

DATE: <insert date, date can
not be later than November 2, 2007>

Dear <member name>,

<Organization Name> will no longer offer <plan name> to people with Medicare in <County/State Name(s)> after <Date>. (*Organization may insert "customized" language, subject to CMS review.*) You will need to make some decisions about your health care coverage and prescription drug coverage. This letter provides information to help you learn about your Medicare health care options. Remember, you are still in the Medicare Program no matter what you decide.

Until your membership in <plan name> ends, you must continue to use our network doctors and other health plan providers.

When coverage from <plan name> ends after <Date>, your Medicare prescription drug coverage ends too. In order to have new health care coverage and prescription drug coverage after <Date> or to buy a Medigap policy while you still have a guaranteed right to buy one, you need to take action, as described in this letter. For example, if you are returning to original Medicare coverage, to receive Medicare prescription drug coverage you must join a Medicare prescription drug plan.

[*For LIS members: If you qualify for extra help (the low income subsidy) for 2008 and you do not join a Medicare drug plan on your own, Medicare will enroll you in a Medicare drug plan where you will pay little or no monthly premium in 2008. However you don't need to wait until you get this letter if you want to join a new plan.*]

Before you make a decision about your health care coverage, you should do these things:

1. If you have an employer or union group health care plan, contact your employer or union.
2. If you get help from the Medicaid program, contact <State Medicaid Agency>.
3. Read the attached information to learn more about
 - Your health plan choices, including Medicare prescription drug coverage (**section 1**);
 - Your choices to join Original Medicare and to buy a Medigap policy (**section 1**);
 - Your options if you have permanent kidney failure, also known as End-Stage Renal Disease (ESRD) (**section 2**) (*omit if no ESRD members*);
 - Your choices if you only have Medicare Part B (**section 3**) (*omit if no Part B only members; renumber if section 2 is omitted*); and
 - Where to get answers to your questions and help making a decision (**section 4**). (*renumber if sections 2 and/or 3 are omitted*)
4. **Keep this letter.** It is proof that you have a special right to buy a Medigap policy [*include the following only if MA plans available: or join a Medicare Advantage plan*].

We apologize for any inconvenience. If you need more information, please call our Member Services Department at <Phone Number> <Days & Hours>. For TTY/TDD users should call <insert number > and the hours of operation are <Days & Hours>. You can also visit www.medicare.gov on the web or call 1-800-MEDICARE (1-800-633-4227; TYY users should call 1-877-486-2048. A Customer Service Representative will be able to answer your Medicare and Medigap questions. Tell the Customer Service Representative that you got this letter.

Sincerely,

<CEO or other official of organization>

Enclosure

Section 1: What are My Health Care and Prescription Drug Coverage Choices? [Note: Include only those options that apply and renumber remaining options and page references accordingly]

Health Care Options	See Page(s)
Option 1: You can join a Medicare Advantage or Other Medicare Health Plan, including a plan that offers prescription drug coverage.	1
Option 2: You can change to the Original Medicare Plan and join a Medicare Prescription Drug Plan.	2
Option 3: You can change to the Original Medicare Plan, you may be able to buy a Medigap (Medicare Supplement Insurance) Policy, and join a Medicare Prescription Drug Plan.	3-5
Option 4: You can change to the Original Medicare Plan and use other health care and prescription drug coverage, such as an employer or union group health care plan, VA benefits, or TRICARE for Life.	5

After you review the following information, you may want to call 1-800-MEDICARE (1-800-633-4227) or visit www.medicare.gov on the web for step-by-step help with your Medicare health care options. TTY users should call 1-877-486-2048. You can also call <name of SHIP> at <SHIP number> for help. TTY users should call <SHIP TTY number>.

Option 1: You Can Join A Medicare Advantage or Other Medicare Health Plan, including a plan that offers Prescription Drug Coverage

You can enroll in another Medicare Health Plan in your area. Most Medicare Health Plans are Medicare Advantage Plans, which are offered by private companies and can be Health Maintenance Organization plans (HMOs), Preferred Provider Organization plans (PPOs), or Private Fee-for-Service plans. Most, but not all, Medicare Advantage Plans include prescription drug coverage.

