



STATE OF IDAHO
DEPARTMENT OF INSURANCE
700 W. STATE STREET
BOISE 83720

APPROVAL

The within and foregoing ARTICLES OF INCORPORATION, having been submitted to the undersigned pursuant to §41-3406(2), Idaho Code, and having been referred to the Attorney General of the State of Idaho, and the Attorney General and the undersigned having approved the form and content of said Articles of Incorporation as conforming to law, the undersigned does hereby execute the approval of the office of the Director of Insurance this 16th day of December, 1977.


MONROE C. GOLLAHER
Director of Insurance
State of Idaho

(SEAL)

ARTICLES OF INCORPORATION
OF
BLUE CROSS OF IDAHO HEALTH SERVICE, INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a non-profit combination hospital and professional service corporation under the provisions of Chapter 34, Title 41, Idaho Code, as amended, and the laws of the State of Idaho relating to the organization of corporations where pecuniary profit is not the object. And we do certify and declare as follows:

ARTICLE I

The name of this corporation is, and shall be, "BLUE CROSS OF IDAHO HEALTH SERVICE, INC."

ARTICLE II

This corporation is formed for the following purposes and shall have the following powers:

Section 1. This corporation is not organized for pecuniary profit but the purposes and objects for which the corporation is formed are to promote, establish, maintain and operate a nonprofit combination hospital and professional service corporation having all the powers authorized for such corporations by Chapter 34, Title 41, Idaho Code, as amended now or hereafter, and to provide all services, execute all contracts, and do all things authorized for such corporations by Chapter 34, Title 41, Idaho Code, as amended now or hereafter.

Section 2. The corporation shall have the power, through its Board of Directors, to establish qualifications for participant hospitals, participant physician licensees and other persons with whom it may contract, as well as the qualifications of persons who may become subscribers, to establish premiums or rates for services provided to its subscribers and compensation therefor to the members of the corporation, and to do all things necessary for the proper performance of the purposes of the corporation as authorized by Section 1 hereof.

Section 3. To buy, sell, hold, acquire, own, mortgage, hypothecate, transfer, lease, exchange, trade or otherwise acquire or dispose of real and personal property, and otherwise do all acts and things necessary or convenient in or about the conduct, management and carrying on of such activities, objects and purposes, and to make, perform and carry out such contracts and agreements for any lawful purpose, to the same extent and as fully as natural persons might or could do, and to do, perform and carry out its business as principal, agent, trustee or otherwise, either alone or in conjunction with any other person, firm, association, corporation, and with agencies, departments and officers of state, municipal and/or federal government, or other political or governmental entities or institutions.

Section 4. To enter into, make, perform and carry out contracts of every kind and for any lawful purpose, without limit as to amount, with any person, firm, association, corporation, state, municipality, government, or other subdivision, district,

department, agency or instrumentality thereof.

Section 5. To associate and contract with other associations, organizations or corporations, either in other states or of national character, whose purposes are, and who are devoted to the same general purposes for which this corporation is formed.

Section 6. To do all things necessary, proper or convenient for the purpose of promoting, establishing and operating a nonprofit combination hospital and professional service corporation.

ARTICLE III

This corporation shall have perpetual existence. The effective date of incorporation shall be 12:00 o'clock midnight, December 31, 1977.

ARTICLE IV

The location and post office address of the registered office and principal place of business of this corporation shall be 1501 Federal Way, Boise, Ada County, Idaho.

ARTICLE V

Section 1. This corporation is not organized for pecuniary profit and it shall not have or issue any capital stock. Membership in said corporation shall be evidenced by the issuance of a certificate of membership to each participant hospital and participant physician licensee who has entered into a service agreement as provided in Section 3 of this Article V. Membership in the corporation, except upon dissolution of the corporation, shall not entitle any person or organization having such membership to any interest whatsoever in the assets of the corporation, but only to participate in the

management of the affairs of the corporation at meetings of the membership legally called and held within the period covered by the membership. In the event of dissolution of the corporation, should there remain assets following the payment of all liabilities of the corporation, then, in that event, the Board of Directors shall distribute said assets to a non-profit hospital or medical research organization approved by the membership for the purpose of furthering medical research.

Section 2. A member shall remain in good standing so long as the service agreement with the corporation is in existence and has not been terminated under the provisions of the Bylaws of this corporation or the statutes of the State of Idaho pertaining thereto.

Section 3. The corporation shall be composed of two classes of members. The first class shall be limited to licensed, Idaho, acute care, general hospitals that have executed service agreements with Blue Cross of Idaho, Inc., South Idaho Medical Service Bureau, Inc., or this corporation pursuant to the provisions of Title 41, Chapter 34, Idaho Code. The second class shall be limited to physicians, residing in Idaho, licensed to practice medicine in the State of Idaho, who have executed service agreements with either Blue Cross of Idaho, Inc., South Idaho Medical Service Bureau, Inc., or this corporation pursuant to the provisions of Title 41, Chapter 34, Idaho Code. Members shall receive certificates of membership signed by the president and sealed and attested by the secretary of the corporation. The

rights, powers, duties and obligations of each member shall be equal within their respective class.

