

Date: February 17, 2010

Re: Notice of Regulatory Provisions Incorporated into your
Agent Agreement with Blue Cross and Blue Shield of Texas

Dear Blue Cross Producer/Agent:

The Health Information Technology for Economic and Clinical Health (HITECH) Act, as part of the American Recovery and Reinvestment Act (ARRA), was enacted in 2009. The HITECH Act included amendments to the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Under HITECH, effective February 17, 2010, many of the requirements under the HIPAA security rule apply directly to business associates. In addition, as of the same date, the obligation to enter into and comply with business associate contracts that satisfy the HIPAA privacy requirements for use and disclosure of protected health information, PHI, also apply directly to business associates.

To comply with requirements of the ARRA legislation and HITECH, we are transmitting to you a Notice of Regulatory Provisions that will be incorporated into the Business Associate section of your existing Agent Agreement with Blue Cross and Blue Shield of Texas (BCBSTX) in accordance with Paragraph 7 of the Agreement.

We want to take this opportunity to remind you of the importance of notifying us as soon as possible if you believe that an impermissible disclosure or data security breach has been made to an unauthorized person involving Protected Health Information or Sensitive Personal Information. Penalties for such violations will now be applicable to agents as well as to BCBSTX.

Should you have any questions or need to notify us of an impermissible disclosure or data security breach concerning **group business**, please contact your group account management team. Should you have any questions or need to notify us of an impermissible disclosure or data security breach concerning **individual products**, please contact the Broker Service Unit at 1-800-531-4457.

We look forward to continuing our successful relationship and thank you in advance for carefully reviewing the information provided in the enclosed Notice.