




Cost & Quality Transparency




Informed Health Care Decisions




coverage

Does my insurance cover this at all?
How does my health insurance cover this?




cost

How much does health care actually cost?
What will be my out-of-pocket cost?



quality

How do you compare facilities or providers?
What quality measures should I consider?



patient satisfaction

How do other patients feel about their own similar experiences?
What do the ratings mean?

Answers to all of these questions are available today at anthem.com

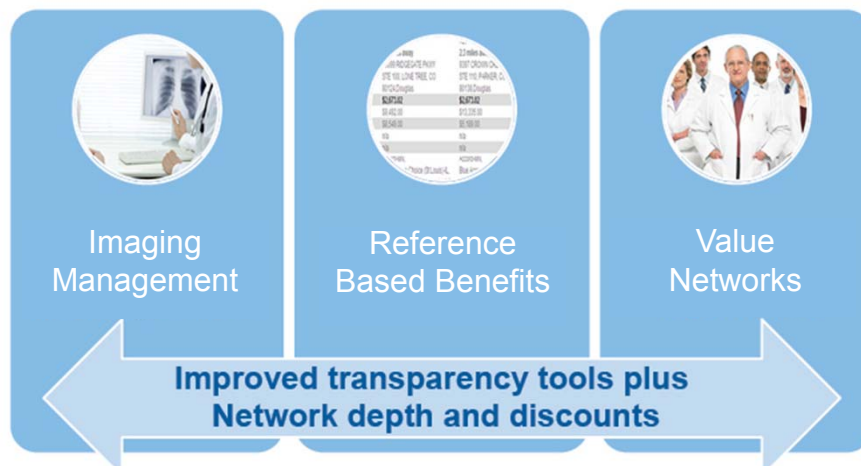
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Continuing to Expand Cost & Quality Data

2012 FALL	2013 FALL	2014 SPRING	2014 FALL	2015 SPRING
<ul style="list-style-type: none"> • 38 Office Visits (Market Average \$) • 80 Diagnostic • 38 Outpatient • 16 Inpatient <p>172 Total</p>	<ul style="list-style-type: none"> • 87 Office Visits • 113 new Treatment Categories <p>200 New</p>	<ul style="list-style-type: none"> • Approx. 18 new Treatment Categories from Truven Analysis • Approx. 22 Treatment Categories • More Chronic Conditions <p>40 New</p>	<ul style="list-style-type: none"> • Approx. 105 New Treatment Categories <p>105 New</p>	<ul style="list-style-type: none"> • Approx. 105 New Treatment Categories <p>105 New</p>
<p>40% (of "shoppable" services)</p> <p>172 Total Treatment Categories</p>	<p>86% (of "shoppable" services) +240 new Treatment Categories</p> <p>412 Total Treatment Categories</p>	<p>100% (of "shoppable" services) +210 new Treatment Categories</p> <p>622 Total Treatment Categories</p>		

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Cost-Saving Opportunities: Now and in the Future



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AIM - Supporting Better Decisions

Delivering better value



Clinical Review



Network Value



Member Engagement

Right Test

Based on clinical guidelines

Members flagged for high aggregated-radiation exposure

Right Place

Quality-driven site of service score

Information provided to ordering physician

Right Price

Engage employees in the site selection process

Enables them to make more informed decisions

**Clinical Review
and Member Engagement**

AIM for 2014: *Expanded Cost & Quality*

In 2014, members will be able to call AIM directly for support when seeking a site of service for care

- Program will use Anthem Care Comparison which provides facility-specific costs for services *across the country*
 - 168 shoppable procedures today including inpatient, outpatient, and expanded diagnostic services
- Allows AIM to support member education and redirection to other quality locations that are more cost efficient



How Does Reference Based Benefits (RBB) Work?

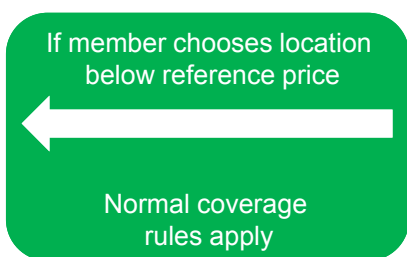
Wide price variation exists within a region

Price for Neck MRI

\$575 \$647 \$705 \$840 \$926 **\$1000** \$1360 \$1510 \$1671 \$2030

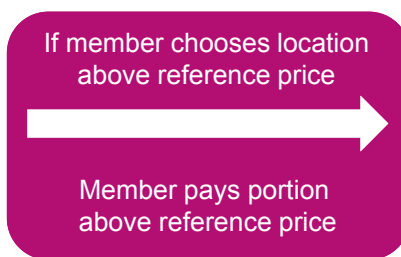
Define Reference Price

If member chooses location below reference price



Normal coverage rules apply

If member chooses location above reference price



Member pays portion above reference price

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Reference Based Benefits *Imaging Behavior Change*