If you are eligible, you can join a Medicare Advantage Plan that starts on November 1, December 1, 2007, or January 1, 2008, as long as the plan you want to join gets your request to join **before the start date you choose.**

There are other available Medicare health plans similar to this one. They are listed in the attached table at the end of this letter. These plans may have different

rules than our plan, such as when you can join, when your coverage begins, or where you can go for your health care. For example, in order to enroll in a Medicare Advantage Plan, you must have Medicare Parts A (hospital insurance) **and** B (medical insurance). [Note to MAO- if a cost plan choice(s) exist, add the following paragraph] There are also exceptions to this rule for “cost plans”. You may be able to join another cost plan, even if you don’t have Medicare Part A. If you are interested in joining another cost plan, you should call the plan to see what the requirements are.

To see which plans include prescription drug coverage, you can call 1-800-MEDICARE (1-800-633-4227) or visit www.medicare.gov on the web. TTY users should call 1-877-486-2048. For help comparing the companies that offer Medicare Health Plan in your area, call 1-800-MEDICARE (1-800-633-4227) or visit www.medicare.gov on the web. TTY users should call 1-877-486-2048.

Option 2: You Can Change to the Original Medicare Plan and join a Medicare Prescription Drug Plan

This is the Original Medicare Plan that is available nationwide. You can go to any doctor or specialist that accepts Medicare and is accepting new Medicare patients, and to any hospital or other facility. You don’t need a referral. The Federal Government manages the Original Medicare Plan.

If you decide you want Original Medicare Plan coverage **beginning January 1, 2008**, you don’t need to do anything. Medicare will automatically change you to the Original Medicare Plan on January 1, 2008.

If you decide you want Original Medicare Plan coverage **before January 1, 2008**, you can do one of the following:

- Send or fax us a written request saying you want to leave our plan, or
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. Tell the Customer Service Representative that you want to leave <plan name> and begin getting health care from the Original Medicare Plan.

If you decide to leave <plan name> before January 1, 2008, you can select when your Original Medicare Plan coverage starts. Your coverage may start on November 1 or December 1, 2007, as long as your request to join is received **before the start date you choose**. As mentioned above, you don’t need to do anything if you want Original Medicare Plan coverage to start on January 1, 2008.

If you choose to leave our plan before December 31, 2007, and don’t select when your Original Medicare Plan coverage starts, we will let you know, in writing, what date your new Original Medicare Plan coverage begins. You will get your

health care from the Original Medicare Plan the day after your enrollment with our plan ends.

IMPORTANT -- If You Currently Have Medicare Prescription Drug Coverage Through a Separate Company

If you already have a Medicare Prescription Drug Plan from another plan, your disenrollment from our plan will not impact your enrollment in your drug coverage. Effective January 1, 2008, you will be in the Original Medicare Plan and your prescription drug coverage that you have will continue.

However, if you choose to enroll in another Medicare Advantage plan that offers Medicare prescription drug coverage, your enrollment in your current prescription drug plan will end.

If you want another Medicare drug plan, you should compare those available and join one that meets your needs. Find out which plans cover the prescriptions you take and what pharmacies you can use to fill your prescriptions. For help comparing the costs and coverage of each plan, call 1-800-MEDICARE (1-800-633-4227) or visit www.medicare.gov on the web for step-by-step help with your Medicare prescription drug coverage options. TTY users should call 1-877-486-2048. You can also call <name of SHIP> at <SHIP number(s)>. TTY users can call <SHIP TTY number>.

If You Want Prescription Drug Coverage

The Original Medicare Plan does not include Drug Coverage. To get drug coverage under Original Medicare you must join a Medicare Prescription Drug plan.

If you change to the Original Medicare Plan and want to get prescription drug coverage, you can join a Medicare Prescription Drug Plan. Medicare prescription drug coverage is available to everyone with Medicare. Private companies provide this coverage. Like other insurance, if you decide not to join when you are first eligible, you may pay a penalty if you choose to join later.

If you want a Medicare drug plan, you should compare those available and join one that meets your needs. Find out which plans cover the prescriptions you take and what pharmacies you can use to fill your prescriptions. For help comparing the costs and coverage of each plan, call 1-800-MEDICARE (1-800-633-4227) or visit www.medicare.gov on the web for step-by-step help with your Medicare prescription drug coverage options. TTY users should call 1-877-486-2048. You can also call <name of SHIP> at <SHIP number(s)>. TTY users can call <SHIP TTY number>.

