



April 2009

Dear Employer:

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law on February 17, 2009. It provides individuals who are involuntarily terminated from their employment between September 1, 2008 and December 31, 2009 with an opportunity for reduced premiums for continuation coverage. The reduction in premium, or premium subsidy, for continuation coverage can last up to nine months.

Individuals who are involuntarily terminated as described above, may receive a subsidy of sixty-five percent (65%) of the premium for continuation coverage during the eligible period. The balance of the premium, thirty-five (35%), remains the responsibility of the terminated individuals who are referred to as Assistance Eligible Individuals. For groups of less than twenty (20) employees, New Jersey requires that the insurer of the group health plan be responsible for advancing the sixty-five percent (65%) subsidy. The insurer is able to recover the sixty-five percent (65%) subsidies through credits to its payroll taxes.

In order to comply with the ARRA, AmeriHealth must mail a notice about the opportunity for a premium subsidy to all Assistance Eligible Individuals who were covered by AmeriHealth since September 1, 2008. Your assistance is requested to review the enclosed list of individuals who according to our records have been terminated from your AmeriHealth plan(s) to make sure it is accurate.

If there are other individuals who have been terminated from your AmeriHealth plan(s) since September 1, 2008 but are not listed, please supply the following information:

- First and last name
- AmeriHealth Identification Number (member ID number)
- Mailing address
- Last date of employment
- Whether he or she elected New Jersey continuation coverage. If yes, please provide the dates covered by continuation coverage (Start date and end date, if applicable)
- The same information listed above for any dependents of the terminated employee who were covered by AmeriHealth, if applicable.

Please provide corrections to the enclosed list of terminated employees and information on any additional terminated employees by April 15, 2009. This information should be sent to:

AmeriHealth New Jersey
Attn: Vanessa Grubbs
485 C US Highway 1 South
Iselin, NJ 08830-3052

Notice must be provided to Assistance Eligible Individuals by April 18, 2009. State and federal regulators expect insurers and employers who are requested to supply information on terminated employees to cooperate and act as quickly as possible so that Assistance Eligible Individuals can obtain premium relief.

After Assistance Eligible Individuals are provided notice about the premium subsidy, they must complete assistance request forms to obtain the subsidy. Once the forms are completed, the Assistance Eligible Individual is required to send the forms to you, the employer, for verification of their termination status. After you have completed the verification, you are to submit the Assistance Eligible Individual's verification and other documentation to AmeriHealth. AmeriHealth will process the application packet and provide the 65% subsidy to those who qualify.

For more information on your responsibility as an employer and the premium subsidy requirements, please see your broker or sales representative.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Munoz', with a long horizontal flourish extending to the right.

Michael Munoz
Vice President, Sales and Marketing

Enclosures