

THE YEAR IN REVIEW: 2012

IDAHO



► Sawtooth Range and Lake Stanley

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



Regence
your health, connected.™

Growing with Idaho

Regence has partnered with families, employers, doctors and hospitals to connect Idaho residents with health care services for 65 years.

We serve more than 150,000ⁱ residents in Idaho, 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 Idaho, 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 Idahoans.

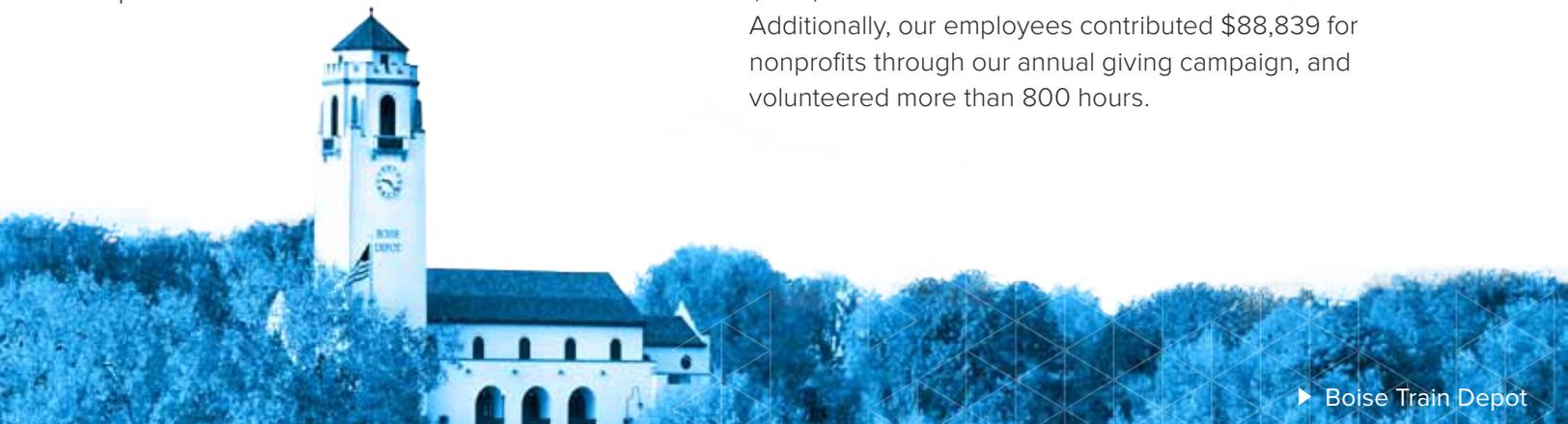
We embarked in 2012 on a collaboration with St. Luke's Health System called the Healthy U CoPartner Program. In this innovative delivery model, physicians and nurses work closely with Regence patients who have multiple health conditions to engage them more in their treatment plans and promote lifestyle adjustments. This highly personalized and coordinated care aims to avoid unnecessary duplication of services, reduce costs and improve members' overall health.

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's** mission is to build healthier lives free of cardiovascular diseases and stroke. In 2012 our funding and volunteer support helped the regional Boise AHA's "Have a Heart, Save a Life Anytime CPR in the Schools" program train more than 3,200 seventh graders and their teachers in cardiopulmonary resuscitation, which they can teach to family and friends.
- ▶ **Northwest Children's Home (NCH)** serves youth ages six to 17 who have experienced childhood trauma, such as exposure to drugs and alcohol, abuse, abandonment or violence in the home. Our partnership with NCH for 2010 through 2013 funds extensive upgrades to its classrooms to increase its capacity to serve children via educational, therapeutic and recreational activities.

Overall, our community support totaled nearly \$650,000 for Idaho charitable activities in 2012. Additionally, our employees contributed \$88,839 for nonprofits through our annual giving campaign, and volunteered more than 800 hours.

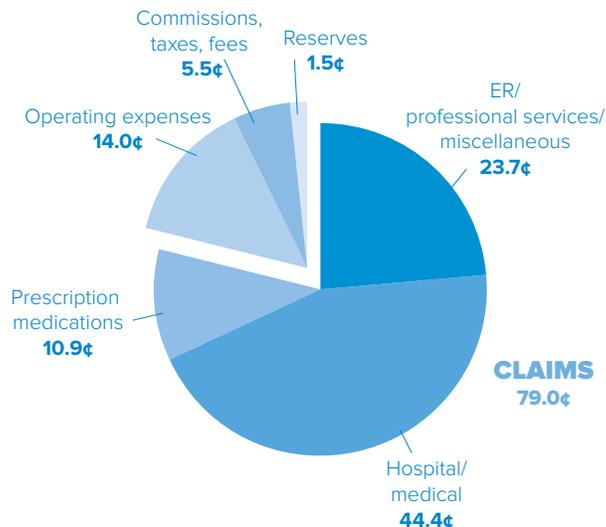


Value and service for every member, every day

In keeping with our nonprofit values, 79% 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 Idaho members filed more than 200,000 claims per month in 2012, for a total of 2.4 million claims over the year, which were paid with a financial accuracy rate of 99.9%.
- ▷ Customer Service handled 1.7 million phone calls in 2012, including more than 150,000 from our Idaho 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.
- ▷ 780 employees in Idaho 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 has positioned Regence BlueShield of Idaho for long-term strength and stability.

Taxes and assessments

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

- ▷ \$152,000 in state and local income tax
- ▷ \$5.7 million in state premium tax
- ▷ \$2.3 million in childhood immunization assessment
- ▷ \$2.2 million in federal income tax

TOTAL: \$10.4 million

Key Financial Metrics

	2010	2011	2012 ^{iv}
TOTAL REVENUE	\$487 million	\$466 million	\$461 million
NET INCOME RATIO	0.6%	-0.2%	3.3%
MEDICAL LOSS RATIO % OF PREMIUM TO CLAIMS	79.3%	84.3%	79.0%
MONTHS IN RESERVES FOR UNFORESEEN COSTS	3.0 months	3.2 months	3.9 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 Idaho Insurance Division according to statutory accounting principles.

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 Idaho agencies, provider networks and businesses to curb rising costs while ensuring that our members and all Idahoans 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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