



Choosing Blue Shield for Your Business

HEALTH PLANS THAT MEET THE NEEDS OF SMALL BUSINESS

Effective July 1, 2006

For the past 65 years, small businesses have depended on Blue Shield to provide healthcare coverage that combines affordability, cost control and the flexibility to meet a range of your employees' needs. And for more than 50 years, California businesses have drawn from the life and specialty insurance expertise and services of our subsidiary, Blue Shield of California Life & Health Insurance Company (Blue Shield Life).

With 23 plans to choose from, our complete portfolio offers:

- A broad range of truly competitive health plans.
- Plans with comprehensive benefits.
- Valuable health and wellness programs.

Choice without compromise

Our large selection of plans features a full spectrum of copayment, deductible and copayment maximum combinations to meet your needs. All our plans offer the service, preventive care, quality network and stability you expect from Blue Shield.

OUR COMMITMENT TO QUALITY

At Blue Shield we work hard to improve the productivity of your business by helping your employees maintain their health and well-being. Every day we show our commitment by:

- Making it easy for members to access their benefits and use our expansive provider network in the way that works for them.
- Earning "Excellent" Accreditation for our commercial HMO and POS plans by the National Committee for Quality Assurance (NCQA).
- Earning accreditation from the Utilization Review Accreditation Commission (URAC) for our PPO care management program.
- Weiss Ratings named Blue Shield of California one of the strongest HMOs in the nation as of February 15, 2005.
- Blue Shield of California received a financial strength rating upgrade to "A" from "A-" from Standard & Poor's in May 2005 and an affirmed financial strength rating of "A" from A.M. Best in June 2005.
- Empowering employees to become active participants in their health through health and wellness programs.
- Continually increasing the value of Blue Shield membership with stronger resources such as our award-winning member Web site mylifepath.com.

Visit us at mylifepath.com

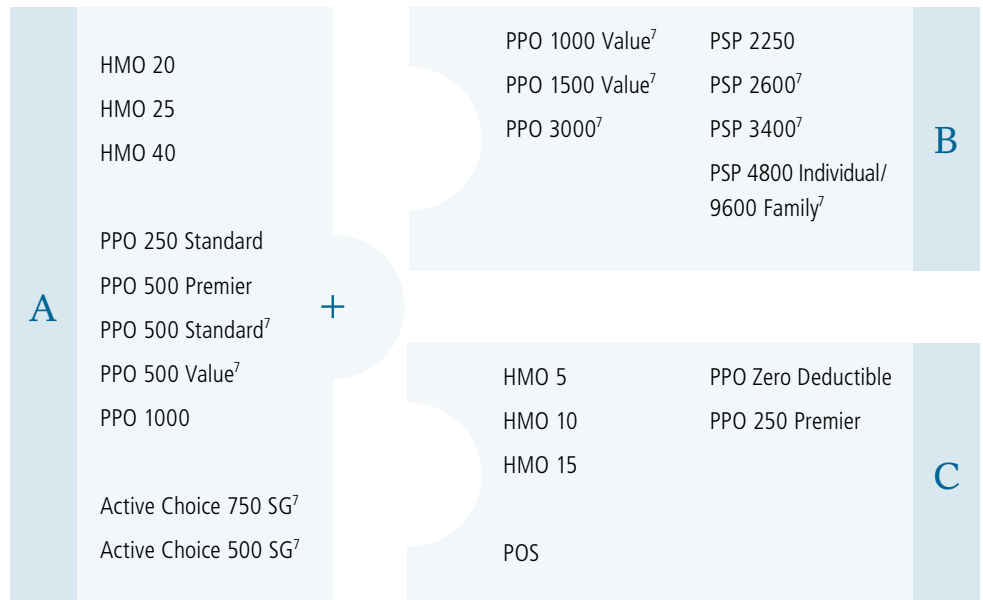
PlanSelect

PLANSELECT OFFERS MULTIPLE PLANS WITH BUILT-IN COST CONTROLS

23 HEALTH PLAN CHOICES	10 – 50 ENROLLED EMPLOYEES ¹	5 – 9 ENROLLED EMPLOYEES ²	2-4 ENROLLED EMPLOYEES ³
<ul style="list-style-type: none"> • 6 HMO Plans • 10 PPO Plans • 4 HSA-eligible Plans⁴ • 2 Active Choice Plans⁷ • 1 POS Plan 	CHOOSE UP TO ALL 23 plans	CHOOSE UP TO 17 plans⁵ A+B OR A+C	CHOOSE 1 HMO + any other plan⁶

Please note: Access Baja[®] HMO Plans can be offered alongside those chosen through PlanSelect, but they do not count toward PlanSelect restrictions.

