

BlueOptionsSM

Our Preferred Provider Organization (PPO) plan

WHO
IT'S
FOR

EMPLOYERS WHO WANT TO...

- + Provide maximum convenience and satisfaction for employees
- + Purchase the easiest health plan to manage and administer

BlueOptions™

Our flagship health plan offers the highest level of convenience

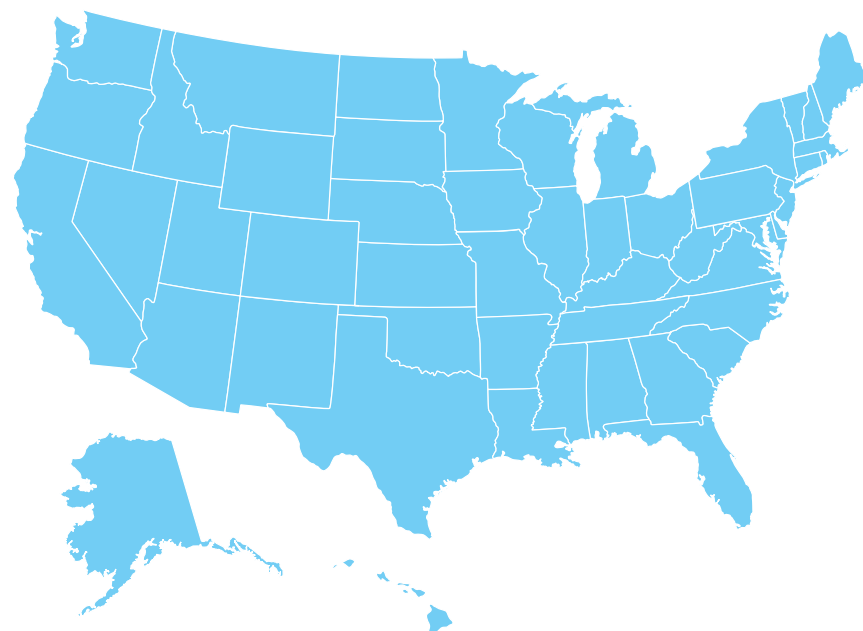
| Employer Objectives | The Blue Options Solution |
|--|--|
| 1 Provide maximum convenience and satisfaction for employees | With nearly 100% of all doctors and hospitals in our network, employees have outstanding access to care. ¹ And, with an average processing time of 4.7 days (compared to a 7-day industry average) employees get prompt resolution of their claims. ² |
| 2 Purchase the easiest health plan to manage and administer | Blue Options' familiar plan design takes the guesswork out of health care choices for employers. And, claims accuracy of 99.9% (compared to industry average of 97%) means benefit managers can expect fewer administrative issues. ² Our employer satisfaction rate is so high, in 2007 we retained more than 96% percent of total employer group membership. ³ |

Why Blue?

- + The #1 health care brand in America⁴
- + "Excellent" accreditation ranking from the National Committee for Quality Assurance (NCQA)⁵
- + More than 75 years of experience serving North Carolina businesses – more businesses choose us than any other carrier⁶

Outstanding coverage

- + 95% of doctors in North Carolina⁷
- + 98% of hospitals in North Carolina⁷
- + 99% of all hospitals in the nation¹
- + 99% of all rural hospitals nationwide¹
- + Coverage in more than 200 countries and territories worldwide (through the BlueCard® network)⁸



BlueOptions™

How it works

Blue Options is a PPO plan that offers convenient copayments or coinsurance for things like primary care, specialist office visits and prescription drugs.⁹ Employees may receive care in or out of network and don't need a referral to see a specialist.¹⁰ They'll never have to go far to find a doctor either – our network includes 95% of all doctors practicing in North Carolina.⁷

- + Copayments for primary and specialist office visits⁹
- + Coinsurance for inpatient services and outpatient procedures
- + Copayments or coinsurance for prescription medications
- + Coverage even when employees go out of network for care⁹
- + No claims to file in network
- + No referrals required¹⁰











