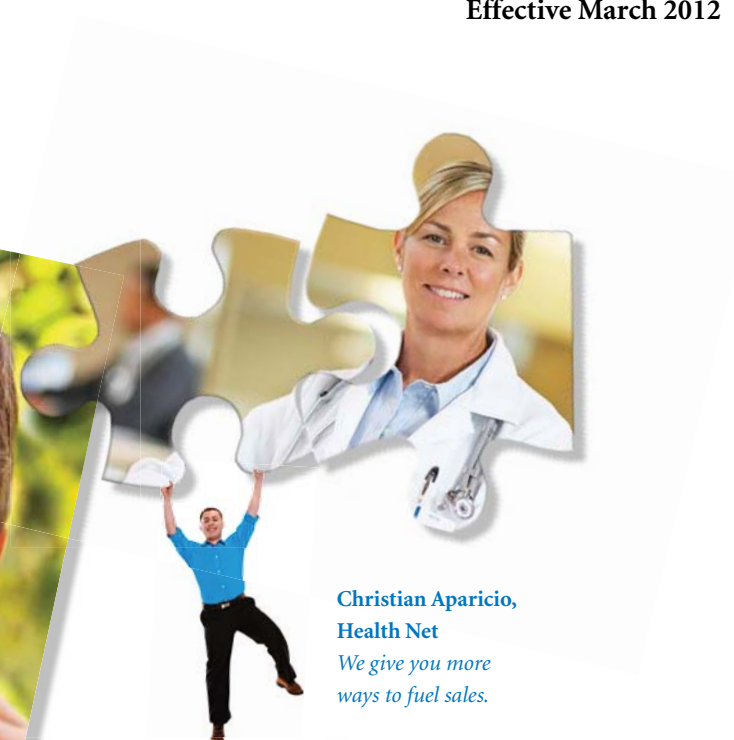


Health Net SmartCare

Making whole health possible

For renewing groups and new business

Effective March 2012



**Christian Aparicio,
Health Net**

*We give you more
ways to fuel sales.*

Guide for Brokers



Health Net®



**Herminia Escobedo,
Health Net**

*We bring smart
value to businesses
large and small.*



SmartCare

Plans That Can



Health Net was an early pioneer in the creation of tailored networks that give California employers the value they want by delivering affordability without compromise. Now we're delivering even more as our Bronze plans and network evolve into Health Net SmartCare.

More ways to protect health:

- A popular and proven network expanded to include convenient CVS MinuteClinics.
- Acupuncture and chiropractic services are included as valued-added benefits.
- Health incentives help keep employees well and productive.



More relevant to your clients:

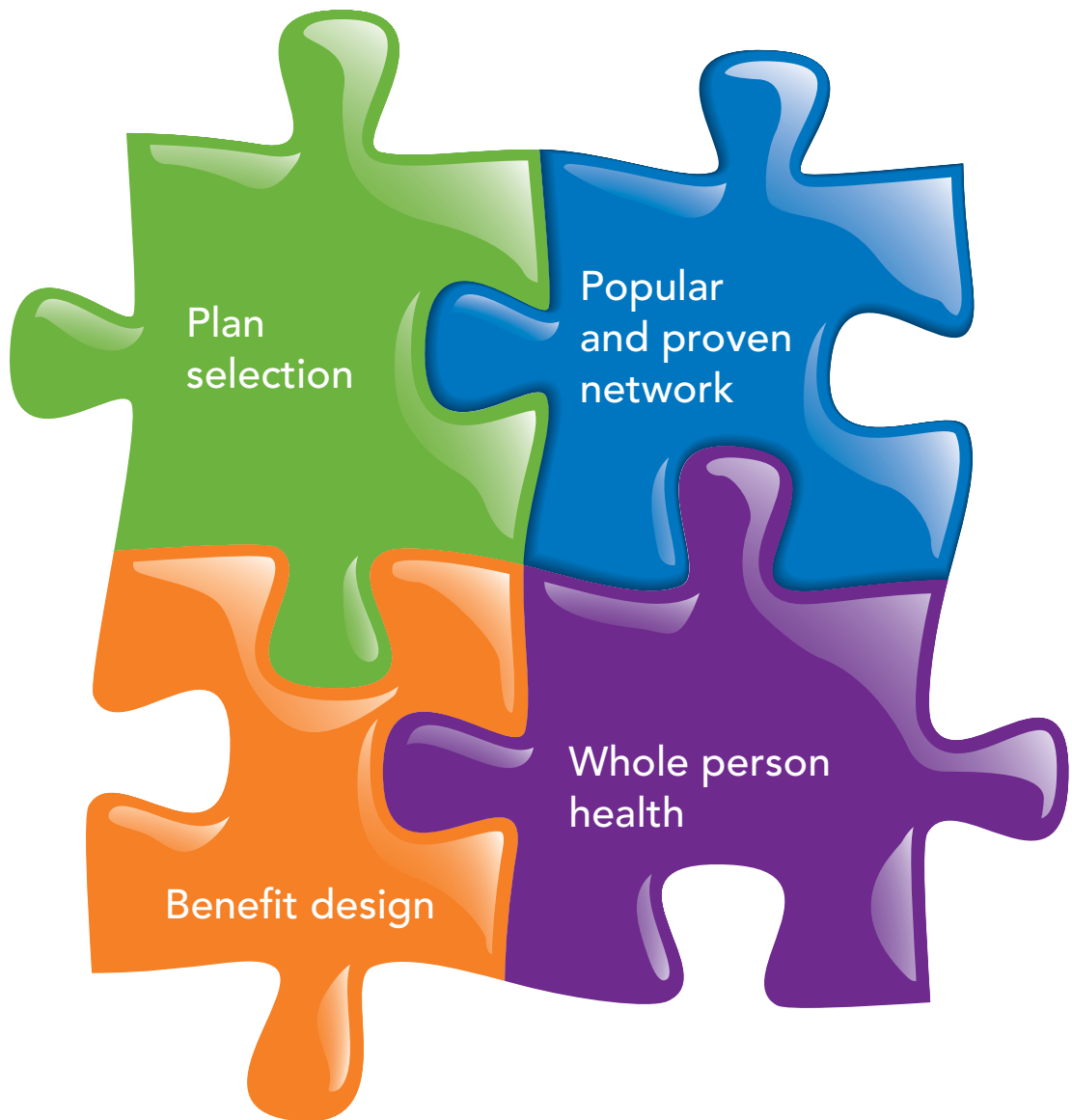
- Easy-to-understand, choose, and use HMO plans keep decision making clear and simple.
- Sets employers up for the long-term. SmartCare is built to flex over time with planned expansions for 2012 (and beyond) in geographic coverage, prominent participating provider groups and other resources to match evolving employer and employee needs.

