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WWW.BCBSLA.COM



HMO
Louisiana, Inc.

A subsidiary of Blue Cross and Blue Shield of Louisiana,
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HMO Plan Group Proposal

SOLUTIONS FOR
BUSINESSES

YOUR HEALTH. OUR COMMITMENT.

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This proposal is presented for general information only. It is not a benefit plan, nor intended to be construed as a benefit plan. If there is any discrepancy between this document and the benefit plan, the benefit plan will govern the benefits paid. For complete information, please refer to the benefit plan.

Premium will vary with the amount of benefits chosen.

HMO refers to benefit plan #13100 00004.

Cafeteria Plan refers to contract #28XX1592.

HMO Louisiana

FROM A COMPANY YOU ALREADY KNOW AND TRUST

A wholly owned subsidiary of Blue Cross and Blue Shield of Louisiana, HMO Louisiana, Inc. is part of the largest and most experienced health insurer in the state. We're proud to bring you our managed care portfolio that is backed by the strength and wisdom of a company doing business in Louisiana since 1934.

REAL CHOICES. REAL SAVINGS.

HMO Louisiana gives you the choices you deserve when it comes to your health. Our comprehensive network offers a high quality of care from doctors and hospitals 24 hours a day, seven days a week. We have negotiated with these select providers to bring you additional savings and enhanced benefits.

Our managed care plans help lower out-of-pocket costs by offering low copayment options and no deductibles for care received within our network. Our plans also feature a comprehensive wellness package, a prescription drug program and a series of program choices.



Information on the most current rating is available at www.standardandpoors.com or by calling Standard & Poor's at **212.438.2400**.



HMO Louisiana



HMO plans deliver quality, cost-effective healthcare coverage while maximizing your healthcare dollar.



In today's rapidly changing healthcare environment, healthcare choices can be confusing. So it is good to know there is a managed care product from a company you can count on.

Our HMO plan offers managed care with the power of choice.

If you are looking for excellent coverage at an affordable price, our HMO plan is the product that's right for you and your employees. Our HMO delivers quality, cost-effective healthcare coverage while maximizing your healthcare dollar.

The HMO plan features healthcare delivery to your employees from their individual primary care physician (PCP) who participates in the HMO Louisiana network. The PCP coordinates most of the healthcare needs of the member. The plan also features "direct access" to specialists in the HMO Louisiana network without the member first having to get a referral from the PCP.

HMO Louisiana members also enjoy freedom from paperwork hassles. The network physicians submit all claims and handle authorizations, and our special managed care unit does the rest.

Consider the advantages of HMO:

- predictable healthcare costs
- easy-access network
- physician copayments
- preventive and wellness benefits
- prescription drug program
- deductible options available for lower premium



Primary Care Physicians

HOW IT WORKS

A primary care physician (PCP) is a general practitioner, family practitioner, internist or pediatrician. The member pays only the applicable PCP copayment for each office visit. The PCP copayment will also apply to visits to chiropractors, therapists (physical and occupational), speech therapists/pathologists, therapy assistants and federally qualified rural health clinics.

Members may also choose to visit network specialists in the HMO Louisiana network without a referral from their PCP. When visiting a specialist, the member pays only the applicable specialist copayment.

To find a PCP or specialist, visit our website at www.bcbsla.com.

THE ADVANTAGES

The PCPs in the HMO Louisiana network are committed to total healthcare. They become closely involved with member care and, through preventive medicine, work to detect illnesses in their earliest stages.

The PCP provides and coordinates most of the member's healthcare needs, including routine exams, emergency care and hospitalization.

Consider these advantages offered by the PCP:

- **Convenience:** PCPs coordinate medical care and file claims for their services.
- **Low copayments:** Members pay only one pre-set fee for visits to the PCP's office.



