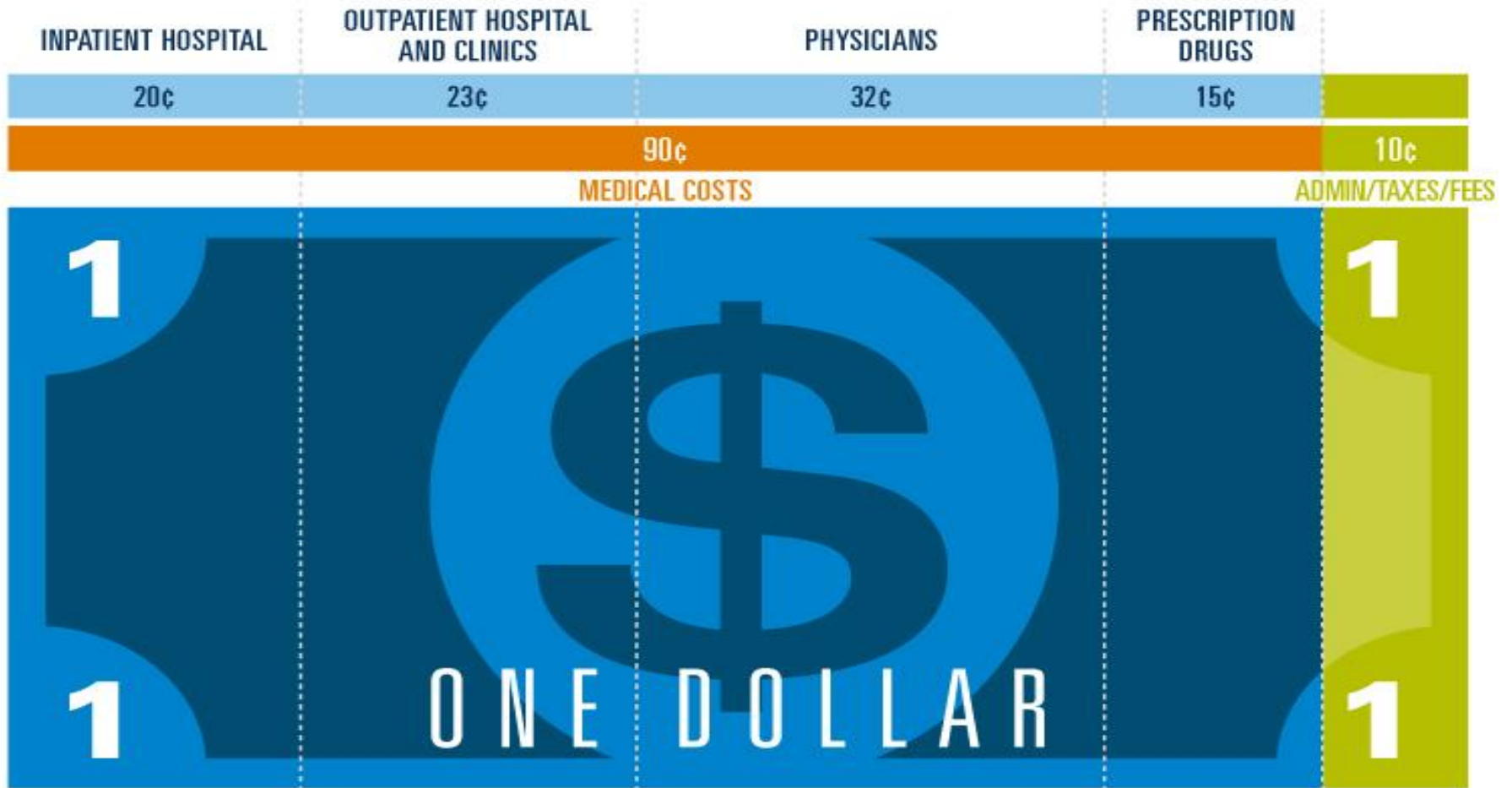


DISCUSSION OUTLINE



- Health Costs and Driving Value
- Minnesota's Challenges in Geography and Payment Variation
- Blue Cross' Focus on Innovation
- Questions

