

THE YEAR IN REVIEW: 2012

UTAH



► Colorado River

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



Regence
your health, connected.™

Growing with Utah

Regence has partnered with families, employers, doctors and hospitals to connect Utahns with health care services for 71 years.

We serve more than 320,000ⁱ residents in Utah, 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 Utah, 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 help lead the way among organizations that promote system-wide change to benefit our members and all Utahns.

- ▶ Our new FocalPoint provider network and collaboration with University of Utah Health Care and MountainStar Health Care will develop a focused network along the Wasatch Front that delivers care to these network members at a lower price.
- ▶ Our funding and promotion of the Utah Health Information Network encourages Utahns to share key medical data securely within the clinical Health Information Exchange. This will help doctors and hospitals throughout the state increase quality of care, improve outcomes and reduce costs.

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 Red Cross**—Our partnership with the Utah Region improves its capacity to respond to emergencies; increases the number of Utahns who inform and prepare themselves for emergencies; and builds a stronger team of staff and volunteers across the state.
- ▶ **Big Brothers Big Sisters Utah** provides one-to-one mentoring for children, ages six through 18, in Salt Lake, Wasatch, Summit, Davis, Weber, Washington and Utah counties. Our support for 2011 through 2013 enables the organization to plan strategically, provide staff and expand training to better provide service to children facing adversity in these communities.

Overall, our community support totaled nearly \$682,000 for Utah charitable activities in 2012. Additionally, our employees contributed \$57,324 for nonprofits through our annual giving campaign, and volunteered more than 700 hours.

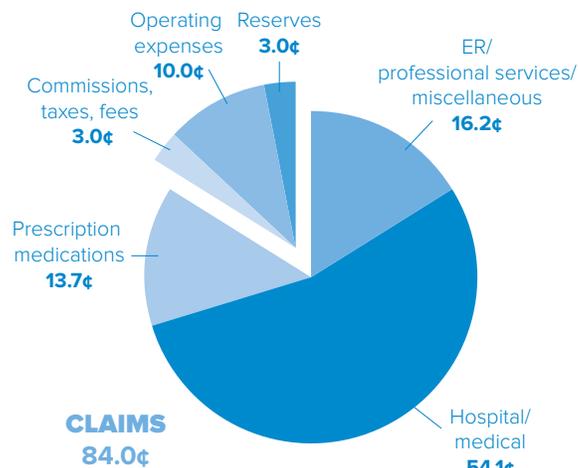


Value and service for every member, every day

In keeping with our nonprofit values, 84% 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 Utah members filed more than 562,000 claims per month in 2012, for a total of 6.7 million 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 250,000 from our Utah 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.
- ▷ Our 500 Utah employees provide or support customer service, ensure that we comply with all state and federal regulations, fight fraud and prudently manage member resources.

WHERE THE PREMIUM DOLLAR WENT 2012^{iv}



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

Tax-paying nonprofit

Although Regence is nonprofit, we paid approximately \$5.5 million in federal taxes in 2012.

Key Financial Metrics

	2010	2011	2012 ^{iv}
TOTAL REVENUE	\$1.04 billion	\$1.0 billion	\$1.0 billion
NET INCOME RATIO	1.6%	-1.1%	4.1% ^{vi}
MEDICAL LOSS RATIO % OF PREMIUM TO CLAIMS	86.2%	88.8%	84.04%
MONTHS IN RESERVES FOR UNFORESEEN COSTS	2.8 months	2.8 months	3.5 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 Utah Insurance Department according to statutory accounting principles.

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

^{vi}Excludes income from one-time distribution of accumulated earnings from subsidiary.

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 Utah agencies, provider networks and businesses to curb rising costs while ensuring that our members and all Utahns 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.

TO REACH US

Salt Lake City

1 (800) 624-6519

2890 E Cottonwood Parkway
Salt Lake City, UT 84121

Customer Service

1 (888) 232-5763

Sales office

1 (888) 734-3623

Media inquiries

(801) 333-5905

Visit us online at www.regence.com

Follow us on Twitter: @RegenceUtah

Find us on Facebook: Regence BlueCross BlueShield

