

THE YEAR IN REVIEW: 2012

OREGON



► Multnomah Falls

Regence BlueCross BlueShield of Oregon
is an Independent Licensee of the Blue Cross and Blue Shield Association



Regence
your health, connected.™

Growing with Oregon

Regence has partnered with families, employers, doctors and hospitals to connect Oregonians with health care services for 72 years.

We serve 750,000ⁱ Oregonians through their workplace or personal coverage, with customer service that sets the standard for the industry.ⁱⁱ And we hold strongly to our nonprofit heritage, which means our focus is on helping people first, today and for the long term.

Beyond Oregon, our members have access to health care in all 50 states and around the world through our affiliation with the Blue Cross and Blue Shield Association's BlueCard® Program. We are proud to be one of The Blues®, the health plan of choice for one in three Americans.

Partnering for innovation

Health is personal, and we design our products and services to help our members achieve their personal best every day. And when they or their loved ones need care, we support them with personal service and tools that help them be an informed and powerful voice in their treatment.

Our award-winningⁱⁱⁱ, patient-centered care program connects primary care providers and specially trained nurses with chronically ill members to monitor their conditions and treatments, support adherence to care plans and encourage lifestyle adjustments.

We strengthen the partnership between patients and providers, equipping and educating both to arrive at the best care decision. We participate in organizations that lead system-wide change to benefit our members and all Oregonians.

- ▶ Oregon Health Care Quality Corporation (Q-Corp) promotes industry collaboration to improve quality, delivery and cost of care.
- ▶ The state's Comprehensive Primary Care initiative will test new models of paying for and delivering care with a commitment to improved quality, increased patient satisfaction and reduced costs among 68 primary care practices throughout the state.

Fostering healthy communities

We live and work among our neighbors, friends and families, and we are dedicated to making our communities stronger and healthier. Our Community Partner Organizations receive a three-year commitment of funding, as well as executive and volunteer support. This leaves them better positioned to fulfill their charitable missions for years to come.

- ▶ **American Heart Association**—Our assistance increased the scope and participation in the Workplace Wellness Summit and the annual Start! Heart and Stroke Walk.
- ▶ **SMART (Start Making A Reader Today)**—Our support helped SMART reach its 2014 strategic goal two years early, serving 8,500 children throughout the state by 2012.
- ▶ **Oregon Food Bank**—We focus help on business planning, capacity building, education and marketing outreach to alleviate hunger statewide.

Overall, our community support exceeded \$3 million for Oregon charitable activities in 2012. Additionally, our employees contributed \$544,370 for nonprofits through our annual giving campaign, and volunteered 3,400 hours.



Value and service for every member, every day

In keeping with our nonprofit values, 84.4% of every premium dollar goes to pay our members' medical claims and expenses.^{iv} We invest the rest in services that help our members maintain their health, manage their conditions, and navigate the complexities of the health care system.

- ▷ Our Oregon members filed nearly 900,000 claims per month in 2012, for a total of 10,781,980 claims over the year, which were paid with a financial accuracy rate of 99.8%
- ▷ Customer Service handled 1.7 million phone calls in 2012, including more than 479,727 from our Oregon members; 82% are resolved with just one call.
- ▷ Members can speak with a specially trained clinician at any time to answer health questions and receive assistance in self-managing their condition and care coordination.
- ▷ Members can access health records, treatment costs and comparison information, and participate in activities that encourage and reward health via myRegence.com, our 24/7 online platform.
- ▷ 2,500 employees in Oregon provide or support customer service, ensure that we comply with all state and federal regulations, fight fraud and prudently manage members' resources.

Long-term strength and stability

Our commitment to visionary leadership, sound fiscal management and prudent investment helped us earn an A.M. Best financial strength rating of A- with a stable outlook.^v

Key Financial Metrics			
	2010	2011	2012 ^{iv}
TOTAL REVENUE	\$1.9 billion	\$1.85 billion	\$1.8 billion
NET INCOME RATIO	4.0%	0.4%	2.3%
MEDICAL LOSS RATIO % OF PREMIUM TO CLAIMS	82.4%	86.3%	84.4%
MONTHS IN RESERVES FOR UNFORESEEN COSTS	3.5 months	3.3 months	3.7 months

ⁱTotal members served.

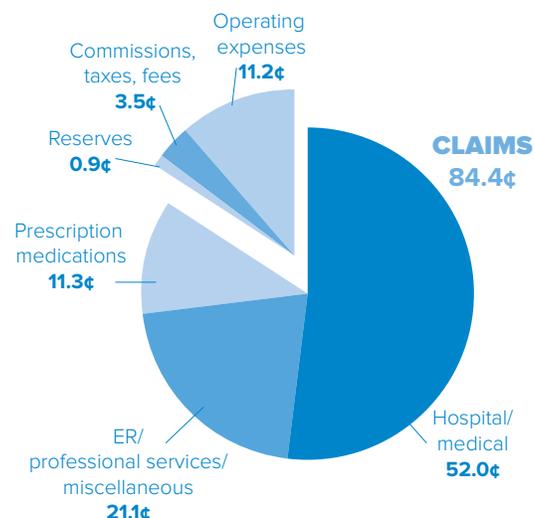
ⁱⁱBest of Blue award for First Call Resolution, 2012: 82% of member calls resolved in first contact.

ⁱⁱⁱClinical Distinction Award from the Blue Cross and Blue Shield Association, 2012.

^{iv}Data filed with the Oregon Insurance Division according to statutory accounting principles.

^vA.M. Best news release, June 20, 2012.

WHERE THE PREMIUM DOLLAR WENT 2012^{iv}



Taxes and assessments

As a tax-paying nonprofit, Regence supports Oregon through various fees and assessments:

- ▷ \$97,000 in Oregon and local taxes
- ▷ \$10.4 million in state premium tax
- ▷ \$17.2 million to Oregon Medical Insurance Pool
- ▷ \$8.3 million in federal income tax

TOTAL: \$36 million

CHANGE IS HERE

Our country is in the midst of the most far-reaching change to our health care system since the passage of Medicare and Medicaid in 1965. The Affordable Care Act (ACA) touches each of us and every aspect of coverage and care. It calls upon us all to take personal responsibility for becoming informed consumers and engaged patients.

The ACA helps states extend access to coverage and care in our communities. But our families, our businesses and even our government agencies struggle with affordability, as the cost of care continues to rise faster than inflation.

Regence is working with Oregon agencies, provider networks and businesses to curb rising costs while ensuring that our members and all Oregonians get well-coordinated care when and where they need it. We also invest in tools and services to help our members make informed decisions. With all of us working together, we can make a difference in costs and quality.

Find out what change has in store for you. Visit us at healthcareandreform.com for the tools, resources and information that will help you navigate the changing health care landscape.

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