The Board of Directors shall have the power to fix, alter or amend the terms and form of the service agreements hereafter made and entered into with members, in compliance with the applicable provisions of Title 41, Chapter 34, Idaho Code and the bylaws of this corporation.

Each membership class of the corporation shall possess a voting power equal to a total of 100 votes. Each member of the respective class shall be entitled to cast a vote representing that portion of the 100 votes of the respective class determined by dividing the total number of members of the class into the 100 votes of the class, which vote may be cast in person or by duly executed and filed proxy.

Section 4. New members of the corporation shall be either participant hospitals or participant physician licensees and shall have equal rights, powers, duties and obligations as accorded to each member of the respective class.

Section 5. The rights, powers, duties and obligations of each member of the corporation shall be equal except as specially provided by law and except as to the aforementioned determination of voting power.

ARTICLE VI

Section 1. The number, qualifications and terms of office of the directors of this corporation shall be as specified in the Bylaws, and such number may from time to time be increased or decreased in such manner as may be prescribed in the Bylaws.

However, the number of "lay" board members representing the consumer public shall never be less than 50% of the total number of directors and the remaining board members shall represent an equal number of participant hospitals and participant physician licensees. In case of any increase in the number of directors, the additional directors may be elected by the directors then in office; any director so elected shall hold office until the next annual meeting of the members and until a successor is elected and qualified.

Section 2. The Bylaws of this corporation shall provide that the directors of the corporation need not necessarily be persons eligible for membership in the corporation.

Section 3. The Bylaws shall provide for the appointment or election of an executive committee of not less than five members, who shall be members of the Board of Directors, and said executive committee shall be empowered to exercise the powers of the Board of Directors on matters occurring in the interim between regular meetings of the Board, with such other powers as may be delegated by the Board of Directors to said executive committee. The executive committee is to keep full and accurate records of its proceedings and to report the same at the next ensuing meeting of the Board of Directors after such action has been taken.

ARTICLE VII

The membership of this corporation shall have the power to make such Bylaws as they deem proper for the management of the corporation, consistent with these Articles of

Incorporation and Idaho law, and to provide for officers of the corporation and prescribe the duties of said officers. The membership of the corporation shall have the power to amend or repeal any Bylaws or adopt new Bylaws at any regular or special meeting of the membership; provided, however, that before such Bylaws or amendments thereto shall be acted upon, notice of the proposal therefor shall be mailed to each member at least one week before the date of the meeting at which such proposal is to be presented and/or acted upon. A two-thirds majority vote shall be required for the passage and adoption of any Bylaws or for the repeal or amendment of any Bylaws. The membership of this corporation, at any annual or special meeting, may confer the power to repeal, amend or adopt Bylaws upon the Board of Directors to the extent and subject to such conditions as it may impose. The Board of Directors shall not make or alter any Bylaw fixing their qualifications, classification, term of office, or compensation. Bylaws shall be effective until repealed, amended or substituted by other Bylaws promulgated by the membership of the corporation or by the Board of Directors, under power conferred by the membership.

ARTICLE VIII

These articles of incorporation may only be amended, altered or supplemented by a two-thirds vote of the membership of the corporation at a regular meeting or at a special meeting called for that purpose, with due notice given to the membership.

IN WITNESS WHEREOF, the undersigned Constituent Corporations have hereunto set their hands and seals this 12th day of December, 1977.

Ronald A. Thompson
President
BLUE CROSS OF IDAHO, INC.

Karen L. Boyd
Secretary
BLUE CROSS OF IDAHO, INC.

Ronald A. Thompson
President
SOUTH IDAHO MEDICAL SERVICE BUREAU,
INC.

Karen L. Boyd
Secretary
SOUTH IDAHO MEDICAL SERVICE BUREAU,
INC.

STATE OF IDAHO)
) ss.
County of Ada)

On this 19th day of December, before me, the undersigned Notary Public in and for the State of Idaho, personally appeared Leonard O. Thompson and Karen L. Boyd, to me known to be the President and Secretary, respectively, of BLUE CROSS OF IDAHO, INC., the corporation that executed the foregoing instrument, and acknowledged to me that they signed the same on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.



NOTARY PUBLIC for Idaho
Residing at Boise, Idaho

STATE OF IDAHO)
) ss.
County of Ada)

On this 19th day of December, before me, the undersigned Notary Public in and for the State of Idaho, personally appeared Leonard O. Thompson and Karen L. Boyd, to me known to be the President and Secretary, respectively, of SOUTH IDAHO MEDICAL SERVICE BUREAU, INC., the corporation that executed the foregoing instrument, and acknowledged to me that they signed the same on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.



NOTARY PUBLIC for Idaho
Residing at Boise, Idaho