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VIRGINIA EDITION
June 2, 2010

PRINT

Anthem News Flash

URGENT
NEWS
FOR YOU...

Virginia Medicare Supplement Rate Adjustments Effective July 1, 2010

CLOSED BLOCK AS OF 5/31/10

To assist you in discussions with clients regarding the Blue Assurance products, we would like to inform you of a rate adjustment effective July 1, 2010.

Listed below are the approved rate adjustments for the attained age (Blue Assurance) Medicare Supplement plans. These rates are effective July 1, 2010.

PLAN NAME	RATE ADJUSTMENT
Blue Assurance PLANS	
Plan A	0.0%
Plan F	5.0%
Plan F (High Deductible)	0.0%
Plan I (Closed)	0.0%
Plan J (Closed)	-3.5%

See the attached [Rate Sheet](#) for the new premium amounts.

REMINDER: Attained Age Rating

Age-Related Premium Change: Please note that these plans are an attained age product, which means that as enrollees reach a new age category, their premium will change based on the new age category. The **age-related premium changes** occur on July 1 of each year. Therefore, while there may not be a medical cost increase - your client will see an increase due to the rating method for the product. If an individual is age 75 or older their premiums will not change based on their new age as the age-related premium changes cap at age 75.

Just a reminder: there is no rate guarantee on new business. It is important to note that the policy has never contained a rate guarantee provision. These plans close as of 5/31/10 to new enrollment. In the event a member decides to move out of the Blue Assurance attained age product, they cannot return to this plan - except in limited circumstances.

Why is an Adjustment Necessary?

Rate adjustments are necessary for several reasons. First, the Center for Medicare & Medicaid Services (CMS) increased the deductible and coinsurance amounts effective January 1, 2010. Our plans that cover the deductible and coinsurance amounts will cover the increased amounts. That means the amount we pay out in benefits increased. In addition, the cost of providing health care services continues to increase each year and the population covered by Medicare Supplement policies tends to need more health care services as they grow older.

Effective January 1, 2010, CMS made the following changes to Medicare's deductible and coinsurance.

- Part A deductible will increase from \$1068 to \$1100
- Part A coinsurance amounts increased from:
 - \$267 to \$275 per day for care from the 61st to the 90th day in the hospital
 - \$534 to \$550 per day for the 60 lifetime reserve days
- Skilled Nursing Facility Care Coinsurance from \$133.50 to \$137.50 per day days 21 through the 100
- For Medicare Part B Deductible increased from \$135 to \$155

Your clients **did not** experience any change to their Medicare Supplement benefits.

What Information Will My Clients Receive about this Adjustment?

During the last week of May, your clients will receive:

- One of two letters, notifying member that there has been no change/decrease or increase in their premium. ([No Change/Decrease Letter](#), [Rate Increase Letter](#))
- [Important Information About Premiums and Other Costs](#) for Medicare plans.
- [NCOA Brochure](#) announcing collaboration with NCOA to assist members.

****NOTE: THIS BLOCK OF BUSINESS CLOSES AS OF 5/31/2010**

NEW MEDICARE SUPPLEMENT ENROLLMENT AFTER 5/31/2010 HAS TO BE PLACED IN THE 2010 STANDARDIZED PLANS**

If you have any questions about any of the information listed above, please contact the Broker Sales and Retention Unit at **1-800-225-3611**, follow the prompts and select Option 1.

If you have any questions about any of the information listed above, please contact your sales representative.

Thank you for your continued support!

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