

CREDITABLE DRUG COVERAGE NOTICE

NOTE TO EMPLOYER: Please complete the information below before distributing to individuals covered by your plan who are eligible for Medicare.

Date: November 22, 2006

Employer Name: TeamHealth

Plan Name: Blue Cross Blue Shield of Alabama

Plan Year: 2006 / 2007

Contact: Terrie Stevens, Director, Corp Benefits

Address: 1900 Winston Rd. Ste 300, Knoxville, TN 37919

Important Notice 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 employer and prescription drug coverage for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Your employer has determined that the prescription drug coverage offered by your employer is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare coverage.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15 through December 31. Beneficiaries leaving employee/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

If you do decide to enroll in a Medicare prescription drug plan and drop the prescription drug coverage provided by your employer, be aware that you and your dependents may not be able to get this coverage back.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

You should know that if you drop or lose your coverage with your employer and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay. You will have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until the following November to enroll.

For more information about this notice or your current prescription drug coverage

Contact our office for further information. NOTE: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through your employer 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 is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number) for personalized help.
- 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 Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you may call them at 1-800-772-1213 (TTY 1-800-325-0778).

REMEMBER: Keep this notice. If you enroll in one of the new plans approved by Medicare which offers prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.



**BlueCross BlueShield
of Alabama**

October 16, 2006

MS. TERRIE STEVENS
BENEFITS MANAGER
DANIEL & YEAGER
6767 OLD MADISON PIKE NW STE 690
HUNTSVILLE AL 35806-2198

Group Number(s): 08625

Dear Group Administrator:

As a service for our customers, Blue Cross and Blue Shield of Alabama performs the Medicare Part D creditability assessment of prescription drug plans we administer. This is important to members covered by your drug plan when they become eligible for Medicare Part D. If Medicare-eligible members are covered by a creditable employer-provided plan they will not be subject to the 1% late enrollment penalty if they enroll in Medicare Part D after their initial eligibility date.

Based on information available on September 18, 2006, your drug coverage for the group(s) listed above is creditable as compared to the 2007 standard Medicare Part D benefits. This creditability assessment represents the gross creditability test. Employers applying for the Retiree Drug Subsidy should contact an actuarial consulting firm to perform the net test and actuarial attestation of creditability.

The Centers for Medicare and Medicaid Services (CMS) regulations require that employer-sponsored drug plans disclose their creditability to participants annually and at other times when they may be eligible to enroll in Medicare Part D. Information about disclosure requirements can be found on the CMS web page at <http://www.cms.hhs.gov/creditablecoverage>. To assist you we have included a sample Creditable Drug Coverage Notice you may use by completing the top portion and distributing to participants prior to the Medicare Part D enrollment period beginning November 15. Additionally, a personalized Certificate of Creditable Coverage for Prescription Drugs will be mailed to members when coverage ends if the member is or will soon be eligible for Medicare Part D. A member may request a Certificate by calling Customer Service or completing an online request through Customer Access on our web site, www.bcbsal.com.

Regulations also require that employers disclose creditability information to CMS annually, and upon any change affecting the drug creditability. For plan years ending in 2007 and beyond, you must provide disclosure of creditable coverage to CMS within 60 days after the beginning of the plan year by completing the CMS disclosure form located on their web site (listed above).

Please note that if your prescription drug benefits change after September 18, 2006, a new creditability assessment will be needed. Your Marketing or Service Representative will be happy to help if you have questions about the drug plan creditability information provided above or wish to make benefit changes that affect your drug plan's creditability.

Sincerely,

A handwritten signature in black ink that reads "Tommy Hudgins".

Tommy Hudgins
Vice President, Sales

Enclosure