



your personal guide to consumer-directed health care

The
Power of **YOU!**  

Overview

Like other forms of insurance, health insurance is meant to protect the policyholder from catastrophic financial loss. Through the years, however, Louisianians have changed their expectations of health insurance. They expect their health insurance plans to cover major illnesses, as well as everyday medical expenses. Those include doctors' appointments, medication and countless tests and procedures.

The health insurance premiums Louisianians pay reflect what it costs to receive all of those types of medical services and to protect them from catastrophic loss. When insurers pay out more in claims than they receive in premiums and when future services are predicted to cost more, premiums go up. That is what Louisianians have been experiencing for several years.

Many consumers don't fully understand just how much their health care costs. For many years, health insurers insulated their members from the true cost of these services by paying doctors and hospitals directly. For example, few people realize that the brand-name drug for which they pay a \$15 or \$20 copayment actually costs an average of \$105.¹ Consumers are not aware that the few minutes they spend seeing the doctor for a sore throat could result in charges of as much as \$60 in doctor's fees, plus the cost of any lab work and prescriptions.² The true cost of surgical procedures is also an eye-opener – more than \$18,000 on average to have an appendix removed and nearly \$100,000 for heart bypass surgery!³

The good news is insurers, consumers and health care providers can work together to control the cost of health care.

¹ Internal data from Blue Cross and Blue Shield of Louisiana Pharmacy Management Department

² American Medical Association Physician Socioeconomic Statistics 2001

³ Internal data from Blue Cross and Blue Shield of Louisiana Medical Economics Department



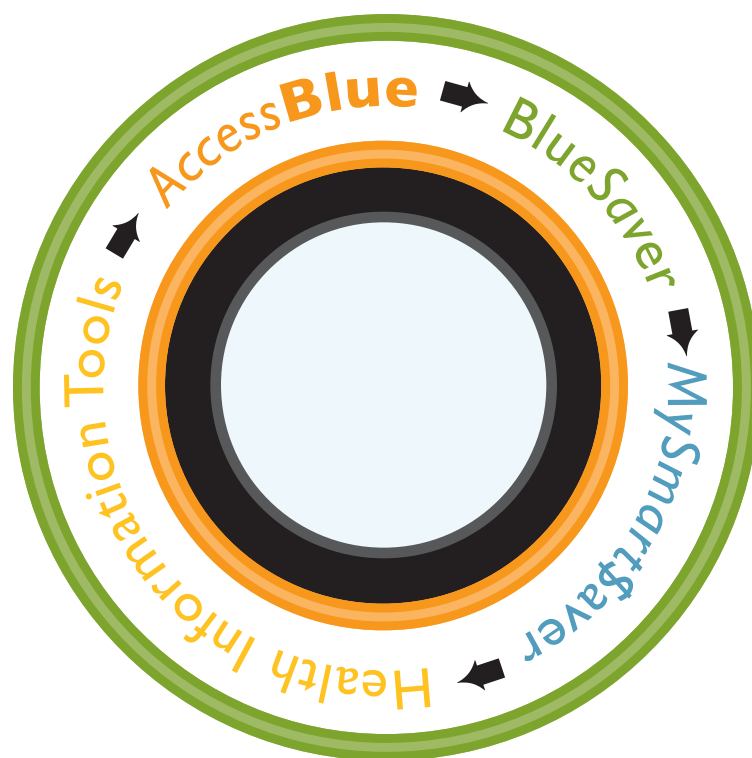
Empowering YOU to take control.

Blue Cross and Blue Shield of Louisiana offers a consumer-directed health strategy that empowers you through cost-sharing, individual purchasing choices and educational tools to help you make better decisions concerning your health care.

Consumer-driven strategies that don't just shift costs ... they change behaviors

Today, consumers are changing the role they play in their health care coverage and in their care. Our goal is to empower and educate you about your health care and benefits. When you become more involved in your health care decisions, you can better manage your health care.

We start with BlueSaver, our low-premium, high-deductible plan that can be paired with a health savings account (HSA). You can manage your health plan and HSA and access easy-to-use online health information management tools that help you plan for the cost of your care.



Strategies at Work



Key components of a consumer-directed health plan include:



BlueSaver



**HSA
(MySmart\$aver)**



AccessBlue

The advantages of a consumer-directed plan...

A consumer-directed health plan is designed to help contain rising health care costs while saving you money. Other advantages include:

- lower premiums
- more control over personal health care choices
- money in the HSA is not taxable if used for qualified medical expenses
- unused funds in the HSA can roll over into the next benefit period
- online access to track HSA balances, obtain quarterly claims details and manage benefits
- online health information and resources to help you live healthier and make smarter health care decisions

BlueSaver



BlueSaver

Blue Cross and Blue Shield of Louisiana combines BlueSaver, our most popular PPO plan, with a health savings account (HSA), which works somewhat like an IRA to help you save money for qualified medical expenses.