If you join a Medicare drug plan, your coverage may start on November 1, December 1, 2007, or January 1, 2008, as long as the plan you want to join gets your request to join **before the start date you choose**.

If you don't join a Medicare Prescription Drug Plan, and you don't have other drug coverage that is at least as good as Medicare's, you may have to pay a penalty if you join later. This means you pay a higher premium for as long as you have Medicare prescription drug coverage.

Option 3: You Can Change to the Original Medicare Plan, Buy a Medigap (Medicare Supplement Insurance) Policy, and Join a Medicare Prescription Drug Plan

Understanding Medigap

A Medigap policy, also called "Medicare Supplement Insurance," is a health insurance policy sold by private insurance companies. Costs that you must pay like coinsurance, copayments, and deductibles are called "gaps" in Original Medicare Plan coverage. You might want to consider buying a Medigap policy to help cover these gaps. Some Medigap policies also cover other benefits that aren't covered by Medicare like emergency health care while traveling outside the United States.

Since January 1, 2006, you can't buy new Medigap policies covering prescription drugs because private companies approved by Medicare now offer Medicare prescription drug coverage.

Coverage under a Medigap policy is different from the coverage you have under <plan name>. Since Medigap policies only help pay health care costs if you are in the Original Medicare Plan, you don't need to have a Medigap policy if you are in a Medicare Advantage Plan.

In most States, there are 12 standardized Medigap policies available. They are called Medigap Plans A through L. Each plan has a different set of benefits. Plans K and L are new policies that have higher out-of-pocket costs for certain benefits than Plans A-J. However, Plans K and L limit those out-of-pocket costs. Plans K and L will generally cost less than Plans A-J because they have higher out-of-pocket costs and provide fewer benefits.

It is important that you read this entire section to find out if you have Medigap rights and to understand your choices. If, after reading this section, you still have questions about your Medigap rights, call <name of SHIP>, your State Health Insurance Assistance Program at <SHIP number(s)>. <Name of SHIP> is a State program that gives free local health insurance counseling to people with Medicare.

If you change to the Original Medicare Plan, you may want to buy a Medigap policy. If you want to buy a Medigap policy, follow these basic steps:

1. Contact a private insurance company that sells Medigap policies and ask for an application.
2. Apply for a policy **before** your coverage under <plan name> ends so that your Medigap policy coverage starts the same day as your Original Medicare plan coverage. **If you wait until [plan name] ends to apply for a Medigap policy, you may incur a gap in coverage because the Medigap policy will not be effective immediately. In order to prevent a gap in coverage, apply while you are still enrolled in [plan name] and request that the Medigap policy coverage begins on the date [plan name] terminates. However, to protect your rights to buy a Medigap policy, you must apply for a Medigap policy no later than 63 calendar days after your coverage under <plan name> ends.** Your coverage under <plan name> ends on December 31, 2007, unless you ask to leave our plan before that date.
3. **Make a copy of the cover letter that came with this mailing and send that letter in with your Medigap application.** It will prove that you have special rights to buy a Medigap policy.

Remember, you will have coverage under the Original Medicare Plan even if you don't buy a Medigap policy.

Your Rights to Buy a Medigap Policy

Usually, private insurance companies usually don't have to sell you a Medigap policy unless you are still in your Medigap open enrollment period. Your Medigap open enrollment period is usually the 6-month period that starts when you are age 65 or older **and** enrolled in Medicare Part B. If you are under age 65, you will get a 6-month Medigap open enrollment period when you turn age 65 **and** are enrolled in Medicare Part B. In addition to Medigap open enrollment rights, you may have special rights called Medigap protections or guaranteed issue rights when you lose your health insurance coverage or your health coverage changes. If you buy a Medigap policy, and you have guaranteed issue rights, the insurance company must sell you a policy, must cover pre-existing conditions, and can't charge you more because of any past or present health problems.

Because you will no longer have coverage under [plan name], you may have a limited right to buy a Medigap policy.

- **If you are age 65 or older:**

You have the right to buy Medigap Plan A, B, C, F, K or L from any company selling these policies in <State>. You can apply for a Medigap policy any time after the date of this letter. It is best to apply for a Medigap policy **before** your coverage under <non-renewing plan> ends. To protect your rights, **you must apply no later than 63 calendar days after your coverage under our health plan ends.** Your coverage under <non-renewing plan> ends on December 31, 2007, unless you ask to leave our plan before that date.

