



April 2009

Dear Benefits Administrator:

I am writing to tell you about updates to two new federal mandates that affect group customers providing commercial health plans. The first mandate reflects mandatory reporting requirements for all group health plans as required by the Centers for Medicare & Medicaid Services (CMS). The second federal mandate is known as “Michelle’s Law” and it ensures health care coverage for seriously ill or injured full-time students enrolled in a post-secondary educational institution for up to one year under their parents’ policy.

CMS MANDATORY REPORTING REQUIREMENTS

Under this federal mandate (Section 111 of Public Law 110-173), CMS requires all group health plan insurers to submit beneficiary information (i.e., Social Security numbers) to CMS for purposes of coordination of benefits for all covered individuals ages 55 or older (45 or older effective January 1, 2011). CMS will use this information to determine the primary payer, which will help to avoid any claims processing errors. CMS also requires the insurer to provide group size (number of full and part-time employees) and employer tax identification number (TIN). We have enclosed a copy of “frequently asked questions” about this mandatory reporting requirement. Please take a moment to review the questions. The regulation applies to all group health plans both fully funded and self-insured.

OUR STRATEGY

AmeriHealth is committed to complying with the standards established by CMS. By doing so, we could eliminate potential claims processing delays that may occur if CMS disagrees with who should be the primary payer.

AmeriHealth has been providing CMS with some of this information for several years for enrolled members ages 65 and older. To satisfy the new requirements, AmeriHealth is asking for your assistance in obtaining Social Security numbers for all subscribers, spouses and domestic partners regardless of age. *We are requesting Social Security numbers for all these individuals regardless of age at this time so that we do not have to request this information again at a later date.*

We will be collecting this information in two phases, as follows:

During your enrollment submission process for new members, please work to obtain Social Security numbers for spouses and domestic partners added to your group’s coverage using current submission -- group portal at amerihealthexpress.com, EDI (Electronic Data Interchange), or paper applications.

At a future date, we will request Social Security numbers for all subscribers, spouses, and domestic partners, regardless of enrollment date. We will provide you with instructions at a later date so you can submit Social Security numbers for subscribers, spouses, and domestic partners currently enrolled in your plan.

COMMITMENT TO PRIVACY

At AmeriHealth, we are committed to protecting your privacy and that of your employees. We are only providing Social Security numbers to CMS to be compliant with this new regulation.

We also want to remind you that AmeriHealth takes numerous steps to keep the personal information of our members confidential and to prevent the unauthorized release of or access to this information. All AmeriHealth employees sign confidentiality statements regarding member information annually. All contracted providers are required to maintain confidentiality of member information and records in accordance with applicable laws.

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Furthermore, we will continue to utilize unique subscriber identification on all member identification cards and communications as we have since 2006.

"MICHELLE'S LAW"

The President signed into law H.R. 2851, "Michelle's Law" which will become effective October 9, 2009. This legislation allows full-time college students insured under their parents' policies to remain covered for up to one year if they are required to take a medically necessary leave of absence from a post-secondary educational institution. This law does not allow the dependent's coverage to extend beyond the group customer's maximum age limits. There is no need to take any action regarding Michelle's Law. This notice is for informational purposes only.

We appreciate you taking the time to provide the requested information. If you have any questions, please contact your AmeriHealth account executive or broker.

Thank you for your time and efforts to ensure that we can comply with these new requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Munoz". The signature is stylized, with a large, sweeping horizontal stroke that loops back under the name.

Michael A. Munoz
Vice President, Marketing and Sales

Enclosures