



BlueCross
of California

The Power of Blue.SM



ABOUT BLUE CROSS OF CALIFORNIA

Blue Cross of California* has been serving the health care needs of Californians since 1937. As the California operating subsidiary of WellPoint Health Networks Inc.* (NYSE:WLP), one of the nation's largest publicly traded health care companies, Blue Cross of California (Blue Cross), together with its branded affiliates provides health care services to more than 7.4 million members.

Offering a full continuum of product and coverage options, Blue Cross provides customers with unparalleled choice and flexibility in meeting their health plan needs. These options are continually fine-tuned to enhance access to affordable, quality health care. Blue Cross, with its strong track record for innovation, focuses on progressive products and services designed to improve the health status of all Californians. Unique product offerings available in the individual, small group, large group, senior and Medi-Cal markets include a full range of integrated medical and specialty products.

Blue Cross employs nearly 7,000 full-time associates located in offices throughout California.

BUSINESS APPROACH

Company-wide efforts focus on the needs of the consumer with choice and empowerment as hallmarks of Blue Cross' business approach. Organized around customer segments rather than products, Blue Cross provides *health security* by offering a diverse portfolio of products, and provides superior customer support. These products and services are designed to meet the changing expectations of individuals, families and their sponsors. Recognizing that one size does not fit all, Blue Cross' internal divisions apply creativity and appropriate resources in meeting the unique needs of members in distinct customer segments. Blue Cross is also becoming a trusted partner with physicians, health care institutions and other health care professionals. In addition, the Company has a strong customer service orientation and corporate goals focusing on choice, member satisfaction, quality products and services, and consistent financial performance.

Blue Cross of California is NCQA accredited with an Excellent rating for its commercial HMO/POS products. The PPO product has a Full Accreditation rating. Excellent and Full Accreditation are the highest ratings for each respective product.

Blue Cross of California is URAC accredited in the area of disease management for its asthma, congestive heart failure and diabetes programs.

Blue Cross believes its members want to feel secure about their future health needs. As a result, the Company has developed the financial, technical and intellectual capital designed to assure that health care services and information will be available and affordable to customers over a lifelong relationship.

Blue Cross' success as a leading Blue plan, and the recognition associated with it, directly reflects the leadership of an innovative senior management team and dedicated, hard-working associates.

Awarded \$4 million grant for rural health programs by California's Major Risk Medical Insurance for 2002 and 2003

LARGE GROUP DIVISION

Serving employer groups with 51 to 500,000 employees, the Large Group Division meets the health care needs of more than 4.1 million medical members. This division develops products aimed toward its various customers, including key accounts (51-250 employees), major accounts (251-2,000 employees) and special accounts (2,001+ employees).

The Large Group Division also includes the Company's public entities department that serves education and public sector clients as well as the Federal Employees Plan and Federal Employees HMO plan.

INDIVIDUAL & SMALL GROUP DIVISION

The Individual and Small Group Division of Blue Cross currently serves more than 1.6 million members in the state who purchase health insurance services as individuals or through employers with 50 employees or less.

SENIORS

Blue Cross offers numerous Medicare supplemental plans, as well as Medicare risk plans in some counties. With a baby boomer population poised on the brink of a maturing age wave, the Company has expanded its existing senior benefits and services and has added significant health and wellness programs, prescription discount programs and dental programs.

STATE SPONSORED PROGRAMS

Blue Cross is the largest health plan provider of state managed programs in California with more than 844,000 Medi-Cal (Medicaid) members in 12 counties and more than 279,000 children in all 58 California counties in the Healthy Families Program. Other California state sponsored programs include Access for Infants and Mothers (AIM) and the Major Risk Medical Insurance Program (MRMIP). The success of these California programs has led Blue Cross' parent Company, WellPoint, to pursue business opportunities throughout the United States and Puerto Rico.

SPECIALTY PRODUCTS

Blue Cross offers members a variety of specialty products including pharmacy benefit management, long term care insurance, dental, life and disability insurance, behavioral health, utilization management, vision, flexible spending accounts and COBRA administration.

HEALTHCARE QUALITY ASSURANCE

Blue Cross seeks to finance quality care at affordable prices. The Healthcare Quality Assurance Division oversees medical policy and care management programs and is responsible for the assessment, recognition and promotion of quality health care. This division strives for operational efficiencies and business effectiveness through continuous process improvement. A variety of innovative programs for members, physicians, hospitals and other health care clinicians have been developed to provide the information needed to help improve decisionmaking. The member programs focus on ways to achieve better medical outcomes by timely recognition of quality, medically necessary health care services, and the reduction of administrative costs. Physician and hospital programs focus on ways to simplify administration and the electronic delivery of health care information. Working collaboratively with our network physicians and hospitals optimizes the quality of Blue Cross' health care networks.

2002 Blue Cross and Blue Shield Association's "Innovations and Best Practices" awards for consumer focus and quality improvement in state sponsored programs-- fifth consecutive year

NETWORKS

Extensive networks of health care professionals and facilities enable the Company to offer a comprehensive array of quality products and services that reflect the Company's philosophy. Based on collaborative efforts among Blue Cross, hospitals, physicians, health care clinicians and other community partners, these networks currently integrate either fully, or in part, every element of health care from financing to delivery in an efficient manner. Blue Cross has one of the largest networks of health care facilities and professionals in the state with 465 hospitals and more than 48,500 physicians.

BLUE CROSS OF CALIFORNIA ON THE WEB

Internet technology allows people to easily obtain information and to interact in new and more efficient ways. The use of technology as a service, cost and communications advantage allows the Company to achieve rapid and effective responses to changing customer needs. Blue Cross can be found on the Internet at:

www.bluecrossca.com

CALIFORNIA PRODUCTS & SERVICES

Blue Cross and its affiliate, BC Life & Health Insurance Company*, offer a variety of innovative health insurance products, enhancements and benefits including preferred provider organization (PPO), health maintenance organization (HMO), point-of-service (POS) products, senior plans, dental, pharmacy, life and disability, long term care and behavioral health products.

Using the same carrier for multiple benefit plans streamlines the bookkeeping and billing process for employers and individuals. In addition, our integrated provider networks promote a comprehensive approach to controlling costs and managing the total health status of patients. This promotes a relationship with our customers as a trusted partner.

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