Introducing
HMO

- *Network Benefits*
- *Dependent Out-of-Area Benefits*
 - *Urgent Care Benefits*
 - *Care away from Home*
 - *Emergency Care Benefits*
- *Mental Disorders / Alcohol and Drug Abuse Benefits*
- *Organ, Tissue and Bone Marrow Transplant Benefits*
- *Owner 24-Hour Coverage*
 - *Pregnancy Care*
 - *Care Away From Home*
- *Prescription Drug Program*
- *Care Management Program*
 - *Wellness*
- *Value-Added Service*
- *Customer Service*



There are two levels of HMO benefits for covered services: network benefits for employees and their families living in the service area and dependent out-of-area benefits for dependents living outside the service area.

HMO NETWORK BENEFITS

Members receive network benefits when they receive care from a provider within the HMO Louisiana network. These network providers will submit the claims, and the member is only responsible for the copayment or applicable coinsurance and deductible. It is important to remember that before visiting a non-network provider, members must have approval from HMO Louisiana. Otherwise, no benefits will be paid.

DEPENDENT OUT-OF-AREA BENEFITS

For added convenience, HMO Louisiana offers a second benefit level for employees with dependents living outside of the designated HMO Louisiana service area. If a member wants coverage for a dependent living outside the service area, the member must request it at the time of enrollment.

If dependent out-of-area coverage is selected, the dependent(s) living out of area receives strong benefits. These out-of-area members have an out-of-area deductible. Once this deductible is met, coinsurance percentage payments are shared for covered services: for instance, HMO Louisiana pays 80 percent of allowable charges and the member pays 20 percent, up to the out-of-pocket limit.

URGENT CARE BENEFITS

Sometimes members need non-emergency medical care after hours. This is referred to as "urgent care." Urgent care is defined as a sudden, acute and unexpected medical condition that requires timely diagnosis and treatment, but does not pose an immediate threat to life or limb. Examples of urgent care include: colds and flu, sprains, stomachaches and nausea.



The HMO plan includes coverage for urgent care. When a member visits an urgent care center in the HMO Louisiana network, an urgent care copayment will apply.

Dependents who are classified as out-of-area will receive deductible/coinsurance-style benefits for urgent care visits.

An urgent care center is a clinic with extended office hours that provides urgent and minor emergency care to patients on an unscheduled basis without the need for an appointment. The urgent care center does not provide routine follow-up care or wellness examinations and refers patients back to their regular physician for such routine follow-up and wellness care.

EMERGENCY CARE BENEFITS

As always, in emergency situations the first priority is to seek treatment at the nearest facility. When a member visits an emergency room, he or she is required to pay a copayment. If the visit results in an inpatient hospital admission, the emergency room copayment is waived. Members must request authorization from HMO Louisiana within 48 hours of an emergency room admission.

Dependents who are classified as out-of-area will receive deductible/coinsurance-style benefits for emergency room visits.

MENTAL DISORDERS / ALCOHOL AND DRUG ABUSE BENEFITS

(network and dependent out-of-area)

Mental Disorders and Alcohol/Drug abuse benefits are the same as Medical/Surgical benefits. This includes coinsurance, copayments, benefit period maximums and lifetime maximums. All mental disorder and alcohol/drug abuse benefits are provided through Magellan Behavioral Health, which is an independent company.

Please refer to the quote sheets included for the specific option and appropriate deductible, coinsurance and/or copayment quoted for the group.

ORGAN, TISSUE AND BONE MARROW TRANSPLANT BENEFITS

Eligible organ, tissue and bone marrow transplants are covered. Members have access to the Blue Quality Centers for Transplant, a network of major hospitals and research institutions located throughout the country. Patient care is coordinated with HMO Louisiana case management, physicians and institutions. Eligible organ, tissue and bone marrow transplants will be covered up to the lifetime maximum, including a \$50,000 acquisition expense maximum. See the organ, tissue and bone marrow transplant section of the benefit plan or contract for complete details and qualifications.

OWNER 24-HOUR COVERAGE

For the protection of employers, HMO Louisiana offers coverage for occupational injuries and diseases for qualified company owners. Coverage for services that are required to be covered in whole or in part by Workers' Compensation insurance is also available for owners, if the owner complies with La. R.S. 23:1035(A).

