

Healthy *Blue* Living

What are you paying for your employees' poor health habits?

We think it's too much.

Blue Care Network is a nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association

Why Healthy *Blue* Living?

- Because you asked us to help you promote healthy living and accountability
- Because lower costs matter to you
- Because everyone benefits from this three-way partnership – you, your employees and their families

An enthusiastic welcome

- Introduced October 1, 2006
- **As of April 2008:**
 - 541 groups enrolled
 - 72,293 members

What's in it for you?

- Premiums that are significantly lower than the typical HMO rate
- A more productive work force
- The potential for long-term savings

Tell me more about what is driving costs

- More than two-thirds of the U.S. work force is overweight or obese.
- A quarter of U.S. workers need treatment for high blood pressure.
- Just under one-fourth of U.S. workers smoke. Smoking is *the* leading, preventable cause of death and disease.

Healthy *Blue* Living addresses all these issues.

It's a rewarding plan

Healthy *Blue* Living uses...

- Financial incentives through reduced copays and deductibles
- Education
- Support

...to encourage members to take control of their health.

Employee behavior determines benefit level

Enhanced benefits

Reduced copays and deductibles

Standard benefits

Same coverage – higher out-of-pocket costs

The first 90 days are critical

In that time, members (the subscriber and spouse):

- Complete their online health risk appraisal
- Partner with their physician to complete the Healthy Blue Living *Member Qualification* form
- Commit to a healthy lifestyle
- If a smoker, join Quit the Nic smoking cessation program within 120 days of enrollment.

How do subscribers and spouses qualify for Enhanced benefits?

- Subscribers and spouses commit to working toward better health
- Even smokers can qualify for Enhanced benefits.
 - Have until 120 days from enrollment to join Quit the Nic
 - If re-enrolling, have 120 days to join with physician follow-up

How do subscribers and spouses qualify for Enhanced benefits?

The decision is up to the subscriber and spouse

- Both need to score 80 or more points on the qualification form.
- Scoring fewer than 80 will provide them opportunity to improve over the next year.

It's all about commitment.

Six aspects of Healthy *Blue* Living

Alcohol use

Blood pressure

Diabetes management

Cholesterol

Smoking status

Weight

Each of the six has a target

<u>Six Aspects</u>		<u>Wellness Targets</u>
Alcohol use	→	Pass a doctor's screening exam
Blood pressure	→	At or below 140/90
Diabetes	→	Blood sugar at or below target
Cholesterol	→	LDL-C below target
Smoking status	→	Nonsmoker
Weight	→	Body mass index at or below 30

What if members miss the *Healthy Blue Living* target?

- **Alcohol**
- **Blood pressure** **Agree to a treatment plan with physician follow-up**
- **Diabetes**
- **Cholesterol**

- **Smoking status** **Enroll in our smoking cessation program, Quit the Nic, within 120 days of enrollment or, at renewal with physician follow up**

- **Weight** **Participate in a weight management program with physician follow-up.**



Here are our response rates

Total BCN Healthy <i>Blue Living</i> Membership as of 11/9/2007 - Subscriber and Spouse		
#	%	Healthy Living Requirement
22,486	66.7%	Health risk assessments completed
22,211	65.9%	Qualification form completed
20,591	61.1%	Both health risk assessments and qualification form completed
1164	72.0%	Smokers that joined Quit the Nic thru 4Q07 (based on identified smokers) These members kept their Enhanced benefits and continued or worked to obtain a healthy lifestyle
20,591	61.1%	Completed all requirements (health risk assessment, qualification form, completed and points met) Members who were moved to Standard can try again for Enhanced at annual renewal time.
19,557	58%	Of 61% who met criteria, 58% received Enhanced benefits; 3% of contracts dropped to Standard because one person on contract did not meet criteria (not completing paperwork, etc.)

