Early Retiree Reinsurance Program

In support of the Patient Protection and Affordable Care Act of 2010

Anthem's Cost Containment Programs

As a medical plan client of Anthem Blue Cross and Blue Shield, Missouri Educators Unified Health Plan offers programs and processes designed to generate savings for plan participants with chronic and high-cost conditions. Programs like these have had proven cost saving outcomes, as detailed below.

Programs Targeting Chronic Conditions

As part of our 360° Health strategy, we offer ConditionCare, our disease management program. ConditionCare helps maximize member health status, improve health outcomes and control health care expenses associated with the following prevalent conditions:

- Asthma (pediatric and adult)
- Diabetes (pediatric and adult)
- Heart failure
- Coronary artery disease
- Chronic obstructive pulmonary disease
- Low back pain
- Vascular at risk

Employing proven technology, evidence-based practice guidelines and a team of experienced health care professionals, our award-winning ConditionCare program provides a strategy for all participants with gradations for risk level that allow us to reach more members in our pool of eligible members we identify. We track and monitor member-specific interventions by creating an individualized Care Plan for each identified member housed within our care management platform. We focus the most appropriate level and of evidence-based interventions in a timely manner to achieve successful and cost-effective management of the member's condition.

The ConditionCare program further supports the physician/patient relationship and plan of care, and empowers members to become more effective managers of their own health. Our condition-specific actionable materials reinforce program interventions and further assist members with controlling their conditions.

A Total Management Approach

A total management approach is paramount to the success of the ConditionCare program. Through our primary nurse model, we achieve improved outcomes by focusing on our members' overall health. We address all conditions and comorbidities as they relate to and affect our members' ability to manage their overall health.

We begin by having our team of Health Outreach Specialists contact eligible members we identify as most likely to benefit from ongoing one-on-one telephone management and education from an assigned nurse coach. Calls to these moderate and high-risk members introduce the program, highlight its value and begin the enrollment process. The specialists set up next steps for member participation, including a follow-up call from the assigned nurse coach who conducts a comprehensive telephone health assessment.

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Our staff of health professionals includes registered nurses, pharmacists, registered dietitians, exercise physiologists, licensed social workers and medical directors.

Sharing their expertise to each specific member, our team of health professionals – led by the primary nurse coach - collaborate to help members overcome barriers to attaining improved health and adhering to their treating physician's prescribed plan of care.

We have received full accreditation from the National Committee for Quality Assurance (NCQA) for our ConditionCare programs addressing diabetes, asthma, coronary artery disease, heart failure and chronic obstructive pulmonary disease. NCQA accreditation signifies that these programs have withstood an intense, comprehensive review in the areas of content, measurement and quality improvement, clinical systems, operation, and member and practitioner service.

In addition, we offer our programs for kidney disease (chronic kidney disease and end-stage renal disease) in partnership with an NCQA-accredited disease management company.

Asthma

Our ConditionCare program for asthma assigns nurse coaches to work closely with members identified as requiring ongoing one-on-one management and education. This strategy helps to minimize risk and improve outcomes by developing effective self-management regimens that include asthma trigger avoidance and medication adherence.

Monitoring member adherence with our asthma program includes evaluating adherence to prescribed medications and helping members identify and manage potential asthma triggers within their environments. For asthma, we measure:

- Participation rates, specifically the percent of member participation in our program
- Clinical measures of adherence to guideline recommendations
- Satisfaction, specifically member and provider satisfaction with our program
- Provider performance, specifically under-use of medication and adherence to guidelines

Outcome measures include:

- Health risk change using assessment tools
- Clinical outcomes, asthma control medication use, condition-related emergency room visits per 1000
- Functional status, specifically the impact of asthma on work and daily functionality
- Financial results, specifically return on investment (if available)

Diabetes

Diabetes management is complicated and often overwhelming. Our nurse coaches and supporting health professionals, including registered dietitians (many of which are certified diabetic educators) and exercise physiologists, collaborate to help members avoid health complications through effective lifestyle changes. Our program helps members follow their treating physician's plan of care, undergo regular blood sugar testing and health screenings, and observe a healthier diet. Monitoring compliance with the diabetes program includes evaluating the following member data:

- Medication adherence
- Retinopathy screening
- Screening for A1c (blood sugar)
- Screening blood lipids
- Screening for blood pressure control
- Screening for kidney function
- Self-monitoring of blood glucose

Heart Failure and Coronary Artery Disease

Adherence to the treating physician's plan of care for prescribed medications, diet and exercise can help members with heart failure and/or coronary artery disease avoid the need for costly emergency room visits and hospital admissions. Through helpful condition-specific education, our programs help members become better self-managers of their condition and live fuller lives. Members in any of our ConditionCare programs have 24-hour toll-free access to experienced nurse coaches for questions about their condition and its management. Condition-specific program outcome measures include the evaluation of the following:

- Blood pressure control
- Emergency room visits
- Hospital admissions and average length of stay
- For coronary artery disease, screening for lipid testing and prescribed lipid lowering medication
- For heart failure, weight monitoring and adherence to a sodium restricted diet
- Use of prescribed ACE inhibitor medications
- Use of prescribed Beta Blocker medications

Chronic Obstructive Pulmonary Disease

Chronic obstructive pulmonary disease often becomes more serious the longer a person has the condition. With our targeted program, we can help to slow the condition's advance so that members can live a more normal and healthier life. Through a convenient toll-free phone number, our program gives members access to a staff of experienced registered nurses who are available to answer questions about how best to live more fully with chronic obstructive pulmonary disease. We also have licensed pharmacists on staff to counsel members about how to take their prescribed medications for maximum effectiveness. If the member is on oxygen therapy, our nurses are available to work with members to adhere to therapy.

An assigned nurse coach provides ongoing telephone management and education to members requiring higher intensities of targeted care for their chronic obstructive pulmonary disease. This nurse calls regularly to help ensure appropriate management of the member's condition. Our nurse coaches also help members to understand the treating physician's plan of care and collaborate as necessary with program pharmacists, dietitians, exercise physiologists and social workers to help achieve designated health goals.

Optional ConditionCare Programs

Our optional ConditionCare programs assist a broader segment of the population by targeting prevalent conditions that can be precursors of future health concerns and require greater support and follow-up.

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Vascular At Risk Program

Our Vascular At Risk program targets hypertension, hyperlipidemia and metabolic syndrome, which are prevalent and potentially life-threatening conditions associated with an increased risk of coronary artery disease, diabetes, stroke, peripheral vascular disease and peripheral artery disease.

Individuals diagnosed with a condition within the Vascular At Risk program have an opportunity to make aggressive lifestyle changes today that can delay or prevent the development of other serious diseases. While this news is positive, committing to change can be extremely difficult to do. Our program serves members as a one-stop source for condition-specific information and guidance. Members receive tailored interventions we base on condition severity. Using the member's care plan, we provide counseling on adherence with the treating physician's plan of care. The plan outlines goals for:

- Adherence to the physician's plan of care
- Effective self-management
- Helping members to achieve better health
- Improvement in lifestyle behaviors, nutrition and physical activity
- Improvement in physician communication

Individual goals complement the physician's prescribed plan of treatment. With proper coaching, health education and resources, the Vascular At Risk program works to improve the condition by empowering members to become better managers of their personal health care through:

- Exercise plans
- Medication adherence
- Nutritional education and coaching

Low Back Pain

Our program for low back pain focuses on disorders of the lumbar region, which often improve through conservative, nonsurgical therapies. Using industry-recognized screening tools, our skilled nurse coaches first seek to assess the member's physical limitations caused by low back pain. Once we know the limitations, we use the member's care plan to help members with the following goals:

- Assist members in evaluating surgical alternatives
- Encourage the appropriate use of diagnostic testing
- Provide decision support tools for members considering surgery
- Provide education and support to program participants
- Prevent reinjury or worsening of injury through education and setting individual goals

Oncology

Our oncology support program targets members with breast, prostate, colon and skin cancer. The program addresses the fact that cancer is a health concern that impacts a large population. The program meets member needs with education and support from our registered nurses with specialization in oncology, supported by our social workers and, as needed, pharmacists, dietitians and exercise physiologists.