Health-boosting, business-savvy benefit designs like these deserve a name to match. Now Bronze is evolving into SmartCare – a tailored network, benefits and more in one simple package.

SmartCare Makes It Possible

Sustainability made possible

Health Net SmartCare puts together all the pieces employers and employees value, so you can offer them benefits with sustainable affordability.



Simplicity made possible

SmartCare offers the six HMO options with the benefits that have been most popular with our small business groups. This gives your clients a range of meaningful choices that can be easily understood, compared, and selected. SmartCare makes choices simple, so your job is easier.

To illustrate, we've provided below a quick comparison chart of coverage for the most often used benefits, plus the extras we've added:



Benefit description	SmartCare 10 Standard	SmartCare 20 Standard	SmartCare 30 Standard	SmartCare 40 Standard	SmartCare 50 Standard	SmartCare 50 Value
Office visits						
Preventive	\$0	\$0	\$0	\$0	\$0	\$0
Non-preventive	\$10	\$20	\$30	\$40	\$50	\$50
CVS MinuteClinics	\$10	\$20	\$30	\$30	\$30	\$30
Urgent care	\$50	\$50	\$50	\$75	\$75	\$75
Outpatient surgery (hospital)	\$250	\$500	\$750	\$1,000	\$1,500	50%
Outpatient surgery (ambulatory surgery center)	\$100	\$250	\$500	\$750	\$1,250	45%
Inpatient care	\$250 ¹	\$500 ¹	\$750 ¹	\$1,000 ¹	\$1,500 ¹	50%
Acupuncture/chiropractic ²	\$15	\$15	\$15	\$15	\$15	\$15
Pharmacy						
Brand deductible	\$100	\$150	\$200	\$250	\$300	\$300
Tier I	\$15	\$15	\$15	\$15	\$15	\$15
Tier II	\$40	\$40	\$40	\$40	\$40	\$40
Tier III	\$60	\$60	\$60	\$60	\$60	\$60

Among the highlights of all SmartCare plans:

- Simplicity of predictable copayments for five out of six plans. The sixth option is a coinsurance plan but with copay convenience for office visits and other often-used services.
- Acupuncture and chiropractic services included as value-added benefits because we know how important these complementary services are for many Californians.

- CVS MinuteClinic walk-in medical clinics are staffed by nurse practitioners and physician assistants. Members can get treatment for common family illnesses and injuries, vaccinations, and monitoring for chronic conditions.

Why an HMO?

Beyond predictable costs and comprehensive benefits, our HMOs leverage the trusted relationship between doctor and patient, which is key to maximizing and improving health. And the healthier any group of people is, the lower the costs and the higher the workplace performance.

¹Per day, 3 days max per admit.

²10 visits max/year.

