A Note from:

Joyce Kramzer, Group Vice President, North Geographic Business Unit Supporting Sales, Care, Network and Business Management

Blue Cross and Blue Shield of Florida (BCBSF) is in the midst of operational planning. It’s a busy time of year for all of us, but it is critical as we prepare for 2005 and beyond.

By “operational planning” we mean we will map out the detailed work for our Health Business, which needs to be accomplished in order to achieve our vision of providing affordable health care choices for our customers.

For 2005, we’ll begin work to complete critical common platform capabilities such as NetworkBlue and major components of the channel service model. Additionally, we’ll continue to grow BlueOptions enrollment through new sales and migration of current members.

As we work through our planning process, we are very much aware of the work you do and how invaluable it is in helping us to achieve our vision. With that in mind, much of the work outlined in our plans will enable you to effectively and efficiently support your sales efforts and serve your clients.

We hope you find this issue of NewsfromBlue helpful as you continue to work each day in support of achieving our vision. Again, the work that you do is invaluable and on behalf of BCBSF’s Leadership team, I’d like to thank you for your efforts.

Website enhancements – More self-service tools and information

As mentioned in previous issues of NewsfromBlue, we continue to add features and tools to the Sales Partner section of the BCBSF website. The latest enhancements include:

• A listing of product availability by county – You can now select the counties in which you sell to validate the group products that are available.

• Benefit Summaries – Certain BlueChoice (PPO) and BlueCare (HMO) plan benefit summaries are now available on our website. These benefit summaries can either be used during the proposal process or for enrollment meetings if the preprinted benefit summaries are not available. Benefit Summaries for many BlueOptions plans are coming soon.

• Benefit Matrices – To see the breadth of plan options, simply view the benefit matrices for BlueChoice or BlueCare plans. These matrices are separated by small or large group plans. Benefit Matrices for our BlueOptions plans will be added soon.

• Request ID Card or Benefit Booklet – You are now able to request an ID card or benefit booklet on behalf of a member.

• Resource Links to common health industry web sites.

To view these enhancements yourself, please visit the Sales Partners section at www.bcbsfl.com.
BlueOptions Q&A

How does final rating apply to BlueOptions stand-alone plans and pre-set packages

For new business stand-alone and pre-set packages large group (51+) products, the final rating process is required for all groups with census changes (census changes include but are not limited to: number of employees, employee vs. family selections, employee location). If the final premium is within 5% of the quoted premium, the quoted rates are accepted. If the final premium is greater than (+ or -) 5% of the quoted premium, the sales representative will be responsible for re-selling the group at final rates. BlueOptions packages are not final rated based on employee plan selection.

For new business stand-alone and pre-set packages small group (2-50) products, final rating process is required and all sold rates will be based on the final enrollment. Any changes in quoted rates will be due to changes in the census only. BlueOptions packages are not final rated based on employee plan selection.

For renewal business stand-alone and pre-set packages both large (51+) and small (2-50) group products, final rating is required if the census changes by 15% or more.

<table>
<thead>
<tr>
<th>New Sales - stand-alone or pre-set packages</th>
<th>Renewals - stand-alone or pre-set packages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Group (51+)</td>
<td>If the census changes by 15% or more, final rating is required</td>
</tr>
<tr>
<td>All new business is subject to final rating (BlueOptions packages are not final rated based on employee plan selection); If final premium is + or - 5% of quoted, quoted rates are accepted, if not final rates are required.</td>
<td></td>
</tr>
<tr>
<td>Small Group (&lt;50)</td>
<td>If the census changes by 15% or more, final rating is required</td>
</tr>
<tr>
<td>Final rating is process required; sold rate based on final enrollment</td>
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</tbody>
</table>

Where should BlueOptions members go for lab services?

Quest Diagnostics is the preferred lab vendor for BlueOptions members. BlueOptions members will have a zero member cost share (on all non-HSA compatible Health Plans) for covered laboratory services performed by Quest.

NetworkBlue Update

Welcome the following to NetworkBlue:

**Hospital Facilities**

- **Jackson Hospital** – Jackson County (Option 1); Effective 9/15.
- **Tampa General Hospital** – (Option 2); Effective 10/1.

