Enhanced Personal Health Care
An innovative program transforming us to a better state of health

Enhanced Personal Health Care aims to put PPO patients in the center of their health care. And it gives doctors the freedom to provide the quality, coordinated care their patients need along with getting financial incentives to help control, and even lower, the cost of care.

Enhanced Personal Health Care is

**Accessible** convenient and more effective access to health care

**Affordable** lower costs to create the best health care value in the industry

**Personal** options to help members get the care they need to become actively engaged and empowered to achieve better health

Driving change through value not volume
With rewards and support, we’re building a better health care model.

**Payment innovation**
Financially rewarding doctors for the quality, not the volume, of care they give and for reducing health care costs.

**Shared savings**
Giving doctors incentives for meeting quality standards and reducing health costs.

**Personalized care plans**
Helping providers strengthen the **doctor-patient relationship**, even outside of office visits.

**Provider empowerment**
Delivering information, tools and resources, to support doctors so they can thrive under an outcome-based compensation model.

Two program models for California meet unique market demands

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<th>Collaborative (ACO) Model</th>
<th>Aligned Model</th>
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<td><strong>Location</strong></td>
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<td>Urban and Suburban areas of CA</td>
<td>Rural Northern and Central CA counties &amp; participating providers in other select Anthem states</td>
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<td><strong>Targeted practices</strong></td>
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<td>Large, sophisticated medical groups</td>
<td>Independent practitioners</td>
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<td><strong>Provider Reporting</strong></td>
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<td>Payment innovation reporting package + custom reports + robust data exchange of claims and care management information</td>
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<td><strong>Reimbursement</strong></td>
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<td>Clinical coordination payments for ONLY attributed members with 2 or more chronic conditions. Shared savings for all attributed members.</td>
<td>Clinical coordination payments and shared savings for ALL attributed members*</td>
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* Within the aligned model, CA providers on Prudent Buyer enhanced fee schedules will begin to convert to PaMPM payments beginning 7/2014

Current Collaborative (ACO) Providers
Our collaborative partners include well established, sophisticated medical groups that focus on delivering high quality, coordinated care for patients with two or more chronic conditions.

- Brown and Toland Physicians
- Cedars-Sinai Medical Care Foundation
- HealthCare Partners Medical Group
- Heritage Provider Network
- Humboldt-Del Norte IPA
- MemorialCare Medical Foundation
- Sansum Clinic
- Santa Clara County IPA (SCCIPA)
- Santé Community Physicians IPA Medical Group Corporation
- SeaView IPA
- Sharp Community Medical Group
- Sharp Rees-Stealy Medical Group
- Sutter Health - Palo Alto, Mills Peninsula, Sutter Pacific and Sutter East Bay sites (starting 10/1/14)
- Torrance Memorial Medical Center/
- Torrance Memorial Integrated Physicians
- UC Davis Medical Group
- UCLA Medical Group
- UCSF Medical Group
The Enhanced Personal Health Care Framework

Enhanced Personal Health Care aims to rein in spending, yield better health outcomes and deliver more efficient, effective care.

The collaborative approach puts PPO patients with two or more chronic conditions at the center of care. Primary care is oriented around prevention, chronic disease management, avoiding unscheduled hospitalizations and care coordination. This can help patients get healthy and stay healthy.

See the difference when Bob has access to his own personal health care team

With a doctor coordinating care based on his unique needs Bob receives:

- A health assessment and personalized care plan
- A referral to a behavioral health provider
- Medication coordination
- Help with diet and weight management
- A case manager who follows up with him to monitor his progress
- Support setting up exams, screenings and immunizations

The result

Better health. Lower costs.

With growing provider participation and broader member access, we anticipate long-term savings.

8% projected savings over the first three years

Tracking performance is key to ensure our program benefits our members’ health. We’re looking at:

- Provider performance in key clinical, utilization and financial areas
- Increases in members using our disease management programs
- How well we’re controlling costs and promoting improvements in the quality of care

State of our health care system

Out of the $3 trillion the U.S. spends annually on health care, $750 billion is wasted. 1

Health care costs concentrated in the sickest few: Sickest 10% account for 65% of expenses

Patients with chronic conditions make up:

| 2/3 of health care spend | 63% of inpatient admissions |

Meet Bob

- 43 years old
- Overweight
- High blood pressure
- Type-2 diabetes
- Chronic pain
- Depression
- Frequent absenteeism

Bob doesn’t think about his health until he has to. For those like him with chronic conditions, medical bills average $100,000 a year.

The ACO formed by Anthem and HealthCare Partners in California produced $4.7 million in savings for the first six months of 2013 evaluated against a comparison group.

The savings were produced through:

- reduced hospital admissions and inpatient days
- fewer emergency room visits
- reduced laboratory and radiology tests
- improved measure of quality

In addition, the ACO achieved improved measures of quality such as an increase in preventive health screenings and enhanced the management of acute and chronic disease as measured by nationally recognized benchmarks.

1 Institute of Medicine of the National Academies, September 2012 Report; Best Care at Lower Cost: The Path to Continuously Learning Health Care in America