



MASSACHUSETTS

June 2010

Dear Valued Customer:

As reported in the March IAI, more than a year after the enactment of the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), the Departments of Labor, Health and Human Services, and Treasury issued the Interim Final Rule (the Rule) on February 2, 2010. Generally, the Rule prohibits group health plans from applying financial requirements or treatment limitations to mental health or substance use disorder benefits that are more restrictive than financial requirements or treatment limitations placed on medical and surgical benefits. The Rule provides quantitative tests for a health plan to determine if the benefit plan is in compliance with this provision.

Beginning July 1, 2010, the Rule will be fully applied to new sales and on renewals for both insured and self-insured accounts and employer groups with more than 50 employees. Accounts with a collective bargaining arrangement that was in effect on October 3, 2008 may be able to defer implementation until the collective bargaining arrangement terminates.

Given the scale of these parity regulations and the short timeline for achieving compliance for July, August, and September 2010 renewals and new sales (up to September 25, 2010), we will modify benefits to have a \$0 member cost share for outpatient mental health/substance use services, effective on the plan renewal date.

Rates for July and August accounts will be adjusted prospectively, beginning September 1. We will also permit July, August, and September accounts to further modify their medical/surgical benefits off-anniversary, beginning September 1 or earlier, in order to achieve compliance and mitigate any added costs in lieu of the \$0 cost share.

Your account executive will be contacting you shortly to discuss your particular situation.

As always, our dedication to keeping our valued customers informed about updates to our plans is a top priority. If you have any questions or comments, please contact your account executive.

Sincerely,

A handwritten signature in black ink that reads "Timothy J. O'Brien".

Timothy J. O'Brien
Senior Vice President
Sales Division