



CompleteChoice HealthFundSM

*Putting Members In Control
of Their Health Care and Financial Future*



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THE PROBLEM

Health care costs are rising at unsustainable rates and show no signs of stopping. Factors such as improved but expensive medical technologies, an aging American population and the increasing cost of prescription drugs ensure that costs will continue to soar. UNICARE understands the dilemma employers are facing, balancing yet another year of double-digit health insurance cost increases with the need to remain competitive by meeting employee demand for choice.

Traditionally, employees lack an understanding of their health care costs. According to a recent study*

- 63% of employees underestimate the cost of their health insurance plan;
- 69% of employees overestimate how much they contribute;
- 57% of employees surveyed are unsatisfied with their coverage.

However, that study also found that consumers are ready and willing to assume responsibility for their health care decisions. Employees expressed interest in new consumer-choice models and are increasingly confident in their ability to make health care decisions.

THE UNICARE SOLUTION

By now you've heard the buzz—there's a new movement called consumer-choice health insurance that's sweeping across the country. If you're ready to take control of escalating health insurance costs, then you're ready for UNICARE's CompleteChoice HealthFund. UNICARE takes a technological leap forward with CompleteChoice, an interactive health insurance plan that helps turn patients into educated consumers, enabling them to actively engage in how and where they spend their health care dollars.

Through innovative online plan management tools and resources as well as health care information and services, CompleteChoice members can gain an understanding of the cost of health care services and can learn to proactively manage their health and health care finances. Informed and financially involved consumers have incentive to spend their money wisely. They become their own advocates, demanding higher quality health care services and better value.

Information • Tools • Control • Flexibility • Cost Savings

That's the innovation of CompleteChoice HealthFund



*The Watson Wyatt Best Practices in Healthcare Management, Hewitt Associates Study of 528 United States Employees, 2002

HOW COMPLETECHOICE HEALTHFUND WORKS

CompleteChoice has four main components:

- I. An employer-funded Health Reimbursement Account (HRA);
- II. A traditional PPO plan;
- II. An intuitive, user-friendly Web site that provides a collection of valuable plan management tools and health care information resources; and
- IV. Optional employee-funded accounts.

I. The Health Reimbursement Account (HRA)

At the heart of CompleteChoice is the HRA, an employer-funded account set up for each employee. Every year, the employer determines a fixed HRA contribution and deposits funds into each employee's HRA. Employees draw on these funds to pay for routine health care expenses such as office visit and prescription copayments, lab tests, and even annual deductibles. If there's any money left over at the end of the year, employees get to roll it over into the next year, accruing a balance that can be utilized when it's needed most. If an employee's medical expenses exceed the annual HRA allocation, a traditional PPO health insurance plan is there to provide additional coverage.

