

October 17, 2007

Re.: Condell Medical Center

Dear Group Administrator:

You may have received a letter/fax from Condell Medical Center dated October 15, 2007. We believe that the letter is misleading and would like to take this opportunity to provide some perspective.

The offer presented by Condell to BCBSIL does not, in fact, aid in furthering an orderly transition. To change the transition process as suggested by Condell at this time would only perpetuate confusion. Months ago, BCBSIL asked Condell to remain in the PPO network through December 31, 2007, and even longer. Furthermore, BCBSIL went to court to enforce the PPO contract through December 31, 2007—but Condell was successful in having the court immediately terminate the PPO contract. Consequently, we have started the process of transitioning our members to other in-network facilities, and think it is better for all parties involved, including Condell, to continue to move in this direction.

We sincerely regret the turmoil that communications from Condell are causing our groups and members, as they have misrepresented our procedures and positions. Please be assured we have high levels of concern for our members and groups who might be affected by their abrupt contract cancellation. This is why we have defined the steps outlined in prior communications to you and our members: we will hold members harmless for services through the month of October, plus appropriate transition of care periods for certain conditions and treatments. We believe this orderly transition is in the best interests of the members and employer groups.

Most physicians work with other hospitals in the area, which further reduces the impact on our members. We are pleased to report that the vast majority of physicians who were previously affiliated only with Condell have established, or are in the process of establishing, admitting privileges at other area hospitals.

We continue to encourage all our members who have concerns and questions to contact BCBSIL's customer advocates at the number listed on the back of their ID card for the most up-to-date, accurate information. Please contact your Blue Cross and Blue Shield of Illinois broker or account executive with any additional questions.

Sincerely,

Blue Cross and Blue Shield of Illinois