The oncology program focuses on the impacts of therapy, and infection and neutropenia prevention. We also strive to support participants with strategies to manage the nausea and pain associated with their cancer treatment (for

example, chemotherapy and radiation therapy) and additional strategies to combat fatigue and anxiety. Where needed, we provide appropriate referrals to behavioral health resources for possible depression and help participants identify additional support resources. This consistency in relationship with a single primary nurse is an essential component in supporting adherence to drug treatment regiments and post-treatment therapies.

Musculoskeletal

The musculoskeletal program provides members with education and management support to address arthritis, osteoporosis, and hip and knee replacements. Through program interventions, we aim to help participants develop techniques and strategies to reduce the impact of their musculoskeletal condition for improved management of activities for daily living. Medication management and adherence is often critical for condition maintenance or to manage pain and swelling. Our exercise physiologists also play a key role in helping participants adhere to their prescribed activity and exercise to maintain mobility and to improve range of motion. We discuss additional strategies for pain management, and since chronic pain is often associated with depression, we also screen for depression and provide appropriate referrals for behavioral health services.

Outcomes

Our ConditionCare programs address the most prevalent and costly chronic illnesses affecting Americans today, yielding a return on investment of at least $2 to $1 or better. This means that for every dollar invested, you can get at least two back.

Below are outcomes the program has achieved for Anthem's book-of-business in the Central Region.

Targeting the Right Members

A small number can really add up. Roughly 2.4% of Anthem members account for more than 9% of employers' total medical costs. In other words, 2.4% – or 8,986 members – incur more than $7,000 each in medical expenses annually.

Anthem 360° Health solution helps chip away at these escalating costs by targeting the right members at the right time with precisely the right programs – no matter how healthy or sick they may be.

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Improve Bottom Line	We know healthy lifestyle changes require time to take root. Even so, with Anthem 360° Health's ConditionCare programs, employers experienced a sizeable return in the first year. ConditionCare members reduced their overall claims costs, whereas overall claims costs for non-engaged members increased by 7%. In addition, we reduced condition related medical expenses by nearly 9%. That comes out to a savings of more than $150 per member per year.
Clinical Outcomes	Anthem 360° Health helps members make positive changes in their behaviors that can help improve their condition and overall health. For instance, according to claims data, 5% more ConditionCare members with coronary artery disease were able to get their blood pressure under control. Likewise, 16% more ConditionCare members with diabetes achieved healthier cholesterol levels.
Increase Productivity	Program participants reported an increase in productivity as a direct result of taking steps to better manage their condition, citing a sizeable decrease in missed workdays. Specifically, ConditionCare members with coronary artery disease reduced their reported days of lost activity by nearly 30%; members with diabetes reduced their reported days of lost activity by nearly 11%; and members with chronic obstructive pulmonary disease reduced their reported days of lost activity by nearly 19%.

Identifying Gaps in Care

Missouri Educators Unified Health Plan early risk management program, called MyHealth Advantage, offers a total population solution for identifying and communicating with members with identified gaps in care.

Each month, the program's care gap system analyzes a complete data set for gaps in care, safety issues and cost savings opportunities. Members with identified issues receive alerts via a mail-based MyHealth Note, which includes a list of the member's most recent claims (up to 25) and specific information on the identified issues or opportunities.

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To address more urgent preventive care issues, we also mail many of the same alerts to members' physicians; information about complex issues and sensitive member diagnoses is sent only to physicians.

MyHealth Advantage includes the following:

- Rigorous claims data analysis and methods to help accurately target patient populations that have the highest potential for medical care cost reductions and to measure program results
- Data collection from multiple sources including enrollment and benefits information, medical and prescription drug claims, laboratory results and provider information
- A sophisticated analytical process to sort data for patterns of care, disease prevalence, and drug interactions, among other factors
- More than 270 targeted alerts for both members and providers

Condition-Specific Education

Anthem offers our members multiple avenues to receive health education newsletters. Avenues include:

- **e-Newsletters:** Members can opt to subscribe to weekly electronic newsletters on a variety of topics, including parenting and pregnancy, diet and nutrition, and arthritis. A member's web activity can also trigger receipt of specific newsletters based on the member's tracked behaviors through his or her "page clicks."
- **Program Specific:** Many of our 360° Health programs also include standard newsletters:
  - Disease Management: We mail quarterly condition-specific educational newsletters to all participants enrolled in our core ConditionCare programs for asthma, diabetes, coronary artery disease, heart failure and chronic obstructive pulmonary artery disease.
  - Lifestyle Management: Through our Complete product tier, we mail quarterly newsletters that help educate program participants about the connection between lifestyle risks and overall health.
- **Wellness Campaigns:** As a standard feature of 360° Health, we also offer clients a communication toolkit to help support their efforts to build a culture of health at their workplaces. The kit, called Time Well Spent, includes clinically reviewed materials that our clients can customize to support ongoing wellness campaigns including newsletters. Health messages covered include preventive health, stroke, cancer screenings and diabetes health.