Members agree to improve health risk

Number of all Healthy Blue Living adult members at risk	Measure	Number agreed to improve health risk	Percentage of all Healthy Blue Living adult members
1,722	Agreed to Quit Smoking	1,616	7.6%
	Enrolled in Quit the Nic n=1,616	1164	72.0% (of those who agreed to join Quit the Nic)
6,321	Agreed to Control Weight	5,772	24.8%
1,544	Agreed to Control Blood Pressure	1,524	6.5%
5,477	Agreed to Control Cholesterol	5,347	23.0%
1,393	Agreed to Control Blood Sugar	1,342	5.7%
211	Agreed to Control Alcohol Use	159	0.6%
N/A	People that were asked to return to their PCP within 6 months	8,778	37.7%



Member Health Behaviors – Enhanced Benefits

Total BCN Healthy *Blue* Living membership – Enrollment dates 10/1/06 thru 6/30/2007 & currently active based on completed qualification forms

# Agreed to Improve	Category	Avg. Age	Actual Claims PMPM	Expected Claims PMPM	% With Risk*	Extra Morbidity
742	Agreed to Quit Smoking	46.1	\$367.17	\$304.89	22%	27.7%
729	Enrolled in Quit the Nic	46.3	\$369.60	\$306.02	22%	28.2%
4,350	Agreed to Control Weight	47.1	\$351.05	\$318.77	35%	16.4%
1,113	Agreed to Control Blood Pressure	50.3	\$382.32	\$348.70	5.9%	10.3%
4,053	Agreed to Control Cholesterol	47.0	\$329.81	\$310.59	21.5%	8.0%
981	Agreed to Control Blood Sugar	48.5	\$438.22	\$335.25	5.2%	32.9%
110	Agreed to Control Alcohol Use	48.3	\$400.82	\$322.71	0.6%	24.3%
12,098	Total	47.4	\$356.58	\$319.34		15.1%

*Assumed prevailing percentage

Morbidity by Risk Category

Total BCN Healthy *Blue* Living Membership Enrollment dates 10/1/06 thru 6/30/2007 & currently active
Based on Completed Qualification Forms

# Identified	Category	Avg. Age	Actual Claims PMPM	Expected Claims PMPM	% of Enhanced Adults*	Extra Morbidity
5,142	One Risk Factor - Enhanced Benefits	46.5	\$326.65	\$309.75	27.4%	7.6%
2,155	Two Risk Factors Enhanced Benefits	47.7	\$389.18	\$321.52	11.5%	24.4%
992	Three or More Risk Factors – Enhanced Benefits	47.1	\$370.55	\$318.56	5.3%	17.4%
10,392	No Risk Factors – Enhanced Benefits	43.5	\$257.14	\$280.09	55.4%	-16.7%
8,752	Standard Benefits - Adults	44.1	\$215.86	\$261.74	NA	-17.5%
27,433	Total	44.7	\$277.78	\$284.44	NA	-7.9%

*18,773 Adult members in Enhanced plan as of 6/30/2007



Detailed Co-Morbidity Analysis

Number members Identified	Two Conditions	Avg. Age	Actual Claims PMPM	Expected Claims PMPM	% of Enhanced Adults*	Extra Morbidity
228	Smoking and (Weight / Blood Pressure / Cholesterol)	46.6	\$425.90	\$306.52	1.2%	39.6%
273	Weight – Blood Pressure	45.9	\$283.20	\$294.41	1.5%	-3.8%
1,032	Weight – Cholesterol	46.7	\$366.07	\$309.85	5.5%	19.4%
137	Blood Pressure - Cholesterol	53.2	\$368.69	\$387.46	0.7%	-4.8%
1,669	Total of the Co-Morbidities Shown Above	47.2	\$354.70	\$313.71	8.9%	14.5%
486	All Other Two-Factor Co-Morbidities	48.0	\$508.01	\$328.33	2.6%	57.0%
2,155	Total Two Factors – Enhanced Benefits	47.7	\$389.18	\$321.52	11.5%	24.4%

*18,773 Adult members in Enhanced plan as of 6/30/2007



What about nonparticipants?

- Subscribers and spouses who choose to do nothing
 - Are moved to Standard benefits
 - Pay higher copays and deductibles
 - Can try for lower copays and deductibles when the next benefit year begins
- Enhanced vs. Standard benefits
 - Benefits are the same
 - Copays and deductibles are different

What is the difference between Enhanced and Standard?

