

Your Health Care Dollars*

BLUE PLUS

Health care claims: 91.6%



- Administrative costs: 4.3%
- Cost containment and health improvement expense: 1.9%
- Taxes and assessments: 1.3%
- Broker fees: 0.5%
- Operating gain: 0.4%

BLUE CROSS AND BLUE SHIELD OF MINNESOTA

Health care claims: 91.2%



- Administrative costs: 6.0%
- Cost containment and health improvement expense: 1.6%
- Taxes and assessments: 0.5%
- Broker fees: 1.4%
- Operating gain: -0.7%

BLUE PLUS AND BLUE CROSS COMBINED

Health care claims: 91.3%



- Administrative costs: 5.8%
- Cost containment and health improvement expense: 1.6%
- Taxes and assessments: 0.6%
- Broker fees: 1.3%
- Operating gain: -0.6%

Health care claims: Includes payments to providers for all health care services received by a member, including: preventive care, urgent care, emergency care, medical tests and exams. It also includes pass-through taxes such as the MinnesotaCare provider tax.

Administrative costs: Includes the amount spent on salaries, capital expenses (such as computer upgrades and process improvements) and overhead. It also includes all property and payroll taxes.

Cost containment and health improvement expense: Expenditures that are neither contractual benefits nor pure administrative costs, but serve to reduce the number of health services provided or the cost of those services. These include disease management, case management and utilization review activities, network access fees, fraud detection and prevention and health improvement programs.

Taxes and assessments: Includes Medical Assistance Surcharge (for Blue Plus only), MCHA assessment, premium taxes (as applicable) and those taxes not included in claims payments as they are passed through

from providers. Not all groups pay each tax and so the percentage represented is an average spread out over the entire Blue Plus population.

Broker fees: The percentage represents an average spread out over our individual and group business.

Operating gain: Health plans are required to hold money in reserve to cover future expenses. Blue Plus must have at least one month's expense in reserve and no more than three months average expense in reserve. Blue Cross and Blue Shield of Minnesota is required to hold at least two and no more than four months costs in reserve.

*Based on 2006 Financials