



Health Net®

Health Net of California, Inc.
Health Net Life Insurance Company
PO Box 9103
Van Nuys, CA 91409-9103
A. Ortiz: CA-900-03-20

www.healthnet.com

«PH_NAME»
«GRP_ADDR_LINE_1»
«GRP_ADDR_LINE_2» «GRP_SUITE»
«GRP_CITY», «GRP_STATE» «GRP_ZIP»

June 1, 2015

Policyholder ID:
«PHID»

Upcoming change to your small business group coverage

Dear «GRP_ADDR_LINE_1»,

Hello! Thank you for choosing health coverage from Health Net of California, Inc. and/or Health Net Life Insurance Company (Health Net). We're proud to support the health of your employees – and your business.

We've made some changes to our Small Business Group (SBG) portfolio that we're telling you about now, so you can make your choices in advance of your renewal date.

Plan closures

- Transitional Relief plans will be closed as of your renewal date. These are plans that groups were allowed to keep into 2015 even though they aren't compliant with all the Affordable Care Act (ACA) changes.
- WholeCare and Salud HMO y Más ACA-compliant plans that were in effect prior to 2015 will be closed as of your renewal date. We now offer refreshed versions of these popular plan types.

Plan portfolio –choices that work for your business

Health Net has you covered with our 2015 SBG portfolio of ACA-compliant plans.

(continued)

On your renewal date in 2015, you can choose from:

Health Net of California, Inc.	Health Net Life Insurance Company
<ul style="list-style-type: none"> • WholeCare HMO Platinum \$10 • WholeCare HMO Platinum \$25 • WholeCare HMO Platinum Standard Copay • WholeCare HMO Gold \$35 • WholeCare HMO Gold \$45 • WholeCare HMO Gold Standard Copay 	<ul style="list-style-type: none"> • Health Net Platinum 90 PPO • Health Net Gold 80 PPO • Health Net Silver 70 PPO • Health Net Bronze 60 PPO
<ul style="list-style-type: none"> • Salud HMO y Más Platinum \$10 • Salud HMO y Más Platinum \$20 • Salud HMO y Más Platinum \$25 • Salud HMO y Más Gold \$35 • Salud HMO y Más Gold \$45 	<ul style="list-style-type: none"> • Health Net Gold 80 EPO Alternate • Health Net Silver 70 HSA EPO Alternate
<ul style="list-style-type: none"> • SmartCare HMO Platinum 10 • SmartCare HMO Platinum 20 • SmartCare HMO Platinum 30 • SmartCare HMO Gold 40 • SmartCare HMO Gold 50 	
<ul style="list-style-type: none"> • PureCare HSP Silver Standard Coinsurance • PureCare HSP Bronze Standard Coinsurance 	

Mark your calendar to make your plan selection by September 1, 2015.

We will send you a renewal package at least 60 days before your current plans expire. It will include detailed information about our plan offerings and corresponding rates.

Included will be the plan(s) most similar to the one you have now. You'll be able to move to that plan automatically, or choose among our other options. You can work with your broker or Health Net directly to select a new plan(s).

You and your employees will also have an opportunity to enroll for health coverage through the California Health Benefit Exchange (Covered CaliforniaTM), without medical underwriting, for a September 1, 2015, effective date.

- As an employer, you can enroll in any small employer plans offered through Covered California for a September 1, 2015, effective date.
- Employees can enroll, under a Special Enrollment Period, in any individual and family health plan offered through Covered California for a September 1, 2015, effective date.

Generally, for applications received between the 1st and the 15th of the month, coverage will be effective the first day of the following month. For applications received between the 16th and month's end, coverage will be effective the first day of the second month following submission of application.

(continued)

You will be able to obtain this coverage through the Covered California website at www.CoveredCA.com. Additional information regarding health coverage choices through Covered California is included with this letter.

Again, you don't have to take action now. You'll soon receive your renewal package from Health Net that will have all the information you need!

The fine print

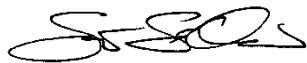
Health Net of California, Inc. has Department of Managed Health Care regulatory approval to withdraw certain HMO plans from the market and to offer replacement benefit designs. This letter provides you with the required prior notice of discontinuance of your plan on your next renewal date. Health Net is required to send a letter to your employees about this coverage change. Included with this notice is a copy of the letter we'll be sending them. Also included is the notice required by the Centers for Medicare & Medicaid Services (CMS), which contains additional information about obtaining coverage through Covered CaliforniaTM for Small Business (formerly the Small Business Health Options Program, or SHOP).

Health Net Life Insurance Company has filed with the California Department of Insurance to withdraw Transitional Relief PPO plans from the market and to offer replacement benefit designs.

Here for you and your employees

We appreciate your business and thank you for making us your trusted health care partner. For more information about Health Net's Small Business Group plans, please call your broker or Health Net at 1-800-447-8812, option 2.