Here's an example from one plan option:

- The office visit copay for Enhanced is \$10, however – it's \$15 for Standard.
- The annual deductible is **zero** for Enhanced – but for Standard it's \$500/\$1,000.
- Inpatient hospital is covered 100% under Enhanced, but there is a 20% coinsurance under Standard.

Compare Enhanced vs. Standard

Benefits	Enhanced Plan	Standard Plan
Office Visit	\$10 copay	\$15 copay
Emergency Room	\$50 copay	\$75 copay
Urgent Care	\$10 copay	\$35 copay
Inpatient Hospital	Covered 100%	20% copay after deductible
Behavioral Health	Inpatient: 25% copay up to \$1,000/\$2,000; 30 days/year	Inpatient: 25% copay up to \$1,000/\$2,000; 30 days/year
	Outpatient – 50% copay; 20 days/year	Outpatient – 50% copay; 20 days/year
Deductible	NA	\$500/\$1,000
Coinsurance	N/A	20%
Out-of-pocket max	N/A	\$1,500/\$3,000
Prescription Drug Options	\$5/\$30	\$15/\$50



Great BCN coverage is part of the package

Covered benefits include:

- Catastrophic hospital and emergency care
- Physician office services
- Health screenings
- Immunizations
- Preventive care
- Maternity services
- Choice of prescription drug programs
- More than 14,000 physicians and 129 hospitals

Employer commitment

- Provide a smoke-free work environment – that's required
- Partner with BCN to promote workplace health
- Provide healthy food choices in vending machines and lunchrooms
- Host on-site Weight Watchers®

How do I get started?

- Commit to a healthy workplace
- Encourage members to adopt a healthy lifestyle
- Take advantage of your role as one of the three major partners for success

Healthy *Blue* Living Member Survey results

- 394 respondents from sample of 2,416 (16% response rate)
- Overall satisfaction with Healthy *Blue* Living is 78%
- 92% understood requirements for Healthy *Blue* Living
- 83% of respondents would recommend the Healthy *Blue* Living plan
- 89% of respondents will re-enroll in Healthy *Blue* Living next year
 - 96% of Enhanced members
 - 80% of Standard members

Employers

Healthy Blue LivingSM

Leading change. Changing lives.

"I knew Healthy *Blue* Living would be a popular choice with employees, but I didn't know that people would come up just to thank me for offering it or to brag about how much weight they've lost or they've finally quit smoking. In this job, that's about the best endorsement there is."

*Maureen Sisco, HR,
Nino Salvaggio
International
Marketplace.*



Members

Healthy Blue LivingSM

Leading change. Changing lives.

“If I hadn’t gone in for the screening, I would never have known that I had any kind of a heart condition. It’s made my whole family healthier. I’m getting treatment for my heart condition for the first time in my life. We’re getting better preventive care. We’re eating better and we’re saving money.”

*Shawn Bartmanski
Clinton Township*



Questions?

Healthy *Blue* Living Product Update 02-15-08

Benefit	Healthy <i>Blue</i> Living1	Healthy <i>Blue</i> Living1	Healthy <i>Blue</i> Living2	Healthy <i>Blue</i> Living2	Healthy <i>Blue</i> Living3	Healthy <i>Blue</i> Living3
	Enhanced	Standard	Enhanced	Standard	Enhanced	Standard
Office Visit	\$10	\$15	\$20	\$20	\$20	\$20
Emergency Room	\$50	\$75	\$75	\$75	\$75	\$100
Urgent Care	\$10	\$35	\$35	\$35	\$35	\$50
Inpatient Hospital	Covered 100%	20% after deductible	25% copay	30% after deductible	20% after deductible	30% after deductible
Deductible	N/A	\$500/1000	N/A	\$1000/2000	\$500/1000	\$2000/ 4000
Coinsurance	N/A	20%	25% hospital copay	30%	20%	30%
Out-of-Pocket Max	N/A	\$1500/ 3000	\$1000/2000	\$1500/3000	\$1500/ 3000	\$1500/ 3000
Drug Benefit	1040DC 2x	50% \$5/100	1040DC 2x	50% \$5/10	1040DC 2x	50% \$5/100
Rates including Rx	\$286.27		\$254.25		\$225.31	