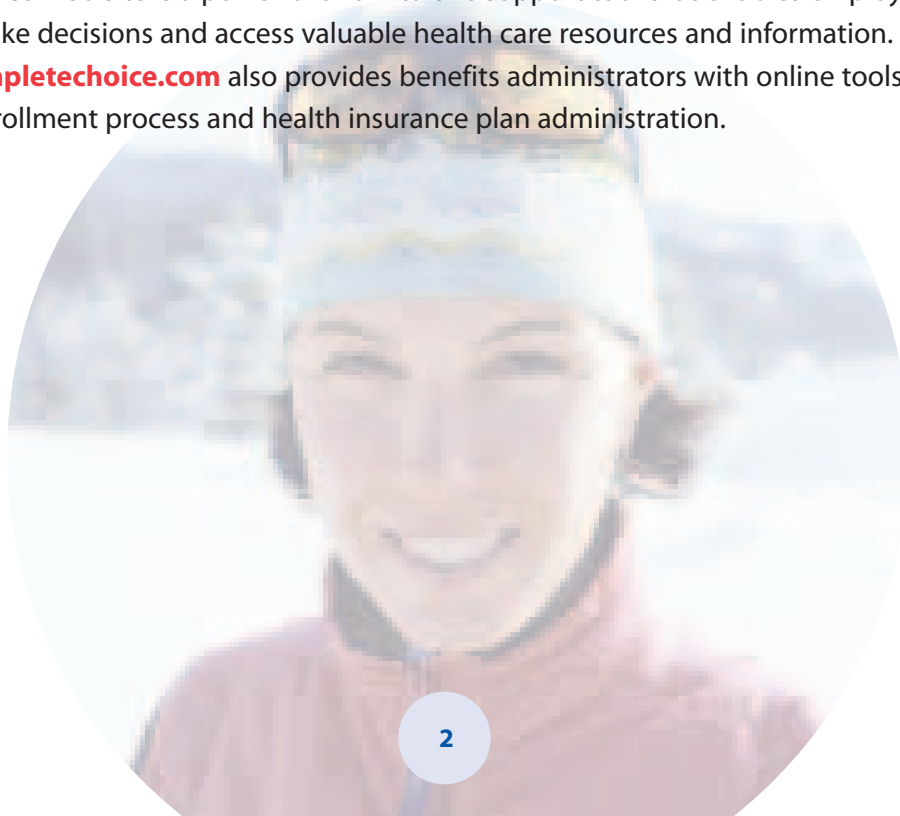
II. The Traditional PPO Plan

With CompleteChoice, members have the added protection of a traditional PPO health insurance plan that gives them the freedom to choose from an extensive, national roster of independently contracted physicians, hospitals and other health care providers participating in the plan. Members can also go out-of-network and pay a larger share of the cost. This coverage is available with a range of coinsurance percentages and out-of-pocket maximums and includes a benefit that typically covers 100 percent of certain preventive care services, without any deductions from the HRA.

III. www.unicarecompletechoice.com

The CompleteChoice Web site is a powerful and intuitive support tool that enables employees to manage their accounts, make decisions and access valuable health care resources and information.

www.unicarecompletechoice.com also provides benefits administrators with online tools that help streamline the enrollment process and health insurance plan administration.

