

Health Benefit Services Division

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August 6, 2002

Dear CalPERS Health Plan of Redwoods Member:

As you may already know, Health Plan of the Redwoods (HPR) recently announced that it will cease operating as a health plan as of October 31, 2002. CalPERS wants you to know that you will **NOT** lose your health coverage as a result of HPR's decision.

We are working on a comprehensive plan to ensure the continuity of your health coverage. During the next few weeks you will receive information from CalPERS with precise instructions regarding what you (the member) need to do to maintain health coverage for you and your family members. Please watch your mail for these instructions. You must follow them to maintain your health coverage.

In the meantime, if you or your family experiences any difficulty getting healthcare services through HPR, please immediately contact HPR Member Services at 1-800-248-2070, ext. 300. CalPERS members are NOT responsible for the cost of covered services, except for applicable copayments. HPR has assured us that they will aggressively respond to these problems.

On behalf of CalPERS, we regret any inconvenience caused to you by HPR's decision. We are here to help you and look forward to continuing to serve your healthcare needs.

Sincerely,

Tom Fischer, Chief
Health Benefit Services Division