- **In the following situations you may also have the right to buy other Medigap plans** in addition to Plan A, B, C, F, K or L:

- you are age 65 or older and first got Medicare Part B in the last 6 months;
- you dropped a Medigap policy within the past 12 (in some cases 24) months to join a Medicare Advantage Plan for the first time; or
- you joined a Medicare Advantage Plan during the last 12 (in some cases 24) months when you were first eligible for Medicare Part A at age 65.

If you think any of these situations apply to you, or if you are not sure, you should call <name of SHIP> at <SHIP phone number(s)> as soon as possible because **you must apply for a Medigap policy in a limited time period.**

- **If you are under age 65:**

You may not be able to buy a Medigap policy until you turn age 65. There is no federal law that says insurance companies must sell Medigap policies to people under age 65. However, some states require insurance companies to sell you a policy at certain times, even if you are under age 65. If an insurance company voluntarily sells Medigap Plan A, B, C, F, K or L to anyone with Medicare who is under age 65 in <State>, it must sell these plans to anyone whose Medicare Health plan will no longer provide Medicare services. Call the <name of SHIP> at <SHIP number> for more information about whether any Medigap policies are offered to people with Medicare under age 65 in <State>. It is best to apply for a Medigap policy **before** your coverage under <non-renewing plan> ends. To protect your rights, **you must apply no later than 63 calendar days after your coverage under our health plan ends.** Your coverage under <non-renewing plan> ends on December 31, 2007, unless you ask to leave our plan before that date.

You can apply for a Medigap policy any time after the date of this letter. Remember, it is best to apply for a policy **before** your coverage under [plan name] ends so that your Medigap policy coverage starts the same day as your Original Medicare Plan coverage. However, to protect your rights, **you must**

apply no later than 63 calendar days after your coverage under our health plan ends. Your coverage under [plan name] ends on December 31, 2007, unless you ask to leave our plan before that date.

To find out more about your Medigap rights and to get help making a decision, call the <name of SHIP> at <SHIP phone number(s)>.

If you change to the Original Medicare Plan, buy a Medigap policy, and want to get prescription drug coverage, you can join a Medicare Prescription Drug Plan. See Option 2, earlier in this notice, for information on joining a Medicare Prescription Drug Plan.

Option 4: You can change to the Original Medicare Plan and use other health care and prescription drug coverage, such as an employer or union group health care plan, VA benefits, or TRICARE for Life.

You may already have health care and prescription drug coverage such as an employer or union group health care plan, veteran's benefits, or military retiree benefits. You should call your insurer or benefits administrator to see if you might need additional coverage and how much it costs.

Section 2: What if I Currently Have Permanent Kidney Failure? *(include only if non-renewing plan has ESRD members)*

Different rules may apply to people with Medicare who have permanent kidney failure (also called End-Stage Renal Disease or ESRD). **If you don't have permanent kidney failure, skip to Section 3.**

If you have permanent kidney failure, you have a one-time right to join a new Medicare Advantage Plan. *(If other plans are available, insert: Available Medicare Advantage Plans are shown in Section 1. If no other plans are available, insert: Since there are no other Medicare Advantage Plans available in your area, you will get your Medicare-covered benefits from the Original Medicare Plan.)* Save this letter as proof of your right to join a new Medicare Advantage Plan. If you change directly to the Original Medicare Plan after leaving <name of plan>, you will still have a one-time right to join a Medicare Advantage Plan at a later date as long as you are in an enrollment period.

(Omit if no other plans are available) If you join a new Medicare Advantage Plan and later choose to leave that plan, you won't be able to join another Medicare Advantage Plan. You will get your Medicare coverage from the Original Medicare Plan. The only way you may get another chance to join a new Medicare Advantage Plan is if the new plan you join later leaves the Medicare Program or stops providing care in your area.

Section 3: What if I Only Have Medicare Part B? *(include only if non-renewing plan has Part B only members)*

If you have both Medicare Part A and Part B, skip to Section 4.

If you aren't sure if you have Medicare Part A and/or Part B, you can check the lower left corner of your red, white, and blue Medicare card. It will show which parts of Medicare you have. If you still aren't sure, call your local Social Security office or call the Social Security Administration at 1-800-772-1213.

