



Blue OPTIONS HSASM



REAL SAVINGS. REAL SIMPLE.^{SM1}

Your plan for better health.^{SM1} | bcbsnc.com



**BlueCross BlueShield
of North Carolina**

BlueOPTIONSSMHSA

HIGH-DEDUCTIBLE
HEALTH PLAN



HEALTH SAVINGS
ACCOUNT

REAL SAVINGS.

MORE THAN A PPO

Blue Options HSA uses our most popular health plan design, the PPO,¹ and pairs it with a health savings account (HSA).² It's a tax-free way to help pay for current or future out-of-pocket health care expenses. To be eligible to open an HSA and begin saving money for medical expenses tax-free, you must be covered by an IRS-qualified high-deductible health plan (HDHP), such as Blue Options HSA. High-deductible health plans have lower premiums than traditional plans, so you'll save money immediately.

A TAX-FREE SAVINGS ACCOUNT FOR MEDICAL EXPENSES

With Blue Options HSA, we automatically include a tax-free savings account for medical expenses.² You can make tax-deductible contributions to your HSA (in one lump sum or throughout the year) up to the allowable limits.³ And, individuals who enroll mid-year can still contribute up to the annual contribution limit at any time during the year.⁴ Each year, as your HSA balance grows, it accrues interest tax-free, and any qualified payments made from it are also tax-free.⁵

ACCOUNT BALANCE ROLLS OVER AND CAN BE INVESTED

Funds that are not used in a given year roll over into the next year and belong to you. Additionally, HSA funds can be invested to save for future medical expenses or even retirement.⁶

ONE-TIME ROLL-OVER CONTRIBUTIONS ALLOWED

Individuals can make a one-time roll-over contribution from an individual retirement account (IRA) into an HSA.⁷

HOW THE HSA WORKS

BEFORE MEETING YOUR DEDUCTIBLE

You can start using your HSA funds immediately – even before you meet your deductible! Until you reach your deductible, you'll be responsible for the total cost of any care you receive; however, you'll still receive a discounted rate when you visit a participating provider. You can choose to use your HSA debit card or checkbook to pay the provider directly. Or, you can save your HSA money for future medical expenses.

You can also use your HSA to pay for qualified medical expenses not covered by your health plan like over-the-counter medications or LASIK eye surgery. For a complete list of covered expenses, visit us online at bcbsnc.com.

AFTER MEETING YOUR DEDUCTIBLE

Once you've met your deductible, your health care benefits begin. You can still use any remaining HSA funds to pay your share of expenses (coinsurance) for covered benefits. And you'll still receive our discounted rate when you visit participating providers.

ENHANCED PREVENTIVE CARE

With Blue Options HSA, **you're covered for certain preventive care services before you've met your deductible.**⁸ Just visit your provider as you normally would and show your BCBSNC ID card. You can keep yourself healthy through a variety of preventive procedures including:


- + Annual routine physical exam
- + OB/GYN exam
- + Annual Pap smear
- + Prostate screenings
- + Standard immunizations
- + Well-baby and well-child care



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REAL SIMPLE.





WHAT REAL SAVINGS MEANS

SAVE NOW. SAVE LATER.

Each year as your HSA balance grows, it accrues interest tax-free and any qualified payments made from it are also tax-free.⁵ You can put aside funds for long-term care, future medical expenses, or even retirement. Additionally, whenever the balance in your account exceeds a specific amount, you may elect to invest contributions in a selection of Dreyfus mutual funds, subject to any minimum investment required by such funds.⁹

- + Save up to 50% on premiums¹⁰
- + Tax-deductible HSA contributions
- + Tax-free HSA payments and interest
- + Long-term investment options

LARGE NETWORK WITH PROVIDER DISCOUNTS

Blue Options HSA offers our largest network of doctors, specialists and hospitals (and the freedom to go outside the network for care). And, we've negotiated discounted rates with our providers to ensure savings for you. Even if you haven't met your deductible, you will still save money just by visiting providers in our large network. With a high-deductible health plan, our provider discounts matter now more than ever.