| Benefit Combination Options | | | | | | | | |
|---|--|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Copayment options | Primary | \$10* | \$10* | \$15 | \$20 | \$20 | \$25 | \$35 |
| | Specialist | \$20 | \$30 | \$30 | \$30 | \$40 | \$50 | \$70 |
| Individual deductible | \$0; \$250; \$500; \$750; \$1,000; \$1,750; \$2,500; \$3,500; \$5,000 | | | | | | | |
| Family deductible | 2 or 3 times individual deductible | | | | | | | |
| Coinsurance (participating in-network only) | 100%/80%; 100%/70%; 90%/70%; 80%/70%; 70%/50%; 60%/40%; 50%/50%; 50%/30% | | | | | | | |
| Individual coinsurance maximum | \$0; \$1,000; \$2,000; \$3,000; \$4,000; \$5,000; \$10,000 | | | | | | | |
| Family coinsurance maximum | 2 or 3 times individual coinsurance | | | | | | | |
| Prescription drugs | 4 Tier benefit design | \$5/\$15/\$30/25% | \$10/\$20/\$35/25% | \$10/\$25/\$40/25% | \$10/\$30/\$45/25% | \$10/\$35/\$50/25% | \$10/\$40/\$55/25% | \$10/\$45/\$60/25% |
| | or Copayment (Tier 1) and Coinsurance | \$10/70% | \$10/60% | \$10/25% | \$10/0% | | | |

*Applies to employer groups with 51+ eligible employees

Note: Some benefit features are only available with certain plan combinations. The coinsurance amounts listed are the amounts Blue Cross and Blue Shield of North Carolina (BCBSNC) pays. The copayment amounts listed are the amounts employees pay.

BlueOptions™

Blue Options (PPO) is just one of the many plans we've created to address the needs of today's employees and employers. Let us help you develop a health care strategy that delivers results.

| | BlueOptions™ (PPO) | BlueCare® (HMO) | BlueOptions123™ | BlueOptionsHRA™ | BlueOptionsHSA™ |
|--------------------------------------|---|---|--|---|---|
| | 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 | — | — | — | ✓ ¹¹ | ✓ ¹² |
| Tax advantage (for employees) | — | — | — | — | ✓ ¹³ |

- Blue Cross and Blue Shield Association Internal Data, 2008: Provider Data Repository, 2000 U.S. Census File.
- "An Updated Survey of Health Care Claims Receipt and Processing Time, May 2006." America's Health Insurance Plans: www.ahipresearch.org (January 2008). BCBSNC Internal Data, 2007: "Insured Claims."
- BCBSNC Internal Data, 2007: Year-end membership totals.
- Brand Strength Measure Survey, Synovate, Inc. [2004-2006]; Harris Interactive®1 Brand and Reputation Practice – EquiTrend®1 Brand Study, Spring 2004, "Financial Services/Insurance Brands," Table 4: www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=818 (December 2007).
- "NCQA's Health Plan Report Card" 2008. The National Committee for Quality Assurance: www.hprc.ncqa.org (December 2007).
- BCBSNC Internal Survey Data, 2006: "BCBSNC's Insured Group Market Share Report."
- BCBSNC Internal Data, 2008: Network Management Report, PowerMHS.
- Blue Cross and Blue Shield Association Internal Data: www.bcbs.com/news/press/facts/bluecard.html (January 2008).
- 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 your deductible and coinsurance. Preventive care is limited to in-network benefits. Blue Options members are covered when they seek services out of network. Members should refer to the Member Guide for complete details.
- Referrals may be needed for mental health and substance abuse services.
- Blue Options HRA combines a preferred provider organization (PPO) health plan design and a health reimbursement arrangement (HRA). BCBSNC does not administer the HRA. The HRA administrator is Select Data Services Administrators, Inc. (SDSA). BCBSNC is not affiliated with the HRA administrator.
- Blue Options HSA combines a high-deductible health plan and a health savings account (HSA). BCBSNC does not administer the HSA and is not affiliated with the HSA custodian or administrator. The HSA custodian is Mellon Trust of New England, N.A.
- Deposits, withdrawals and interest earned are all tax-free when used for IRS-qualified medical expenses. For more information, see www.irs.gov.

Limitations & Exclusions

Like most health plans, Blue Options has some limitations and exclusions. Enrolled members will have access to a Member Guide. It will contain detailed information about plan benefits, exclusions and limitations. Coverage may be cancelled by Blue Cross and Blue Shield of North Carolina for certain reasons. 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. A waiting period for coverage of pre-existing conditions may apply to your coverage.

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
- Dental care except as provided in your Member Guide
- 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, domiciliary 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
- Non-prescription drugs and prescription drugs or refills which exceed the maximum supply
- 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 learning differences
- Long-term rehabilitative therapy
- Services not specifically listed as covered services

An independent licensee of the Blue Cross and Blue Shield Association. ©, SM Marks of the Blue Cross and Blue Shield Association. SM1 Mark of Blue Cross and Blue Shield of North Carolina. ©1 Mark of Harris Interactive Inc. U4691, 06/08. BOptions, 06/08

