



4950 SW 8th Street, Coral Gables, FL 33134
305-447-8373

May 12, 2015

Dear Provider,

We want to inform you that, effective immediately, Preferred Medical Plan has decided to stop accepting new enrollment and the renewal of current enrollment for all lines of business, including our Marketplace and Medicaid lines of business.

We have decided to take these temporary steps while we address the uncertainties related to the final payments due under the Affordable Care Act's (ACA) premium stabilization programs, otherwise known as the 3Rs. These are new requirements for health plans across the country, and we are taking prudent steps while awaiting HHS's final risk adjustment and risk corridors figures, which are expected this summer and fall, respectively.

This decision also addresses the well-publicized issue of the current Medicaid rates under the Medicaid Managed Assistance program (MMA) as reported by Health News Florida on April 16, 2015. To date, MMA plans across Florida have lost more than \$300 million since the start of the new program, and Preferred Medical Plan has absorbed its share of those losses.

We believe this approach is appropriate due to the current uncertainties in the Marketplace and Medicaid markets. This decision and these events will not affect the benefits offered or services currently covered by our plans.

We remain committed to you and our enrollees. We will keep you informed of any changes as we monitor the progress of Medicaid MMA rate development and the payments due under the ACA's premium stabilization programs.

Thank you for your continued support and service to our enrollees.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Meyerson", is written over the name and title of the sender.

Tamara Meyerson
CEO and President