



One Liberty Plaza
165 Broadway
New York, NY 10006
www.empireblue.com

William A. Corrigan
Regional Vice President
Underwriting
(212) 476-7129
(212) 476-1107 (Fax)

November 23, 2009

Mr. Robert DuBois
Director, Employee Benefits Division
Department of Civil Service
Alfred E. Smith Office Building
Albany, New York 12239

Re: REVISION to New York State Hospital and Benefit Management Program Administrative Fee Agreement
Dated December 8, 2008

Dear Mr. DuBois:

This letter will replace the December 8, 2008 agreement reached between the New York State Department of Civil Service, the New York State Division of Budget and Empire BlueCross BlueShield with regard to the Hospital and BMP Program renewal and administrative fees for the period 1/1/2009 – 12/31/2011. Premium rates will be agreed upon separately.

This revision includes the following adjustments:

- [Redacted]
- [Redacted]
- [Redacted]

The following is the revised administrative fee portion of retention:

Year	PCPM *
2009	[Redacted]
2010	[Redacted]
2011	[Redacted]

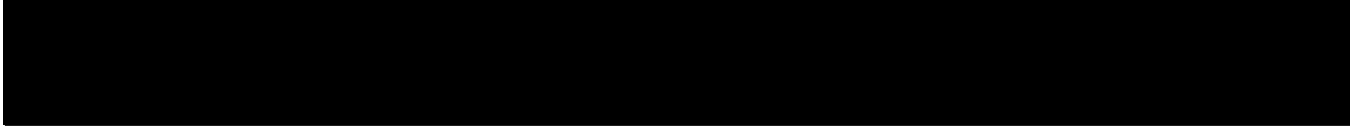
*The above fees include [Redacted]

The above administrative fees will be reduced by [Redacted]

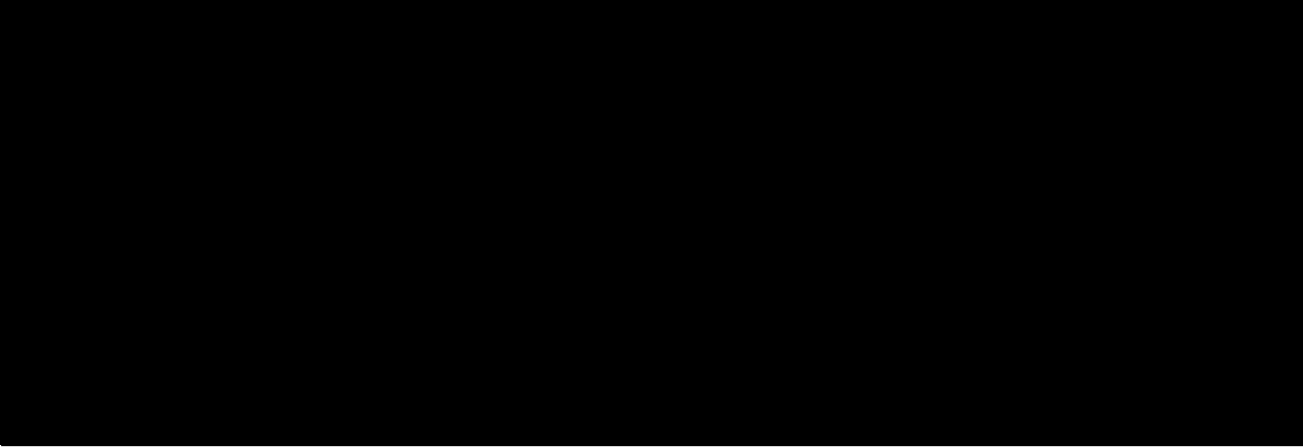
There will be no year-end settlement of these administrative fees to actual costs. Any difference between the guaranteed administrative fee and projected or actual cost will represent profit or loss to Empire BCBS. Settlement charges for the administrative component of retention will be the above PCPM Fees times the average monthly

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contracts for each applicable year. Notwithstanding this paragraph, any new taxes and surcharges, separate and distinct from those already in effect, may also be charged.

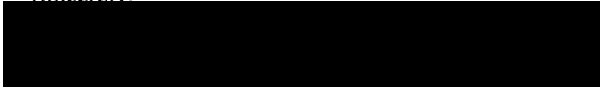


The administrative fees set forth above do not include the following, which shall be charged separately to the New York State Health Insurance Program's Empire Plan:




We look forward to continuing to work with you in the future.

Sincerely,



William Corrigan
Regional Vice President, Underwriting

AGREED TO AND ACCEPTED
New York State Department of Civil Service

By _____
Robert W. DuBois Director Employee Benefits Division 11/23/09