PREGNANCY CARE

Pregnancy care for employees and covered spouses is required by law in all group plans with 15 or more employees. Covered members pay only one copayment for all prenatal care, including lab work and ultrasounds, plus any applicable hospital copayment for the delivery and care of the newborn baby. Groups with 14 employees or fewer on the payroll can exclude pregnancy benefits, if desired (please see quote sheet). Miscarriages and ectopic pregnancies are covered for all members regardless of whether the pregnancy option is chosen.

CARE AWAY FROM HOME

HMO Louisiana members have access to their benefits across the country through the BlueCard® Program. To meet the different healthcare needs of members and dependents who are away from home, the HMO plan offers separate benefits for short trips and long-term stays. Members simply refer to their ID cards for helpful information on accessing healthcare when they're away from home.

To learn more about the BlueCard Program, call HMO Louisiana Customer Service at 1.800.376.7741 or visit www.bcbs.com/coverage/bluecard.



Prescription Drug Program

PRESCRIPTION DRUG PROGRAM – CONVENIENCE, SIMPLICITY

Prescription drugs are a regular medical expense for many people, so it is important to have easily accessible drug benefits. HMO Louisiana provides coverage through a prescription drug program where members pay a fixed copayment at the time of purchase.

Two methods are available for filling prescriptions:

1. Simply present the HMO Louisiana ID card and a valid prescription to a network pharmacy. No claim forms are necessary, and there is no waiting on reimbursement checks. For participating retail

pharmacies, the copayment covers up to a 30-day supply or the manufacturer’s recommended dosage. A separate copayment is required for each dispensing.

2. Simple copayment-style coverage also applies to prescriptions filled through the Express Scripts, Inc.* mail-order pharmacy. Members pay a mail-order copayment equal to three times the retail copayment and receive up to a 90-day supply or the manufacturer’s recommended dosage.

COPAYMENTS

All HMO plans include a five-tier copayment structure for prescription drugs. Different copayments apply to each tier level. Tier placement is based on our evaluation of a particular medication’s clinical efficiency, outputs, cost and pharmacoeconomic factors.

The following examples describe each tier and the copayment that applies.

Tier Level	Description	Retail Copayment Example (up to 30-day supply)		
		Option 1	Option 2	Option 3
Tier 1	Primarily generic drugs, although some brand-name drugs may fall into this tier	\$7	\$7	\$7
Tier 2	Primarily brand-name drugs, although some generic drugs may fall into this tier	\$25	\$25	\$30
Tier 3	Brand-name or generic drugs that may have a therapeutic alternative as a Tier 1 or Tier 2 drug; covered compounded drugs are included in this tier	\$40	\$45	\$55
Tier 4	A prescription drug that is a multi-source brand drug	\$55	\$60	\$70
Tier 5	Injectable prescription drugs, including those medications that are intended to be self-administered; however, insulin and injectable antihemophilic prescription drugs may be included in another drug tier	\$50	\$50	\$50

Please refer to the rate sheet for additional copayment options.

*Express Scripts, Inc. is an independent company, which serves as the pharmacy benefit manager for HMO Louisiana, Inc.

ADVANCED FEATURES

Mail-service system:

Our program's national mail-service system, Express Scripts, offers the most advanced data processing and dispensing system in the industry. It features rapid at-home prescription delivery, toll-free 24-hour access to registered pharmacists and a toll-free drug information line. Refills can be ordered by mail, phone or on the internet at www.express-scripts.com.

Safeguarding patient health: Network pharmacies maintain an on-file prescription history for each member. Pharmacists work closely with both patients and prescribing physicians to help ensure safety and accuracy when filling their prescriptions.

BROAD PHARMACY NETWORK

Our prescription drug program is part of a nationwide network of pharmacies. We also cover prescriptions filled at non-participating pharmacies. At these locations, benefits for covered prescriptions are based on the discounted plan price, or "allowable charge," that would have been charged at a participating pharmacy, less the applicable copayment. Members may have to pay the balance above the allowable charge at non-participating pharmacies.

