

May 5, 2023

**RE: San Joaquin Valley Insurance Authority (SJVIA)
Medical and Prescription Drug (Rx) Request for Confirmation of Proposal (RFP)**

Background

On January 1, 2023 Community Medical Center (CMC) terminated its provider network contract with Anthem. As a result, the SJVIA Anthem plan membership was left with a gap in its network coverage (Fresno County more so than Tulare County). SJVIA instructed Keenan to “refresh” the marketing done in 2022, for consideration of changing carriers to close the gap. Refreshed offers were obtained from the finalists.

A report was being developed with the refreshed offerings to be presented at the February 17, 2023 SJVIA Board meeting. However, during the preparation of the report, CMC approached SJVIA and suggested the SJVIA could enter into a direct contract with CMC. SJVIA put the refreshed proposals on hold and pursued a direct contract with CMC.

The CMC SJVIA provider network contract was signed March 31, 2023, with Anthem administering the direct contract. CMC claims held from January 1 through March 31, 2023 were released by CMC for payment under the direct contract provisions.

On April 6, 2023, the SJVIA held a strategic planning meeting with County Administrative Officers (CAOs) of Fresno and Tulare Counties, two SJVIA Board members (one from each county), both SJVIA co-managers, SJVIA staff, and Keenan. One outcome from the strategic planning meeting was to prepare a report for the May 5, 2023 SJVIA Board meeting to consider an alternative to Anthem for network access and claims processing, effective January 1, 2024.

As a result, the 2022 medical plan RFP finalists were asked to confirm or update information that was provided in their initial proposals for plan years 2024 and 2025. Finalists were also encouraged to provide an additional third-year option for 2026 (2026 was not originally part of the initial RFP proposal). Additionally, the carriers were requested to share their network contract renewal dates for CMC and Adventist Health for the period of 2023 through 2026. Keenan prepared and sent out a workbook to have each proposer confirm or update their offerings.

Services Requested for the SJVIA’s Self-Funded Medical and Prescription Drug Program

- Medical: Administrative Services Contract Only (ASC or ASO) or Third-Party Administration (TPA)
- Medical: Preferred Provider Organization (PPO) network
- Prescription Drug (Rx): Pharmacy Benefits Manager (PBM)

Contract Term

- Medical: An initial period of two (2) years with a third-year optional proposal, followed by annual renewals
- Prescription Drug: An initial period of two (2) years with a third-year optional proposal, followed by annual renewals

- Note: The SJVIA reserves the right to end the contract period for cause at any point in time, or without cause based on mutual agreement between the SJVIA and the Vendor

Effective Date of Coverage

- SJVIA County of Tulare: January 1, 2024
- SJVIA County of Fresno: January 1, 2024 for some covered members, and December 11, 2023 for the balance of Fresno County

Keenan invited the following finalists to participate:

Medical ASO/ASC/TPA Vendors

Aetna

Anthem

Blue Shield of CA

United HealthCare

HealthComp

Prescription Drug PBM Vendors

Aetna (CVS)

EmpiRx

UHC excused themselves from the process. All other finalists provided workbooks.

Recommendation

The confirmation of offerings processed by the carriers resulted in improved proposals. Some carriers were also insistent on using their own calculations. This report reflects their calculations. Aetna CVS claimed that most material provided is confidential. That data is redacted in the report.

We are available to answer any questions.

Sincerely,



Bordan Darm
Vice President
AP Keenan

Questionnaire – The following chart summarizes the scoring of each vendor currently being considered from the questionnaire. Scoring was done on a 1-3 point basis (3 being the best).

