

A Simpler Blue

We understand the challenges of running a business. That's why we've reviewed and streamlined our medical plan portfolios, making them easier to administer, and easier for your employees to understand. We're excited about what's happening, and we think you'll be as well.

Whether you're renewing coverage, or looking for a new medical benefit plan, we promise to provide:

- Benefits that are simple and easy to understand.
- Efficient plan administration with BlueEnroll, our new online enrollment tool.
- Reporting that offers greater detail on the use and cost of healthcare.
- Easy-to-understand, online bills.
- New ways for your employees to access important plan information and updates with our new, 24-hour interactive phone system and our online Healthcare Info Center.
- Full compliance with the federal healthcare reform law.
- Best-in-class discounts for health-related services.

We're making these changes to be more responsive to you, our customers. Everything we do is driven by our biggest priority: providing our customers with high-quality health coverage at the lowest possible cost.



Simple Plans, Extensive Benefits

Solutions for You and Your Employees

Our portfolio offers a wide range of medical benefits and financial arrangements to fit every organization, from traditional to consumer-directed health benefits. They also maintain a balance between value and benefits that both you and your employees deserve.



An Emphasis on Preventive Care

“An ounce of prevention is worth a pound of cure.” This saying is more relevant today than ever before. Preventive tests and treatments help your employees remain healthier and avoid high-cost claims, which can affect your future premiums.

Our medical benefits cover preventive services at 100 percent, with \$0 out-of-pocket expenses. These services include*:

- Nutritional counseling
- Diabetes education
- Smoking cessation
- Annual well visits
- Immunizations (pediatric, adult, and travel)
- Pap smears
- Mammograms
- Colorectal screenings (preventive)
- Lead screenings
- Preventive tests and lab work

**If all federal reform requirements are met.*

***McKinsey & Company, “Consumer-direct health Plan Report-Early Evidence is Promising,” June 2005*

Our consumer-directed health plans (CDHP) give your employees the benefits they need and the option to open a savings account to pay out-of-pocket expenses. Most importantly, they will take charge of their own health expenditures. In a study by McKinsey & Company**, CDHP consumers were found to be:

- 25% more likely to engage in healthy behaviors
- 30% more likely to get an annual well visit
- 50% more likely to ask about healthcare costs

In turn, you pay lower premiums, while still knowing you’re providing quality benefits to your employees.

Simplified Deductibles and Out-of-Pocket Maximums

We have standardized the deductible and out-of-pocket (OOP) maximum calculations to make it easier for your employees. In addition, all deductible amounts now apply to the OOP maximum, making it easier for members to understand their maximum financial exposure from their health plan.

How Deductibles are Applied

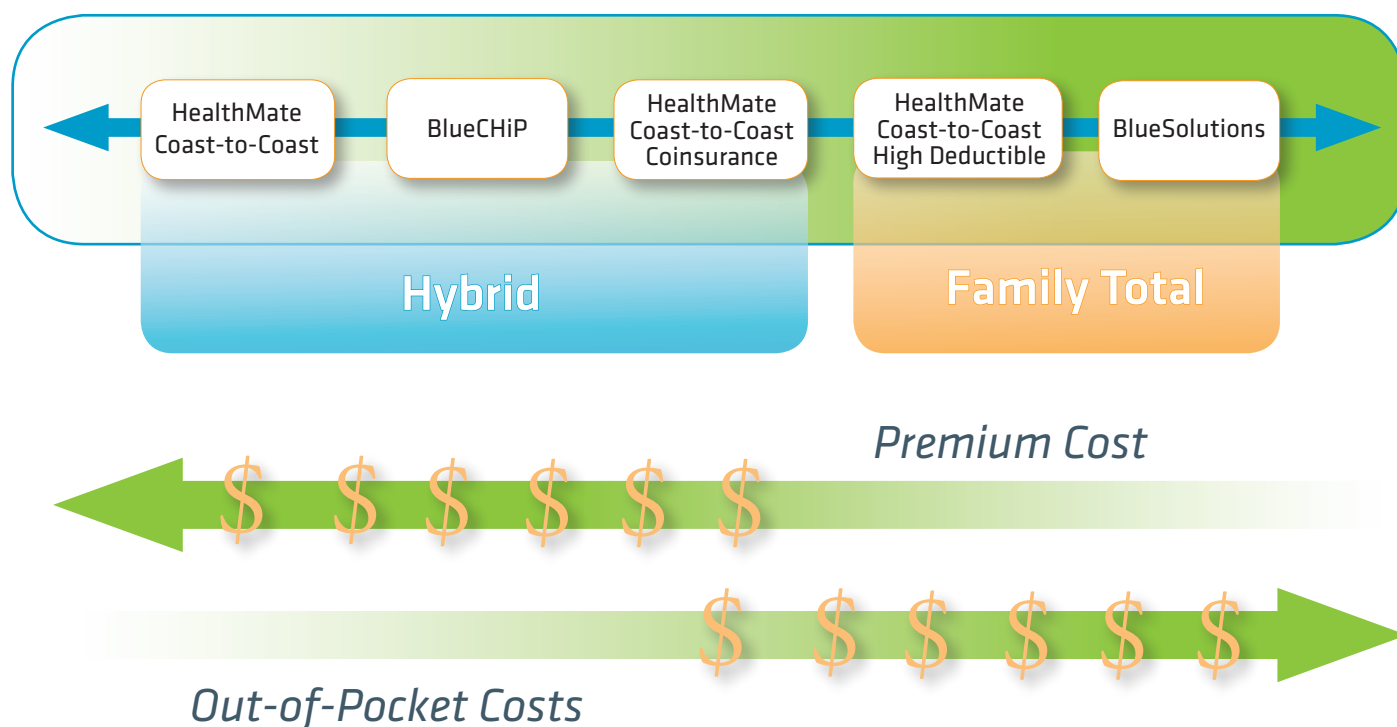
Family Deductible and Out-of-Pocket Maximum Calculations