For complete network provider information, call 1.866.781.7533 or visit the Express Scripts website at www.express-scripts.com.

SPECIALTY PHARMACY NETWORK

HMO Louisiana maintains a Specialty Pharmacy Network designed to help our members who are using specialty medications to treat chronic illnesses. Specialty drugs are biotechnology medications or other drug products that often require special ordering, handling, patient education and/or customer service. Specialty pharmacies are different from retail or mail-order pharmacies, as they handle these specialty drugs and medications that must be administered in a doctor's office.

Members who purchase specialty medications outside of the Specialty Pharmacy Network may be required to pay full price for the medications and submit a paper claim for reimbursement. You can see a list of specialty medications online at www.bcbsla.com. Click on Customer, then Covered Drugs under QUICK LINKS. You

may also call a Customer Service representative at the number on your ID card for a list of specialty drugs and pharmacies.

LEAD WITH GENERICS – A STEP THERAPY PROGRAM

In some cases, you may be required to try a certain prescription drug to treat a condition in order to receive coverage. If this drug does not work for your condition, we will cover a second prescribed medication.

QUANTITY PER DISPENSING LIMITATIONS & ALLOWANCES

Covered prescriptions have a quantity limit described in your benefit plan, typically up to a 30-day supply at a retail pharmacy and up to a 90-day supply for mail-order. These limits are based on the manufacturer's recommended dosage and duration of therapy; common usage for episodic or intermittent treatment; FDA-approved recommendations and/or clinical studies; and/or as determined by HMO Louisiana. QPD limits/allowances are subject to quantity limits per day supply, per dispensing event, or any combination thereof. Specialty drugs are limited to a 30-day supply for both retail and mail order or the manufacturer's recommended dosage.

Note: Specialty drugs may be limited to a 30-day supply.

PRIOR AUTHORIZATION

Certain prescription drugs and supplies require prior authorization. Please check your Schedule of Benefits, visit the website at www.bcbsla.com or call the Customer Service number on your ID card to see what drugs and supplies require prior authorization.

LIMITATIONS/EXCLUSIONS

Certain prescription drugs are limited or excluded from coverage, including, but not limited to:

- drugs used for cosmetic purposes
- fertility drugs
- weight reduction drugs
- impotence drugs

Please refer to the benefit plan for a complete list of limitations and exclusions.



Care Management Programs

HMO Louisiana is strengthened by our Care Management programs that ensure your care is appropriate. Our team of doctors, nurses and in-house pharmacy staff oversees our members' care through the following functions:

EMERGENCY ADMISSIONS

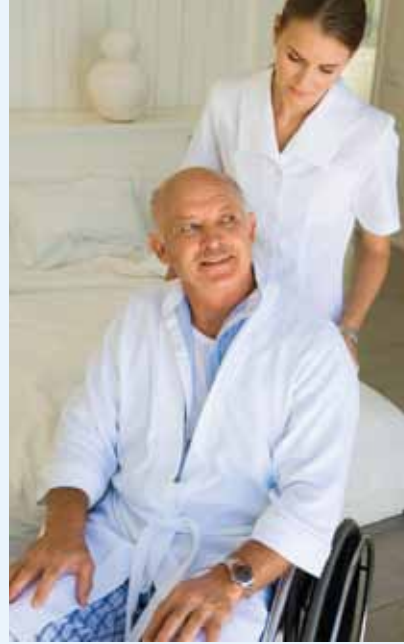
In the case of an emergency inpatient hospital admission, authorization must be requested within 48 hours of the admission by your provider.

AUTHORIZATION OF ELECTIVE ADMISSIONS AND OTHER COVERED SERVICES

If you need to be hospitalized for a condition other than an emergency, your admission to the hospital requires authorization prior to admission. Patients, physicians, hospitals and our Care Management Department all participate in the authorization process that is used to determine whether hospitalization is necessary and an appropriate length of stay. Certain services, drugs and visits to certain providers require authorization from HMO Louisiana before services can be performed. A comprehensive authorization list is included in your schedule of benefits.

