

Dear Anthem Employer:

You may be aware that Norton Healthcare has chosen to leave Anthem Blue Cross and Blue Shield's provider network. Despite our best efforts to negotiate a fair contract, Norton refused to compromise on its demands for a significant increase in reimbursement rates, which would have ultimately resulted in higher health care costs for our customers. We could not agree to such a large rate increase, especially at a time when so many families and businesses are struggling to make ends meet.

As a result, beginning July 1, 2009, claims incurred at Norton Hospital, Norton Audubon Hospital and Norton Suburban Hospital are being processed as out-of-network. Nevertheless, Anthem members still have access to quality, in-network providers close to home, including facilities operated by Jewish Hospital, Baptist East, and University of Louisville.

Because some pediatric hospital services may not be available elsewhere in the area, Anthem has pledged to help take parents and children out of the middle of this dispute. We believe this is the right thing to do for our members. For services performed at Kosair Children's Hospital, Anthem will pay its members' claims as if they were in-network **and** at the rate Norton requested in its latest proposal to us. Anthem made this decision after it was reported that Norton will bill only up to this amount. Accordingly, members should not be balance billed by Norton. However, because there will not be a network contract, if Norton should choose to charge an even greater amount, then Anthem will not have the ability to prevent Norton from balance billing.

Although Anthem has agreed to pay higher rates for services performed at Kosair, this cost increase is more than offset by the cost of care savings that will be achieved due to the Norton adult hospitals no longer being in-network. Accordingly, this will translate to a net positive overall cost of care impact for customers in the Louisville area.

Anthem has the largest provider network of any insurer in the state, which means that our customers have many choices when it comes to their medical care. A complete list of in-network health care providers can be found at www.anthem.com or by calling the customer service number on the back of the Anthem ID card.

Members who've received care at Norton facilities or by Norton physicians in the last twelve months will also receive letters in the coming days notifying them of the termination.

We will post updated frequently asked questions ("FAQ's") and the member communications to our special micro-site. Visit <http://group.anthem.com/norton> or call your Anthem sales representative should you have any questions.

Anthem remains firmly committed to holding the line on the rising cost of health care. We encourage you to share this communication with your employees. And consider expressing your concerns about health care affordability to the leadership at Norton.

Thank you for your patience and for choosing Anthem Blue Cross and Blue Shield. We will continue to work on your behalf to ensure access to quality, affordable health care for you and your employees.