Hybrid: All family members contribute to the family deductible and OOP maximum. Once that is met, everyone is covered. However, an individual family member will never pay MORE than the individual deductible or OOP maximum before being covered.

Family Total: Both the deductible and out-of-pocket maximum amounts can be satisfied by one family member or any combination of family members.

Traditional Health Plans

Consumer-Driven Health Plans



Network Service = Network Savings

All of our medical plans encourage members to receive services from our network providers. Members pay higher deductibles and OOP maximums for out-of-network medical services.

The reason is simple: Our network contracts with medical providers include discounted rates for all

services. Your employees receive high-quality services at a discounted rate when they stay in the network.

As you'll see on the next page, we are proud to offer broad access to hospitals and doctors, both in Rhode Island and the rest of the country. This means that it's easy for your employees to receive services from in-network providers.

The Value of BCBSRI



Our local network includes 96% of medical providers in Rhode Island.

PCMH benefits for members include:

- Better use of non-physician team members
- Self-management support
- Community resources
- Evidence-Based Medicine Guidelines
- Technology that improves the quality of care
- Incentives and support to improve patient health

In Rhode Island, two-thirds of total healthcare spending is devoted to hospital care, clinical services, and prescription drugs.

The Help You Need, Wherever You Need It

Medical Network

With our national and local networks, your employees will have local, high-touch access with national coverage.

National Coverage

From coast to coast, your employees will always have access to the hospitals, doctors, and other medical providers they need. Our network includes:

- Over 4,400 hospitals in network—96% of all
- Over 559,000 physicians in network—91% of all
- On average, 8% of hospitals and 8% of physicians are exclusive to our national network

Local Coverage

We are leading the nation in healthcare delivery with our patient-centered medical homes (PCMHs) initiative. Through increased care coordination, PCMHs improve your employees' healthcare experience and provide easy access to care. They also reduce the repetition of medical tests and other healthcare services. This helps drive down claims, which can lower insurance premiums over time. They also reduce your employees' out-of-pocket expenses. So far, 25 percent of the state's primary care physicians are involved in PCMHs, with more joining every month.

The Right Prescription at the Right Cost

While the increasing variety and use of prescription drugs can improve our quality of life, it's also a leading contributor to rising healthcare costs. And though members often only see their copayment, costly prescriptions ultimately affect premium and out-of-pocket costs.

Emphasizing Value: Our Premier Formulary focuses coverage on value, not brand names or bottom lines. Often, there are generic and over-the-counter alternatives that offer the same treatment as brand name drugs, at a much lower cost.

Controlling the Cost of Specialty Drugs While Ensuring Access: The cost of specialty drugs is outpacing the rising costs for other drugs. That's why it's so important to make sure these drugs are used correctly. We have member programs for a number of conditions and diseases, including multiple sclerosis, cancers, and hepatitis C. Treatments for these diseases are costly and have side effects that discourage use. We work with our members to make sure they are taking their medications as prescribed, to avoid waste and ensure the best outcomes.