Incentives/Savings for members

Consumer Driven Plan Incentives

Through the Lumenos consumer-driven health plans, Anthem offers a consumer-centric approach to health care coverage that is unique in today's health care industry. Anthem's Lumenos plans address members' personal health behaviors and health care decisions – the primary drivers of health care costs – while offering a standard set of incentives to encourage members to take a more active role in managing their health.

Each Lumenos plan offers cost-effective tools to help members improve their health and wellness. Our consumer-focused plans offer a proactive approach to health care, combining web-based information, early identification, member education and personal health coach services.

Members can earn incentives for completing our online health risk assessment, as well as for enrolling in and graduating from personal health coaching. We offer additional incentives for participation in our tobacco cessation and weight management programs. These activities help us proactively manage members to ensure they receive

quality health care, comply with their physician's treatment plans, and avoid acute – and often high-cost – episodes of care. Members who earn incentives can use them to reduce their out-of-pocket expenses on health care.

Programs Targeting High-Cost Conditions

Medical management – including large case management – is a series of integrated processes designed to promote quality health care by providing patients with the most appropriate services for their diagnoses or conditions. Prospective and retrospective medical management programs manage over- and under-utilization of resources. Monitoring utilization ensures treatments comply with evidence-based care and that members/providers are not over-utilizing potentially unnecessary and often costly treatments. These programs include:

- Admission review for inpatient services
- Concurrent review for continued stay
- Radiology utilization management for specified radiology procedures
- Outpatient review (prior authorization for certain outpatient services)
- Prior authorization for certain medications
- Case management program focused on the health care needs of individual patients.

Our comprehensive medical management process includes:

- Precertification
- Concurrent review
- Discharge planning
- Retrospective review
- Case management
- Behavioral health
- Transition of care
- Over/under utilization analysis
- Satisfaction with utilization management process analysis
- Accessibility
- Evaluation of new technology
- Adoption of consistent medical policy, utilization criteria and practice guidelines
- Monitoring delegate activities

We offer our members a national network of specialty centers known as the Blue Distinction Centers for transplants, bariatric surgery and cardiac care. Our associates will direct certain services to these centers of excellence.

We also offer the Blue Distinction Center for rare and complex cancers.

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It is important to note that our overall strategy for managing the cost of health care does not focus specifically on containing costs or strictly controlling utilization, but it is an integrated approach that:

- Promotes the delivery of quality care
- Identifies members who may be at risk for significant health problems in the future and helps them avoid those problems through various support programs such as ConditionCare disease management
- Helps those already experiencing major health issues receive care that follows nationally accepted medical standards so they can achieve the best possible outcomes

Large Case Management

The mission of our case management program is to empower members to take control of their health care needs across a care continuum by coordinating quality health care services and optimizing benefits through a realistic, cost-effective and timely care management plan.

Triggers used to identify potential case management cases include:

- Utilization (for example, multiple admissions, readmissions, length of stay)
- Diagnosis
- Procedure (for example, transplants, hemodialysis.)
- Alternate level of care (for example, rehab, LTAC, SNF)
- High-cost services (inpatient/outpatient)
- High-cost threshold (> $75,000 incurred on a rolling 12 months)
- Situational triggers (for example, caregiver, psychosocial factors)

Our case management philosophy is to provide member-centric support for care that aligns with best practices as defined by industry trends, accreditation requirements and evidence-based clinical practice protocols and guidelines. As such, we collaborate and communicate with the member, family, the physician and other health care providers to develop and implement a care plan that is driven by the members' goals for health improvement. As long as the member's case is being managed, Anthem's staff performs ongoing assessments of the member's health and status, plans for next steps of care and facilitates quality care for our members as their advocate.