Healthy lifestyles made possible

Health Net SmartCare is more than benefit coverage. It's about caring for the whole person and supporting well-being as a way of life.

Through a mix of wellness resources, incentives and high-tech conveniences, SmartCare promotes patient engagement, which in turn translates to improved outcomes and productivity.

Helping build healthy habits

Connecting healthy choices to financial rewards is proving to be an effective way to motivate people to make changes that can, in turn, manage the cost of care. SmartCare takes behavior economics further by linking incentives with patient-provider discussions.

By spending a little time on their health, adult SmartCare members have the opportunity to earn an annual \$50 gift card reward to select retailers. Members simply take the online

Health Risk Questionnaire by WebMD® (HRQ), discuss the results with their primary care provider (PCP) and note the physician visit in their www.healthnet.com account!

Working the way you do

SmartCare brings a new definition to convenient, fast service. It's all about making sure members can connect with us in the way that works for them with:

- My Health Net: medical records, benefit detail and claims information available to registered users on healthnet.com
- Personal support and first-call resolution by phone
- Health Net Mobile – our smartphone app for folks on the go
- Text4baby and Take 5 maternity program

**Tina Machi,
Health Net**
*We use high-tech to
be high touch.*



Supporting health in balance with Decision Power®

Exclusive to Health Net, Decision Power helps people build healthy habits, make decisions with their doctors and manage complex health issues. Decision Power's combination of personal coaching, online resources and self-guided programs lets each person interact with the program in the way they prefer. Spanning the full spectrum of health, members use Decision Power to:

- Get help with a specific health goal.
- Learn about treatment for conditions like back pain and arthritis where there are multiple options.
- Try an online health improvement program about nutrition, weight management, tobacco cessation and more.
- Assess health risks and get practical steps for making changes.
- Track diet, exercise or cholesterol.
- Adapt to living with chronic illness.

Plus with Decision Power® Healthy Discounts, members save on health-related items including fitness club memberships, vitamins and weight management programs.

Reliability made possible

When choosing a health benefits partner, it helps to have a strong company with decades of experience. One of the nation's largest publicly traded managed health care companies, Health Net is ranked #179 on the 2011 Fortune 500. This means we have the strength and stability to focus on care delivery and the resources to innovate.

Championing solutions for the health of California employers. It's not just our business. It's our passion.

Performance made possible

Be your client's health superhero. SmartCare makes it easy. When you offer health care coverage employers can afford, employees will use, and both will value, you'll have exponential sales opportunities.

Plus, we're here to make sure you have everything you need to make sales simple and implementation flawless.



Migration to SmartCare from Bronze



Thank you for giving us the continued opportunity to earn your business and for making us your trusted health care partner.

The way we see it, health care is complex enough without having to wade through an overwhelming array of benefit plan choices. That's why we're retiring our 16 Bronze plans and Bronze Choice and replacing them with the six new SmartCare plans.

Effective March 1, 2012, we will no longer offer Bronze or Bronze Choice to new groups. Groups currently enrolled in a Bronze plan will be:

- Notified 90 days in advance of their renewal date by letter that explains the change.
- Offered the option to choose any of our six new SmartCare plans, or any other Health Net small business group plan.

If a group wants to keep their plan design (as it is under their Bronze plan), they may do so by pairing those benefits with our full HMO or Silver network.

Regardless of their choice, all current groups at renewal must submit their plan selection to Health Net. Any groups that do not notify us with their choice will be enrolled in the SmartCare plan most similar to their current coverage to ensure they don't have a lapse in coverage.

As always, Health Net is encouraging customers to reach out to their broker for support in making the right choice. To make the transition easy for you, here are answers to questions that your clients are most likely to have.

Q *Why is Health Net replacing Bronze with SmartCare?*

A SmartCare is the next generation of health plans that build on our proven and popular Bronze network. We've streamlined the plan choices to make it easier for your clients, and added the benefits and conveniences that Californians want – like acupuncture, chiropractic and care via CVS MinuteClinic walk-in medical centers.

Q *Can my clients keep Bronze since they're already enrolled?*

A No. The Bronze plans being retired are officially withdrawn from the market, which means that groups will have to migrate to a SmartCare or other Health Net plan **upon renewal**.

If a group wants to keep their plan design (as it is under their Bronze plan), they may do so by pairing those benefits with our full HMO or Silver network.

Q *Why the new name?*

A We changed the name to reflect the expansion in network choices, benefits and health-boosting resources. With this portfolio, Health Net is putting all the pieces together for total health. It truly is smart care.

Q *Why are my clients being notified so far in advance?*

A Health Net is legally required to notify small business groups 90 days in advance when plans are discontinued.

Q *Can my clients change or add new dental or vision plans at renewal?*

A Sure. It's easy to add a Health Net dental or vision plan at renewal using the same process you do for all Health Net plans.