**Physicians**

- **White Wilson Medical Center** – A key multi-specialty physician group in south Okaloosa county consisting of 47 physicians, effective 9/9.
- **Southern Heart** – A key group of 30 cardiologists serving the greater Jacksonville area, effective 9/1.
- **Anesthesia & Pain Consultants** – Providing anesthesia services at North Okaloosa Medical Centers, HCA Twin Hospital, and Sacred Heart Emerald Coast Hospital (serving Okaloosa and Walton counties), effective 9/15.
- **Physician Associates** – A group of 66 physicians serving a vast array of specialties in the Orlando counties, effective 10/1.
- **Pensacola Urology PA** – A key urology group in Escambia county, effective 9/9.
Hospital-Based Physicians

Hospital-Based Physician participation
Hospitals, Hospital-Based Physicians and Community Physicians who participate in NetworkBlue have agreed to provide access to care for BlueOptions members at a discounted rate. This broad network gives BlueOptions members the freedom to choose the providers who best suit their needs while minimizing their out-of-pocket expenses.

During the development of NetworkBlue, the new physician and provider network for BlueOptions, it has been our goal to obtain participation of all key Hospital-Based Physician (HBP) groups associated with NetworkBlue hospitals. HBPs are generally defined as radiologists, emergency room physicians, anesthesiologists, and pathologists who practice in hospital facilities.

As of September 2004, the percentage of participating HBPs at participating NetworkBlue hospitals are:
- Emergency Department 93%
- Anesthesiology 88%
- Radiology 83%
- Pathology 66%

This network continues to grow and the hospital community has been encouraged to assist in our efforts to ensure enrollees have a positive care experience.

Physicians outside of NetworkBlue
We understand that there may be occasions when care is received by non-participating Hospital-Based Physicians within a participating hospital setting. In these situations, we have:
- Made a significant resource commitment to expand NetworkBlue in an effort to minimize situations where there is exposure to a non-participating provider by a BCBSF member.
- In accordance with member benefits, members will pay at the in-network benefit level to non-participating physicians who provide services in participating hospitals.

It is also important to remember that BlueOptions members have access to the largest network in Florida to receive balance-billing protection. BlueOptions members who receive care from a non-participating NetworkBlue provider, who is one of the over 35,000 physicians and 200 hospitals in our Traditional network, are protected from balance billing.

Information about participating providers
We provide BlueOptions members with a series of tools to help them find the best network facility and associated physicians to meet their access to care and financial needs. These tools can be accessed online at www.bcbsfl.com:
- The most up-to-date list of BlueOptions providers can be found on our website in the Online Provider Directory. The directory has a flexible search tool that not only indicates participating hospitals from our ever-expanding, broad network, but also the participation status of the Hospital-Based Physicians who work at the participating hospitals. This capability allows members to make informed choices to minimize the possibility of being balanced billed.
- Access to Hospital Advisor™ by Subimo™* provides BlueOptions members with the ability to evaluate hospital alternatives in their area utilizing quality and experience data from Florida-based hospital facilities.
- Another option for members is to call the BCBSF Customer Service Number on their ID card for assistance in determining which provider best meets their service requirements.

Effort Continues
We will continue to work with physicians, hospitals and other experts as part of an initiative focused on resolving the HBP balance billing issues. Removing these obstacles allows us to improve our products, better serve our members and enhance your sales opportunities. Remember, the best protection from balance billing for a BlueOptions member is to be prepared – they should research provider options, understand their BlueOptions benefits, work with the physician coordinating their care, or contact a BCBSF customer advocate if they have any questions or require support in selecting the best provider alternative.

*Blue Cross and Blue Shield of Florida, Inc. (BCBSF) has entered into an arrangement with Subimo™ whereby Subimo has agreed to provide BCBSF members with access to its Hospital Advisor™ application. BCBSF does not credential or maintain this programs and, therefore, cannot guarantee or be held responsible for the quality of the service or information provided.
BlueOptions for Groups - Promotions to Group Administrators

The BlueOptions product family represents a new solution to affordability and choice for the marketplace. Therefore, promotional activities targeting current and prospective group customers will focus on sharing our excitement around the new BlueOptions choices. The promotions will target specific geographic areas in the state. Below is a promotions calendar highlighting the 2004 Group BlueOptions promotion plan.

