



1901 MARKET STREET
PHILADELPHIA, PA 19103-1480

[Date]

[Member Name]
[Street Address]
[City, State, Zip]

Re: Account ID No. []

Dear [First Name] [Last Name]:

I am writing to let you know the monthly rates for your Individual HMO plan, which is underwritten by Keystone Health Plan East, are going up and we have made modifications to your health benefits effective July 1, 2010.

NATURE OF THE RATE CHANGES

The Pennsylvania Insurance Department recently approved a 9.9 percent rate increase for our Individual Medically Underwritten HMO plans that will affect your monthly premiums. Beginning [Date], your monthly premium for [Plan] will be [Amount] per month.

We want you to know that we carefully consider all options before increasing premiums and that we have not raised Individual HMO rates since May 2007. However, as the cost of medical care continues to increase, premiums must also be adjusted so that we are able to continue to provide quality health care coverage for our members. Keep in mind that about 90 cents of every health care premium dollar paid to Independence Blue Cross goes to providers to pay for our members' care. As the costs for these services go up, so must the premium rates that our members pay for their coverage.

You do not need to take any action if you wish to continue your coverage under your current Keystone Individual HMO plan.

If you pay your premiums through a monthly automatic bank withdrawal, please make note of the new amount that will be deducted from your account beginning in July 2010. Your June billing notice will reflect the new premium.

OTHER PLAN OPTIONS TO CONSIDER

If you do not already have the lowest cost Individual health care plan, you may want to consider changing your current coverage to one that has a lower monthly premium, but has higher cost-sharing. Enclosed is a flyer, Choose the Plan That's Right for You, to help you compare your options.

We also have new Individual Personal Choice[®] PPO* plans available July 1, 2010, that may provide additional choices for you. Some of these plans offer higher deductibles and lower premiums for those who may be looking for more cost-effective options.

(over)

For additional information on the Individual health care plan options available to you, go to www.ibx.com/changemyplan or call 866-269-6548.

HOW TO CHANGE PLANS

If you decide to enroll in a lower cost option, please complete the enclosed Plan Change Request Form and submit it to IBC in the postage-paid envelope provided or fax it to 215-238-2280. For your new plan to be reflected in your next invoice, IBC must receive your completed plan change request form by June 9, 2010.

To allow time for processing plan change requests, we will be delaying July billing until June 15 but will still provide you with three weeks to submit your payment if paying by check. For members who pay their invoices through monthly automatic bank withdrawal, your premium may be withdrawn up to a week later than usual.

NATURE OF THE CHANGE IN BENEFITS

Periodically, we review our plans and then update and clarify your benefits. The enclosed Summary of Benefits flyer provides a brief summary of each change to give you a better understanding of your benefits coverage. We have also enclosed an official amendment to your benefits agreement. Please read the information carefully and keep the documents for your records.

One important benefits change that we are making, effective July 1, 2010, is that self-injectable drugs will be covered only under the prescription drug benefits portion of your coverage and will no longer be covered under the medical benefits. For a better understanding of how this change may affect you, read the enclosed flyer, Important Information About Self-injectable Drug Changes, which explains it.

Thank you for continuing to trust your health insurance needs to Keystone Health Plan East and Independence Blue Cross. If you have questions concerning this rate adjustment, or want to learn more about other Individual health plan options please call 866-269-6548.

Sincerely,



Brett A. Mayfield
Vice President, Sales

Enclosures

**KEYSTONE HEALTH PLAN EAST
INDIVIDUAL HMO
PLAN CHANGE REQUEST FORM**

[DATE]

**[MEMBER NAME]
[ACCOUNT ID NO.]**

I have reviewed the enclosed Individual HMO Choose the Plan That's Right for You flyer.

Effective **[Date]**, please change my Individual HMO Option Plan to the following plan:

___ HMO \$15 Copay at a monthly premium of **[Amount]** for **[Single]** **[Family]** coverage.

___ HMO \$20 Copay at a monthly premium of **[Amount]** for **[Single]** **[Family]** coverage.

___ HMO \$1500 Deductible at a monthly premium of **[Amount]** for **[Single]** **[Family]** coverage.

___ HMO \$2500 Deductible at a monthly premium of **[Amount]** for **[Single]** **[Family]** coverage.

___ HMO \$5000 Deductible at a monthly premium of **[Amount]** for **[Single]** **[Family]** coverage.

I understand that if at some future date I wish to change back to the HMO Option Plan in which I was enrolled prior to this change, the change will be subject to medical underwriting.

MEMBER SIGNATURE _____ DATE _____

SPOUSE SIGNATURE _____ DATE _____

Completed forms can be faxed to 215-238-2280 or mailed to:
Independence Blue Cross
Individual Medical Underwriting
P.O. Box 41474
Philadelphia, PA 19101-1474