CONCURRENT REVIEW

The process of determining whether continued hospital care is appropriate, also called concurrent review, will be conducted from time to time during a lengthy hospital stay. Our Care Management Department works directly with the patient, the hospital and the admitting physician to assess the continued necessity of hospitalization. If a patient chooses to stay in the hospital after it is determined to be medically unnecessary, he or she will be responsible for all expenses incurred during the remainder of the stay.



CASE MANAGEMENT

Case management is a special service performed at the discretion of HMO Louisiana. Case management oversees the treatment of unusually complex, difficult or lengthy illnesses. The case management staff, with the member's acceptance, can develop a long-term treatment plan to achieve the most efficient, effective use of medical resources. Members may call 1.800.317.2299 for assistance with case management.

RETROSPECTIVE REVIEW

A retrospective review may be performed to assess the medical need and correct billing level for services that have already been rendered.

Wellness

PREVENTIVE CARE

HMO Louisiana is committed to preventive care. Detecting illnesses in their earliest stages ensures better health for our members and reduces medical costs for everyone. To promote preventive care, HMO Louisiana covers a full array of wellness services.

WELLNESS BENEFITS

Network

The following benefits are included with all plans. Wellness services provided for annual routine exams are covered by the copayment. A benefit period represents a calendar year.

- one routine physical exam per benefit period
- one prostate (PSA) screening test per benefit period (men age 50 or over or as recommended by the PCP)
- one routine hemoccult (colon) test per benefit period
- two routine gynecological exams per benefit period
- well-baby care for dependent children up to age 24 months
- immunizations as ordered by a physician
- one routine Pap smear per benefit period
- one routine mammography exam every 12 months, or as ordered by the physician

Dependent Out-Of-Area Coverage

All items listed above for network benefits also are covered for members classified as out-of-area dependents subject to deductible and coinsurance amounts shown on the schedule of benefits. The deductible does not apply to PSA, Pap smear or mammography exam.

Other Covered Services

Routine vision exams are also included with all plans. A copayment covers one vision exam every 24 months under both benefit levels.

MY HEALTH COMMITMENT, OUR UNIQUE WORKPLACE WELLNESS PROGRAM

It's easy to overlook the critical link between your employee's health and your company's bottom line.

Healthy employees can have a positive impact on:

- Healthcare costs
- Productivity
- Absenteeism
- Retention of quality personnel
- Employee quality of life

My Health Commitment, our workplace wellness program offered **at no cost**, gives your employees the resources they need to live healthier – every day.

Built right into your Blue Cross health plan,

My Health Commitment includes:

- Personal Health Assessments
- Healthy lifestyle resources
- Wellness trackers
- Regional wellness events
- Local resource listings
- Discount programs
- And more!

For employers who want to expand their wellness offering, we offer upgrades to the core program listed above.

For more information about **My Health Commitment**, talk to your producer or visit us at www.bcbsla.com.



Benefits
WELLNESS

LOUISIANA 2 STEP

Louisiana ranks fourth in the nation in adult obesity, first in deaths from diabetes and second on the list of unhealthiest states.* These are some of the reasons why Blue Cross created the **Louisiana 2 Step**, a statewide public health education campaign to encourage all Louisianians to *eat right* and *move more*.

The **Louisiana 2 Step** was launched in January 2007 with the simple message that two simple changes to one's daily routine can help improve overall health. The award-winning interactive website at www.Louisiana2Step.com is designed to motivate Louisianians to *eat right* and *move more*. A companion site at www.2Step4Kids.com brings the same message to children ages 5 through 12 in a kid-friendly format.