BlueSaver benefits include:

- qualified high-deductible health plan that meets IRS requirements for HSAs
- wide range of deductibles for individuals and families
- lifetime protection of \$5 million for each covered member
- deductibles accrue to out-of-pocket maximums
- prescription drug coverage for brand and generic drugs
- access to the largest provider networks in the nation
- wellness benefits with first-dollar coverage (no deductible)
- pregnancy coverage option
- rehabilitation services





MySmartSaver HSA

HSA advantages

● Tax-deductible contributions and distributions

The money you deposit into your HSA will reduce your taxable income for the year, even if you don't itemize your taxes. If you make deposits to the account, the money can be 100-percent tax-deductible, up to the IRS maximum.

Withdrawals made for qualified medical expenses are tax-free. A complete list of qualified medical expenses is available through the Internal Revenue Service at www.irs.gov.

● Unused contributions roll over

Another advantage is that you are not obligated to use the money you contribute to your HSA each calendar year. The money can remain in the account and earn interest until you need it – whether that's next month, next year or in 10 years. When you reach 65, the account can be used as retirement savings or continue to be used for medical expenses. You decide.

A health savings account, or HSA, can be a valuable tool to help you save money for medical expenses. An HSA is a tax-free account established primarily to pay qualified medical expenses. Most people who are covered under an IRS-qualified high-deductible health plan like BlueSaver can open and contribute to an HSA. Money in the HSA can be used to pay for deductibles and qualified health services, such as doctor visits, hospital care and prescription drugs.

The Bancorp Bank* is the preferred provider for our health savings account.

*a wholly owned subsidiary of The Bancorp, Inc. (Nasdaq NM:TBBK)





Online access to MySmart\$aver

Tools for managing your health savings account are only a mouse click away. Visit www.bcbsla.com or www.mysmartsaver.com to:

- view account balances
- use online bill pay for medical expenses
- view HSA fund investments



MySmart\$aver advantages

- Visa-branded debit card
- interest-bearing account
- investment options
- enrollment applications may be mailed or completed online
- no application or set-up fees
- accounts are opened within 24 hours of receipt of application
- Welcome Kit sent to inform you about your new account
- free account for the first 90 days
- low monthly fee of \$2.50
(fee is waived with monthly electronic deposits or balances over \$2,500)
- customers receive annual year-end reporting on contributions and distributions
- FDIC insured
- outstanding interest rates paid on balances over \$1
- call center support available 24 hours a day, seven days a week
- online account access to monitor savings and expenses
- more than 20,000 deposit locations nationwide

iLinkBLUE – ensuring accurate payments

More than 4,000 physicians can access Blue Cross health plans by using our iLinkBLUE provider internet portal, giving them instant online access to their professional fee schedules. Providers also have access to member information regarding eligibility, benefits and deductible status. By using this data, providers can more readily collect accurate coinsurance and deductible payments for the services they provide, minimizing member over-payments that could later result in provider refunds.

*Please note that this feature is not yet available to dentists, pain management providers or anesthesiologists.



AccessBlue



AccessBlue ... an online crossroads where all roads lead to service

Our customers want more ways to manage their health information. That's why we created AccessBlue – a password-protected online tool that allows you to review and manage your health care information 24 hours a day, seven days a week. It's quick and easy to register – visit www.bcbsla.com and select “register” under “online services.”

Use AccessBlue as a handy tool for online member services. Manage your account from the convenience of your computer! AccessBlue features a variety of other functions:

- change an address
- order a replacement ID card or benefits booklet
- correct information on you or your dependents (such as birth date, Social Security number and gender)
- add or drop a dependent from coverage
- verify that a dependent still qualifies for coverage
- contact us if other coverage is in effect

One of the goals of AccessBlue is to empower and educate members about their health care. When consumers become more involved in their health care decisions, they take more personal responsibility in managing it. Through AccessBlue, you can perform many of the above functions and more.

With AccessBlue, you receive these valuable tools:





Healthcare Facts: Comparison shopping for care

Healthcare Facts is an easy-to-use online tool that lets you shop for the best fit, best price and best value in hospital choices. Learn about a hospital's safety programs, accessibility and convenience of services, and the variety of health care services offered – all on a one-page summary.

Read the label. Get the facts.

The Healthcare Facts label looks much like the widely used Nutrition Facts label that you've seen many times on cans of soup and cereal boxes. Using this familiar format helps health care information feel less intimidating, more understandable and easier to use. The design of Healthcare Facts was based on extensive consumer research, involving more than 60 consumer feedback groups.

Get the facts – and feel better about your health care.

Healthcare Facts is useful in a variety of situations. Some consumers use it to help choose a hospital when they have a planned event for hospital services, such as childbirth or elective surgery. Other consumers use it to learn more about hospital options if they are new to a community or would simply like to know more about the hospitals in their area.

