

August 2007

Dear Benefits Administrator:

I am writing for two reasons: first, to remind you about our No Pay Copay promotion; second, to provide you with a list of our most recent changes to the Select Drug Program[®] formulary and procedures that support safe prescribing.

NO PAY COPAY PROMOTION - ONLY FOUR MONTHS LEFT TO SAVE

The end of 2007 is approaching and that means our No Pay Copay promotion will be coming to an end. Members still have time to take advantage of zero copayment and coinsurance when they fill a prescription for a covered generic drug.

Your employees should talk with their physicians or pharmacists to determine if available generic equivalents or alternatives are appropriate substitutes for any brand medications they are taking.

For additional information on the promotion, we invite you to visit www.ibx.com. Simply click on *News & Events* and go to our *Announcements* section to read an extensive Q&A and view the latest promotional materials.

CHANGES TO THE FORMULARY AND SAFE PRESCRIBING PROCEDURES

Key to the Select Drug Program is our formulary, which includes all generic drugs and a defined list of brand drugs — all of which have been selected for their medical effectiveness, safety, and value.

The Pharmacy and Therapeutics Committee is primarily composed of practicing area physicians and pharmacists. To ensure the continued effectiveness of the drugs on our formulary as well as our procedures for safe prescribing, the Pharmacy and Therapeutics Committee conducts regular reviews. As a result of the committee's recent reviews, we're implementing the enclosed list of changes. They include:

- additions of generic drugs to the formulary;
- additions and deletions of brand drugs to or from the formulary;
- additions to our list of drugs that require the doctor to obtain prior authorization.

Please note: The brand drugs being removed will now be covered at the highest non-formulary cost-sharing level.

Communicating to members. Individual members will receive notification of these changes via the fall *Update* magazine.

We're making additional efforts to communicate to members directly affected by these changes. For example, each member currently taking a brand drug that is being removed from the formulary will also receive a letter with additional information.

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We will urge these members to contact their doctors to discuss formulary alternatives, including possible generic drugs. If a doctor decides a formulary medication is appropriate, the member will need to ask for a new prescription for the formulary medication. Remember, members who make the switch to generics can get all of their covered generic medications at no cost to them for the remainder of 2007 through No Pay Copay.

If you have questions, please feel free to contact your Independence Blue Cross account executive, independent broker, consultant, or association administrator.

Thank you for selecting Independence Blue Cross as your health insurance company. We value your business and remain committed to providing you access to quality health care at the lowest possible cost.

Sincerely,

A handwritten signature in black ink that reads "Bill Haggett". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right.

William F. Haggett
Chief Marketing Executive

Enclosure