

WellPoint

Jeff Flick

RVP, State Sponsored Business

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About WellPoint ...

- **America's largest health benefits company, serving 34 million members**
 - 739 national accounts (major employers)
 - 5 million union members
 - 10 states with 1.7 million Medicaid/CHIP members
- **Formed by merger of WellPoint Health Networks, Inc. and Anthem, Inc. in 2004, with a history spanning nearly 75 years**
 - WellPoint Health Networks' predecessor was Blue Cross of California dating back to 1936
 - Anthem grew out of Indianapolis-based mutual insurance companies formed in 1944 & 1946
- **Independent licensee of the Blue Cross and Blue Shield Association**
 - In most service areas, operate as: Anthem Blue Cross, Anthem Blue Cross Blue Shield, or Empire Blue Cross Blue Shield
 - Also serve customers throughout the country as UniCare
- **Guided by our core values: Customer First, Integrity, Personal Accountability for Excellence, Lead Through Innovation, One Company One Team**
 - Mission: Improve the lives of the people we serve and health of our communities
 - Promise: Simplify the connection between Health, Care and Value

Today's Discussion

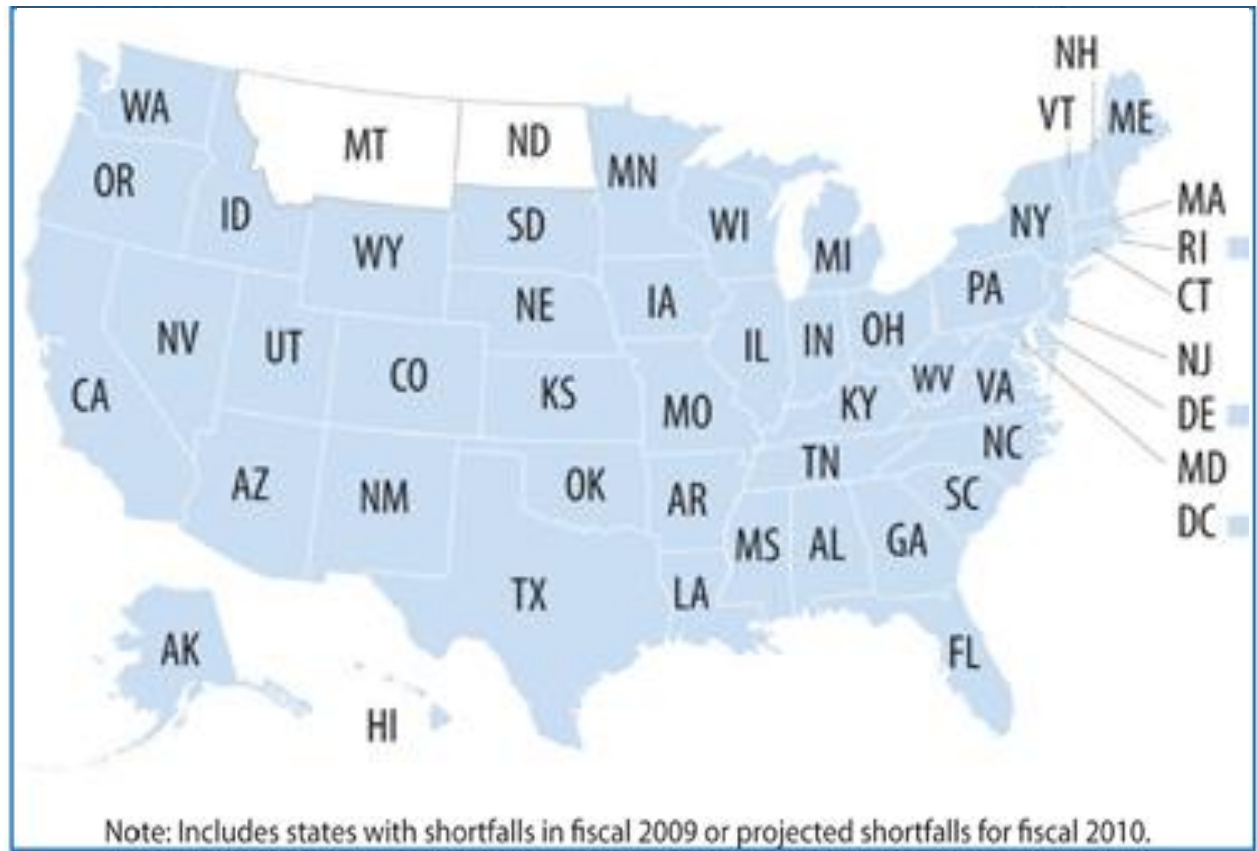
- **National Healthcare Reform**
 - Focus on managing cost
 - Major growth opportunities (ABD's, Duals, Long-Term Care)
- **Emphasis on Provider Partnering Opportunities**
 - Capitation
 - Shared Risk
 - Gain Share
 - Bundled Payments
- **Specialized initiatives to build partnerships**
 - Shared Data
 - Healthcare IT provided by WellPoint
 - Enhance Medical Homes