Unit Cost Comparison Summary

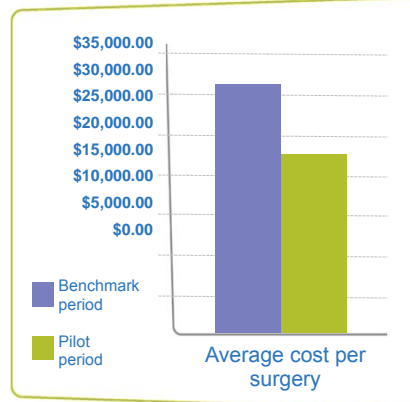
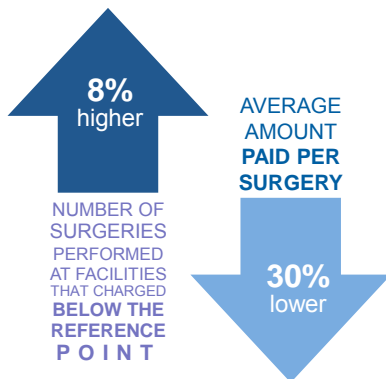
Reference Price States Unit Cost	Imaging Test	2011	2012	Variance
	All CT Scans	\$812	\$761	-6.3%
	All MRI Scans	\$1,052	\$935	-11.1%
All Other States Unit Cost	Imaging Test	2011	2012	Variance
	All CT Scans	\$728	\$741	1.8%
	All MRI Scans	\$1,096	\$1,125	2.6%

The shopper, reference pricing, and communication strategy together had a positive impact where implemented without any adjustment for contractual changes or service richness.

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Anthem's Pilot Results

THE GOOD NEWS? WE KNOW IT WORKS.



*Anthem actuarial RBB analysis 2012 9

Enhanced RBB Made Possible Through Collaboration

A powerful partnership between



- ✓ Comprehensive provider network
- ✓ Adjudication expertise
- ✓ Rich data resources
- ✓ Anthem.com – your employee's one-stop, integrated portal
- ✓ Best-in-class health care transparency solution
- ✓ Experience designing and implementing RBB programs
- ✓ Comprehensive change management and employee communications expertise

Blue Distinction Centers of Excellence: *Opportunity for Value*

Preliminary results provide an opportunity for value

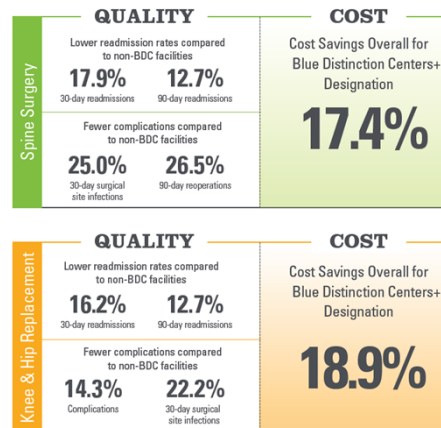
- Measured facilities that achieved the new blue distinction or blue distinction+ designation vs. Non-blue distinction facilities

Spine surgery

- 55 facilities met the increased quality thresholds
- 160 facilities met both the quality and cost criteria

Knee/hip replacements

- 74 facilities met the increased quality thresholds
- 278 facilities met both the quality and cost criteria



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Blue Distinction Centers of Excellence *Benefit Design*

The tiered benefit offering for spine surgery and knee/hip replacement procedures provides for a customized benefit structure:

- Optional travel reimbursement
- The top tier provides a higher benefit when a member uses a Blue Distinction+ (quality and cost) facility – for example: 100% or 90% benefit
- The second tier provides a lesser benefit when a member uses a Blue Distinction (quality only) facility - for example: 80% of 70% benefit
- The third tier would still allow members to go to in-network but non-Blue Distinction (BlueCard PPO) hospitals for care – this benefit could be set at 50%
- The fourth tier would pay a much lesser or zero benefit for choosing an out-of-network hospital
- Or, the employer can customize with any combination of the above levels
 - Can be offered as a 3-tier or a 2-tier only benefit

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Blue Distinction Centers of Excellence: *Total value timeline*

Total value criteria (Blue Distinction and Blue Distinction+) will be phased into all blue distinction networks – *all networks are projected to be updated by year end 2014*