BRINGING THE 2 STEP TO EMPLOYEES

Employers are in a unique position to help employees improve their health and quality of life. Research shows that maintaining a healthy weight can also boost energy and reduce sick days. Blue Cross and Blue Shield of Louisiana has developed toolkits for employers with everything you need to bring the Louisiana 2 Step to your employees. From sign-up instructions to workplace posters and employee newsletter articles, you'll have the materials to inspire your employees to **Do the 2!**

* Centers for Disease Control and Prevention, 2008



Customer Service

YOUR ANSWER IS JUST A CLICK OR A CALL AWAY...

Have a question about your claim? Want to know if a service is covered under your plan? Get the answers to your healthcare coverage questions using our new, secure online Customer Inquiry Form.

This form allows you to submit questions to our Customer Service Department securely and conveniently – any time of day or night. Simply log on to our website at www.bcbsla.com, click on Customer, then choose Customer Inquiry Form. Follow the directions on the screen to get started!

You can always call us between 8 a.m. and 5 p.m., Monday through Friday, at 1.800.495.BLUE (2583). This number is also listed on your member ID card.

ONLINE SOLUTIONS THROUGH ACCESSBLUE

AccessBlue, our secure online portal, lets you manage your group plan with the click of a mouse.

This self-service tool includes eEnrollment, which allows you to enter new hire applications, track their status, make changes to employee contracts, enter terminations, request member materials, and more. Within this tool you can also choose the eBilling option, where you can preview invoices, make electronic payments and view your payment history.

Other AccessBlue features include:

- training and support via an eLearning module
- health management tools
- access to a wealth of knowledge and resources from the convenience of your desktop!

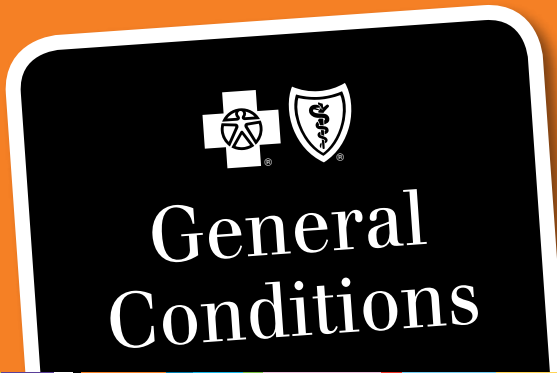
Simply visit www.bcbsla.com and click on AccessBlue to get started.

Value-Added Service

VISION, HEARING AND DENTAL DISCOUNT NETWORK

Members can take advantage of special discounts on vision, hearing and dental services. HMO Louisiana has contracted with certain providers to give members discounts on vision, hearing and dental services. Members simply present their ID card to one of the participating providers and immediately receive significant savings. To find a discount provider, visit www.bcbsla.com and click on Find a Doctor or Hospital. Under the Online Louisiana Directory, click on Search Our Directory. From the drop-down menu, choose Discount Dental, Vision & Hearing. Please note that these services are not eligible for benefits under the benefit plan.

- *Eligible Groups*
- *Eligible Employees*
- *Eligible Dependents*
 - *Group Rates*
 - *Renewability*
- *Coordination of Benefits*
 - *Health Questions*
- *Prior Group Coverage*
- *Special Enrollment*
 - *Late Enrollee*
- *Pre-Existing Condition Exclusions*
- *Benefit Plan Limitations and Exclusions*



ELIGIBLE GROUPS

All groups with two or more employees are eligible to apply for coverage. There are no industry restrictions. Firms that have been in business less than one year are subject to home-office rating. Firms that do not have a current carrier or are seasonal also are subject to home-office rating and approval. In some cases, firms with a significant number of employees living outside of Louisiana may not be eligible.

If a firm chooses a contributory plan, at least 75 percent of its full-time eligible employees must participate. For non-contributory plans, 100 percent participation is required. These percentage requirements are for the initial and ongoing enrollment. Other specific conditions that may apply are contained within the group master application.