- + In- and out-of-network benefits
- + Our largest network
- + Access to specialists without referrals¹¹
- + Worldwide coverage¹²
- + Discounts for covered services in-network



A HEALTH PLAN AND AN HSA ALL IN ONE

With our online application process, you get a health plan and an HSA.² You don't have to worry about separate applications. Plus, we've made it simple to manage your account online:

- + One online application process
- + HSA automatically included
- + **My HSA Account** – online account management
- + Multiple HSA funding options
- + Contribution tracking and monthly statements
- + Distribution of all required IRS reporting

HSA FUNDS ARE EASY TO ACCESS

With Blue Options HSA, contributions are placed into a FDIC-insured checking account through the Mellon HSA Solution.^{SM2} You'll receive an HSA checkbook and debit card so you don't have to pay up front, submit a claim and be reimbursed. You can also write your debit card number on the bill that you return to your provider.

- + Convenient payment options
- + No need to file a claim for covered expenses

24/7 ONLINE ACCOUNT MANAGEMENT

Blue Options HSA is easy-to-use. Through our My HSA Account tool, you can manage your health plan and HSA with one easy-to-use online resource. You can view balances and claims status; review payment and claims history, including how much has been met to-date toward your deductible and coinsurance; and learn tips on how to manage your HSA.

And, with our new Annual Health Care Summary Report¹³ – in the **My Member Services** section of bcbsnc.com – you can view, analyze and manage your health care spending 24 hours a day, seven days a week.

- + Manage your HSA and health plan in one secure online location
- + Easy-to-use, saves time
- + Health care summary report for each covered member

DECISION SUPPORT TOOLS¹⁴

Use our online Decision Support Tools as you take a more active role in planning for the cost of your care. They can help you estimate the cost of numerous health care services and prescription drugs. They also enable you to compare hospitals and research valuable health information.

- + **Health Care Cost Estimator^{SM1}**
Understand your health care costs
- + **PharmaAdvisorTM**
Compare drug options and costs
- + **Hospital Comparison Tool¹⁵**
Find the hospital that's right for you
- + **Health Line BlueSM**
24-hour health information resource line
- + **Online Health Encyclopedia**
Search for important health information
- + **Health Survey**
Get a personalized health risk report



WHAT
REAL SIMPLE
MEANS



2007 Blue Options HSA Plans

Some benefit features are only available with certain plan combinations. Your premium will vary with the plan selected. Your benefits are listed in the same row as the coinsurance percentage you select.

Individual (coverage for one person)

Family (coverage for more than one person)

First,			Then,		Now,							
select your deductible			select your coinsurance for the deductible you choose		view your benefits							
Benefit period deductible ¹⁶			Coinsurance		Prescription drugs		Preventive care		Total Out-of-pocket maximum ¹⁶		Annual contribution limit	
The benefit period deductible is the amount or expense for covered services that you must pay before your insurance benefits apply for all or part of the remaining cost of covered services.			Coinsurance is the percentage of the allowed amounts for covered services that BCBSNC will pay after you meet your deductible.		Unlimited coverage for generic drugs (combined in- and out-of-network maximum of \$2,000 for brand-name drugs per person per benefit period)		Routine physical exams and screening tests; well-baby and well-child care (including periodic assessments and immunizations) ¹⁷		Your maximum out-of-pocket expense, including your deductible and your share of the coinsurance expense		The maximum amount you can contribute to an HSA in any year you are eligible ^{3,18}	
Network			Network		Network		Network		Network			
IN ¹⁹		OUT ²⁰	IN ¹⁹	OUT ²⁰	IN ¹⁹	OUT ²⁰	IN ¹⁹	OUT ²⁰	IN ¹⁹	OUT ²⁰		
\$1,100 deductible	\$1,100	\$2,200	100%	70%	100%	70%	Not subject to deductible	100%	70%	\$1,100	\$3,450	\$2,850
			80%	50%	80%	50%		100%	50%	\$4,000	\$8,000	
			50%	50%	50%	50%		100%	50%	\$4,000	\$8,000	
\$2,000 deductible	\$2,000	\$4,000	100%	70%	100%	70%	Not subject to deductible	100%	70%	\$2,000	\$5,250	\$2,850
			80%	50%	80%	50%		100%	50%	\$4,000	\$8,000	
			50%	50%	50%	50%		100%	50%	\$4,000	\$8,000	
\$2,700 deductible	\$2,700	\$5,400	100%	70%	100%	70%	Not subject to deductible	100%	70%	\$2,700	\$6,650	\$2,850
			80%	50%	80%	50%		100%	50%	\$5,000	\$10,000	
			50%	50%	50%	50%		100%	50%	\$5,000	\$10,000	
\$5,000 deductible	\$5,000	\$10,000	100%	70%	100%	70%	Not subject to deductible	100%	70%	\$5,000	\$11,250	\$2,850
Network			Network		Network			Network		Network		
IN ¹⁹		OUT ²⁰	IN ¹⁹	OUT ²⁰	IN ¹⁹	OUT ²⁰		IN ¹⁹	OUT ²⁰	IN ¹⁹	OUT ²⁰	
\$2,200 deductible	\$2,200	\$4,400	100%	70%	100%	70%	Not subject to deductible	100%	70%	\$2,200	\$6,900	\$5,650
			80%	50%	80%	50%		100%	50%	\$7,000	\$14,000	
			50%	50%	50%	50%		100%	50%	\$7,000	\$14,000	
\$4,000 deductible	\$4,000	\$8,000	100%	70%	100%	70%	Not subject to deductible	100%	70%	\$4,000	\$10,500	\$5,650
			80%	50%	80%	50%		100%	50%	\$7,000	\$14,000	
			50%	50%	50%	50%		100%	50%	\$7,000	\$14,000	
\$5,450 deductible	\$5,450	\$10,900	100%	70%	100%	70%	Not subject to deductible	100%	70%	\$5,450	\$13,400	\$5,650
			80%	50%	80%	50%		100%	50%	\$10,000	\$20,000	
			50%	50%	50%	50%		100%	50%	\$10,000	\$22,500	
\$10,000 deductible	\$10,000	\$20,000	100%	70%	100%	70%	Not subject to deductible	100%	70%	\$10,000	\$22,500	\$5,650