National Medicaid Outlook

More than 48 States face budget shortfalls

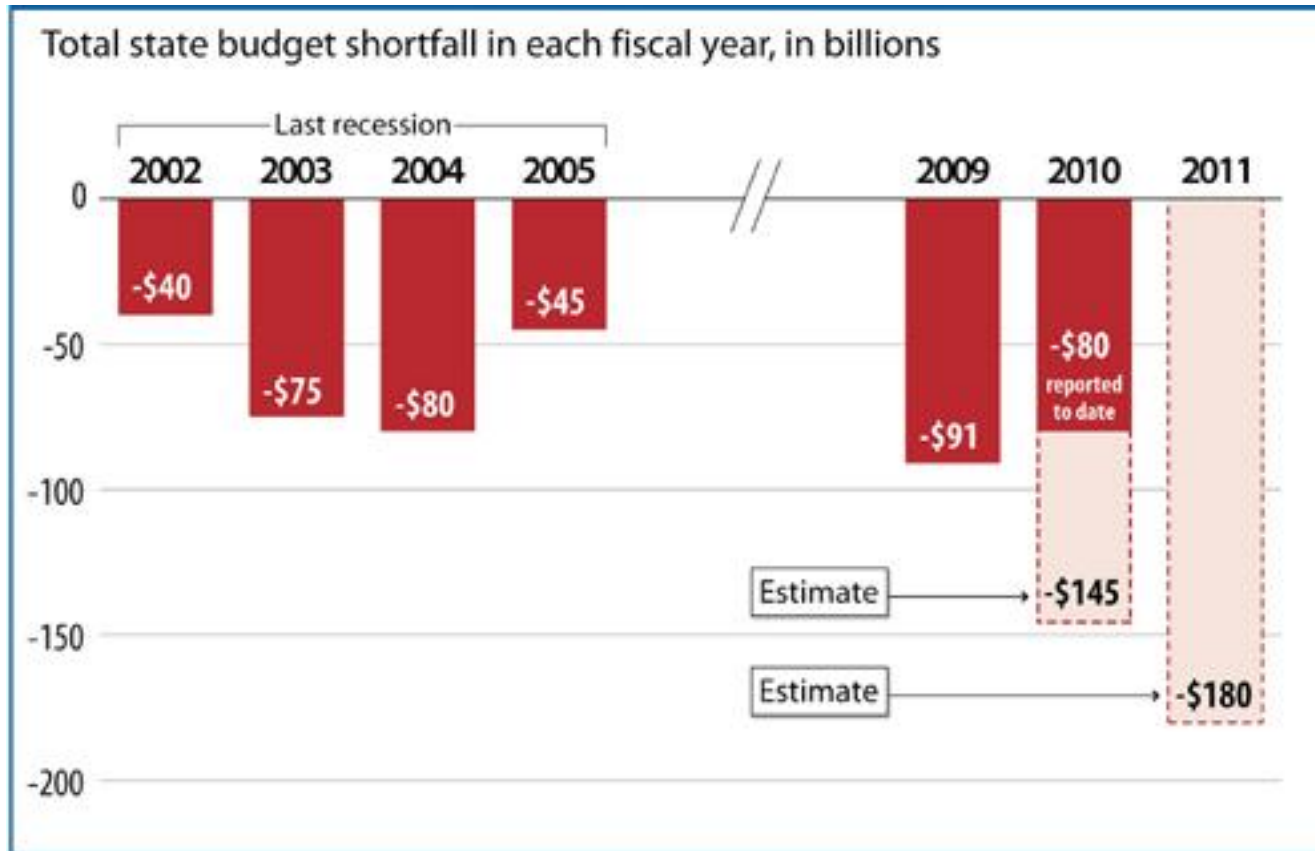
Projected 2009 Deficits in SSB States (\$ billion)