Providing Value Beyond Benefits

We offer programs and services that help keep members healthy and/or manage any conditions they have.

Optimal Health at a Discount Price

- CVS ExtraCare Health Cards provide additional savings at CVS pharmacies for members of most employer plans.
- Blue365SM is an online program that gives members exclusive access to information, discounts, and savings.
- The Fitness Discount program provides discounts and free trial passes at 9,500 gyms across the country, including over 75 Rhode Island health clubs.

Living and Learning

- My Blue Community SM is an online community that allows members to connect with other healthy-minded Blue Cross members across the nation—and participate in discussions on living healthier, happier lives.*
- Members can also search our online Health Center, which has articles on more than 7,000 health topics, including symptoms, diseases and conditions, medical tests, prescription drugs, and more.
- Our updated Provider Finder allows members to search by specialty, situation (e.g., having a baby), address, and more. Results include a map and performance and quality information, and can be sent to a mobile device or Outlook.

*My Blue Community is a website that enables discussions among individual users. This website is intended solely as a forum for general information and users' opinions; it does not contain any advice that is intended for medical diagnosis or treatment, and does not substitute for professional medical advice and services. Always seek the advice of your physician or other qualified healthcare provider on any medical condition and before following any information that may appear on My Blue Community.

Personal, Award-Winning Service

Our Customer Service Department is located right in Providence, staffed by BCBSRI employees. We have earned SQM's *World Class Call Certification Award* every year since 2007, and we are the only health insurer in Rhode Island to offer walk-in service. Members can also contact Customer Service through our website.



Simplified Plan Administration

Easier Administration Saves You Time and Money

We have leveraged the technology and convenience of the Internet to offer new applications and services for enrollment, billing, and account reporting.

The Future of Electronic Enrollment: BlueEnrollsm

Our new online tool allows you to manage your plan enrollment, get a better view of employee participation, and have greater flexibility in enforcing eligibility.

Enrolling Members

BlueEnroll allows you to make employee changes from anywhere you have Web access.

- Enroll/disenroll employees
- Life event and address changes
- Rehires (data for disenrolled employees is held for a year)

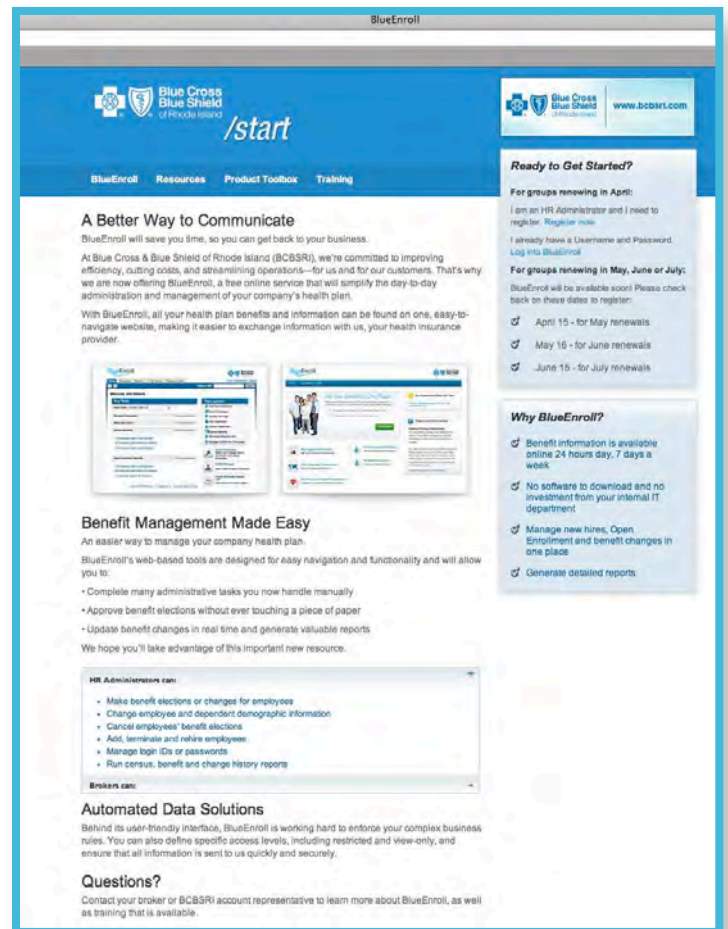
Enforcing Eligibility

Efficient organization. BlueEnroll allows you to establish and track groups and subgroups. This function can be used to group retired employees or enforce probationary periods.