Sincerely,



Scott St. Clair
Chief Sales Officer, Western Region
Individual & Small Business Group

Health Net HMO and HSP plans are offered by Health Net of California, Inc. Health Net PPO and EPO insurance plans are underwritten by Health Net Life Insurance Company. Health Net of California, Inc. and Health Net Life Insurance Company are subsidiaries of Health Net, Inc. Health Net is a registered service mark of Health Net, Inc. Covered California is a registered trademark of the State of California. All rights reserved.

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Important: Your Group Health Coverage Will Not Be Available This Year.

Dear «GRP_ADDR_LINE_1»,

We have decided not to offer your group's current health coverage again this year. The current coverage will end on September 1, 2015. This means **you may need to choose a new plan for your group members to have health insurance coverage**. This letter explains the options available to you.

Options from Health Net of California, Inc. and Health Net Life Insurance Company

You can choose any other small group coverage offered by Health Net of California, Inc. and/or Health Net Life Insurance Company (Health Net). Call 1-800-447-8812, option 2, or visit www.healthnet.com to learn about plans available to you.

What other options do I have?

- You may be able to choose a new health plan, or offer your employees a choice of plans, through different insurance companies, through the California Health Benefit Exchange (Covered California™). If you have fewer than 25 full-time-equivalent employees, you might qualify for a small business health care tax credit if you buy insurance through Covered California.
- You can choose to buy a new health plan outside Covered California – directly from an insurance company or with the help of an agent or broker. But remember: If you're eligible for a small business health care tax credit, you usually can get that credit **only** if you buy a plan through Covered California.

What else should I look at before deciding?

Call or visit the plan's website to check which doctors, other health care providers, and prescription medications are covered by the plan. This is an important step when choosing a plan that meets the needs of your group members.

When do I need to make a decision?

You generally can buy coverage any time. If group members enroll by the 15th of the month, coverage can begin on the 1st of the following month.

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We are notifying your employees

Federal law requires that we notify all group members with this coverage that it is no longer being offered. Because we might not know about other coverage decisions you have made, we'll tell your employees to check with the plan sponsor or administrator about coverage options that might be available through your organization.

Questions?

- Call Health Net at 1-800-447-8812, option 2, Monday through Friday, from 9:00 a.m. to 5:00 p.m.
- Visit www.CoveredCA.com or call Covered California at 1-877-453-9198 to learn more about Covered California.

Getting help in other languages

Spanish (español): Para obtener asistencia en español, llame al Health Net at 1-800-447-8812.

Chinese (中文)：如需中文協助，請致電 1-800-447-8812。

Sample Employee Letter, page 1



«MBR_FIRST_NAME» «MBR_LAST_NAME»
«MBR_ADDR_LINE_1» «MBR_ADDR_LINE_2»
«MBR_CITY», «MBR_STATE» «MBR_ZIP»

June 1, 2015

Subscriber ID:
«RNUM»

Important information about your current health coverage

Dear «MBR_FIRST_NAME» «MBR_LAST_NAME»,

Hello and thank you for choosing health coverage from Health Net of California, Inc. (Health Net). Having health insurance is very important, so we want you to know about an upcoming change that affects your coverage.

What's changing

Health Net is closing some of our plans, including the one you have now. We are closing:

- Transitional Relief plans will be closed as of your renewal date. These are plans that employers were allowed to keep into 2015 even though they aren't compliant with all the Affordable Care Act (ACA) changes.
- WholeCare and Salud HMO y Más ACA-compliant plans that were in effect before 2015 will be closed as of your renewal date. We now offer refreshed versions of these popular plan types.

Health Net of California, Inc. has Department of Managed Health Care approval to withdraw certain HMO plans from the market and to offer replacement benefit designs. This letter is the required "prior notice of discontinuance" of your plan as of your next renewal date.

Your health coverage choices, effective September 1, 2015

- **You can enroll in a health plan offered by your employer.** Health Net has new plans available for the 2015–2016 coverage year that your employer is reviewing. You will get information about your plan options from your employer soon, so you can choose the coverage that fits your health and your life.

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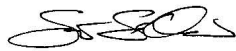
Sample Employee Letter, page 2

- **You also have the choice to enroll in coverage through Covered California™.** In addition to coverage offered through your employer, you will have an opportunity to enroll in any individual and family health plan offered through the California Health Benefit Exchange (Covered California), without medical underwriting, for a September 1, 2015, effective date. You will be able to obtain this coverage through the Covered California website at www.CoveredCA.com.

More information about health coverage choices through Covered California is included with this letter. Note that loss of employer coverage does qualify for a Special Enrollment Period.

Thanks again for choosing Health Net. We hope to be a part of your health coverage team again next year!

Sincerely,



Scott St. Clair
Chief Sales Officer, Western Region
Individual & Small Business Group

Health Net HMO and HSP plans are offered by Health Net of California, Inc. Health Net of California, Inc. is a subsidiary of Health Net, Inc. Health Net is a registered service mark of Health Net, Inc. Covered California is a registered trademark of the State of California. All rights reserved.

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