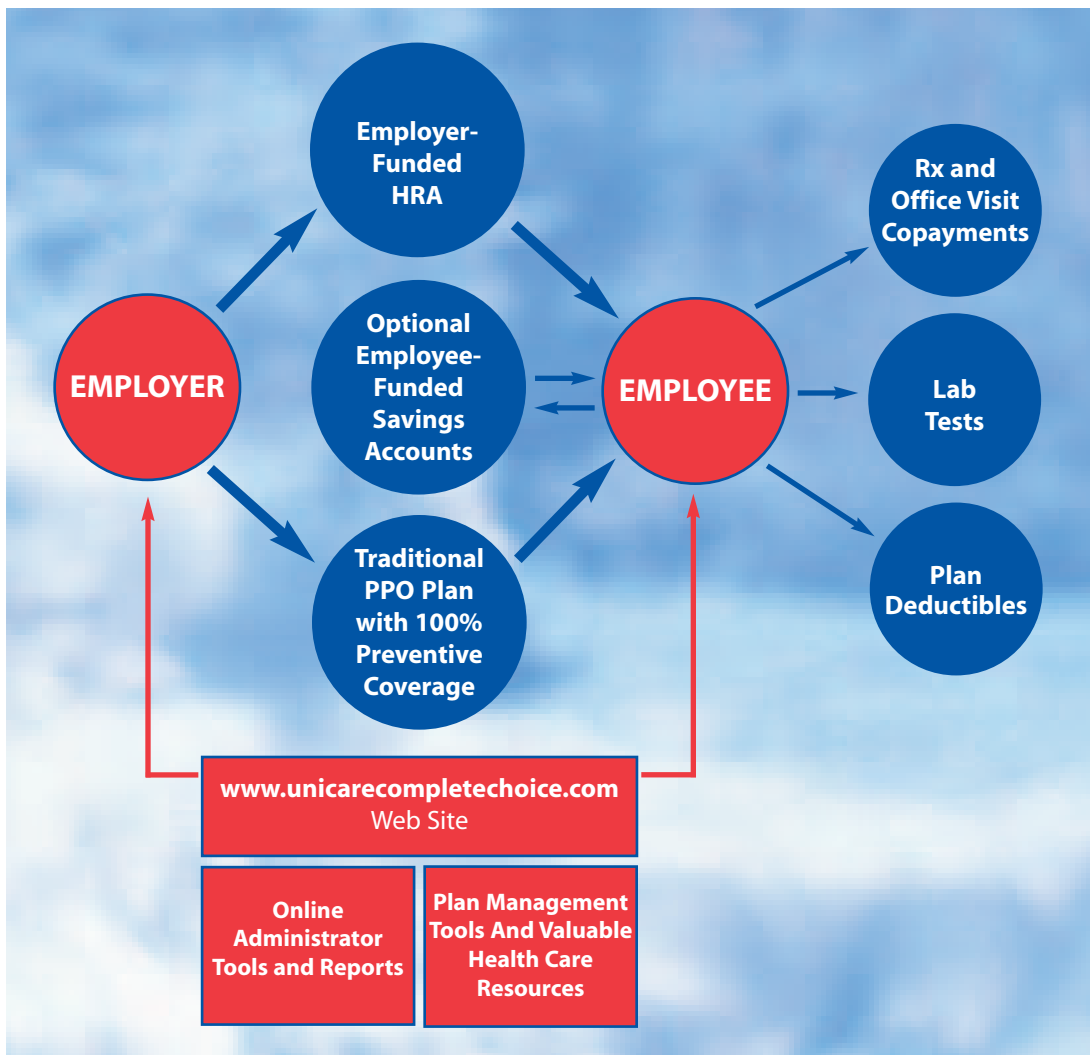


IV. Optional Employee-funded Accounts Offer Additional Savings

The employer may also choose to offer the benefit of employee-funded accounts, providing additional pre-tax savings to their employees.

- Health Care Spending Account and/or Dependent Care Spending Account—Employees fund a Health Care Spending Account (HCSA) and/or Dependent Care Spending Account (DCSA) with pre-tax dollars, which can be used to cover expenses such as eyeglasses, orthodontia, over-the-counter drugs and day care. These accounts are “use it or lose it,” so HCSA and DCSA funds can not be rolled over into the next year.

For specific case examples, please see page 6.



The Online Advantage That Puts Employees In The Driver's Seat

An important component of CompleteChoice HealthFund is our sophisticated, interactive Web site that provides intuitive educational and plan management tools and resources to help members and employers.

The Benefits Administrator

A unique feature of www.unicarecompletechoice.com is the easy-to-use online tools that help employers streamline the enrollment process and manage the health insurance plan for their company. The online administrator tools area helps benefits administrators to quickly and easily:

- Manage associate enrollment applications directly online;
- Approve, pend or deny the requests as appropriate;
- Record their associates' life event changes;
- Access a variety of helpful online reports for open enrollment or site traffic;
- Create and post messages for employees that are viewable by category, such as for Potential Members and Members.

The Potential Member

Once the employer decides to offer CompleteChoice, each eligible employee will be provided with a temporary Password that delivers secure online access to www.unicarecompletechoice.com. After logging on, the potential member will find:

- An explanation of CompleteChoice and how it works;
- Specific details on all the UNICARE medical plans that are being offered to them;
- An easy-to-use Decision Guide that helps employees determine the total estimated yearly health care costs associated with each plan option (payroll deductions and out-of-pocket expenses), so they can choose the insurance plan that's right for them;
- Health Care Spending Account (HCSA) and Dependent Care Spending Account (DCSA) calculators that help analyze necessary yearly contributions (if offered by the employer); and
- Easy online enrollment capabilities for members and their dependents. Upon submission, the enrollment application is automatically routed to the employer's benefits administrator, who may then either approve, deny or pend the enrollment application online.

The CompleteChoice Member

Once enrolled in CompleteChoice, members choose a permanent Password that allows them to log on to www.unicarecompletechoice.com 24/7 and access a wealth of innovative plan management tools, health care resources and services.

www.unicarecompletechoice.com allows members to:

- View the balance of their HRA, HCSA and DCSA accounts;
- Review detailed information on their claims and account deductions;
- Determine how much of their plan deductible has been met;
- Manage personal information and submit life event changes that affect their plan status;
- Easily request a new Password online;
- When renewing, members can compare their current year enrollment information with the options available to them in the next year, then quickly re-enroll online!