BlueCross BlueShield of Louisiana An Equal Opportunity Employer of the Blue Cross and Blue Shield Companies	
Healthcare Facts™	
General Hospital	
Bigtown, Louisiana	
Ownership: Private	
Teaching Status: Non-teaching	
% Uncompensated Care: 5	
Price – \$\$\$\$	# of General Care Beds–300
Care and Procedures	
Births, prior year	1,110
Heart attacks treated, prior year	225
Pain management programs	Yes
Safety and Quality	Standard: Min./year* #/yr
Key Procedures	
Coronary (heart) artery bypass	450 400
Other Information	
24-hour Doctor of Pharmacy (PharmD) present	Limited
# of hospital patients per RN	4.5
Services and Technology	
Systematic outpatient follow-up scheduling available	Yes
Top five practice areas for this hospital: Heart Care, Cancer Care, Orthopedics, Maternity, General Surgery	

www.healthcarefacts.org

1.888.217.2583 (BLUE)

Health Information Tools



Online health and wellness education tools

Blue Cross and Blue Shield of Louisiana provides online health management tools that members can use to view treatment options and cost estimates for a variety of health conditions. You can also research and compare hospitals in your area and compare our coverage plans.

Health care decision support tools go hand-in-hand with our mission of improving the lives of Louisianians by providing health guidance and affordable access to quality care. When you have more information, you can make more informed choices and use your health care benefits wisely.



Healthcare AdvisorSM*

Healthcare Advisor is available to Blue Cross customers through AccessBlue:

- **Learn about your health** – view clear, accurate information about more than 150 health conditions and medical procedures.
- **Estimate the cost of services** – see cost estimates for services typically performed for many health conditions.
- **Choose a hospital** – find the hospital that fits what is most important to you, whether it's experience, reputation or results of care.
- **Find tools and resources** – use a wide range of tools to take an active role in your health, such as lists of questions to ask your doctor or insurance carrier.



Coverage AdvisorSM*

Coverage Advisor makes it easy to plan ahead for health care costs and make smart coverage choices.

You can:

- **Create customized family health profiles.** A few simple steps allows you to enter the names, ages, sexes, locations and health status of your family members.
- **Estimate the services you'll need.** Once a profile is created, Coverage Advisor estimates your family's health care needs for the coming year – doctor visits, prescriptions and more.
- **Estimate the costs.** Coverage Advisor offers a range of costs for each service, based on data from more than 50 million people nationwide.
- **Estimate out-of-pocket expenses.** You can compare your anticipated out-of-pocket expenses under different benefit plans and review the impact of funding a health savings account.

Why Choose Blue?

There's a lot to Blue Cross that you may not know...

Who We Are

- We serve more than 1.1 million members.
- Our company is totally Louisiana-owned and -operated.
- We are a tax-paying company. Blue Cross and our subsidiaries paid \$10 million in taxes in 2005 and returned \$1.5 billion to the Louisiana economy by way of claims paid on both insured and self-insured business.

Financially Strong and Stable

- Blue Cross and Blue Shield of Louisiana has been in business since 1934.
- We have received nine consecutive "A" (strong) ratings for financial strength from noted national rating service Standard & Poor's.
- We also hold five accreditations from top national health care standards organizations, including accreditations for meeting privacy and quality standards.

Customer Service Like No Other

- AccessBlue, our free online self-service tool at www.bcbsla.com, allows individual and group customers and employers to handle many of their routine customer service needs 24 hours a day, seven days a week.
- We also offer personal service from our call center for customers wishing to speak to a representative by phone. Just call the number on the back of your ID card.
- Our eight District Offices provide face-to-face customer service.

Strongest Provider Networks

- Nearly 9 out of every 10 doctors in Louisiana belong to a Blue Cross network.
- Every full-service acute care hospital in Louisiana is part of our Member Hospital Network.
- Network discounts mean savings to you.



Keeping Members Healthy

- Our website at www.bcbsla.com offers many resources to help you learn more about your health and stay healthy.
- Our in-house medical team of doctors, pharmacists and nurses works to make sure your health care needs are met effectively and affordably.
- We send reminder notices when you are due for preventive care, such as mammograms and cancer screenings.
- If you have a serious or chronic condition, such as asthma, diabetes or cardiovascular disease, our Care Management staff can help you manage your care.

A Partner in the Community

- We support more than 200 charitable organizations throughout Louisiana.
- Team Blue, our employee volunteer group, participates in community projects across the state.
- We focus on helping Louisiana's youth through programs such as our Angel Award®, an annual honor for individuals who do outstanding volunteer work on behalf of children, and Smart Bodies, an innovative program combating childhood obesity.
- The Blue Cross and Blue Shield of Louisiana Foundation supports disaster relief efforts in local communities statewide.

The Power of the Cross and Shield

- Blue Cross and Blue Shield of Louisiana is a member of the Blue Cross and Blue Shield Association, a group of 38 plans that collectively cover more than 94 million people – more than one third of all Americans.
- Closer to home, we serve one out of every four Louisianians.
- Because we are a member of the national Blue Cross and Blue Shield Association, you can take your health care benefits with you when you travel – across the country and to 200 countries around the world.

Our Home, Louisiana.

- The health insurance industry in Louisiana can sometimes seem like a revolving door, with companies moving in and out. We at Blue Cross are in Louisiana to stay. Our roots date back to 1934 in New Orleans, and we've never left. We're here today, and we will be here tomorrow and the next day serving the people of the state we call home.

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Power of YOU!**