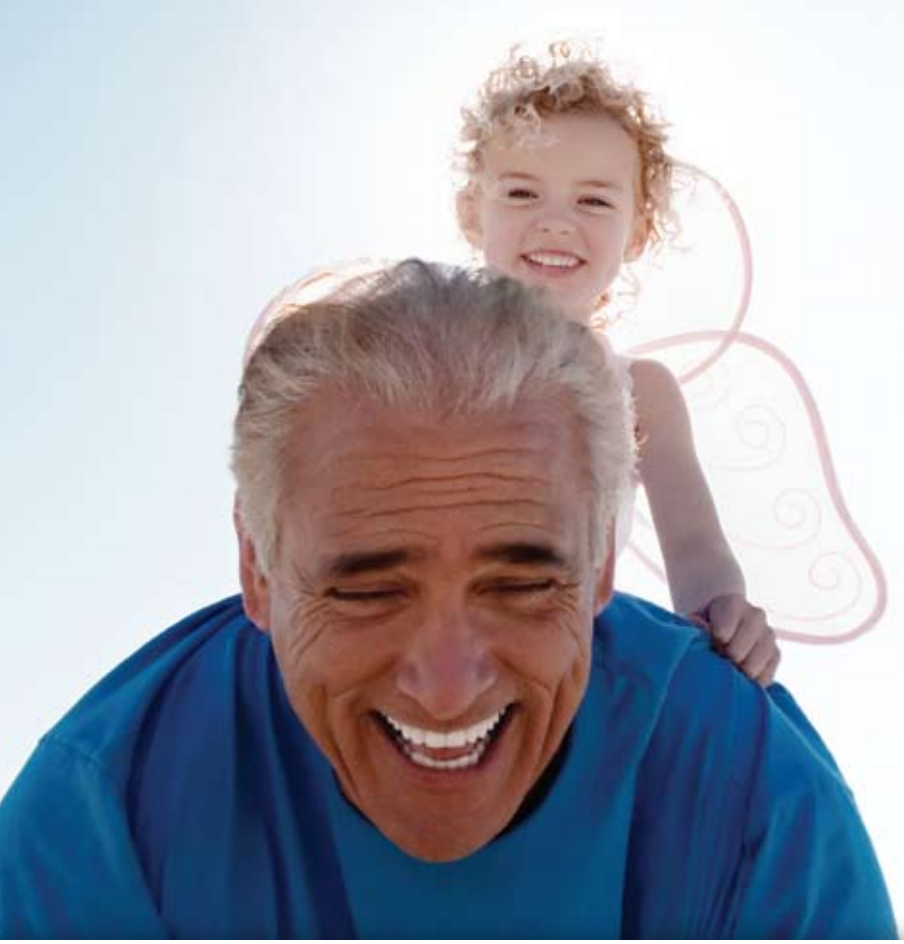
Group Health Plan

BlueOptions 1-2-3℠

A lower-cost PPO plan that drives employee engagement



WHO IT'S FOR

EMPLOYERS WHO WANT TO...

+ Buy down benefits while still offering copayments for highly-used services
+ Save money without the level of cost-sharing required by a high-deductible health plan
+ Engage employees without the complexity of a health fund
+ Lower health care costs

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BlueCross BlueShield of North Carolina

BlueOptions 1-2-3℠

A lower-cost PPO

that keeps familiar copayments, while introducing employee engagement

	Employer Objectives	The Blue Options 1-2-3 Solution
1	Buy down benefits while still offering copayments for highly-used services	The plan offers copayments and rich coinsurance for primary and preventive care.[1] Expect these types of services to account for nearly half of employees' care.[2]
2	Save money without the level of cost-sharing required by a high-deductible health plan	Employees are still covered with copayments and coinsurance, but the differential between benefit levels drives shopping where appropriate. Less overall exposure to out-of-pocket expenses feels, to employees, more like a traditional PPO.
3	Engage employees without a health fund	Blue Options 1-2-3 drives behavior modification through the differential between benefit levels, not by a fund design. Different levels of cost sharing incent shopping for the most cost-efficient solution when possible.
4	Lower health care costs	This plan can deliver up to 27% in premium savings, when compared to our most popular PPO plan.[3]

Five benefit levers that impact price and employee engagement!