Dependent eligibility. You can now enforce any dependent eligibility standards defined in your plan documents, including those regarding relationships. This includes common law marriages and domestic partnerships.

Reporting

BlueEnroll will now offer over 36 standard reports, including censuses, rosters, and more. All reports can be downloaded at your convenience.



Additional Features

BlueEnroll makes it easier to administer all of your employee benefits.

- **Beyond medical.** You can use BlueEnroll to capture and track enrollment data for a host of benefits beyond medical insurance, such as COBRA.
- **Task alerts.** Your time is valuable. That's why BlueEnroll will alert you if you have not completed a task. This immediate feedback will save you the time and effort of submitting incomplete enrollments, which will just be sent back to you otherwise.

We'll be there every step of the way during the transfer to BlueEnroll, and both on-site and online Webinar training will be available. We think you'll agree that enrollment and overall administration of your health plans will be easier.

A Better Bill

We have redesigned our bills to make them easier to understand. The new bills give you a better view of enrollment and how your healthcare dollars are spent. The bill will also be available to view online and to download as a PDF file.

Reporting: Where Your Dollars are Spent, and Why

We have expanded our reporting capabilities to give you more detailed information about your benefits. This information is critical to determine the overall health of your employees and if any benefit changes or wellness initiatives are warranted.

Plan-Year or Calendar-Year

In the past, our health plans have calculated deductibles and out-of-pocket maximums on a calendar-year basis only. We're changing this policy in response to requests from our customers. You may choose to have benefits calculated on either a plan-year or calendar-year basis upon renewal.



Get Complete Coverage from BCBSRI

Studies have shown how oral health can affect overall health.

This is especially true for members with diabetes or other chronic conditions. That's why we recommend receiving both medical and dental benefits from BCBSRI. As your single administrator, we can:

- Assess all of your employees' needs
- Provide the highest level of proactive medical management
- Improve your employees' health and reduce overall claims costs

The Blue Cross Dental national network features more than 87,000 participating dentists across the country, including nearly 90 percent of dentists in Rhode Island.

Key Dates

As you can see, we are introducing many new plans and services this year. It's important that you are aware of the following due dates and milestones.

Three Months Before Renewal

You'll receive your full renewal kit, which contains your rates, plan options, and other detailed information.

One Month Before Renewal

You must notify us of your plan selection and plan-year or calendar-year preference.

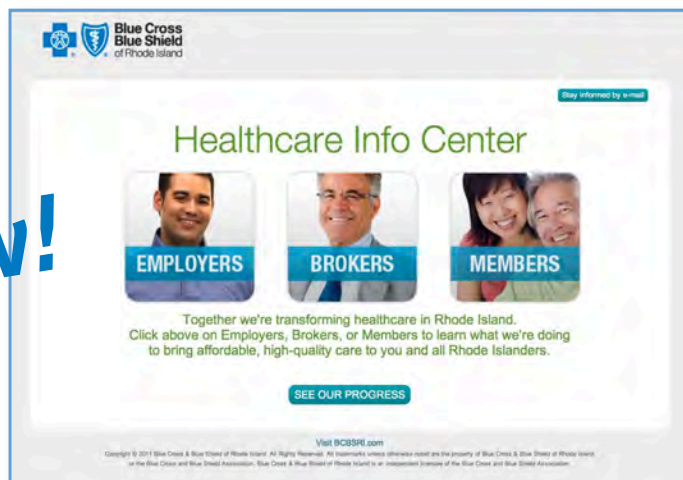
Prior to Renewal

The BlueEnroll application goes live. Both online and on-site training will be available to support this transition. Once live, you will use this online tool to update your member information electronically.

A Healthcare Info Center designed just for you.

bcbsri.com/together

New!



As an added resource, we've expanded our website with a **Healthcare Info Center**, which includes a section just for fully insured groups. Here, you'll find news, updates, and information on everything from healthcare basics and the new healthcare reform laws to measures we're taking to control costs.

Sign up to receive updates by email!



bcbsri.com/together

500 Exchange Street • Providence, RI 02903-2699

Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.

06/11

IER-9377