

STEP 3:**SUBSCRIBER ELECTION OF PREMIUM REDUCTION**

The American Recovery and Reinvestment Act of 2009 (ARRA), as Amended, reduces the State Continuation of Coverage premium in some cases. If you are receiving this election notice in connection with a loss of coverage that occurred during the period that begins with September 1, 2008 and ends with February 28, 2010, you may be eligible for the temporary premium reduction for up to 12 months. Please note that eligibility for and acceptance of the premium reduction will not extend your 12 month State Continuation of Coverage period. To determine your eligibility for the ARRA premium reduction, please review the "Summary of the State Continuation of Coverage Premium Reduction Provisions under ARRA, as Amended" provided below. If you believe you are eligible, please sign your name below.

I, _____ believe I am eligible for the ARRA
 (SUBSCRIBER SIGNATURE)
 premium reduction and want to exercise my right to the reduction.

Summary of the State Continuation of Coverage Premium Reduction Provisions under ARRA, as Amended

The American Recovery and Reinvestment Act (ARRA), as Amended, provides for a temporary premium reduction of 65 percent for up to 12 months for Assistance Eligible Individuals. To be considered eligible for a temporary premium reduction, you:

- Must have a State Continuation of Coverage election opportunity related to an involuntary termination of employment that occurred at some time from September 1, 2008 through February 28, 2010;
- Must elect coverage;
- Must not be eligible for Medicare; and
- Must not be eligible for coverage under any other group health plan, such as a plan sponsored by a successor employer or a spouse's employer.

Individuals whose 9 month premium reduction ended also have an opportunity to make a payment to continue coverage at the reduced rates. These payments must be made by February 17, 2010 or, if later, within 30 days from receipt of the notice regarding the ARRA amendment that extended the premium reduction to 12 months.

If, after you elect State Continuation of Coverage and while you are paying the reduced premium, you become eligible for other group health plan coverage or Medicare, you must notify Blue Cross & Blue Shield of Mississippi in writing at the address shown below. If you do not, you may be subject to a tax penalty.

Blue Cross & Blue Shield of Mississippi
 ATTN: Membership Department
 P.O. Box 1043
 Jackson, MS 39215-1043

Electing the premium reduction disqualifies you for the Health Coverage Tax Credit. If you are eligible for the Health Coverage Tax Credit, which could be more valuable than the premium reduction, you will have received a notification from the IRS.

The amount of the premium reduction is recaptured for certain high income individuals. If your Adjusted Gross Income for the year is more than \$125,000 (or \$250,000 for married couples filing a joint federal income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed the amounts above, you may wish to consider waiving your right to the premium reduction. For more information, consult your tax preparer or visit the IRS webpage on ARRA at www.irs.gov.

If you are denied treatment as an Assistance Eligible Individual you may have the right to have the denial reviewed. For more information regarding reviews or for general information about the ARRA Premium Reduction go to:

www.ContinuationCoverage.net or call **(866) 400-6689**

(continued on next page)