Blue Options 1-2-3 puts employers in control.
Plan design can be adjusted to most effectively impact:

+ Premium
+ The difference between benefit levels
+ The degree of employee engagement

Copayment $15-$25	Minimum impact to price/engagement
Coinsurance Level 2 100%-70%	
Coinsurance Level 3 10%-20% lower than Level 2	
Out-of-Pocket Coinsurance Max	Maximum impact to price/engagement
Deductible	

The benefits listed above are for in-network services. Out-of-network benefits will differ.

How it works

Blue Options 1-2-3 divides services into three benefit levels. The plan encourages primary and preventive care and ***incents shopping for the most cost-efficient solution when possible.***

Level 1 – Copayments for most primary care office visits.[1,4]

Level 2 – Rich coinsurance for acute care like admitted hospital stays.

Level 3 – A lower level of coinsurance to incent shopping for services like specialist visits and outpatient hospital services.

Prescription drugs – Covered for a copayment or coinsurance.[5]

LESS ENGAGEMENT & COST SHARING ⟷ MORE ENGAGEMENT & COST SHARING

Plan highlights*			
	Level 1	**Level 2**	**Level 3**
Type of service	**Primary care** **Preventive care**	**Inpatient care**	**Outpatient care /** **Professional specialist care**
In-network copayment or coinsurance amounts[1]	Employees pay $15–25 copayments for Level 1 covered services	Employees pay: • $250–500 for each inpatient stay **PLUS** • 0-30% coinsurance for Level 2 covered services after deductible	Employees pay a 10-20% higher level of coinsurance than Level 2 for Level 3 covered services after deductible
In-network covered services	**Primary care office visits:**[4] All covered services, including lab tests and X-rays **Preventive care:** [4,6] Routine exams, immunizations, diagnostic procedures (Pap test, screening mammography and colonoscopy, etc.), well-baby and well-child care, well-woman care, prostate exam	**Inpatient hospital services** (admitted hospital stay, including maternity care) **Home health care** **Hospice care** **Skilled-nursing facility care** **Inpatient mental health services or substance abuse care** **Emergency room service** (if admitted)	**Outpatient hospital services:** Lab tests and X-rays, outpatient surgery, therapeutic services (occupational, physical, speech) **Emergency room service** (if not admitted) **Urgent care services** **Ambulatory surgery services** **Specialist office visits:** Office-based services, including lab tests and X-rays, therapeutic services (occupational, physical, speech) **Outpatient mental health services or substance abuse care**
Prescription drug coverage	Prescription drugs are covered by our standard four-tier design[5]		
Deductible	**In-network:** $250–5,000 for Individual coverage / $500–10,000 for Family coverage **Out-of-network:** $500–10,000 for Individual coverage / $1,000–20,000 for Family coverage		
Coinsurance maximum	**In-network:** $2,000-10,000 for Individual coverage/$4,000-20,000 for Family coverage **Out-of-network:** $4,000-20,000 for Individual coverage/$8,000-40,000 for Family coverage		

The following notice applies only when you go to an out-of-network provider.

***NOTICE:** Your actual expenses for covered services may exceed the stated coinsurance percentage or copayment amount because actual provider charges may not be used to determine the health benefit plan's and member's payment obligations. For out-of-network benefits, you may be required to pay for charges over the allowed amount, in addition to any copayment or coinsurance amount. Pre-existing condition waiting periods may also apply. Pre-existing conditions are those for which medical advice, diagnosis, care or treatment was received or recommended within 12 months of the date that your Blue Options 1-2-3 coverage begins. You may receive credit toward the 12 month waiting period if we receive your completed application within 63 days of the termination of your previous health coverage.

Why Blue?

+ The first carrier in North Carolina to offer this type of plan to employers of all sizes
+ Hands-on support and a comprehensive communications plan to ease the transition for employees
+ The #1 health care brand in America[7]

BlueOptions 1-2-3℠

Blue Options 1-2-3 is just one of the plans we've built to address the changing needs of today's employers. From our flagship PPO design to the most aggressive consumer driven health (CDH) plans available, we can help you create a health care strategy that delivers the results you need.