HEALTH CARE COST : PREMIUM LINK



HEALTH CARE VALUE



Make health care less expensive,
easier to use and more
impactful for people



GOALS

Improve Health

Drive improvement on select quality measures (diabetes and medication adherence)

Contain Costs

Temper health care inflation and achieve competitive market position

Elevate Experiences

Improve members' health and clinical experiences

SUCCESSFUL MEDICAL COST MANAGEMENT REQUIRES STRATEGIES THAT TACKLE THREE PRIMARY COMPONENTS



TREND COMPONENTS

1 Unit Cost
Prices for services rendered by providers

2 Case Mix
Case severity, service types and provider mix

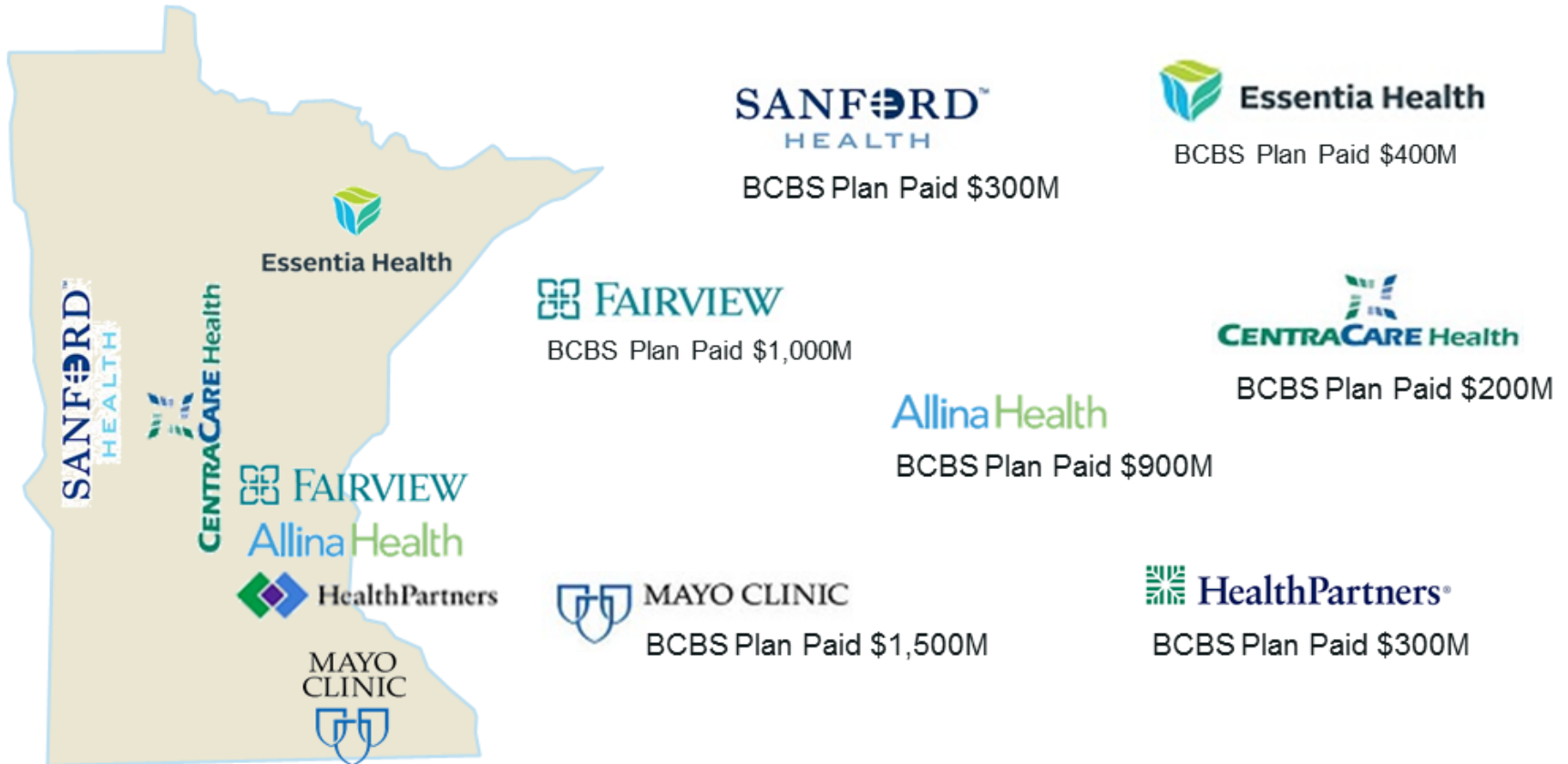
3 Utilization
Frequency of services used