CONTACT YOUR LOCAL BCBSNC AGENT TO APPLY TODAY!

Here are a few things to keep in mind before you apply:

To be eligible for Blue Options HSA coverage, you must:

- + Be a North Carolina resident between the ages of 18 and 64
- + Qualify medically
- + Not be covered by another insurance policy
- + Not be claimed as a dependent on someone else's tax return
- + Not be enrolled in Medicare

Allow between 15 and 30 days for processing. You can choose for your effective date to be the 1st or 15th day of the month following the approval of your application. Some applicants may be required to have a simple paramedic examination. **If you need immediate coverage, contact your local agent to learn about a short-term policy from BCBSNC.**

Once your application is processed, we'll send you your Benefit Booklet and ID card to review. If you're not completely satisfied, simply notify us within 10 days and we'll refund your initial premium.

Dental Blue®

Do you need dental coverage for you or your family? BCBSNC also offers a separate dental plan. With Dental Blue, there's no deductible or waiting period for checkups or diagnostic and preventive services. You're also covered for basic services like routine fillings and extractions and for major services including crowns, bridges and dentures.²¹

- + No deductible or waiting period for preventive services
- + Coverage for basic and major services
- + No network restrictions

Dental Blue benefits are not included in the rates for Blue Options HSA. Dental Blue is a separate product that provides dental-only coverage and is available at an additional rate.

BlueOPTIONSSMHSA



Blue OPTIONS HSASM

Your coverage will automatically renew. Your coverage may be canceled by Blue Cross and Blue Shield of North Carolina for failure to pay premiums and for misstatements in or omissions of information from your application. Coverage for dependent children ends at age 26. Members will be notified 30 days in advance of any change in coverage. A waiting period for coverage of pre-existing conditions may apply to your coverage.²²

This brochure contains a summary of benefits only. It is not your insurance policy. Your policy is your insurance contract. If there is any difference between this brochure and the policy, the provisions of the policy will control.

PLEASE NOTE: Federal guidelines and interpretations are subject to change.

