



November 15, 2005

Plan Participant:

Enclosed you will find a set of Notices or Statements related to the benefits provided to you through US Health and Life Insurance Company. Although you may have received similar notices in the past, each is important and you should read them all carefully and retain each for future reference.

- **Privacy Notice and Statement** – Together these help you understand the systems and procedures that US Health and Life utilizes in order to secure our data and information.
- **Women's Health and Cancer Rights Act of 1998** – This Act and notice explain the coverage's mandated for cosmetic surgery subsequent to breast cancer.
- **Medicare Part D Notice of Non-Creditable Coverage** – Explains your rights and responsibilities under Medicare's new prescription drug benefit based on your existing prescription drug coverage.

If you or any of your dependants who are eligible for coverage under this plan are disabled and eligible for or enrolled in Medicare based on that disability, please contact US Health and Life Insurance as soon as possible at 586/693-4400.

If you have questions or concerns after reading these forms, please contact your Benefits Representative or US Health and Life Insurance Company.

P.O. Box 37504  
Oak Park, MI 48237-0504  
(586) 693-4400 [www.ushealthandlife.com](http://www.ushealthandlife.com)

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**US HEALTH AND LIFE INSURANCE COMPANY**

# US HEALTH AND LIFE INSURANCE COMPANY

## PRIVACY STATEMENT

Company policy requires us to treat information from all of our insureds with the professionalism they expect. Maintaining this confidentiality is not only vital to our business success; it's also essential given today's regulatory environment.

Federal rules have set new restrictions on how we use the information we gather on our insured members. Title V of the Gramm-Leach-Bliley (GLB) Financial Services Modernization Act of 1999 is designated to protect the confidentiality of our insured members' nonpublic personal information.

Customer privacy is important to US Health and Life and our affiliated companies. Our customers have chosen to do business with us; and we recognize our obligation to keep the information we learn about them secure and confidential. The following is an outline of the principles of our commitment:

We intend to collect nonpublic personal information only to deliver superior products and services. This includes information we need to evaluate applications, administer accounts, and service claims.

We will require that only those employees with appropriate authority have access to this data. They will use and disclose this information for business purposes only.

We will not share personally identifiable medical information about our customers with affiliated or non-affiliated companies, unless the information is needed to underwrite or administer a customer policy, claim or account.

Whenever we employ non-affiliated companies or individuals to perform functions for us, we will give them access only to the customer information needed to perform those functions and will not allow them to use it for any other purpose. We will require these non-affiliated companies to abide by our privacy standards and retain the data only long enough to perform the stated services except as required by law.

We will maintain the same privacy standards for current and former customers; and we will fully comply with all federal and state law and regulatory requirements that protect consumer privacy.

NOVEMBER 2005

**Re: Mandate to Cover Reconstructive Surgery**

Dear Participant:

On October 21, 1998, President Clinton signed the Omnibus Appropriations Bill (HR 4328). Included in it is a mandate that health plans cover reconstructive surgery after mastectomy, known as the Women's Health and Cancer Rights Act of 1998.

Please review the following act, if you have any questions about whether your plan covers mastectomies or reconstructive surgery, please refer to your plan information booklet.

**Notice - Women's Health and Cancer Rights Act of 1998**

Under Federal Law, Group health plans that provide medical and surgical benefits in connection with a mastectomy must provide benefits for:

- (1) reconstruction of the breast on which the mastectomy was performed;
- (2) surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- (3) prostheses and physical complications of all states of mastectomy, including lymphedemas.

The benefits are subject to all of the plan's provisions including annual deductibles, copays, copayments, coinsurance, maximum benefit and Preferred Provider provisions not in conflict with the law.

The law became effective for the plan year beginning on or after October 21, 1998.

## **Important Notice From US Health and Life Insurance Company About Your Prescription Drug Coverage and Medicare**

Please read this notice carefully, and keep it where you can find it. This notice has information about your current prescription drug coverage with your current plan sponsor and new prescription drug coverage available soon for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

- 1. Starting January 1, 2006, new Medicare prescription drug coverage will be available to everyone with Medicare.**
- 2. Your plan sponsor has determined that the prescription drug coverage offered through US Health and Life Insurance Company is, on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay. This is important, because for most people, enrolling in Medicare prescription drug coverage before May 15, 2006 means you will get more assistance with drug costs.**
- 3. You have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you enroll. Read this notice carefully - it explains your options.**

You may have heard about Medicare's new prescription drug coverage, and wondered how it would affect you. Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug coverage will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

### **You might want to consider enrolling in Medicare prescription drug coverage.**

Because the coverage you have with US Health and Life Insurance Company is on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay, you might want to consider enrolling in a Medicare prescription drug plan. You can first join between November 15, 2005 and May 15, 2006. **This is important, because if you do not get Medicare prescription drug coverage (or equivalent coverage) before May 15, 2006, you may have to pay a higher premium if you join later. You will pay that higher premium as long as you have Medicare prescription drug coverage.**

### **If you don't enroll in Medicare prescription drug coverage by May 15, 2006 and change your mind later, you may pay more.**

If you wait until after May 15, 2006, to enroll, your monthly premium for a Medicare prescription drug plan could be much higher than it would have been if you had enrolled by May 15. If, after May 15, 2006, you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your premium will go up at least 1% per month for every month after May 15, 2006 that you did not have that coverage. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay.

**If you don't enroll in a Medicare prescription drug plan by May 15, 2006, you may also have to wait to enroll.**

Generally, after May 15, 2006, you can only join a Medicare prescription drug plan between November 15 and December 31 of any year. This may mean the number of months you have to wait for coverage will be longer, which could make your premium higher. In addition, your current coverage pays for other health expenses, in addition to prescription drugs. You will [or will not] still be eligible to receive all of you current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan.

**You need to make a decision. For more information about this notice or your current prescription drug coverage...**

When you make your decision, you should also compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in our area. Contact our office for further information at 586-693-4400. NOTE: You may receive this notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage changes. You also may request a copy.

**For more information about your options under Medicare prescription drug coverage...**

More detailed information about Medicare plans that offer prescription drug coverage will be available in October 2005 through the "Medicare & You 2006" handbook from Medicare. You may also be contacted directly by Medicare-approved prescription drug plans. You'll get a copy of the handbook in the mail. You can also get more information about Medicare prescription drug plans from these places:

- Visit [www.medicare.gov](http://www.medicare.gov) for personalized help.
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number).
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Date: October 15, 2005  
Name of Entity/Sender: US Health and Life Insurance Company  
Contact--Position/Office: Customer Service  
Address: 8220 Irving Road, Sterling Heights, MI 48312  
Phone Number: 800-211-1534