Now with expanded access to 23 small group plans, PlanSelectSM offers you and your employees more choice. You can set a benefits budget based on either a defined contribution amount or a specific percentage of cost. And your employees can choose the plan that best meets their needs at no added cost to your bottom line.



EMPLOYER CONTRIBUTION OPTIONS FOR PLANSELECT (5-50 ENROLLED EMPLOYEES)

You can fix costs with predictable contribution levels, gaining the budget control to focus on your growing business.

YOU CHOOSE THE CONTRIBUTION LEVEL, A MINIMUM OF:

\$80⁸	\$100	50%
PER ENROLLED EMPLOYEE	PER ENROLLED EMPLOYEE	OF TOTAL EMPLOYEE PREMIUM

Experience the PlanSelect advantage:

- Expanded choice: Up to 23 plans to choose from.
- Increased flexibility and cost-effectiveness: Choose the combination of plans that works for your business.
- Defined Contribution option: Lets you set a predictable benefits budget and still allows your employees to choose the plan they want.

Blue Shield Health Plans

OFFERING COMPREHENSIVE COVERAGE FOR YOUR EMPLOYEES AND FLEXIBLE CHOICES FOR YOU

Our complete portfolio of six HMO plans, 10 PPO plans, four HSA-eligible high-deductible health plans, two Active Choice plans and a POS plan features a wide selection of affordable plans as well as many with richer benefits.

Access+ HMO plans

Our entire line of HMO plans offers your employees solid benefits that ensure quality coverage, including:

- No medical deductible or lifetime maximum.
- Preventive care office visits at no charge.
- Access to one of the largest HMO provider networks in the state.
- Direct access to specialists⁹ in the same medical group as their Personal Physician without a referral.

Our Access+ HMO[®] plan family combines strong benefits with a great range of price points, copayments and deductibles to offer you the control you need.

Shield Spectrum PPO plans

All our PPO plans feature:

- Access to two of the largest PPO provider networks in California.
- No access restriction for preventive care visits in our preferred provider networks.
- Many predictable office visit copayments, deductibles and copayment maximum.
- No office visit maximum in many plans.

Our Shield Spectrum PPOSM family of plans offers the flexibility and simplicity of having direct access to the physicians and specialists in our preferred provider networks.

High-deductible health plans

Our HSA-eligible high-deductible health plans provide:

- Access to our broad network of preferred providers.
- Affordable monthly dues.

Health Savings Accounts (HSAs)* provide:

- Unlimited year-to-year roll-over for any unused portion of tax-exempt savings.
- Portability, so members own and control their accounts, even if they change jobs.
- For your convenience, we have selected Wells Fargo as the preferred vendor to manage HSAs for members who are enrolled in our HSA-eligible high-deductible health plans.

There are tax savings opportunities for members who open an HSA with a financial institution after enrolling in a PPO Savings Plan.

* Most consumers who enroll in a high-deductible health plan (HDHP) are eligible to open an HSA, but should consult with a financial adviser to determine if an HSA/HDHP is a good financial fit for them. Blue Shield does not offer tax advice or HSAs. HSAs are offered through financial institutions. Blue Shield has an enhanced relationship with Wells Fargo for greater convenience in establishing personal savings accounts in coordination with health coverage.

Ancillary Options and Discount Programs

ANCILLARY OPTIONS

Dental coverage for small business

We offer a wide variety of dental plans to meet every employer's coverage needs and budget.