ELIGIBLE EMPLOYEES

All full-time employees working a minimum of 30 hours per week and their eligible dependents may apply for coverage. Individuals on retainer (examples: attorneys, accountants, business consultants, 1099 contract employees) and members of boards of directors are not eligible.

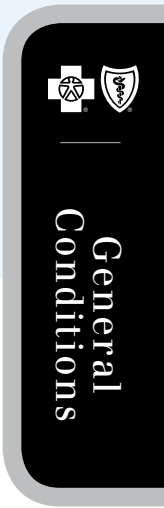
Eligible employees, their eligible spouses and their eligible dependents cannot be individually denied coverage for any reason related to health status. If health question responses are requested by HMO Louisiana, they will be used for group premium and case management.

The effective date of coverage or benefit change will not be delayed because an employee is not actively at work due to health status. Exclusions for pre-existing conditions may apply.

ELIGIBLE DEPENDENTS

Insured employees may cover their spouses. They may also cover their unmarried children and grandchildren as long as they are under 21 years of age (or under 25 if enrolled as a full-time student at an accredited high school, college, university or vocational-technical/trade school). For grandchildren to be eligible, they also must reside with and be in legal custody of the employee.

Unmarried children and grandchildren (in legal custody of and residing with the employee) who are mentally or physically disabled also are eligible for



coverage. They must be incapable of self-support prior to attaining either of the limiting ages stated above.

See benefit plan for details on other dependents who may qualify.

GROUP RATES

Rates may increase after the first 12 months and every six months thereafter due to factors including but not limited to:

- demographic changes of the group, including age changes
- claims experience of all groups in the class of business
- a group's claims experience, health status and duration of coverage
- an overall rise in medical costs
- regulatory considerations
- changes to benefit plan design

However, rates may increase more frequently than stated above as described in the benefit plan.

RENEWABILITY

All benefit plans are renewable at the employer's option. The employer or HMO Louisiana, Inc. can terminate the benefit plan with advance notice in the cases of:

- nonpayment of premium
- fraud or misrepresentation
- noncompliance with plan provisions, including not meeting minimum participation and eligibility requirements
- termination of all employer plans in that class of business (advance notice will be given)
- where there is no longer an enrollee who lives, resides or works in the service area

COORDINATION OF BENEFITS

Coordination of benefits will be conducted when a participant has additional group coverage. This provision helps keep premiums low by preventing duplicate payments for the same services.

HEALTH QUESTIONS

In groups with two to 19 employees, applicants and any eligible dependents must answer all health questions on the employee application form. In groups with 20 or more employees, employees who apply after the group's initial eligibility period can apply during

the group open enrollment period within 30 days prior to the group's anniversary date and must answer all health questions on the employee application form. These questions will not be used to reject the application. (See Late Enrollee information.)

PRIOR GROUP COVERAGE

When the employer is replacing another group insurer, HMO Louisiana adheres to all replacement requirements. Credit will be given for any time served toward a waiting period for pre-existing conditions. This applies to employees listed on the current invoice of the previous insurer. If an employee declines coverage for himself/herself, spouse or dependent child(ren) because of certain other health insurance coverage, he/she may in the future be able to enroll himself/herself, spouse or dependent child(ren) in this health plan, provided that a complete request for enrollment is received within 30 days after the other coverage ends. In addition, if an employee gains a new dependent as a result of marriage, birth, adoption or placement for adoption, he/she may be able to enroll himself/herself, spouse and dependent child(ren) in this plan, provided a complete request for enrollment is received within 30 days after marriage, or within 30 days after birth, adoption or placement of adoption.

SPECIAL ENROLLMENT

In certain circumstances, an employee may enroll himself/herself or spouse, or dependent child(ren) in this health plan. These circumstances include, but are not limited to, the following:

- Loss of certain types of other coverage
- Acquiring a dependent

Please refer to the benefit plan for details on special enrollment rights.

LATE ENROLLEE

A "late enrollee" is an eligible employee or dependent who does not enroll for group health insurance coverage:

- when first eligible, and
- does not meet the qualifications of a "special enrollee."