Our case management plans optimize health care outcomes while empowering members to exercise the benefits, services and options available to meet their individual health needs

Proactive Large Case Management

Anthem also believes in leveraging our state-of-the-art technologies to help members avoid acute health care episodes and help employers avoid high-cost claims. As such, we use our predictive modeling tool to identify members likely to incur significant medical expenses in the near future, but who do not fall into established disease management programs. We then target these members for enrollment into our ComplexCare program. ComplexCare is a management program that helps control health care expenses through proactive outreach to members.

ComplexCare is a proactive, collaborative, member-centric model of care management that emphasizes care management for members with chronic or multiple non-disease management conditions and who are at risk for incurring significant future medical expenses. For example, we may invite members with various forms of cancer or multiple congenital anomalies to participate in ComplexCare. ComplexCare also functions as a responsive program, working with members already receiving high cost care for things such as burns, spinal cord injuries, etc.

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ComplexCare helps members and members' families effectively manage the member's health to improve health status and quality of life, and decrease the use of acute medical services. This includes care coordination, behavioral change, identification and engagement of community resources and benefit optimization. ComplexCare combines the benefits of assigned nurse coaches, goal-setting and behaviorally appropriate education to help improve member care and health status via intense interventions over a defined period.

ComplexCare targets the top 1.25% of the member population predicted to incur the highest medical costs. High dollar claims are only one of several possible identifiers for ComplexCare enrollment. For example, a member's high dollar pharmacy utilization in conjunction with paid claims and predictive modeling tools may be one trigger for ComplexCare identification.

We use claims data to identify members with ComplexCare conditions and stratify members into risk levels. We leverage predictive modeling to stratify our members into one of three risk categories, focusing on future costs rather than past costs.

Health Advocacy

Missouri Educators Unified Health Plan health advocacy program, called MyHealth Coach, targets the top tier of health care users. This program is an important tool for helping control health care expenses since these top tier health care users tend to require more targeted interventions and often account for a disproportionate share of medical claims costs. With the tools and services provided through our health advocate program, we help ensure that members understand their benefits and that their expectations—and those of their family members—are properly addressed.

We recognize that the member's willingness to change is an essential step toward achieving improved health outcomes. Through the MyHealth Coach program, our health coaches, who are registered nurses, help members navigate the health care system, comply with physician-prescribed treatment plans and use health benefits more appropriately. MyHealth Coach nurse coaches serve as a central point of contact for members who have questions or concerns about a health care topic or condition, benefits, claims payment or language in an explanation of benefits statement. They also provide pre-admission and post-discharge planning, can find appropriate providers and provide referrals to any ConditionCare (disease management) program for which the member is eligible.

Utilization Management/Precertification

Anthem's precertification program emphasizes evidence-based cost-effective care. Our medical policies and clinical guidelines are developed in conjunction with thought leaders in their respective fields. The list of precertification procedures targets key procedures and diagnoses in which we can make an actionable change to improve our members' care. We are also working to streamline the process to reduce the burden to providers. For example, for our highest volume pre-authorizations, we have developed provider tools to improve transparency and reduce provider work. These forms are downloadable from Anthem's website and guide physicians to the specific clinical information needed to approve the request. In many cases, these forms can be submitted in lieu of medical records.

For services that require precertification, Anthem works with requesting providers through the authorization process. Authorization is required for the claim to pay. We perform retrospective reviews for cases where precertification was not completed before the date of service.

Below are two examples of precertification programs that exemplify our approach to encourage evidence-based care:

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Spine Surgery

By requiring precertification for spine surgery, we aim to reduce co-morbidity and complications from unnecessary procedures. Our reviewers are trained surgeons, and often reach out to requesting providers in peer-to-peer communication. We have found that many members have not completed an appropriate course of conservative treatment before surgery is requested.

Specialty Pharmaceuticals

By reviewing certain therapies with potential for significant side-effects (for example, immunomodulators), we have reduced inappropriate use of non-evidence-based therapy. The process for approval is streamlined, and we are in the process of rolling out a web-based automated tool. Although we approve the majority of requests, given the morbidity, cost and duration of treatment, these reviews have demonstrated tangible results in improving member health and outcomes.