medical costs the health insurance company is expected to pay, compared to the average percentage you will pay. All policies will fit into one of four metal levels:

- Platinum (highest level with an average of 90% of the medical costs paid by the insurance company and an average of 10% paid by the member)
- Gold (80/20%)
- Silver (70/30%)
- Bronze (60/40%)

(Please note: this does *not* mean that your insurance company will pay that specific percentage of every bill. It simply means that the insurance company will pay that average percentage for all policyholders over the course of the year.) Also, your premium will be higher or lower depending on the metal level you choose. For instance, a Silver plan will have lower premiums than a Platinum plan because you would be paying more out-of-pocket.

New Premium Rates. We have filed our new policies and premium rates with the New York Department of Financial Services. Information about our premium rates can be found on the Department of Financial Services web site at <https://myportal.dfs.ny.gov/web/prior-approval/welcome>.

If you have any specific questions or comments regarding your product, please call your broker or speak to one of our Broker and Group Services representatives by calling **1-866-614-6040**, Monday through Friday, 9 am to 5 pm. If you have a hearing or speech impairment and use a TTY/TDD, please call 711.

Since your policy is ending, please see Attachment A for a description of your responsibilities under section 55.2 of Insurance Regulation 78 (11 NYCRR 55) and Labor Law section 217.

Sincerely,



George Babitsch
Senior Vice President, Underwriting & Account Management

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Attachment A- Section 55.2 of Regulation 78 (11 NYCRR 55)

Pursuant to Labor Law §217 and § 55.2 of Insurance Regulation 78 (11 NYCRR 55), you must give written notice of the intended termination to each certificate holder resident in New York State insured under the group policy by hand-delivering or mailing to the certificate holder a copy of Group Health Incorporated's ("GHI") notice of termination and a covering letter advising the certificate holder of the intended termination. The written notice to each certificate holder must be:

- (1) hand-delivered by you to the certificate holder at the certificate holder's place of employment (e.g., by including the notice in the certificate holder's pay envelope) at least nine days prior to the intended date of termination; or
- (2) mailed by you to each certificate holder at the certificate holder's last known residential address at least nine days prior to the intended date of termination.

You must also post a copy of GHI's notice of intent to terminate and the required covering letter in conspicuous locations chosen as most likely to give notice to the certificate holders. The notice shall be posted at least nine days prior to the intended date of termination.

These requirements do not apply if, at least 10 days prior to the date of the intended termination, as specified in GHI's notice of intent to terminate, you have:

- (1) taken necessary steps whereby the intended termination is rendered null and void; or
- (2) replaced your GHI policy with similar coverage for the same certificate holders, and filed an affidavit with the Commissioner of Labor and Superintendent of Financial Services to that effect.

Affidavits filed with the Commissioner of Labor shall refer to Labor Law, Section 217, and be addressed to:

Director of Labor Standards
Department of Labor
Agency Building 12
State Office Building Campus
Albany, NY 12240

Affidavits filed with the Superintendent of the Department of Financial Services shall refer to Labor Law, Section 217 of the Codes, Rules, and Regulations of the State of New York, Title 11, Insurance Section 55.2 Part, and shall be addressed to:

Chief, Health Bureau
New York State Department of Financial Services
One Commerce Plaza
Albany, NY 12257