

November 2011

Dear Valued Customer:

Some of your employees with Blue Cross Blue Shield of Michigan coverage have dependents who have reached an age where they may not be eligible for coverage as dependents on a parent's contract as of Jan. 1, 2012. Parents must act now to ensure their dependents don't go without coverage.

We've sent your employees a letter notifying them that their dependents who are no longer eligible* will be removed from their contracts effective Jan. 1, 2012, unless the dependents meet the eligibility requirements for your group. The attached list shows your employees with dependents who received these letters.

The letter advises employees to check with their employer to determine if the dependent is eligible to continue as a dependent on their present contract or eligible for COBRA coverage, or to select individual coverage.

To view the letter included in our recent mailing, please visit bcbsm.com/group/group_publications and scroll down to the section titled *Group materials for dependents through age 26*.

For dependents eligible to remain on your employee's contract:

Please remind these subscribers to complete a *New Enrollment/Change of Status* form and return it to you or the human resources office. A sample of the form and instructions are in your Blue Cross Blue Shield of Michigan *Administrative Guide*.

For dependents not eligible to remain on the employee's contract:

You must change affected dependents' coverage status or remove them from membership records, effective Jan. 1, 2012. If no change is processed by then, we'll remove dependents who are no longer eligible.

Dependents being removed from your employee's contract and selecting a Blues plan must complete and submit to BCBSM a signed application for individual coverage. To avoid a lapse in coverage, we need to receive the form by Jan. 1, 2012. For information about the Blues MyBlueSM individual plans, call your Blues sales representative or contracted agent. Your employees can call MyBlue at 1-877-4MY-BLUE (469-2583), or visit bcbsm.com/myblue.

Federal legislation known as Michelle's Law requires the Blues to continue coverage for dependent students who are taking a leave of absence from school or change to part-time status due to illness or injury, as long as the dependent meets all other eligibility requirements for dependent continuation coverage. **Note: Michelle's Law only applies to groups exempt from the Patient Protection and Affordable Care Act or groups that cover dependent students over the age of 26.** Coverage will last for up to one year after the first day of a medically necessary leave of absence (or change to part-time status), or the date on which coverage would otherwise terminate, whichever period is earlier.

To qualify for continued coverage, the dependent student's treating physician must certify in writing that the student's leave or change to part-time status is medically

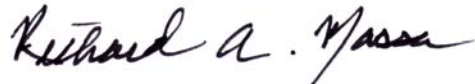
***The passage of the Patient Protection and Affordable Care Act requires medical plans offering dependent coverage to cover adult children up to age 26. The Blues have adjusted all benefit plans subject to PPACA to allow coverage of dependents through the end of the calendar year of their 26th birthday.**

necessary and due to a serious illness or injury. Employer groups should retain a copy of the physician's certification for verification by the Blues upon request.

If you have questions about coverage for dependents or about how COBRA applies to your group, or if you need additional *New Enrollment/Change of Status* forms, please contact your Blues sales representative or contracted agent. The form is also available at bcbsm.com/group/group_forms. The Regional Service Center telephone numbers are listed below.

Thank you for helping us serve your employees.

Sincerely,

A handwritten signature in black ink that reads "Richard A. Massa". The signature is written in a cursive style with a large initial 'R' and 'M'.

Richard Massa, Manager
Auto/National Membership

Encl: List of dependents

**Blue Cross Blue Shield of Michigan
NASCO Account Servicing Number
1-800-368-5775**