Q *Can my clients offer more than one SmartCare plan to their employees?*

A Yes, they can offer more than one SmartCare plan. Plus they can offer SmartCare plans alongside other Health Net plans. Different underwriting guidelines apply to different combinations. Your Health Net account executive can provide details.

Q *Is medical underwriting required for clients whose Bronze plan is being retired in order to move to a SmartCare plan?*

A No, medical underwriting is not necessary for clients in a Bronze plan that will move to a SmartCare plan upon renewal.

Q *Do the new SmartCare plans qualify as grandfathered plans per health care reform?*

A No, they do not. SmartCare plans comply with all requirements of health care reform and, as such, are considered non-grandfathered plans. This means that groups will lose their grandfathered status when they migrate to a new plan.

Q *What if a client doesn't want any of the six SmartCare plans?*

A Health Net has many plan choices to keep California small businesses growing. You can see them all at healthnet.com.



Q *What's the difference in benefits between Bronze and SmartCare?*

A There are a few changes in benefits:

Benefit description	Bronze plans	SmartCare plans					
		10 Standard	20 Standard	30 Standard	40 Standard	50 Standard	50 Value
CVS MinuteClinics	Not covered	\$10	\$20	\$30	\$30	\$30	\$30
Acupuncture/chiropractic ²	Optional rider	\$15, 10 visits max/year	\$15, 10 visits max/year	\$15, 10 visits max/year	\$15, 10 visits max/year	\$15, 10 visits max/year	\$15, 10 visits max/year
Infertility services	50%	50%	Not covered	Not covered	Not covered	Not covered	Not covered
Complex radiology	\$100	\$100	\$150	\$200	\$250	\$300	\$300
Urgent care	\$50	\$50	\$50	\$50	\$75	\$75	\$75
Outpatient surgery (hospital)	Same copay for hospital and ambulatory surgery center	\$250	\$500	\$750	\$1,000	\$1,500	50%
Outpatient surgery (ambulatory surgery center)		\$100	\$250	\$500	\$750	\$1,250	45%

Q *Can SmartCare members use mail order for maintenance drugs?*

A Yes, they can use mail order or they can go to a CVS retail pharmacy. Members are required to fill maintenance drugs (i.e., prescription drugs taken continuously to manage chronic or long-term conditions) in one of these two ways after the prescription has been filled twice at a network pharmacy.



Karen Boyd,
Health Net
We translate expertise into innovation.

²10 visits max/year.

Migration from Bronze – Plan Crosswalk

The way we see it, health care is complex enough without having to wade through an overwhelming array of benefit plan choices. So we're retiring our 16 Bronze plans and Bronze Choice, and replacing it all with a simple selection of six SmartCare plans.

Small employer group clients enrolled in a Bronze or Bronze Choice plan will have to

migrate to a SmartCare plan upon renewal. To help you help them, we've created a crosswalk that matches each Bronze plan to the SmartCare plan that's most similar, based on a combination of key benefits and rates. While there is not an apples-to-apples match given the difference in plan designs, this crosswalk simplifies the decision-making process for you and your clients.



Have a question we haven't covered?
We're here with more answers.
Call your Health Net Account Executive or Broker Services at 1-800-448-4411, option 4, or email brokers@healthnet.com

<i>For groups in this Bronze plan...</i>	<i>... this is the closest SmartCare match</i>
Standard 10	SmartCare Standard 20
Value 10	SmartCare Standard 30
Standard 15	SmartCare Standard 20
Standard 20	SmartCare Standard 30
Value 20	SmartCare Standard 30
Standard 25	SmartCare Standard 30
Advantage 25	SmartCare Standard 40
Standard 30	SmartCare Standard 30
Value 30	SmartCare Standard 40
Standard 35	SmartCare Standard 35
Advantage 35	SmartCare Standard 50
Standard 40	SmartCare Standard 40
Value 40	SmartCare Standard 50
Advantage 45	SmartCare Value 50
Standard 50	SmartCare Standard 50
Value 50	SmartCare Value 50

Bronze Option plans will be discontinued. Please see your Health Net Account Executive or Broker Services for further information.

This is only a summary of covered benefits. Please read the program documents for more information.

Members have access to Decision Power® through their current enrollment with Health Net of California, Inc. Decision Power is not part of Health Net's commercial medical benefit plans. Also, it is not affiliated with Health Net's provider network and it may be revised or withdrawn without notice. Decision Power services, including Health Coaches, are additional resources that Health Net makes available to enrollees.

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Important Health Plan Information Enclosed

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- Inside:**
- Bronze is evolving into SmartCare – a simple plan selection plus tailored network and more
 - Migration from Bronze to SmartCare for renewing groups

Jesus Hao,
Health Net
We champion solutions
that are as unique as the
clients you serve.