SJVIA Questionnaire Evaluation Summary		Aetna	Anthem	Blue Shield	HealthComp	EmpiRx
Question #	GENERAL INFORMATION (1-12 NOT RATED)					
1-5a	General Information					
5b-12	Required Documentation & Disclosure					
ORGANIZATIONAL STRENGTH AND PLAN SPONSOR SERVICES		1.98	2.03	2.03	1.95	1.95
13-18	Background	2.00	2.00	2.00	1.80	1.90
19-21	Contractual Issues	2.00	2.00	2.00	2.00	2.00
22-27	Firm Experience	1.90	2.10	2.10	2.00	1.90
28-33	Regulatory and Compliance	2.00	2.00	2.00	2.00	2.00
ADMINISTRATION SUPPORT AND ACCOUNT MANAGEMENT (15%)		2.02	2.02	2.07	1.98	2.02
34-36	Implementation	2.00	2.00	2.00	2.00	2.00
37-40	Claims Processing	2.10	2.20	2.30	2.00	2.00
41-51	Billing	2.00	2.00	2.00	1.90	2.00
52-57	Plan Sponsor Services	2.00	2.00	2.00	1.90	2.00
58-59	Call Center Administration	2.00	2.00	2.10	2.10	2.10
60-67	Systems and Cybersecurity	2.00	1.90	2.00	2.00	2.00
MEMBER QUALITY OF CARE, RESOURCES, AND SERVICES (15%)		1.98	1.96	2.00	2.01	2.03
68-69	Enrollment	2.00	2.00	2.00	2.10	2.20
70-74	Call Center Member Services	1.80	1.80	2.00	2.10	2.10
75-78	Customer Service and Quality Control	2.00	1.90	2.00	1.90	2.00
79-83	Grievances and Appeals	2.00	1.90	2.00	2.00	2.00
84-85	Member Advocacy and Support Services	2.00	2.00	2.00	2.00	2.00
89-92	Quality Measurement Standards	2.00	2.00	2.00	2.00	2.00
93-95	Online Resources	2.00	2.00	2.00	2.00	2.00
96-101	Wellness Resources	2.00	2.00	2.00	2.00	2.00
102-104	Condition Management Resources	2.00	2.00	2.00	2.00	2.00
105-106	Miscellaneous Services	2.00	2.00	2.00	2.00	2.00
ACCESS TO CARE/NETWORK (30%)		2.00	2.00	2.00	2.00	2.00
107-108	Provider Groups, Networks, and Geographic Access	2.00	2.00	2.00	2.00	2.00
109-110	Emergency and Urgent Care Access & Extended Hours	2.00	2.00	2.00	2.00	2.00
COST PROPOSAL AND PLAN DESIGN (30%)		2.05	2.00	2.03	2.00	1.98
111-112	Premium Costs and Fee Commitments	2.00	2.00	2.00	1.90	1.90
113-117	Provider Reimbursements and Discounts	2.00	2.00	2.00	2.00	2.00
118-120	Hospital and Outpatient Facility Charges	2.00	2.00	2.00	2.00	2.00
121-122	Fee Guarantees and/or Fee Caps	2.20	2.00	2.10	2.10	2.00
Total Summary (100%)		2.012	1.999	2.020	1.994	1.995
13-125	Total All Rated Questions	52.00	51.80	52.60	51.80	52.10

Based on the results of the questionnaire, all vendors responded favorably.

GeoAccess –

Three PPO networks are being considered for the SJVIA. Anthem Blue Cross PPO network, Aetna PPO network, and Blue Shield of CA PPO network. In the original RFP, we asked the carriers to show the number of providers and facilities available by each zip code in each County and outside of the two Counties based on where members live. Please note, the GeoAccess from Anthem includes CMC. The following chart summarizes the number of providers and facilities in each County.

Anthem	Employees	Primary Care	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Fresno	6,193	616	977	188	386	381	4,106	21	3	6	11
Tulare	3,374	288	301	77	155	172	1,083	6	1	1	4
All Other	516	2,227	3,243	859	1,222	4,792	16,506	118	38	64	62
Total	10,083	3,131	4,521	1,124	1,763	5,345	21,695	145	42	71	77
Blue Shield	Employees	Primary Care	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Fresno	6,193	276	630	117	190	285	2,110	18	33	10	11
Tulare	3,374	136	225	44	71	74	759	9	14	2	4
All Other	516	498	472	461	464	487	492	128	485	117	124
Total	10,083	910	1,327	622	725	846	3,361	155	532	129	139
Aetna CVS	Employees	Primary Care	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Fresno	6,193	948	528	157	355	273	5,382	23	2	5	11
Tulare	3,374	467	231	65	137	126	1,800	8	1	4	4
All Other	516	4,236	2,376	1,009	1,619	2,176	28,014	280	14	14	93
Total	10,083	5,651	3,135	1,231	2,111	2,575	35,196	311	17	23	108

Based on the GeoAccess report, all three carriers provide adequate coverage to cover the required SJVIA areas.

