

AGENT NOTIFICATION

THIRD QUARTER 2007 AGENT NOTIFICATION

Please read carefully through the list of agent notifications for the CeltiCare Health Plan, CeltiCare II Health Plan, Celtic Basic Health Plan, CelticSaver HSA Health Plan, and Celtic Short-Term Health Plan in states where you sell these plans. Call your District Sales Manager at **(800) 477-7990** with questions.

- **Added Rx Benefits Available in Additional States**

As of July 1, 2007, a prescription drug benefit is included in the base plan for the CeltiCare II and Celtic Basic products in **AL, FL, IL, NE, NM, OK, and PA**. This benefit change applies to both inforce and new business with no additional increase in premium. Your current clients have been notified of this additional benefit. Please note that insureds must use a PharmaCare pharmacy to receive prescription drug benefits. The base plan prescription drug benefit structures are detailed below.

CELTIC BASIC

Annual Rx Deductible: \$1,000

After Annual Rx deductible:

Generic Drugs: \$25 copay

Brand Drugs with a generic substitute: \$25 copay + 100% of the cost difference between the brand name drug and the generic

Preferred Brand Drugs: 35% coinsurance

Non-preferred Brand and Specialty Drugs: 50% coinsurance

The Celtic Basic Prescription Drug Card Option is still available with a \$500 annual deductible.

CELTICARE II

Annual Rx Deductible: \$500

After Annual Rx deductible:

Generic Drugs: \$20 copay

Brand Drugs with a generic substitute: specified copay + 100% of the cost difference between the brand name drug and the generic

Preferred Brand Drugs: \$40 copay

Non-preferred Brand and Specialty Drugs: \$75 copay

The CeltiCare II Plus Option and stand alone prescription drug option are still available with no annual deductible for generic drugs and a \$100 annual deductible for brand drugs.

Note: Prescriptions available by mail order with a 90 day supply.

These benefits are also available in **AK, AR, AZ, CA, CO, CT*, DC, DE, GA, IN, KS, LA, MD*, MI, MO*, MS, NC, NH, OH, SC, SD, TN, TX, WI, WV, and WY** and will be introduced to additional states as they are approved. Please call your District Sales Manager at **(800) 477-7990** with questions.

* The Celtic Basic Health Plan is not available in Connecticut, Maryland, and Missouri. Rx Benefit varies in CT and MD.

(over, please)

- **Celtic Contracts with MedCost**

Celtic has contracted with MedCost – a regional Preferred Provider Organization (PPO) in North and South Carolina. MedCost will give your clients access to more providers and provide low costs through negotiated network discounts.

Quoting for June 1 effective dates began on April 1. Your North Carolina and South Carolina clients with June 1 effective dates will utilize the new MedCost network of providers to meet their healthcare needs. The MedCost network is available with all of Celtic's fully-steered physician and hospital plans.*

To view a MedCost directory that lists all participating MedCost hospitals and physicians in your area, visit our website at www.celtic-net.com for the most up-to-date information on provider locations. Additionally, in order to provide national coverage, your clients will continue using the PHCS network when traveling outside the Carolinas.

Contact your District Sales Manager today at **(800) 477-7990** to see how this good news can help increase your sales.

* The CeltiCare II "Any Doc" plan will continue utilizing the PHCS network.