One of the primary goals of CompleteChoice is to help educate members and give them the tools they need to help manage their benefits, empowering them to make informed choices with their health care dollars. The Online Resources page of www.unicarecompletechoice.com provides members with easy access to valuable resources and tools including:

Internet Provider Finder	Helps members quickly locate an independently contracted doctor, hospital or other health care provider.
Healthy Living/HealthyExtensions ^{SM*}	Access to our Healthy Living area, which provides health care resources and program information, including HealthyExtensions, UNICARE's member-valued prevention and wellness discount program.
Healthcare Advisor ^{TM**}	Allows members to research hospital quality data and evaluate procedures based upon the factors that matter most to them.
Healthwise® Knowledgebase ^{***}	A comprehensive online resource that provides members with valuable information on diagnosed conditions, medical tests, treatment options and key decision points.
Medical Cost Estimator Tool	An innovative tool that allows members to compare the total in-network and out-of-network costs for common medical procedures and services.
PharmaAdvisor ^{TM**}	A tool that provides members with helpful information on preventive measures and pharmaceuticals, and allows comparisons of commonly prescribed drugs for many medical conditions.
Member Self-Service	An interactive tool that allows members to review their Rx benefits, estimate copayments and even compare pricing for various prescriptions.
Prescription Drug Programs	Helps members access important information about their prescription drug plan, including the formulary, mail order drug program and other cost-saving programs.
Free Glucometer Program	Provides information about UNICARE's free Glucometer Program, available to our members diagnosed with diabetes.
Your EAP	Our 24-hour, Web-based EAP product provides confidential educational and reference services that assist our members and their families with difficulties related to family and relationships, substance misuse, legal and financial concerns and more.
Digital Claim Forms	Members may access interactive claim forms for reimbursement of HRA, HCSA and/or DCSA charges that do not automatically process through the UNICARE medical claims system.
Request ID Card	An easy, online request to have a new or replacement card mailed.
Customer Service	Allows members to e-mail UNICARE Customer Service for additional needs and information.

* HealthyExtensionsSM materials, services and products are not eligible for benefits under a member's insurance plan. Members are fully responsible for the charges associated with these materials, services and products, all of which are provided by independent practitioners not affiliated with UNICARE.

** All information is provided by "Subimo," the trademark of Subimo, LLC. The information is intended for general use only and is not a substitute for medical advice or treatment for specific medical conditions. Members should seek prompt medical care for any specific health issues and consult their physician before taking any action on their health. Use of this online service is subject to Terms and Conditions.

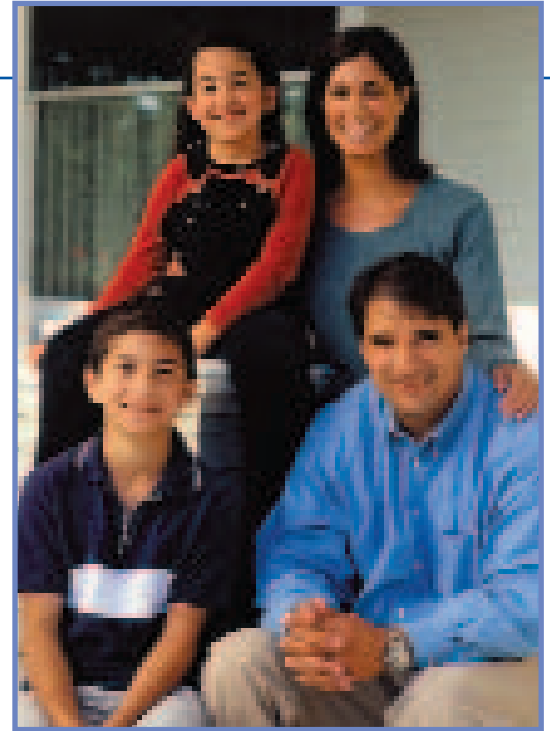
*** Healthwise is a Registered Mark of Healthwise, Incorporated.