Care Management		Network and Payment	
Medical Levers	Pharmacy Levers	Medical Levers	Pharmacy Levers
<ul style="list-style-type: none"> Case Management Medical Policy Utilization Management High Complexity Care Unit Social Determinants 	<ul style="list-style-type: none"> Formulary Utilization Management 	<ul style="list-style-type: none"> Provider Contracts Network Configuration Payment Methods Payment Integrity 	<ul style="list-style-type: none"> Network Configuration Price Discounts Rebates

Most impactful levers for managing health care costs

PROVIDER NETWORK CONSOLIDATION

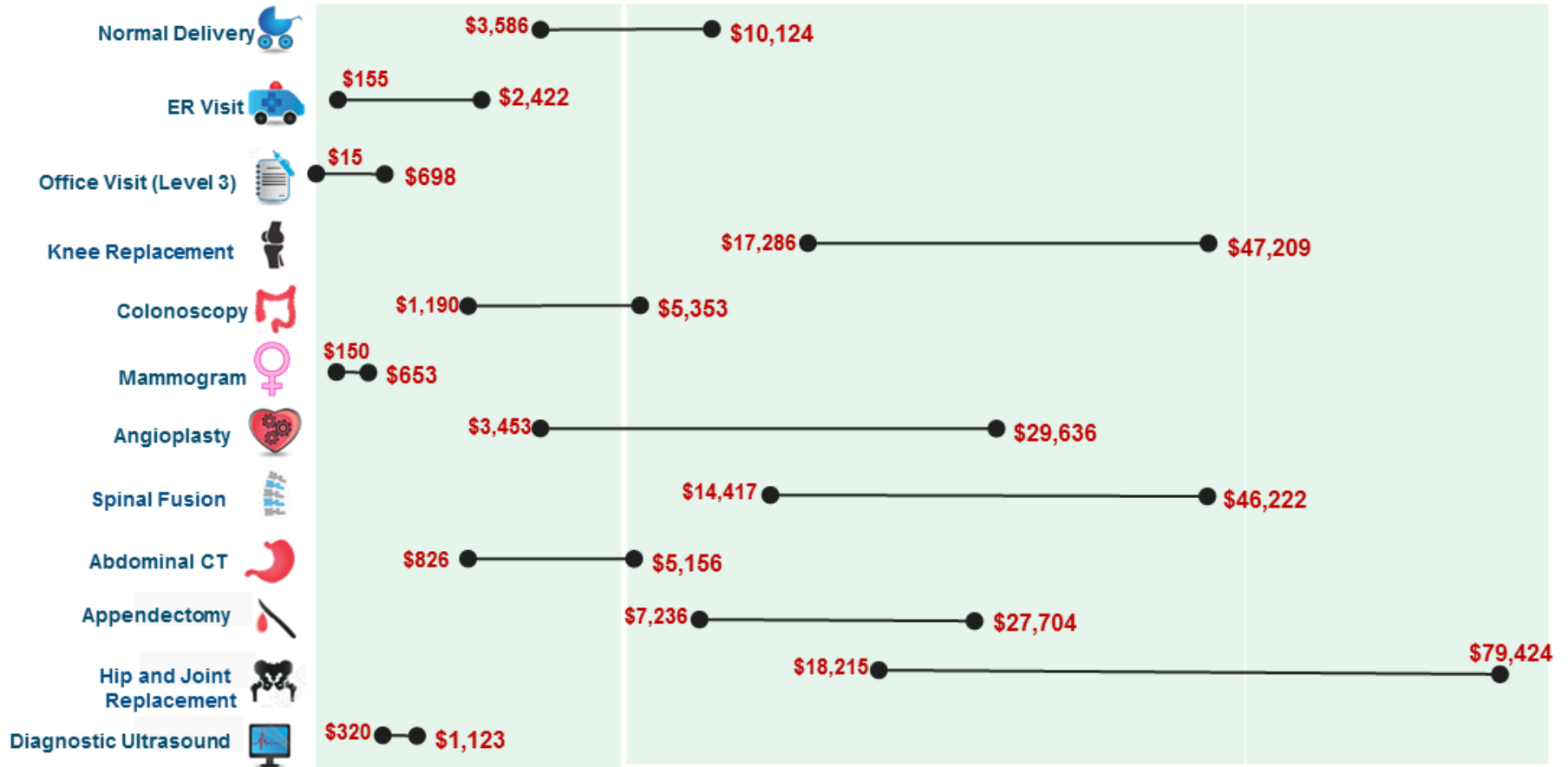
Minnesota Provider Landscape



All data are from 2015.

