

2007 MODEL ANNUAL NOTICE OF CHANGE
Cost Plan

[NOTE: This document must also be sent to all new members who enroll in a plan between October 31st and December 31st.]

Dear [member name] - or - [Member]:

[Note: The organization may modify this introductory paragraph to tailor to its needs, as long as the paragraph is kept brief.]

This is the time of year when we like to thank you for your membership and inform you of plan changes for the upcoming year. Beginning January 1, 2007, there will be some changes to [insert plan name]. The following changes are described in this letter.

- How will my monthly premium change for <year>?
- How will my benefits and costs change for <year>?
- How will my prescription drug coverage change for <year>?
- Are there other benefits I can get? [insert if applicable]
- When can I change from on Medicare health plan to another?

How will my monthly premium change for <year>?

Starting January 1, <year>, the monthly premium that you pay to [insert plan name] will [*<increase/decrease> from \$<xx.xx> to \$<xx.xx> [stay the same at \$<xx.xx>].*]

How will my benefits and costs change for <year>?

[Clearly describe all other benefit changes, including changes in cost sharing and any new benefits that will be offered by the plan in the coming year or that will be covered by Medicare. Also describe any benefits offered in the current year that will no longer be offered by the plan in the upcoming year. Organizations which offer Medicare Part D coverage as an optional supplemental benefit should clearly describe how Medicare Part D coverage will change from the prior year drug coverage, including changes in cost sharing, annual drug cap, and drug coverage. Also describe any drug coverage offered in the current year that will no longer be offered by the plan in the upcoming year. When describing benefit changes, do so by comparing the current year benefit with the upcoming year benefit. For consistency, list the benefit changes in the order of the Summary of Benefits.]

We have enclosed a summary of your benefits, premiums, and co-payments that will be effective January 1, <year>. Medicare has reviewed and approved the changes in benefits, premiums, and other costs included in this letter and on the enclosed Summary of Benefits. We will send you an [insert: "Evidence of Coverage" or whichever name you use as the name for the EOC] [insert either "by [date]" if you are sending earlier than January 31, <year> or "by January 31, <year>"]. All changes begin January 1, <year>, and will be in effect through December 31, <year>, except for those formulary

changes that decrease cost or increase safety. Rest assured that you will be a member of [insert plan name] for the coming year if you do nothing to change your Medicare coverage.

[If the organization lists more than one plan [without drug coverage] offering on the enclosed SB, the organization must identify the specific plan in which the member will be enrolled. In addition, if the organization lists only one plan in the SB but offers multiple plans in the service area, the ANOC must notify beneficiaries that additional plans are available and include specific information on how beneficiaries can obtain more information.]

How will my prescription drug coverage change for <year>?

[Name of plan], the plan you are enrolled in [does / does not] offer Medicare prescription drug coverage. [Only organizations which offer Medicare Part D coverage as an optional supplemental benefit should direct members to that section of this document which details those changes / benefit details]

You [Plans offering Part D coverage include: can choose the Medicare prescription drug coverage [Name of plan] offers or you or you] can join any Medicare prescription drug plan that is offered in your area. However, there are limits on when and how often you can change the way you get your Medicare prescription drug coverage. You can make a change to your Medicare prescription drug coverage choice from November 15, <year> through December 31, <year> with coverage beginning on January 1, <year>. This would include switching to [Plans offering Part D include, if applicable: prescription drug coverage that we offer or to] a plan offered by a different organization. You can't make any other changes during the year unless you meet special exceptions, such as if you have both Medicare and Medicaid coverage.

If you have questions about Medicare prescription drug coverage, you can call 1-800-MEDICARE (1-800-633-4227) to find plans available in the area where you live. TTY/TDD users should call 1-877-486-2048. Medicare customer service representatives are available, 24 hours a day, seven days a week, to answer questions about Medicare.

Are there other benefits I can get?

[Include this section if the plan offers optional supplemental benefits.]
[Clearly describe any optional supplemental benefits and the premiums for those benefits. A description of the process that the member must follow to elect optional supplemental benefits must also be included.]

When can I change from one Medicare health plan to another?

There are several types of Medicare coverage that people with Medicare can choose from. These include cost plans such as [insert name of plan], Medicare Advantage plans, and the Original Medicare Plan. Some cost plans and Medicare Advantage plans also

offer prescription drug coverage, and if you choose the Original Medicare Plan, you can get prescription drug coverage through a Medicare prescription drug plan.

There are limits on when and how often you can change the way you get your Medicare coverage. Although you may be permitted to switch from one plan (like *[name of plan]*) to one of the other plans we offer, or you may be able to join another cost plan offered by another organization at any time (assuming they are open to new enrollment), restrictions may limit your ability to join a Medicare Advantage plan or a Prescription Drug plan if you leave your cost plan. If you have questions about your enrollment options and opportunities, you can call 1-800-MEDICARE (1-800-633-4227) for more information. TTY/TDD users should call 1-877-486-2048. Medicare customer service representatives are available, 24 hours a day, seven days a week, to answer questions about Medicare

Where can I get more information?

Please call our Member Services Department *[insert days and hours of operation]*, at *[insert phone number]* if you have any questions. TTY/TDD users should call *[insert TTY/TDD phone number]*.

You can also get information about the Medicare Program and Medicare health plans by visiting www.medicare.gov on the web or by calling 1-800- MEDICARE (1-800-633-4227). TTY/TDD users should call 1-877-486-2048. Medicare customer service representatives are available, 24 hours a day, seven days a week, to answer questions about Medicare.

We look forward to serving you now and in the future.

Sincerely,
Plan Representative