| | |
|----|------|
| CA | 36.0 |
| IN | 1.1 |
| KS | .2 |
| MA | 3.6 |
| NH | .3 |
| NY | 6.4 |
| SC | 1.1 |
| TX | - |
| VI | 2.3 |
| WV | - |
| WI | 1.2 |



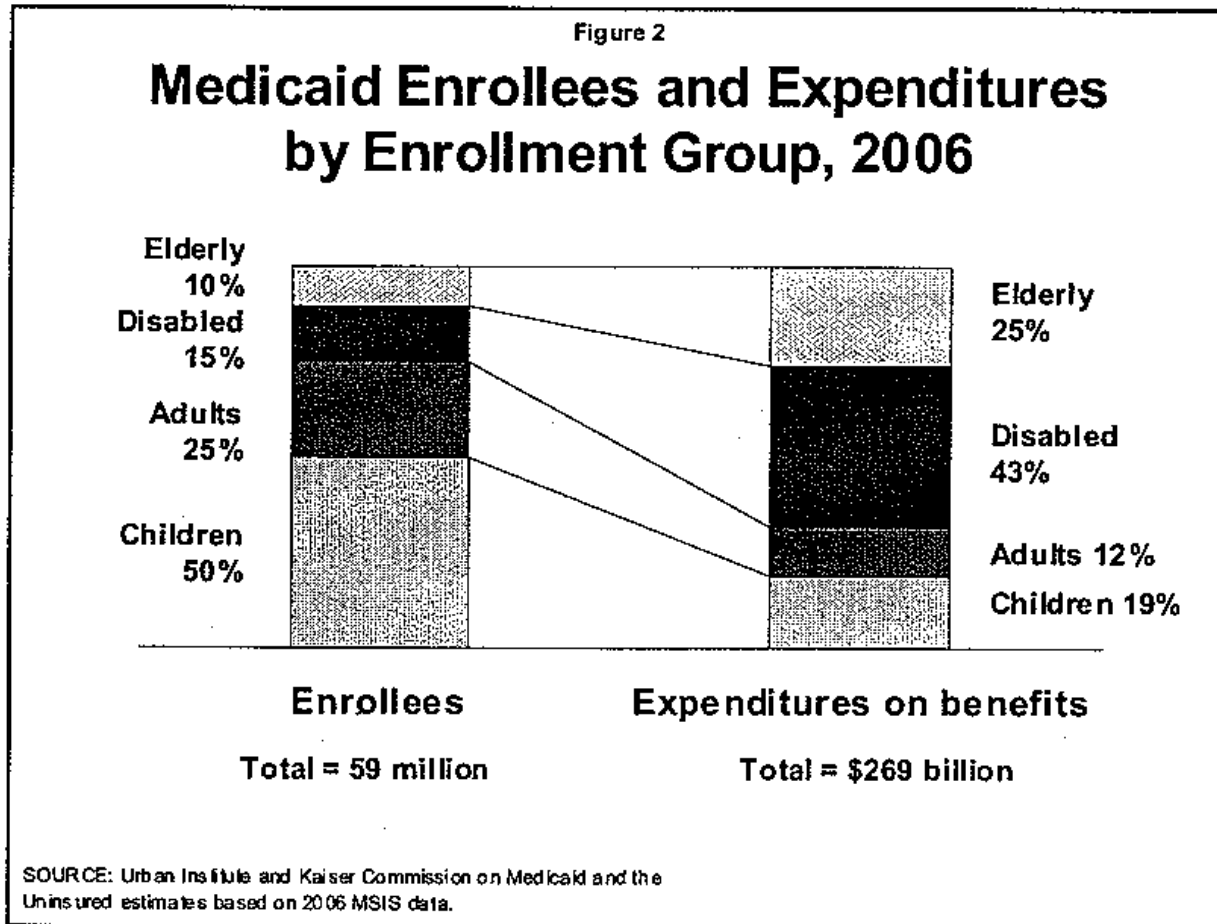
Source: Center on Budget and Policy Priorities, June 29, 2009
<http://www.cbpp.org/cms/?fa=view&id=711>