PROVIDER NETWORK PAYMENT VARIATION

Cost of Care Variation in Minnesota



CLINICAL INNOVATION DIABETES PILOT

Personal Diabetes Nurse



Value Based Incentives



SELF MANAGEMENT
EDUCATION



Peer Support

PERFORMANCE-BASED
PAYMENTS

BASED ON CLINICAL EVIDENCE

DESIGNED FOR CONSUMERS

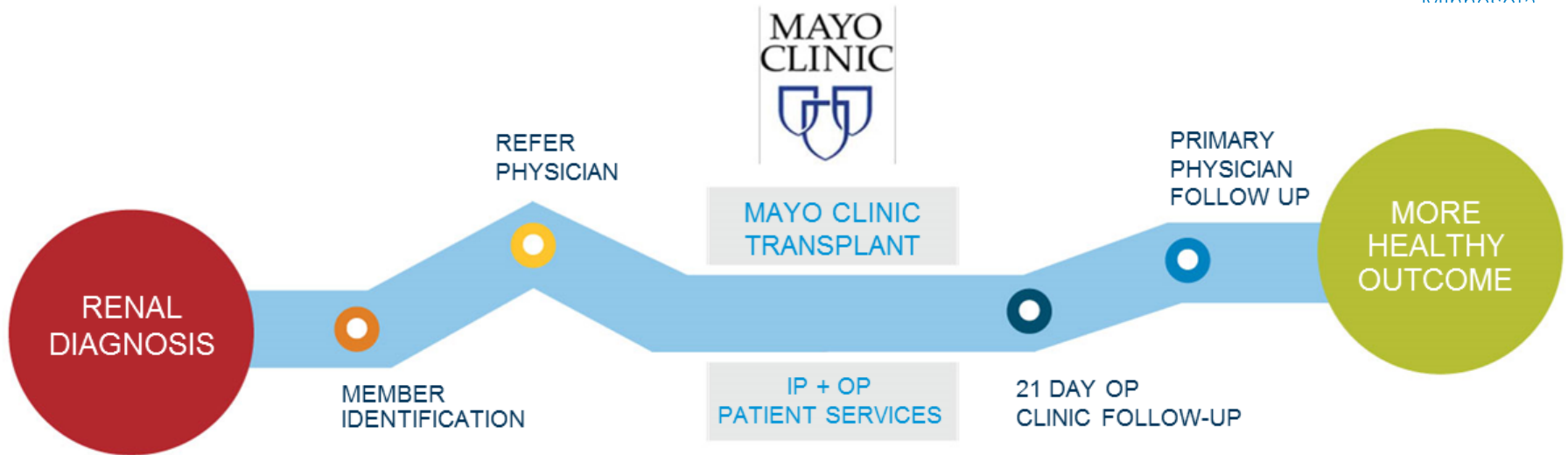
DIGITALLY ENABLED

PEER SUPPORT TO DRIVE
ENGAGEMENT

PARTNERSHIP WITH AMERICAN
DIABETES ASSOCIATION

CLINICAL INNOVATION

END-STAGE RENAL DISEASE



End-Stage Renal Disease



Living Kidney
Donor Transplant



Coordinated Member
Experience



Predictable, Lower
Cost of Care



Superior Outcomes

PROVIDER NETWORK PAYMENT INNOVATION