Our advantages:

- Select from a variety of dental HMO and dental PPO plans, including plans that are either employer-paid, voluntary (employee-paid) or a combination of both.
- One of the largest dental PPO networks¹⁰ with more than 65,000 dentists nationwide, including 17,000 in California. Our dental HMO network has more than 8,600 dentists, making it one of California's largest.
- No waiting periods for most plans (except SmileSM Basic Voluntary 75/1000/No Ortho/MAC).
- Dental plans are available to groups with as few as two eligible employees.

Life insurance

Life Standard and Life Plus plans from Blue Shield Life provide the security your employees and their families expect for coverage in the event of loss including coverage for accidental death and dismemberment (AD&D). Affordable rates for coverage starting at \$15,000 can be combined with supplemental and dependent life coverage.

Vision plans

Our competitively priced vision plans give you control over healthcare coverage costs through a range of affordable and flexible options. Vision plans include comprehensive eye care coverage, including exams and eyewear.

DISCOUNT PROGRAMS

*Mylifepath*SM Alternative Health Services Discount Program

Blue Shield members benefit from discounts of at least 25 percent for acupuncture, chiropractic and massage therapy services. Discounts are based on the practitioners' published rates.

Please note: The *Mylifepath* Alternative Health Services Discount Program is not a covered service of any Blue Shield health plan. ASH Networks credentials and manages the program's practitioners. None of the terms and conditions of Blue Shield health plans applies. Blue Shield of California and ASH Networks do not review the program's practitioner services and products for medical necessity or efficacy and make no representations, claims or guarantees regarding their services or products. Members who use the discount program are responsible for the payment of services provided by participating network practitioners, including payment for cancelled or missed appointments. Members who are not satisfied with services received from the program's practitioners may use the Blue Shield grievance process. Blue Shield reserves the right to terminate this program without notice.

Discount Vision Program

Whether or not you purchase a separate Blue Shield vision plan, your employees can use our vision discount program. Through a select group of participating providers in California, our members can receive a 20 percent discount on a variety of services and supplies – routine eye exams, frames, lenses, etc. – when they use one of the participating providers in the MESVision Network.

The MESVision Network Vision Program is a value-added feature exclusively for Blue Shield members who reside in California and is not a covered benefit of Blue Shield of California health plans. None of the terms or conditions of Blue Shield's health plans applies. Disposable and replaceable contact lenses, eyeglass frame repairs, promotional eye care offers, medical and surgical eye treatment and any services not specifically included in this program are excluded from the MESVision Network Vision Program. Members who are not satisfied with services received from the program's practitioners may use the Blue Shield grievance process. Blue Shield reserves the right to terminate this program without notice.

LASIK discount program

A new LASIK discount program¹¹ is now available to members who qualify for surgery through the TLCVision provider network. Blue Shield and Blue Shield Life Vision plan members are eligible for a 15 percent discount on LASIK surgery. For more information, or to find a TLCVision center in their area, members can call TLCVision customer service at (877) 752-6852.

Lifepath Resources

ADVANCED SUPPORT AT NO EXTRA COST

Blue Shield extends the value of all our plans with *Lifepath Resources*SM these advanced services, programs and tools offer your employees additional support online and over the phone.

Lifepath AdvisersSM

Round-the-clock access to registered nurses and master's level counselors for one-on-one advice about health, family, work, financial and legal issues is the hallmark of *Lifepath Advisers*.

Lifepath Decision GuideSM

This educational service helps members determine the care that's right for them when faced with an important medical decision, providing access to personalized health reports, hospital comparisons and pharmacy information.

Mylifepath.com

When members are registered on **mylifepath.com**, all they need to do to see highlights and details of their health plan coverage, understand their copayment and deductible amounts, and check the status of their claims, is to log on and click on **My Health Plan**.

Please Note: Members covered on the Access+ Baja HMO Plan have access only to the nurseline. Please check with your benefits administrator for details.

With no administration required on your part, *Lifepath Resources* are available at no additional cost to your employees or to you, making Blue Shield coverage an even stronger value.

HEALTH MANAGEMENT PROGRAMS AND RESOURCES

Chart Your Course Diabetes Management Program

Members living with diabetes can receive educational materials to help them maintain a healthy lifestyle and help reduce the chances of developing diabetes-related complications.

Reach Your Peak Asthma Self-Management Program

Blue Shield members can breathe easier with this award-winning program for children and adults ages 5-56, based on National Asthma Education and Prevention Program guidelines.

