Signature Blue: Simple. Transparent. Predictable.

Blue Shield of California is preparing to launch Signature Blue, a PPO plan design intended to make healthcare costs simple, transparent, and predictable for plan members, while preserving their access to Blue Shield's Full PPO provider network.

The Signature Blue plan will become effective January 1, 2027, through a small Pilot program for select member enrollment, and Blue Shield has plans to expand the product availability later during 2027.

Signature Blue is a benefit-design evolution, not a new Blue Shield PPO network. The plan operates on a copay-only basis, simplifying how members see and experience cost sharing. Members will be given the opportunity to make informed choices before getting care as they compare copay costs for bundled services that will not include behavioral health or emergency services, using digital tools on our Find a Doctor website at www.blueshieldca.com.

We are reaching out early to explain the approach, share high-level information about the Signature Blue product, and let you know how you can submit questions or provide a formal response. We intend to provide specific copay information to the Signature Blue pilot participants who use their member ID to log into our Find a Doctor website beginning January 1, 2027.

A high-level overview of the methodology used for determining varying copays based on the cost and quality analysis applied is available below. The overview includes:

- A high-level overview of the Signature Blue plan
- A summary of how service-option copays are developed
- Instructions for submitting questions or a formal response (via secure email) to the information we are providing.

Overview

Signature Blue has a PPO plan design that combines broad PPO access, predictable copays, upfront cost visibility, and integrated digital navigation on our Find a Doctor online provider directory.

What does this mean for Signature Blue plan members?

Network Access	How is it simple, transparent, and predictable?
Broad access to all Full PPO Providers for medical care	• Defined copays replace deductible and coinsurance for covered care. • Members see the amount before care is provided. • Digital tools on Find a Doctor allow members to compare provider options by name, location, and available care. • Copays vary by service, provider/facility configuration, and location.

What does this mean for healthcare providers?

Network	Operations
All participating providers in Blue Shield's Full PPO Network are available to Signature Blue plan members.	• A provider's contracted allowances and reimbursements for covered services are not affected. • A healthcare provider may need to collect varying amounts in member copays for different services or practice locations, but final claims payment from Blue Shield will ensure full contractual reimbursement for covered services. • Clinical decision-making and prior authorization requirements are not affected.

Blue Shield of California is an independent member of the Blue Shield Association

Provider Cost and Quality Methodology

Purpose

The Signature Blue Dynamic Copay design provides members with provider-specific cost-sharing information which is intended to promote informed access to high-quality, cost-efficient healthcare providers and facilities. The program assigns member copay levels based on a methodology that incorporates measures of provider quality and relative cost.

Overview of the Dynamic Copay Methodology

The Dynamic Copay Methodology analyzes quality performance metrics and relative cost metrics to determine the copay amount for each service or bundle of services.

Quality Performance

Quality performance incorporates data supplied by Clarify Health, a healthcare analytics company that uses large-scale claims and clinical data to generate insights on provider performance, patient journeys, and healthcare outcomes, and is based on an observed rather than expected measurement framework. The methodology evaluates provider and facility performance across clinical outcomes and process measures using healthcare claims data and other healthcare datasets. Quality performance reflects how actual patient outcomes compare with expected outcomes after risk adjustment for patient characteristics and clinical complexity.

Quality measures may include:

- Outcome-based measures
- Process and evidence-based care measures
- Risk-adjusted clinical performance measures
- Provider and facility quality indicators

Provider quality and facility quality are evaluated separately and incorporated into the overall score used for copay determination.

Cost and Price Measurement

Relative price performance evaluates the cost of services delivered by providers and facilities compared with applicable market benchmarks. The methodology uses risk-adjusted healthcare utilization and allowed-cost data to compare providers and facilities within relevant markets. Pricing analyses may incorporate factors such as:

- Service category pricing
- Provider group pricing
- Facility pricing
- Market-relative performance
- Credibility adjustments
- Percentile rankings

Provider and facility price measures are evaluated separately and incorporated into the overall copay determination methodology.

Copay Assignment

The Dynamic Copay methodology combines quality and price measures to determine a provider's placement within one of the following categories:

- Providers with comparatively lower costs and/or who perform higher on quality measures may be assigned lower member copays.
- Providers with comparatively higher costs and/or who perform lower on quality measures may be assigned higher member copays.
- Both provider-level and facility-level measurements contribute to the final copay determination where applicable.

The methodology is applied consistently across participating providers using standardized scoring and ranking processes. The methodology will continue to be used by applying updated date ranges for healthcare claims data and cost data on a regular basis resulting in copays being subject to change.

This summary describes the methodology used to generate provider-specific cost and quality information that may be made available to members and complies with provider review requirements under California Health & Safety Code §§1367.49 and 1367.02.

Blue Shield welcomes the opportunity to review the information with you

If you have questions or want to request an opportunity to review this information with one of our representatives, send an inquiry via secure email to SigBlue@blueshieldca.com within 30 days of this notice and be certain to include information for each of the categories listed below:

- Your provider organization or practice name
- Contact name and title
- Email address
- Phone number
- Tax identification number
- National provider identifier
- Facility or Practice location address

In the subject line of your email, please indicate the topic of your inquiry, using the choices listed below as a guide:

1. Claims or service-classification question
2. Quality-data question
3. Methodology question
4. No-action acknowledgement
5. Formal provider response

   If you wish to make a formal response, you will need to post your response on your organization's website and provide a URL that we will add to our Find a Doctor online directory website next to your listing directory. Formal responses should be submitted within 30 days of receiving this notice. This requirement is in accordance with California Health & Safety Code §1367.49.

   If you send an inquiry, please describe the topic of your inquiry and requested action and attach supporting documentation, as well as the URL linking to your formal response (if applicable) to your email. Blue Shield will acknowledge receipt of your email with an automated return email. If requested, a representative will contact you within 30 days of receipt to arrange a time to review this information with you and assist you with any further correspondence or actions needed.