



IMPORTANT NOTICE REGARDING HEALTH CARE REFORM

During the health reform debate, the President assured employers and individuals that they would be able to keep their current coverage and be exempt, or 'grandfathered' from some reform mandates. Under this provision, a member or group with an effective plan on or before March 23, 2010 (the day the law was passed) may avoid some reform mandates and keep something close to their previous level of coverage. However, many groups may find that 'grandfathering' is not an ideal solution and can limit their flexibility in managing the cost of employee benefits. Upon extensive review of the law, Altius Health Plans has made decisions regarding the plans it will offer under the 'grandfather' provision.

Starting October 1, 2010, Altius Health Plans will exclusively offer benefit plans that meet all health care reform requirements in the 2 – 99 employee market. No grandfathered plans will be available for this segment of business. Altius will consider grandfathering benefit plans for employer groups with 100 or more employees on a case by case basis.

Highlights of New or Expanded Benefits

- Young adult dependents can enroll up to age 26.
- Newborns and children up to and including age 18 will receive coverage for the services and medication needed to treat pre-existing conditions.
- No lifetime or annual maximum dollar limits for in-network services.
- Preventive care received from network providers will be paid at 100 percent.
- Member copayment and/or coinsurance for emergency services will be the same regardless if you receive the services from an in or out-of-network provider.

Please note that many of our current benefit plans provide for these benefits today.

Why are we making these changes?

Altius is committed to providing products and services that deliver outstanding value, an easy and straightforward member experience, and a low-cost operating structure fueled by operational excellence. Streamlining our product portfolio and exclusively offering benefit plans that comply with all of the new health care reform requirements will give our customers the most flexibility to balance costs and benefits.

What happens next?

- In-force plan design(s) will stay in effect until the current contract period ends. At that time, our customers will be offered a new benefit plan that complies with all health care reform requirements.
- Employer groups renewing on or after October 1, 2010 will receive a renewal option that reflects our new benefit plan design option and is similar to the benefit plan the employer group has today. Eligible employer groups with 100 or more employees can contact us if they are interested in alternative options, such as a grandfathered plan.
- Employer groups who do not respond prior to the renewal date, will automatically be transitioned to the benefit plan that was provided in the renewal package.
- New and renewing benefit plans will not maintain grandfathered status.

We at Altius Health Plans understand your concerns about these changes and how they affect the benefits you offer to your employees. That's why we've taken the time to carefully analyze all aspects of these reforms. We're committed to helping you keep the flexibility you want and need in providing your group's health care benefits. Please feel free to contact your Altius representative with questions.