November, 2014

Dear <Name>

Thank you for the opportunity to continue serving your Medicare Supplement coverage needs. In this letter we summarize upcoming Medicare cost-sharing changes, briefly discuss the new member website portal, and remind you about our dental PPO plans.

**Annual Medicare cost-sharing changes**

There are no changes to your Blue Shield plan benefits this January. However, the federal government has made the following changes to the amount you pay, or “cost share,” for your Medicare benefits. Many of the changes may not affect you based on the plan you are enrolled in. See the table below. These changes are effective January 1, 2015:

<table>
<thead>
<tr>
<th>2014</th>
<th>2015</th>
<th>Benefit</th>
<th>Who is affected?</th>
</tr>
</thead>
<tbody>
<tr>
<td>$104.90</td>
<td>$104.90</td>
<td>Monthly Part B premium*</td>
<td>No change from 2014.</td>
</tr>
<tr>
<td>$147</td>
<td>$147</td>
<td>Part B deductible</td>
<td>No change from 2014.</td>
</tr>
<tr>
<td>$1,216</td>
<td>$1,260</td>
<td>Part A deductible</td>
<td>For Plans B, C, D, F, High Deductible F**, G, H, I, J and N, you are not affected</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>For Plan A you will be responsible for the listed amount. For Plan K you will be responsible for 50% of the listed amount.</td>
</tr>
<tr>
<td>$304</td>
<td>$315</td>
<td>Daily cost to beneficiary for hospital days 61 to 90 in a benefit period</td>
<td>For all Blue Shield plans, you are not affected.</td>
</tr>
<tr>
<td>$608</td>
<td>$630</td>
<td>Daily cost to beneficiary for hospital days beyond the 90th day in a benefit period</td>
<td>For all Blue Shield plans, you are not affected.</td>
</tr>
<tr>
<td>2014</td>
<td>2015</td>
<td>Benefit</td>
<td>Who is affected?</td>
</tr>
<tr>
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</tbody>
</table>
| $152 | $157.50 | Skilled nursing facility daily coinsurance amount after the first 20 days in a benefit period | For Plan A and B you will be responsible for the listed amount.  
For Plans C, D, F, High Deductible F**, G, H, I, J and N you will be responsible for the listed amount days 100 and after.  
For Plan K you will be responsible for 50% of the amount listed for days 21-100 and the entire amount listed for days 100 and after.                                                                                                                                               |
| $426 | $407 | Monthly Part A premium                                                  | Paid by Medicare beneficiaries who have fewer than 30 quarters of Medicare-covered employment, and certain disabled beneficiaries.                                                                                                                                                                                                                     |
| $234 | $224 | Monthly Part A premium                                                  | Paid by Medicare beneficiaries with 30 to 39 quarters of Medicare-covered employment, and certain disabled beneficiaries.                                                                                                                                                                                                                     |

* Some beneficiaries may be subject to higher Part B premiums because of their income. Please contact Social Security to find out more information about your specific Part B premium.

** After you have paid the calendar-year deductible

**Amendment to Evidence of Coverage and Health Services Agreement**
Enclosed is an endorsement to your Evidence of Coverage and Health Service Agreement (EOC) for Medicare Supplement High Deductible Plan F. This endorsement describes the annual change to the plan deductible for Medicare Supplement High Deductible Plan F and removal of the transgender exclusion, as determined by Medicare. Please keep this endorsement with your EOC for your records.

**Improved Medicare Supplement plan member section of blueshieldca.com**
You may have noticed when you sign in to blueshieldca.com, you see a new member overview page. We recently redesigned the member section of our website to give you improved navigation and easier access to benefits information, available in more languages. Key enhancements include:

- **Member Overview**
  You will now have more insight into your healthcare coverage. Based on your plan type, the new design provides a quick and comprehensive summary of important health plan information such as: common copay amounts, annual deductible, and copay maximums.
• **Claims Overview**
  Our redesigned claims experience will give you more flexibility to better manage your healthcare expenses. You can view medical claims information, with contribution breakdowns — plus, enhanced filters to customize your view of the information.

*If you’re not already registered, enroll on www.blueshieldca.com today!*  

**Blue Shield dental and dental + vision plans**
If you currently have Blue Shield dental or dental + vision coverage, we’re happy to announce that there will be **no changes** to your plan premiums for January 1.

If you’re not already a Blue Shield dental PPO or Specialty Duo dental plan member, now is the time to sign up. For more information, contact your Blue Shield agent today or call **(800) 248-2341**, from 8 a.m. to 5 p.m., Monday through Thursday, and 9 a.m. to 5 p.m. Friday, excluding holidays.

If you have any questions about your health plan, please call your broker or our Customer Service department. Representatives are available from 8 a.m. to 5 p.m., Monday through Thursday, and 9 a.m. to 5 p.m. Friday, excluding holidays:

Blue Shield of California
Medicare Supplement Plan Customer Service
**(800) 248-2341**
TTY **(800) 241-1823**

You can also contact the Health Insurance Counseling and Advocacy Program (HICAP), which provides health insurance counseling for California senior citizens. Call HICAP’s toll-free telephone number at **(800) 434-0222**, for a referral to your local HICAP office. HICAP services are provided free of charge by the state of California.

Again, thank you for entrusting us with your coverage and wellness needs. We look forward to serving you in the coming year.

Sincerely,

Blue Shield of California
Medicare Supplement Plan Customer Service

Enclosures:
- Amendment to *Evidence of Coverage and Health Services Agreement* for Blue Shield Medicare Supplement High Deductible Plan F
  - T9052-C (11/14)