How Bad May The Shortfalls Get?



Source: Center on Budget and Policy Priorities, Elizabeth McNichol and Iris J. Lav: *State Budget Troubles Worsen*, January 14, 2009

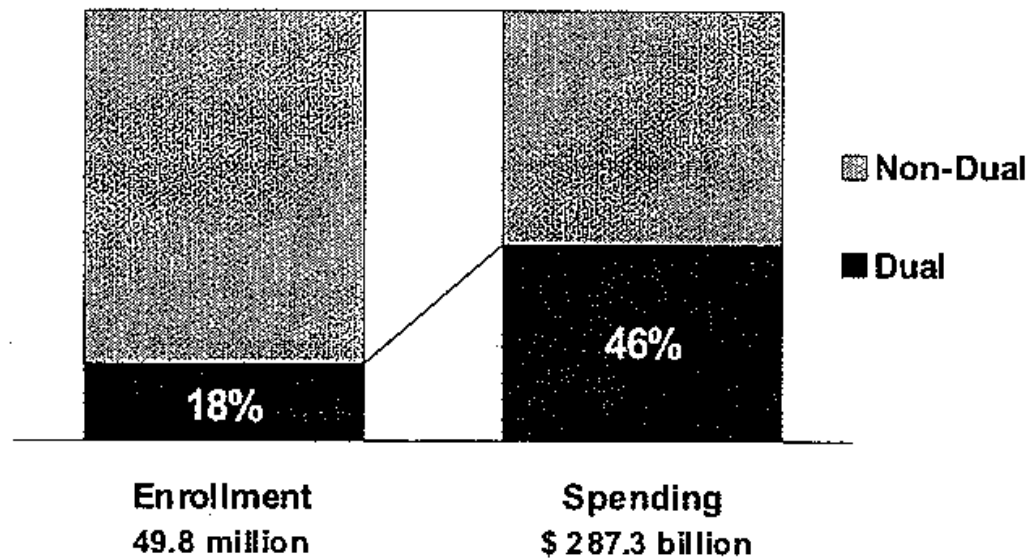
Medicaid Enrollees and Expenditures



Dual / Non-Dual

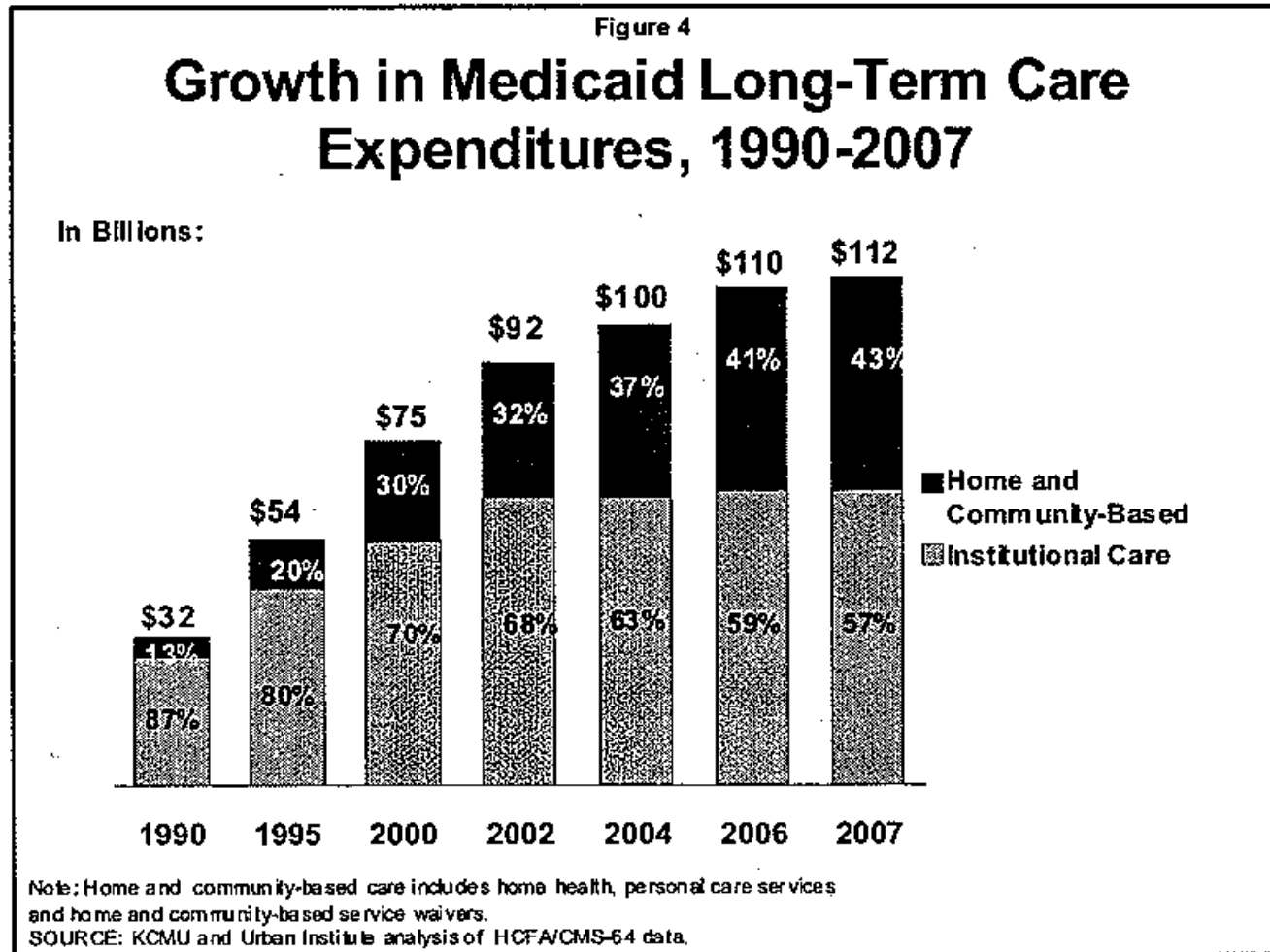
Figure 3

Dual Eligibles' Share of Medicaid Enrollment and Spending, FFY 2005



SOURCE: Urban Institute estimates based on data from MSIS and CMS Form 64, prepared for the Kaiser Commission on Medicaid and the Uninsured, 2008.

Growth in Medicaid Long-Term Care



WellPoint CA Information

- **Largest health plan for SSB in CA**
 - 765,000 – Medi-Cal
 - 335,000 - Healthy Family, AIM, CMSP, other
- **83% capitation in Medi-Cal – aggressive DOFR**
 - 68% Professional Capitation
 - 32% Dual Risk
 - Strong incentives for quality and efficiency – up to 15% of CAP rates
- **First ever voluntary medical home model for Healthy Families – with P4P**
- **Developing case rates for Medi-Cal OB & AIM members**
 - Professional Kick Payments – 1st quarter 2010
 - Professional & Facility Kick Payments under development
- **IHR Healthcare IT implementation July 2010**

Thank You!

Jeff Flick

415-235-1658 – Cell

805-384-3681 – Office

jeff.flick@wellpoint.com