	BlueOptions℠ (PPO)	BlueCare℠ (HMO)	BlueOptions 1-2-3℠	BlueOptionsHRA℠	℠
	Our flagship product, offering the highest standard of convenience	Our traditional managed care plan	The only plan that offers CDH engagement with traditional plan design	Our most flexible CDH product	A CDH plan that drives maximum employee engagement
Employee engagement					
Network	PPO	HMO	PPO	PPO	PPO
Group size	1+	1+	1+	100+	1+
Savings potential					
Fund	—	—	—	✓[8]	✓[9]
Tax advantage (for employees)	—	—	—	—	✓[10]

1 The benefits listed are for in-network services. Out-of-network benefits will differ.

2 BCBSNC Internal Data, 2007.

3 BCBSNC Internal Data, 2007. Based on copayment plans that include a $2,000 coinsurance maximum and a $10/$25/$40 copayment structure for prescription drugs. Based on data for Blue Options Underwritten Groups as of 10/1/2006 with 5 to 20 subscribers. Pricing is for a single male, age 40-44, residing in Durham.

4 Some services and supplies received by members in an office setting or in connection with an office visit are in fact outpatient hospital-based services provided by hospital-owned or operated practices. These services and supplies may be subject to Level 3 deductible and coinsurance. Please see the BCBSNC provider listing to identify these providers.

5 Please refer to your benefit booklet for details about the Tier 4 Formulary as well as your BCBSNC member ID card for the levels of pharmacy benefits.

6 Certain preventive care services are limited to in-network benefits.

7 Brand Strength Measure Survey, Synovate, Inc. [2004-2006]; AND Harris Interactive® Brand and Reputation Practice--EquiTrend® Brand Study, Spring 2004, "Financial Services/Insurance Brands," Table 4: www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=818.

8 Blue Cross and Blue Shield of North Carolina does not administer your HRA. Your HRA administrator is Select Data Services Administrators, Inc. (SDSA). BCBSNC is not affiliated with your HRA administrator.

9 Blue Options HSA combines a high-deductible health plan and a health savings account (HSA). BCBSNC does not administer your HSA and is not affiliated with your HSA custodian or administrator. Your HSA custodian is Mellon Trust of New England, N.A.

10 Withdrawals are tax-free only if used for qualified medical expenses. See irs.gov for specific regulations.

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Limitations and Exclusions

Like most health plans, Blue Options 1-2-3 has some limitations and exclusions. Once you are enrolled, you will receive a benefit booklet. It will contain detailed information about plan benefits, exclusions and limitations. Coverage for dependent children ends at age 26. Consult your employer regarding dependent eligibility requirements. Members will be notified 30 days in advance of any change in coverage. This brochure contains a summary of benefits only. It is not your insurance policy. Your policy is your insurance contract. If there is any difference between this brochure and the policy, the provisions of the policy will control.

This is a partial list of benefits that are not payable:

- Services for or related to conception by artificial means or for reversal of sterilization
- Treatment of sexual dysfunction not related to organic disease
- Treatment for transsexualism, sex changes or modifications including surgery
- Services that are investigational in nature
- Services for complications or side effects arising from excluded services, procedures or treatments
- Services that are not medically necessary
- Services or expenses that are covered by any governmental unit except as required by Federal law
- Services received from an employer-sponsored dental or medical department
- Services received or hospital stays before the effective date of coverage
- Custodial care, domicilary care or rest cures
- Eyeglasses or contact lenses or refractive eye surgery
- Services to correct nearsightedness or refractive errors; hearing aids, supplies, tinnitus maskers, or exams for hearing aids
- Services for cosmetic purposes
- Services for routine foot care
- Travel, except as specifically listed in the benefit booklet
- Services for weight control or reduction, except for morbid obesity
- Inpatient admissions that are primarily for physical therapy, diagnostic studies, or environmental change
- Services that are rendered by or on the direction of those other than doctors, hospitals, facility and professional providers; services that are in excess of the customary charge for services usually provided by one doctor when done by multiple doctors
- Services that are the result of war or while in military service
- Services for which a charge is not normally made in the absence of insurance, or services provided by an immediate relative
- Personal hygiene, comfort an/or convenience items
- Telephone consultations; charges for failure to keep scheduled visits, for completion of any form, or for medical information required by the plan
- Services primarily for educational purposes
- Services for conditions related to developmental delay and/or leaning differences
- Long-term rehabilitative therapy
- Services not specifically listed as covered services

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