

NewsRelease

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BLUEGRASS FAMILY HEALTH CONTRACTS WITH WELLS FARGO TO OFFER CONSUMER CHOICE HEALTH PLAN

LEXINGTON, Ky., *December 30* — Bluegrass Family Health recently announced a strategic relationship with Wells Fargo Institutional Trust Services to provide Bluegrass Consumer Choice, an innovative and cost-effective consumer choice health plan available April 1, 2004 to employer groups in Kentucky.

The Bluegrass Consumer Choice product has a higher-deductible Preferred Provider Organization (PPO) health insurance plan covering major medical expenses with an employer-funded Health Reimbursement Arrangement (HRA) fund. Wells Fargo has been contracted to administer the employer funded HRA used by employees to pay eligible medical expenses. Benefits in the HRA are tax-free and cumulative, and can be set up to allow unused funds to roll forward into subsequent years.

“Cost savings is just one positive aspect of consumer directed health plans,” said Lynden Kendrick, Wells Fargo Institutional Trust Services vice president. “Because Bluegrass Consumer Choice participants will make decisions with their HRA funds, employees have an incentive to be conservative with their health care spending. As a result, they are likely to value the health care process, make wiser decisions and reduce their collective health care costs.”

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“This plan is a move toward the future of health care,” said Garry Ramsey, Bluegrass Family Health chief marketing officer. “It’s a win-win product that gives consumers more discretion over their health care expenses while at the same time lowering costs for employers and employees.”

A recent survey estimates that in 5 years, over 24 percent of health plans in the United States will use similar consumer-driven products. Ramsey adds, “We are putting Kentucky on the road to that future with the design of this product by presenting a careful blend of employer and employee benefits. With consumer choice health plans, employees become better-educated consumers. Employers and employees, in a sense, become partners in managing costs.”

Established in 1993, Bluegrass Family Health is a Kentucky-based, not-for-profit company with a comprehensive provider network, offering competitive rates and community-based service. Bluegrass Family Health includes access to more than 5,538 physician providers and 88 hospitals throughout 99 counties in Central, Eastern and Western Kentucky.

Wells Fargo Institutional Trust is a division of Wells Fargo & Company - the only "Aaa"-rated bank in the United States - and is a premier provider of retirement plan, custody and investment management solutions for the institutional market. Wells Fargo Institutional Trust has 61 offices in 27 states, more than \$584 billion in assets under administration and serves more than one million retirement plan participants.

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