



**BlueCross BlueShield
of New Mexico**

August 26, 2015

Dear Blue Cross and Blue Shield of New Mexico Individual Customers:

We are proud that since the New Mexico Health Insurance Exchange opened in 2014, we have helped thousands of customers cover the cost of vital medical services, many for the first time. Delivering high quality health insurance to the citizens of New Mexico is nothing new to us. In fact, we have served the entire state for 75 years.

Unfortunately, the prices we charged for health insurance in 2014 and 2015 did not cover our costs. This resulted in Blue Cross and Blue Shield of New Mexico losing \$19.2 million last year based on the experience of our 35,000 individual customers. We have worked to reduce our administrative expenses and provide the best value we can. Even so, we were unable to reach an agreement with the Office of Superintendent of Insurance (OSI) that would allow us to continue to offer coverage on the state's health insurance exchange with rates that would be adequate to cover the anticipated needs of our members for the coming year.

While we are committed to helping communities expand access to health insurance, we cannot offer products in a sustainable and predictable manner without adequate rates. We will continue to offer an HMO product off exchange in 2016, which will be available to all consumers.

Please know that our existing individual customer policies will remain in effect through the end of this year. Our small group, large group, commercial, Medicare Advantage Prescription Drug (MAPD), Medicaid and individual dental product lines are not impacted.

Our company has served the needs of people throughout our state by offering access to health care through a variety of individual policies in every county. We greatly value our members and are proud of our long-standing commitment to the health and well-being of New Mexicans.

We are now focused on helping our members understand the changes to their insurance going forward. As we approach open enrollment this fall, we will work with the OSI, health care providers and other stakeholders to make sure our members have the support they need to make informed choices and experience peace of mind during this transition.

To the 35,000 customers who selected Blue Cross and Blue Shield of New Mexico individual products, we thank you and look forward to continuing to compete for your business now and in the future. Please look for communication from us soon by mail and online at bcbsnm.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt Shipley".

Kurt Shipley
President