<table>
<thead>
<tr>
<th>Geography</th>
<th>Date (approximate)</th>
<th>Campaign Type</th>
<th>Target</th>
<th>Inquiries directed to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miami-Dade, Broward, Palm Beach Counties</td>
<td>Early October 2004</td>
<td>Direct Mail</td>
<td>Group Business Decision Maker 51-299 Accounts due for renewal in November and December</td>
<td>“Call your Agent or BCBSF representative”</td>
</tr>
<tr>
<td></td>
<td>Late October 2004</td>
<td>Media — Radio, Hispanic Newspapers/Magazines &amp; airport dioramas</td>
<td>Hispanic Market</td>
<td>“Call your Agent or for additional questions contact BCBSF” (800# provided in advertisement)</td>
</tr>
<tr>
<td></td>
<td>Beginning in November 2004</td>
<td>Direct Mail</td>
<td>Group Business Decision Maker 51-299 Accounts due for renewal effective 90 days out (example: mailing to January renewals in November)</td>
<td>“Call your Agent or BCBSF representative”</td>
</tr>
<tr>
<td></td>
<td>Beginning in November 2004</td>
<td>Direct Mail</td>
<td>4-50 Group Accounts due for renewal effective 60 days out (example: mailing to December renewals in October)</td>
<td>“Call your Agent, your BCBSF representative”</td>
</tr>
<tr>
<td>Tampa Area</td>
<td>End of November 2004</td>
<td>Newspaper Ad</td>
<td>Tampa Market</td>
<td>“Call your Agent or for additional questions contact BCBSF” (800# will be provided)</td>
</tr>
<tr>
<td></td>
<td>Direct Mail</td>
<td>Tampa Market 51-299</td>
<td>“Call your Agent”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Direct Mail</td>
<td>Tampa Market 4-50</td>
<td>“Call your Agent or for additional questions contact BCBSF” (800# provided in letter)</td>
<td></td>
</tr>
</tbody>
</table>
Coverage for Non-Urgent Care Delivered Online via e-Medicine Service

Blue Cross and Blue Shield of Florida (BCBSF) is introducing leading edge, internet-based e-Medicine service to Florida. These e-Medicine services, through RelayHealth™, provide a new service for members, which will allow members to communicate online with their physician about non-urgent health care needs. Members will be able to take advantage of many online services including the webVisit® - a clinically structured online process for non-urgent and chronic medical problems. Patients will enjoy the convenience of online communication with their own doctor – securely.

Using RelayHealth, BCBSF members will be able to access their own doctor online to:

- Consult on non-urgent health matters or symptoms using a webVisit
- Receive normal lab results
- Receive prescriptions, including refills, and renewals
- Schedule appointments
- Request referrals

Members benefit from greater access to their physician and communication when it is most convenient for them. Physicians benefit from increased productivity, expedited prescription requests, sharing lab results online and increased patient satisfaction.

This service will be introduced in January 2006. BCBS is currently working with physicians participating in our networks to register those who are interested in this service. Please contact a BCBSF sales representative for more information.

Blue Cross and Blue Shield of Florida has entered into a vendor arrangement with RelayHealth whereby RelayHealth has agreed to provide BCBSF secure communication between BCBSF, members and participating physicians. BCBSF has entered into this arrangement to provide value-added services to its members and participating physicians. BCBSF cannot guarantee or be held responsible for the quality of services provided by RelayHealth.

Electronic Enrollment Form is now available

In a previous issue of NewsfromBlue we shared online enrollment and maintenance capabilities. We now also offer an online version of the Universal Individual Application, in addition to the electronic Member Status Change Request form, for use by groups of any size with health and term life products. This tool is designed for use by groups that did not enroll online, but wish to use online capabilities to manage changes to their group’s enrollment during the year.

Please click here http://www.bcbsfl.com/DocumentLibrary/NewsfromBlue/62884OnlineEnrollmentChart.pdf to see the updated chart outlining the various online enrollment and maintenance capabilities.

To access these forms, Benefit Administrators must register for a user ID. To do so:

- They must go to www.bcbsfl.com, click Employers & Benefit Administrators
- Under Group Maintenance section, click on Member Status Change Request
- Then click the link at the bottom of the page to access and print the registration form and follow the instructions provided.
- Once registered, Benefits Administrators will receive a user ID and password to access these electronic forms, along with instructions on how to enter and submit transactions.

Extended Customer Service Hours

In response to the requests of our members, we’re pleased to announce that as of October 1 our customer service centers have extended their hours to 9:00 p.m. They are now open from 8:00 a.m. until 9:00 p.m. Eastern Standard Time (EST), Monday through Thursday, and from 9:00 a.m. until 9:00 p.m. on Friday.