Shield Your Heart Cardiovascular Risk Reduction Program

Shield Your Heart emphasizes self-directed, home-based interventions focused on high blood pressure, cholesterol management, smoking cessation, nutrition, exercise and stress management in order to reduce personal risk factors for heart disease and stroke.

BlueCard Program

No matter which Blue Shield plans you offer your employees, they'll be covered when they're far from home. Our participation in the BlueCross and BlueShield Association's BlueCard[®] Program allows us to offer your employees access to care¹² outside California and around the world. The program includes:

- Eightyfive percent of all the doctors in the United States.
- Providers in more than 200 countries with the BlueCard Worldwide[®] Network.

Employer Connection

SIMPLIFYING YOUR BUSINESS

The Employer Connection section of **mylifepath.com** is the secure resource that makes managing health benefits a breeze. We've put the resources that simplify administration right at your fingertips. Online anytime you can:

- Manage your account
- Download frequently used forms
- Find customer service information
- Check out the *Lifepath* Resources

SERVING YOU WITH SMART PEOPLE AND SMART SYSTEMS

We've staffed our customer care centers with knowledgeable representatives who can provide in-depth information and guidance on every aspect of your Blue Shield coverage:

- Benefits questions
- Claims updates
- Selecting a provider
- Answering billing inquiries

We optimize the latest phone system technology to distribute call volume quickly and efficiently, relieving callers of frustrating menu options and lengthy hold times. Support in 147 languages, including Spanish, Mandarin, Cantonese and Russian, is provided for another layer of personal support.

It's time to choose Blue Shield

Choices. Stress-free administration. Flexible coverage designed for your business, your employees and their families – today and tomorrow. All from Blue Shield.

Benefit from the bottom-line results created by a healthier and more productive workforce. Contact your Blue Shield representative today, and get the health plan that can support the growth and success of your business.

¹ If less than ten but 5-9 eligible employees enroll during open enrollment, the group will automatically default to the PlanSelect restrictions for groups with 5-9 enrolled employees.

² If less than five but 2-4 eligible employees enroll during open enrollment, the group will not be eligible for PlanSelect but will default to Dual Choice.

³ This is our Dual Choice option, which is not part of PlanSelect. Please note that other contribution and participation guidelines apply. Please see Underwriting Guidelines for complete details.

⁴ Qualifying high-deductible health plans are health savings account (HSA) eligible.

⁵ Total number of plans available to groups with 5-9 enrolled employees varies depending on plan selection. Please see Underwriting Guidelines for complete details.

⁶ Except for Access Baja HMO Plans. One Access Baja plan can be offered in addition to the HMO and 2nd plan choice. Please see Underwriting Guidelines for complete details.

⁷ Underwritten by Blue Shield of California Life & Health Insurance Company.

⁸ If your plan combination includes HMO 5, HMO 10, HMO 15, POS Plan, PPO Zero Deductible or PPO 250 Premier then the minimum contribution level is \$100 per enrolled employee.

⁹ The Access+ Specialist option allows HMO members direct access to a participating specialist in the same medical group or IPA as their Personal Physician. Not all medical groups or IPAs participate in this program. Not available to Access Baja plan members.

¹⁰ Dental providers outside California are contracted through Dental Benefit Providers, Inc. Dental providers in California are contracted through Dental Benefit Providers of California, Inc.

¹¹ This discount program is not part of our vision plans and is offered in addition to the benefits covered under the vision plans. Members who are not satisfied with services received under the discount program may use the Blue Shield of California or Blue Shield of California Life & Health Insurance Company (as applicable) grievance process. Blue Shield reserves the right to terminate this program without notice.

¹² Please note that out-of-area coverage for the Access+ HMO plans covers only urgent and emergency care. Members are not required to use the BlueCard Program for covered services. Access+ HMO and Access Baja is a registered mark, and *Lifepath* Resources, *Lifepath* Advisers, *Lifepath* Decision Guide, *MyLifepath*, Access + *Specialist*, Added Advantage, Shield Spectrum, Active Choice, PlanSelect, Dental PPO Smile and *Shield* Your Heart are service marks of Blue Shield of California.

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