

*For Distribution to Brokers/General Producers/Full-Service Producers Only
(Not Intended for Distribution to Groups and Members)*

June 25, 2010

Virginia House Bill 315 Extends State Continuation Coverage to 12 Months

Market: VA groups with 20 or fewer employees for Indemnity plans only

Virginia House Bill 315 extends State Continuation Coverage for group indemnity policies from 90 days to 12 months. This applies to employers headquartered in Virginia that have 20 or fewer employees. This extension of continuation coverage will be available for new groups effective July 1, 2010 and for renewing groups at their next renewal on July 1, 2010 and after.

This legislation does not apply to HMO policies. Additionally, it does not apply to groups with more than 20 employees, as they would be subject to federal COBRA requirements.

Attached is a copy of the letter that will be mailed to all VA employers with 20 or fewer employees that offer an Indemnity (PPO or Traditional) health plan to notify them of this change.

Should you have any questions, please contact your Broker Sales Representative.



Shekar Subramaniam
Associate Vice President, Broker Sales

CareFirst BlueCross BlueShield
840 First Street, N.E.
Washington, DC 20065
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June 29, 2010

Dear Group Administrator:

CareFirst BlueCross BlueShield (CareFirst) is committed to providing you with the most current information regarding legislation changes that impact your group health plan coverage. This letter is to notify you about a legislative change effective **July 1, 2010** that impacts the period of State continuation coverage for your health plan.

Based on the passing of Virginia House Bill 315, beginning on **July 1, 2010**, the period of State continuation coverage will be extended from 90 days to 12 months for indemnity products (such as a PPO or Traditional plan) only. This legislation does not impact HMO plans, and will be effective for your members upon your group's renewal date.

As a reminder, State continuation coverage is a state law under which group health plans sponsored by employers with 20 or less employees must offer continuation of coverage to employees and their dependents. Qualifying Individuals include Employees or Former Employees, Spouse or Former Spouse, and Dependent Children covered by the Plan the day before the qualifying event occurred.

If your group has more than 20 employees, please ignore this notice as your group would be subject to federal COBRA requirements.

Should you have additional questions about this letter, please contact your broker or CareFirst account representative.

Sincerely,

A handwritten signature in black ink that reads "Robyn Baumgartner". The signature is written in a cursive style.

Robyn Baumgartner
Director of Enrollment and Billing

MAN2582 (6/10)