



NEWS RELEASE

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For Immediate Release April 15, 2002

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Blue Cross of California IMPLEMENTS TELEMEDICINE 'STORE AND FORWARD' Capability FOR its MEDI-CAL AND HEALTHY FAMILIES PROGRAM

Health Plan is First in California to Reimburse

Both Primary Care and Specialty Physicians For This Service

CAMARILLO, Calif. -- Blue Cross of California's (Blue Cross) state sponsored programs unit today announced it has implemented a store and forward function in its telemedicine program that increases access to specialty care services for its rural Medi-Cal and Healthy Families Program members. Blue Cross is also the first health plan in California, and one of the few in the nation, to reimburse for store and forward telemedicine encounters. The Company has purchased and installed the *Second Opinion Professional Store and Forward* software designed and produced by Second Opinion Software, LLP, for more than 25 fully funded telemedicine sites within its telemedicine network. (*see attached*)

By using store and forward software, a primary care physician is able to create electronic patient folders to store patient data and images that are sent via encrypted e-mail to a receiving specialty location. The receiving specialist reviews the patient images and data off-line, prepares a recommendation and sends it back to the primary care physician. This scenario decreases member wait times for telemedicine consults and enhances continuity of care for members by eliminating the need to set a real time appointment between the primary care physician, the patient and the specialist. Front office physician costs are also reduced through the simplification of patient data tracking and scheduling.

The store and forward function is not new to the telemedicine arena but its use has been limited. When using the store and forward option, participating Blue Cross primary care physicians are reimbursed for a standard office visit while participating specialty physicians are reimbursed for a second opinion.

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Blue Cross Store and Forward

"We are delighted to offer this capability not only for our members, but also for our participating physicians," said John Monahan, senior vice president of Blue Cross' state sponsored programs. "This type of application and reimbursement for telemedicine services demonstrates our commitment to working with our network physicians to help them provide our members with the best possible care."

Currently, Blue Cross' telemedicine network experiences more than 1,500 live consults per year. Bridget Cole, Blue Cross' telemedicine program manager, says store and forward will be used for consults that do not require extensive interaction between the patient and the specialist. With this type of medical consult accounting for 40 percent of all consultations in its telemedicine network, store and forward has the potential to significantly increase Blue Cross' network volume of specialty consults in areas such as dermatology and ear, nose and throat.

Blue Cross launched the first-of-its-kind rural telemedicine program in July 1999. The program was made possible through an initial \$1.8 million Rural Health Demonstration Project award that the Company received in October 1998. The initial award and subsequent grants totaling more than \$2.7 million were issued from the Managed Risk Medical Insurance Board (MRMIB) as part of the Healthy Families Program, the state-sponsored insurance program offering low-cost health, dental and vision coverage to children of low-income working families. Based on the grants awarded by MRMIB, the target populations for Blue Cross' telemedicine program encompassed not only rural Health Families Program members, but also rural Medi-Cal members throughout California.

With a long-standing history of providing access to quality care for underserved communities, Blue Cross of California is the largest health care coverage provider for state managed programs in California with more than 735,000 Medi-Cal members and approximately 205,000 Healthy Families Program members. Blue Cross Medi-Cal managed care programs are available in Alameda, Contra Costa, Fresno, Kern, Los Angeles, Orange, Sacramento, San Diego, San Joaquin, San Francisco, Santa Clara, Stanislaus, and Tulare counties.

Blue Cross of California and its California affiliates, with more than 5.8 million medical members in the state, is an operating subsidiary of WellPoint Health Networks Inc., one of the nation's largest publicly traded health care companies. WellPoint serves the health care needs of more than 12 million medical and approximately 45 million specialty members nationally. WellPoint offers a broad spectrum of quality network-based health products including open access PPO, POS and hybrid products, HMO and specialty products. Specialty products include pharmacy benefit management, dental, utilization management, vision, mental health, life and disability insurance, long term care insurance, flexible spending accounts, COBRA administration, and Medicare supplements.

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BLUE CROSS OF CALIFORNIA

Telemedicine Store and Forward Sites

For Medi-Cal and Healthy Families Programs

To date, 17 primary care sites are installed and running the store and forward equipment and software. One primary care site, Sablan Medical Clinic, expects to be operational with store and forward by May. Currently, two specialty centers in the Blue Cross telemedicine network utilize store and forward.

Blue Cross' 2002 rural telemedicine sites designated to utilize store and forward include:

- **Community Health Center**, Crescent City, (Del Norte County)
- **West Hills Medical Group**, Coalinga, (Fresno County)
- **Sablan Medical Clinic**, Firebaugh, (Fresno County)
- **Eureka Pediatrics**, Eureka (Humboldt County)
- **Humboldt Open Door Clinic**, Arcata (Humboldt County)
- **Mojave Rural Health Clinic**, Tehachapi Valley Health Center, Mojave (Kern County)
- **Big Valley Medical Center***, Nevada City (Lassen County)
- **Northeastern Rural Health Clinics***, Susanville, (Lassen County)
- **Madera Family Medical Group**, Madera (Madera County)
- **Livingston Medical Group**, Livingston, (Merced County)
- **Surprise Valley Health Center***, Cedarville (Modoc County)
- **Mayers Memorial Hospital***, Fall River Mills (Shasta County)
- **Hill Country Community Clinic***, Round Mountain (Shasta County)
- **Shasta Community Health Center***, Redding (Shasta County)
- **Hughson Medical Office**, Stanislaus County Health Services Agency, Hughson (Stanislaus County)
- **Hillman Health Center**, Tulare (Tulare County)
- **Peach Tree Clinic**, Marysville (Yuba County)
- **Copper Towers Family Medical Center**, Cloverdale (Sonoma County)

* Denotes locations within the Northern Sierra Rural Health Network, with whom Blue Cross of California is partnered

Blue Cross' 2002 specialist hubs participating in store and forward include:

- **Cedars-Sinai Medical Center**, Los Angeles
- **Marc E. Goldyne, M.D. —Dermatology**, San Francisco