

May 2010

Dear Valued Member,

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

RATES GUARANTEED FOR SIX MONTHS FROM PURCHASE DATE

The Pennsylvania Insurance Department recently approved a 9.9 percent rate increase for your Individual Medically Underwritten HMO plan. However, as a new Individual HMO member, your monthly premium rate is guaranteed for the first six months you are insured. At the end of your first six months of coverage, we will notify you of the new monthly premium rate for your coverage. If you do not already have the lowest cost option, we will also provide alternative options with lower premium rates at that time so that you can review your options and choose coverage that meets both your health care needs and budget.

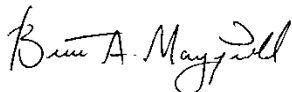
NATURE OF THE CHANGE IN BENEFITS

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 any questions concerning the future rate adjustment or benefit changes, please call 1-866-269-6548.

Sincerely,



Brett A. Mayfield  
Vice President, Sales  
Enclosures

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