An eligible employee must be covered to add a dependent(s). Late enrollees may apply for coverage during the group's open enrollment period within 30 days prior to the group's anniversary date, but will have an 18-month exclusion for pre-existing conditions.

PRE-EXISTING CONDITION EXCLUSIONS

A Pre-existing Condition is defined as:

A physical or mental condition for which medical advice, diagnosis, care or treatment was recommended or received within the 90-day period immediately prior to the eligible member's enrollment date. Genetic information will not be treated as a pre-existing condition in the absence of a diagnosis of the condition related to that information. Pregnancy will not be treated as a pre-existing condition.

Pre-existing Condition Exclusion Period

No benefits will be provided for any charges incurred for any pre-existing conditions subject to the following exclusion periods and subject to prior creditable coverage:

- initial enrollees of a new group policy – 180-day exclusion period
- new hire enrollees if application is made when first eligible – 180-day exclusion period
- special enrollees – 180-day exclusion period
- late enrollees – 18-month exclusion period
- mental disorders – 60-day exclusion period

Pre-existing Condition Exclusions Do Not Apply to:

- newborns, provided a complete request for enrollment is received by HMO Louisiana within 30 days of birth or within 180 days of birth if the policy covers older children;
- adopted children, provided a complete request for enrollment is received within 30 days of adoption or placement of adoption; or
- pregnancy, if pregnancy benefits are applicable.

BENEFIT PLAN LIMITATIONS AND EXCLUSIONS

(See benefit plan for complete list)

Limitations and exclusions include but are not limited to:

- charges exceeding the allowable charge
- investigative surgery or treatments
- sales tax (except on covered prescription drugs)
- interest
- infertility treatments
- cosmetic surgery or treatment
- corrective eyeglasses or lenses
- contact lenses
- fertility drugs
- treatment of impotence
- custodial care and services that are not medically necessary

BLUE CROSS CAFETERIA PLANS

Want a benefit program that actually serves BOTH you and your employees? One that offers tax savings, convenience and customer support? It's time to sample a Cafeteria Plan from Blue Cross and Blue Shield of Louisiana.

A Cafeteria Plan allows employees to set aside a portion of each paycheck – before paying taxes – into a flexible savings account to pay for qualified healthcare expenses not covered by insurance and for dependent care expenses for qualified dependents.

EMPLOYEE MENU OF ADVANTAGES

- Tax savings (federal and state income tax and social security tax)
- Taxable income is reduced – increases take-home pay
- Convenient way to save for healthcare expenses such as deductibles, coinsurance, over-the-counter medicines
- Access account 24/7 to check account balances, claim status, submit questions and review qualified medical expenses

EMPLOYER MENU OF ADVANTAGES

- Save approximately 8 percent on every dollar employees redirect to their account
- Helps to cushion health insurance increases to lessen impact on employee's paycheck
- Convenient access to reports, check registers and forms around the clock

MENU OF CAFETERIA PLANS INCLUDE:

- **Premium-Only Plan:** Allows employees to have their premiums for most employer-sponsored health plans deducted from their paycheck on a pre-tax basis.
- **Medical Reimbursement Account:** Allows an employee to redirect a portion of their salary on a pre-tax basis to pay for qualified medical out-of-pocket expenses not covered by insurance such as premiums, deductibles, copayments, contacts and glasses, over-the-counter medicines and dental services.
- **Dependent Care Assistance Plan:** Allows employees to pay for dependent care with pre-tax dollars.

CAFETERIA PLAN ADMINISTRATION

As an added value, we offer full-service administration of your cafeteria plan. We provide plan documentation and complete all 5500 forms, if applicable, required by the IRS. We also perform all necessary Discrimination Testing to ensure your company's compliance.

To request a 2009 Section 125 Cafeteria Plan Proposal, visit www.bcbsla.com. Click on Our Plans and follow the prompt to Cafeteria Plans.

www.ezflexplan.com/bcbsla
1.800.376.7734



Cafeteria Plans