

Anthem Blue Cross
PO Box 9062
Oxnard CA 93031-9062



<Group Name>
<Contact><Care of>
<Address 1>
<City>, <ST><ZIP>

Group No. <Group No.>

<Date>

Dear Valued Small Group Employer:

Anthem Blue Cross will be rebating a portion of your employees' 2012 small group health insurance premiums. This rebate is required by the Affordable Care Act – the Health Reform Law. A rebate check will be mailed to you in the coming weeks.

Why are we issuing rebates?

The Affordable Care Act requires insurers and health plans, including Anthem Blue Cross, to rebate part of the Small Group medical premiums received in a given calendar year if the insurer or carrier does not spend at least 80% (or 80 cents of each dollar received in premiums) on health care services, such as doctors and hospital bills, and activities to improve health care quality, such as efforts to improve patient safety. No more than 20% of premiums may be spent on administrative costs such as salaries, sales, advertising and customer service. This is referred to as the medical loss ratio standard (the "MLR Standard"). The MLR Standard in the Affordable Care Act is intended to ensure that consumers get value for their health care dollars. You can learn more about the MLR Standard and other provisions of the Affordable Care Act at:

<http://www.healthcare.gov/law/features/costs/value-for-premium/index.html>.

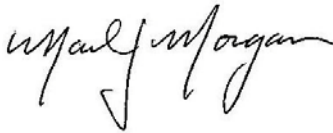
Who will receive rebates?

Many of our Small Group customers offer a choice of products for their employees. These products are offered through two legal entities: Blue Cross of California (doing business as Anthem Blue Cross) and Anthem Blue Cross Life and Health Insurance Company. Because rebates are calculated separately for each of these legal entities, rebates to the employer or employees under a group medical policy or plan will depend on what product the employee is enrolled in. *Only groups with employees enrolled on an Anthem Blue Cross medical plan during some portion of 2012 will be eligible for a rebate.* This means that those employees enrolled in an Anthem Blue Cross plan during some portion of 2012 will be eligible for a rebate. However, those employees enrolled in an Anthem Blue Cross Life and Health Insurance policy in 2012, who were not enrolled in an Anthem Blue Cross plan during some portion of 2012, will not be eligible for a rebate. The attached 2012 Premium breakdown will assist in identifying which employees are eligible for this rebate. Plan matrix illustrates those Small Group medical plans for which rebates will be issued. Additional information on how to distribute rebate proceeds and tools to assist you will be included with information accompanying your rebate check. Anthem has also created a template tool to assist you in establishing employee rebates. This tool can be found at: <http://www.anthem.com/ca/mlrrebate/>.

Rebate checks will be issued shortly and mailed directly to employer groups, who will be responsible for distributing appropriate rebates to eligible employees or using the funds to benefit current enrollees.

For general information about your rights regarding the rebate, you may contact the Department of Labor's Employee Benefits Security Administration at 1-866-444-EBSA (3272) or review the Department's technical guidance on this issue on its website at: <http://www.dol.gov/ebsa/newsroom/tr11-04.html>.

Sincerely,



Mark Morgan
Vice President and General Manager
Small Group Business
Anthem Blue Cross

<Sample report>

<Group ABC>	
<Total Eligible 2012 Group Rebate- Anthem Blue Cross Medical Plans>	
Employees	2012 MLR Rebate - Anthem Blue Cross Medical Plans
XXX-XX-1234	\$100
XXX-XX-1235	\$0
XXX-XX-1236	\$200
XXX-XX-1237	\$0
XXX-XX-1238	\$150
XXX-XX-1239	\$0
XXX-XX-1240	\$150

For employees that changed plans mid-year, above premium totals reflect that portion of annual premiums paid while enrolled in DMHC-regulated medical plan

Plan Matrix



Plan Name (plans active during 2012 calendar year)	Eligible For Rebate	Legal Entity		Notes
		Anthem BC (DMHC)	Anthem BC L&H (CDI)	
Premier PPO \$10, Premier PPO \$20, Premier PPO \$30 Copay	√	X		
EmployeeChoice Premier PPO \$20	√	*		Discontinued 10/1/12
PPO \$20 Copay	√	*	*	Moved CDI to DMHC 7/1/11
PPO \$30 Copay, PPO \$40 Copay	√	X		
PPO 1000/\$25, PPO 1500/\$35, PPO 2000/\$45	√	X		
PPO \$25 Copay GenRx, PPO \$35 GenRx, PPO \$45 GenRx			X	
Solution 2500 PPO, Solution 3500 PPO, Solution 5000 PPO			X	
Solution 3500 PPO (NCB)			X	Effective 7/1/12, discontinued 1/1/13
Deductible 3000 PPO, Deductible 4000 PPO	√	X		Effective 7/1/12
AC20, ACO 30	√	X		Effective 4/1/12
Elements Hospital , Elements Hospital Plus, Elements Hospital Preferred			X	Elements Hospital discontinued 10/1/12
Lumenos HSA 1500 (80/50), Lumenos HSA 2500 (80/50), Lumenos HSA 3500 (80/50)	√	*	*	Moved CDI to DMHC 7/1/11
Lumenos HRA 3000C, Lumenos HRA 3000D, Lumenos HRA 5000C, Lumenos HRA 5000D			X	Effective 10/1/11
Lumenos HSA 2000 (100/70), Lumenos HSA 3000 (100/70) , Lumenos HSA 5000 (100/70)			X	Discontinued 7/1/11
Lumenos HIA + 750, Lumenos HIA + 500 ,			X	Discontinued 7/1/12
High Deductible EPO	√	X		
CA Indian Tribe \$30, CA Indian Tribe \$40	√	X		
Hospital BeneFits, Hospital BeneFits Plus, Hospital BeneFits Preferred			X	Hospital BeneFits discontinued 10/1/12
HMO \$10 100%, HMO \$25 100%	√	X		(Full, Select, & Priority Select Networks)
Classic \$20 HMO, Classic \$30 HMO, Classic \$40 HMO	√	X		(Full, Select, & Priority Select Networks).
Classic \$30 HMO (NCB)	√	*		Effective 7/1/12
Saver \$20 HMO, Saver \$30 HMO, Saver \$40 HMO	√	X		(Full, Select, & Priority Select Networks)
BeneFits Select \$25 HMO	√	X		
Select \$25 HMO, Select \$35 HMO	√	*		Discontinued 10/1/11

*These plans are only eligible for a rebate for a portion of the year.