If you want to join a new Medicare Advantage Plan or you want to buy a Medigap policy, you must have both Medicare Part A and Part B. If you currently have only Medicare Part B, you will have to enroll in Part A. If you want to enroll in Part A, you should call the Social Security Administration at 1-800-772-1213 or visit your local Social Security office to find out how much it will cost. The minimum amount you will pay for Part A is \$ <2007 premium amount> per month in 2007. [*Note: if 2008 amount available, repeat sentence with 2008 amount*]. This amount will change every year.

Note: If you get your Medicare coverage through an employer or union group health care plan, check with your benefits administrator to see if there is an exception to this rule.

[Note to MA organizations—If cost plan choice(s) exists, add the following: "There are exceptions to this rule for certain types of Health Maintenance Organization (HMO) plans, called Medicare Cost Plans. You may be able to join a Medicare Cost Plan, even if you don't have Medicare Part A. If you are interested in joining, you should call the plan to see what the requirements are. <Name(s) of cost plan(s)> (is a Medicare Cost Plan) (are Medicare Cost Plans). Look in Section 1 under Option 1 for (<name of cost plan>'s phone number.) (the plans' phone numbers.)]

When to Enroll in Medicare Part A

If you enroll in Medicare Part A, you can enroll in October, November, or December 2007, or January 2008. If you enroll during one of these months, your Part A coverage will begin January 1, 2008, unless you say you want it sooner. You can also enroll from February 2008 through August 2008. If you enroll during one of these months, your Part A coverage will begin the month after you enroll. The Social Security Administration can give you information about enrolling in Medicare Part A. You can visit your local Social Security office or call them at 1-800-772-1213. TTY users should call 1-800-325-0778.

If you don't enroll in Medicare Part A during the months specified above, you can still enroll from January through March of every year. If you enroll during these months, your Part A coverage will begin on July 1st of that same year. You can join another Medicare Advantage Plan at that time.

Section 4: Where Can I Get More Information and Help with My Health Care and Prescription Drug Coverage Decisions?

- Visit www.medicare.gov on the web

This is Medicare’s official consumer website. Here are some of the tools you can use to get quick answers to your questions:

- Medicare Personal Plan Finder – Look at and compare the health plan options in your area.
- Helpful Contacts – Get telephone numbers for local organizations that can answer your questions and links to other health websites.

- **Call 1-800-MEDICARE (1-800-633-4227)**
TTY users should call 1-877-486-2048

This toll-free help line is available 24 hours a day, seven days a week, to answer your questions about Medicare and to take orders for Medicare publications. You can speak to a Customer Service Representative in English or Spanish. You can also get information about ways to help with your prescription drug and other health care costs.

- **Get a copy of the “Medicare & You” handbook or other Medicare publications**

The “Medicare & You” handbook provides information about your health care choices. The handbook is mailed to people with Medicare each October. The handbook is available in English, Spanish, Braille, large print (English and Spanish), or on audiotape (English and Spanish). Other helpful publications include “Choosing A Medigap Policy: A Guide To Health Insurance For People With Medicare” (CMS Pub. No. 02110), “Your Guide to Private Fee-for-Service Plans” (CMS Pub. No. 10144), and “Your Guide to Medicare Prescription Drug Coverage” (CMS Pub. No. 11109). You can read or print out these publications at www.medicare.gov on the web. Or, you can call 1-800-MEDICARE (1-800-633-4227) and ask for a free copy. TTY users should call 1-877-486-2048.

- **Call <name of State Health Insurance Assistance Program (SHIP)>**
<SHIP number(s)> [*Note: Your CMS Regional Office can provide the SHIP name and the telephone number(s) that should be used here.*]

Volunteer health insurance counselors are available to answer your questions, discuss your needs, and give you information about your options.

- **Call <name of State Insurance Commissioner’s Office> at**
<appropriate phone number(s)> [*Note: Your CMS Regional Office can provide the name and the telephone number(s) that should be used here.*]

Call if you have questions about the Medigap policies available in your area.

- **Call your State Medical Assistance Office at** <state Medical Assistance office number>

Call to see if your state has a program for people with limited income and resources that pays Medicare premiums and, in some cases, Medicare deductibles and coinsurance. It is very important that you call if you think you qualify even if you aren't sure. TTY users should call <state Medical Assistance office> at <TTY number>.