- 1 Blue Cross Blue Shield of North Carolina (BCBSNC) Internal Data, 2007.
- 2 BCBSNC does not administer your HSA. Your HSA custodian is Mellon Trust of New England, N.A. BCBSNC is not affiliated with your HSA custodian or administrator.
- 3 These amounts will be updated annually for inflation. For the most up-to-date information visit www.irs.gov.
- 4 The contributions made for the months preceding the individual's eligibility for the HDHP may be included in gross income and subject to a 10 percent additional tax if the employee loses eligibility for the HDHP before the last day of the 12th month following the last month of the taxable year in which the contribution was made.
- 5 Withdrawals are tax free only if used for qualified medical expenses. See www.irs.gov for specific regulations.
- 6 Availability of The ACS/Mellon HSA Solution investment alternative is subject to HSA account balance minimums.
- 7 A transfer from an IRA to an HSA is subject to the annual contribution limits. The contributions made for the months preceding the individual's eligibility for the HDHP may be included in gross income and subject to a 10 percent additional tax if the employee loses eligibility for the HDHP before the last day of the 12th month following the month of contribution.
- 8 Includes in-network annual routine physical exam, well-baby and well-child care and certain immunizations and screenings. Other covered services may be subject to deductible and coinsurance.
- 9 Dreyfus is made available by Mellon. BCBSNC is not affiliated with your investment fund.
- 10 Compared to Blue Advantage® Plan A with a \$2,500 deductible for a 44-year old male in Raleigh on Preferred Risk Tier based on 2007 rates.
- 11 Referrals may be needed for mental health and substance abuse services.
- 12 You are covered in more than 200 countries and territories worldwide through the BlueCard® program; www.bcbs.com/news/press/facts/bluecard.html.
- 13 Amounts listed include out-of-pocket expenses such as copayments, deductible and coinsurance amounts.
- 14 BCBSNC offers several Decision Support Tools to aid you in making decisions around your health care experience. These tools are offered for your convenience and should be used only as reference tools. You should consult your own legal counsel, tax advisor, or personal physician as applicable throughout your health care experience.
- 15 Brought to you by Subimo, LLC.
- 16 Deductible and out-of-pocket maximum amounts are subject to change year to year in order to comply with IRS requirements.
- 17 Other covered services may be subject to deductible and coinsurance.
- 18 Amount is limited to the amount established by t to their HSA in 2007.
- 19 All services are limited to the allowed amount. BCBSNC allowed amount is the amount that BCBSNC determines is reasonable for covered services provided to a member, which may be established in accordance with an agreement between the provider and BCBSNC. If you use an in-network provider you will only be responsible for your deductible and any coinsurance amounts.
- 20 NOTICE: Your actual expenses for covered services may exceed the stated amount because actual provider charges may not be used to determine the payment obligations of BCBSNC or its members.
- 21 Dental Blue has a six-month waiting period for basic services; 12-month waiting period for major services.
- 22 Pre-existing conditions are those for which medical advice, diagnosis, care or treatment was received or recommended within 12 months of the date that your Blue Options HSA coverage begins. You may receive credit toward the 12-month waiting period if we receive your completed Blue Options HSA application within 63 days of the termination of your previous health coverage.

Policy Number: BOptions HSA (Indiv.), 7/06
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LIMITATIONS & EXCLUSIONS

Like most health care plans, Blue Options HSA has some limitations and exclusions. When your application is approved, you will receive a benefit booklet. It will contain detailed information about plan benefits, exclusions and limitations.

This is a partial list of benefits that are not payable:

- Services for or related to conception by artificial means or for reversal of sterilization
- Treatment of sexual dysfunction not related to organic disease
- Treatment for transsexualism, sex changes or modifications including surgery
- Services that are investigational in nature
- Services for complications or side effects arising from excluded services, procedures or treatments
- Services that are not medically necessary
- Dental care except as provided in your benefit booklet
- Services or expenses that are covered by any governmental unit except as required by Federal law
- Services received from an employer-sponsored dental or medical department
- Services received or hospital stays before the effective date of coverage
- Custodial care, domiciliary care or rest cures
- Eyeglasses or contact lenses or refractive eye surgery
- Vision exams except for some diagnoses
- Services to correct nearsightedness or refractive errors; hearing aids, supplies, tinnitus maskers, or exams for hearing aids
- Services for cosmetic purposes
- Services for routine foot care
- Travel, except as specifically listed in the benefit booklet
- Services for weight control or reduction, except for morbid obesity, or as specifically covered by your health benefit plan
- Services for maternity or elective abortion except as provided by the maternity option, if purchased
- Inpatient admissions that are primarily for physical therapy, diagnostic studies, or environmental change
- Services that are rendered by or on the direction of those other than doctors, hospitals, facility and professional providers; services that are in excess of the customary charge for services usually provided by one doctor when done by multiple doctors
- Services that are the result of war or while in military service
- Services for which a charge is not normally made in the absence of insurance, or services provided by an immediate relative
- Non-prescription drugs and prescription drugs or refills which exceed the maximum supply
- Personal hygiene, comfort and/or convenience items
- Telephone consultations; charges for failure to keep scheduled visits, for completion of any form, or for medical information required by the plan
- Services primarily for educational purposes
- Services for conditions related to developmental delay and/or learning differences
- Long-term rehabilitative therapy
- Services not specifically listed as covered services

