Independence Health Group

$16.5 billion in total revenue 2016 projection

The power of Blue

1 in 3 Americans carry a Blue card

Focused on enhancing the health and wellness of the people and communities we serve

And 84 of the Fortune 100 companies offer Blue Health plans to their employees

More than 5.8 million members served in 18 states & D.C.

8.5 million people served nationwide

through our medical coverage, administrative services, and stand-alone specialty services

10,000+ people employed

10,000+

89% 

75+

YEARS

yeears
Our mission: enhancing the health and wellness of the people and communities we serve.

“Connected Health” - new, easy access to health information that enhances the patient experience and helps drive down costs.

<table>
<thead>
<tr>
<th>Health Systems</th>
<th>Health Information Management</th>
<th>Clinical Trials &amp; Statistics</th>
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<tbody>
<tr>
<td>Ambulatory Care</td>
<td>Electronic Health Records</td>
<td>Health Authority Interaction</td>
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<tr>
<td>HIPAA &amp; FDA Compliance</td>
<td>Drugs Design / Research</td>
<td>Health Insurance</td>
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<tr>
<td>Hospital Regulations</td>
<td>Remote Patient Monitoring</td>
<td>Healthcare ERP</td>
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Our Challenges

• Independence, like other health insurers, can focus on cost reductions administratively only so far…

• Traditional cost reduction levers
  – Operational efficiencies – e.g. automation of E2E processes
  – Plan consolidation
  – Disintermediation (e.g. shift from B2B to B2C)
  – New reimbursement models (e.g. fee for service vs. fee for value)

• Non-traditional levers driving transformation
  – Innovations in processes and automation
  – New technologies to integrate patient health and wellness
  – Improved information accessibility, processing and sharing
  – Faster delivery of automated solutions leveraging Cloud capabilities
Achieving Health and Wellness at an Affordable Price

- Value-based pricing and regulatory (e.g. MACRA)
- Tiered networking, enhanced incentives
- Fully insured vs. self-insured

- Intelligence, interoperability, and data aggregation (e.g. Connected Health)
- Consolidation and provider-payer collaboration
Key Trends to Watch

- Re-vamping of PPACA
- Increases in new self-funded groups
- Integrated ACO/Payer business models
- New incentives and transparency programs
- Reduced FDA cycle times
- Enhanced Healthplan Products
- Improved and dynamic consumer transparency
Transformative Opportunities in Technology

Dramatic changes are coming that combine the best technology to capture voluminous health data in new ways to automate and improve healthcare.
New Technology Opportunities…AI Driven Automation

<table>
<thead>
<tr>
<th>When</th>
<th>Business Process Automation</th>
<th>Description</th>
<th>Potential Impact</th>
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</thead>
<tbody>
<tr>
<td>Now</td>
<td>BOTS/RPA</td>
<td>Automation of interactive human repetitive tasks.</td>
<td>Businesses that require “fast” access to information locked by complex or older “closed” systems.</td>
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<tr>
<td>Now+ 2</td>
<td>Intelligent Automation</td>
<td>Next generation of automation to supplant skilled worker tasks (traditionally deemed not automatable).</td>
<td>Transformational potential to wide areas of healthcare applications (e.g. customer service, applied health diagnostics, medical adherence and many more....)</td>
</tr>
<tr>
<td>3-5 yrs</td>
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</table>
Connecting the dots to drive outcomes and transparency

Enablers for new payment models that drive savings and sustainability
Delivering Connected Health for Patients: Telemedicine

**STEP 1**
**CALL TOLL-FREE**
A patient calls a tollfree hotline that's available 24/7/365.

**VISIT WEBSITE**
Customer visits our website and logs in.

**OPEN MOBILE APP**
Customer opens mobile app and logs in.

**STEP 2**
**SPEAK WITH A CARE COORDINATOR**
Care coordinator evaluates the patient and redirects to a doctor.

**FIND A DOCTOR**
Searches for a provider using criteria, such as specialty, language, gender, location, or simply "next available."

**STEP 3**
**SPEAK WITH THE DOCTOR**
Our system automatically calls and connects the doctor to the customer.

**SEE THE DOCTOR ONLINE**
Our system automatically connects the doctor to the customer via our online portal.

**SEE THE DOCTOR ON YOUR SMARTPHONE**
System automatically connects the customer to the doctor via their smartphone.

**AFTER THE APPOINTMENT...**
Customer receives discharge instructions (via patient portal and secure email).

Personal Health Record gets updated with consultation information.

At member’s request, their PCP receives consultation history and notes.
Delivering Connected Health: HL7 FHIR Standards

First payer to adopt and implement HL7 emerging standard, Fast Healthcare Interoperability Resources, to provide standard FHIR based access to personal health records.
Delivering Connected Health: Consumer Engagement

Provider Finders
• Urgent care facilities
• Doctors
• Hospitals

Doctors Visit Assistant
• ID cards
• Primary care info and referrals
• Personal Health Records
• Medicine Cabinet/reminders/drug interactions

Member Services
• Benefit plan and utilization
• Claims /Spending Accounts
• Wellness

Blue Button Support
• Clinical care record – labs, gaps, Medication history, email/print/fax capability
Delivering Connected Health: Apps Ecosystem
Delivering on the Promise: Member Outreach

- No longer just a member ID card
- Onsite enrollment
- Technology-enabled Independence LIVE customer center
“Quality healthcare should be about keeping people healthy, not just treating them when they are sick.”

-- Dr. Anthony Coletta, Chairman of the Board, Tandigm Health
Delivering on the Promise: HealthShare Exchange

5,035,287 Patients in HSX's Master Patient Index as of December 2016

200,000+ Total messages exchanged via HSX through December 2016

8,570+ Practitioners in the HSX Provider Directory as of December 2016

75% Percentage of messages sent via HSX in December 2016 that are inter-health system

102 Number of ENS subscribing entities as of December 2016
Delivering on the Promise: Regional Collaboration
Considerations for Long-term Viability

Affordability

- Cost driven consumers demand high value products at an affordable price.

Innovation

- Allow flexibility to satisfy consumers with products tailored to their needs.

Financial Stability

- Encourage broad participation to diversify risk pools.

Time

- Allow time to prepare for thoughtful implementation.
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