Case Examples

Example #1: The Sanchez Family

Carlos and Marie Sanchez are married with two healthy children. During their second plan year, Marie required unexpected surgery on her thyroid, which resulted in significant medical costs. Although this required the Sanchez family to access the protective coverage offered by their traditional PPO plan, the sizeable savings in their HRA balance covered the plan deductible in full and some coinsurance costs, requiring them to pay only a small portion of the total costs out-of-pocket.

Using the Healthcare Advisor and the Medical Cost Estimator tools on www.unicarecompletechoice.com, the Sanchez family was able to research hospital quality and pricing information that helped them select a surgical facility that best met their needs. They also accessed numerous online resources offering helpful health and wellness information about thyroid conditions and post-surgical treatments and medications.



YEAR 1

Employer's HRA contribution for Sanchez family (year 1)	\$ 1,500
Total non-covered medical expenses (year 1)	\$ 500
Paid by HRA	\$ 500
HRA rollover (to year 2)	\$ 1,000

YEAR 2

HRA rollover (from year 1)	\$ 1,000
Employer's HRA contribution (year 2)	\$ 1,500
HRA balance (beginning of year 2)	\$ 2,500
Total medical expenses (year 2)	\$ 12,360
Medical costs paid by HRA (individual deductible is \$1,000)	\$ 2,500
Medical costs paid by PPO plan (coinsurance is 80%)	\$ 9,088
Medical costs paid out-of-pocket by the Sanchez family	\$ 772
HRA rollover (to year 3)	\$ 0

YEAR 3

HRA rollover (from year 2)	\$ 0
Employer's HRA contribution (year 3)	\$ 1,500
HRA balance (beginning of year 3)	\$ 1,500

Example #2: Dan Downs

Dan Downs is a single, healthy 30-year-old with very few medical expenses. Dan utilizes the online resources available to him at www.unicarecompletechoice.com to access information on healthy eating and exercise regimens so that he can maintain his good health.

Dan's employer also offers him the option to contribute to a Health Care Savings Account (HCSA) to pay for certain health care expenses with pre-tax dollars. Dan utilizes the HCSA calculator on www.unicarecompletechoice.com to estimate his yearly expenses, then draws on his HCSA money to pay for over-the-counter medications and routine office visit and prescription copayments. This allows him to rollover most of his HRA to the next year, building a significant bank.

In plan year 3, Dan had a skiing accident which resulted in a broken arm. Because Dan had accumulated a large sum in his HRA, the account covered all deductible and coinsurance costs associated with the accident. Dan paid nothing out-of-pocket.



YEAR 1	
Employer's HRA contribution (year 1)	\$ 1,000
Total planned HCSA expenses (OTC drugs and copayments)	\$ 200
Paid by HCSA	\$ 200
Total unplanned medical expenses (year 1)	\$ 110
Paid by HRA	\$ 110
HRA rollover (to year 2)	\$ 890
YEAR 2	
Rollover (from year 1)	\$ 890
Employer's HRA contribution (year 2)	\$ 1,000
HRA balance (beginning of year 2)	\$ 1,890
Total planned HCSA expenses (OTC drugs and copayments)	\$ 220
Paid by HCSA	\$ 220
Total unplanned medical expenses (year 2)	\$ 145
Paid by HRA	\$ 145
HRA rollover (to year 3)	\$ 1,745
YEAR 3	
HRA rollover (from year 2)	\$ 1,745
Employer's HRA contribution (year 3)	\$ 1,000
HRA balance (beginning of year 3)	\$ 2,745
Total planned HCSA expenses (OTC drugs and copayments)	\$ 240
Paid by HCSA	\$ 240
Total unplanned medical expenses (year 3)	\$ 2,000
Paid by HRA towards PPO plan deductible of \$2,500	\$ 2,000
Medical costs paid out-of-pocket by Dan	\$ 0
HRA rollover (to year 4)	\$ 745
YEAR 4	
HRA rollover (from year 3)	\$ 745
Employer's HRA contribution (year 4)	\$ 1,000
HRA balance (beginning of year 4)	\$ 1,745

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To learn more about UNICARE's innovative
consumer-choice health plan,
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Call 1(877)UNICARE,
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