

**NOTICE OF CHANGE TO YOUR PLAN BENEFITS**

[DATE]

From time to time, we make changes to our health plan benefits to keep them in line with market demands and regulatory requirements. This letter is to notify you that your plan's benefits will change on your upcoming renewal date, [DATE]. Rates for the modified plans are enclosed.

- Benefits for **physical and occupational therapy** will expand to also include coverage for developmental delays and disorders.
- Benefits for **prosthetic and orthotic devices** will expand to also include coverage for prosthetic and orthotic devices that are medically necessary to restore or maintain the ability to complete activities of daily living or essential job-related activities and that are not solely for comfort or convenience. Benefits will include coverage of all services and supplies medically necessary for the effective use of a prosthetic or orthotic device, including formulating its design, fabrication, material and component selection, measurements, fittings, static and dynamic alignments, and instructing the patient in the use of the device. Benefits will also include coverage for any repair or replacement of a prosthetic or orthotic device that is determined medically necessary to restore or maintain the ability to complete activities of daily living or essential job-related activities and that is not solely for comfort or convenience.
- Benefits for **foot orthotics**, including related charges for evaluation and casting, will no longer be subject to a \$500 lifetime maximum benefit.
- Covered services for **therapeutic radiology services, chemotherapy, or renal dialysis** will include a prescribed, orally administered anticancer medication used to kill or slow the growth of cancerous cells.

In addition to these benefit changes, the **definition for a small employer** will be modified, effective January 1, 2008, to include employers that employed an average of at least two but not more than 50 employees during the preceding calendar year.

Renewing Your Plan

If you choose to renew your plan with the plan design we've proposed, please photocopy this notice and distribute it to your covered employees as advance notice of the upcoming plan change. Once your plan renews, we will provide updated benefit summaries for all employees.

Of course, you are also welcome to choose from more than 50 other health plan designs we offer to employers in your area. If you would like to discuss any of those choices, your health insurance agent or PacificSource Client Service Representative would be happy to help you. As always, for specific questions about your plan's benefits, feel free to contact our Customer Service Department by phone at (541) 684-5582 or toll-free at (888) 977-9299, or by e-mail at cs@pacificsource.com.