Strength of PPO/EPO Network –

The original strength of network evaluation is based on a Disruption and Discount analysis as illustrated in the following exhibit (Out-of-network claims were treated equal among the carriers assuming each utilized a similar usual and customary value):

PPO/EPO Network Strength Analysis	Anthem	Blue Shield	Aetna CVS
Valuation date April 1, 2022			
2021 Total Billed Charges	\$161,629,455	\$161,629,455	\$161,629,455
1) In-Network Utilization	93.3%	97.4%	94.8%
In-Network Charges	\$150,801,196	\$157,384,399	\$153,176,298
2) In-Network Discount	66.3%	62.9%	61.8%
Total In-Network Discount	\$100,041,512	\$98,951,451	\$94,658,059
Total Net In-Network Charges	\$50,759,684	\$58,432,948	\$58,518,239
3) Out-of-Network Utilization	6.7%	2.6%	5.2%
Out-of-Network Charges	\$10,828,259	\$4,245,056	\$8,453,157
4) Out-of-Network Discount	22.3%	22.3%	22.3%
Total Out-of-Network Discount	\$2,416,016	\$947,163	\$1,886,080
Total Net Out-of-Network Charges	\$8,412,243	\$3,297,893	\$6,567,077
Total Charges	\$59,171,927	\$61,730,841	\$65,085,316
\$ Difference		\$2,558,914	\$5,913,389
% Difference		4.3%	10.0%

Anthem had a 4.3% (\$2.5 million) claim cost advantage over Blue Shield and 10.0% (\$5.9 million) advantage over Aetna.

Based on the recent request to confirm and/or update the previous chart has been updated and expanded for 2023, 2024, 2025 and 2026. The 2021 billed charges were projected forward to 2023 through 2026.

Anthem	2023	2024	2025	2026	2024-2026
Total Billed Charges	\$173,186,151	\$185,569,163	\$198,837,576	\$213,054,696	\$597,461,435
1) In-Network Utilization	98.63%	98.63%	98.63%	98.63%	98.63%
2) In-Network Discount	65.78%	65.78%	65.78%	65.78%	65.78%
3) Out-of-Network Utilization	1.37%	1.37%	1.37%	1.37%	1.37%
4) Out-of-Network Discount	32.14%	32.14%	32.14%	32.14%	32.14%
Total Discounted Charge	\$60,062,460	\$64,356,997	\$68,958,597	\$73,889,218	\$207,204,812
Aetna CVS	2023	2024	2025	2026	2024-2026
Total Billed Charges	\$173,186,151	\$185,569,163	\$198,837,576	\$213,054,696	\$597,461,435
1) In-Network Utilization	96.00%	96.00%	96.00%	96.00%	96.00%
2) In-Network Discount - Confidential					
3) Out-of-Network Utilization	4.00%	4.00%	4.00%	4.00%	4.00%
4) Out-of-Network Discount - Confidential					
Total Discounted Charge	\$62,609,564	\$67,086,222	\$71,882,965	\$77,022,681	\$215,991,868
\$ Change from Incumbent	\$2,547,104	\$2,729,225	\$2,924,368	\$3,133,464	\$8,787,057
% Change from Incumbent	4.24%	4.24%	4.24%	4.24%	4.24%
Blue Shield	2023	2024	2025	2026	2024-2026
Total Billed Charges	\$173,186,151	\$185,569,163	\$198,837,576	\$213,054,696	\$597,461,435
1) In-Network Utilization	97.40%	97.40%	97.40%	97.40%	97.40%
2) In-Network Discount	62.90%	62.90%	62.90%	62.90%	62.90%
3) Out-of-Network Utilization	2.60%	2.60%	2.60%	2.60%	2.60%
4) Out-of-Network Discount	22.30%	22.30%	22.30%	22.30%	22.30%
Total Discounted Charge	\$66,080,215	\$70,805,028	\$75,867,670	\$81,292,297	\$227,964,995
\$ Change from Incumbent	\$6,017,755	\$6,448,031	\$6,909,073	\$7,403,080	\$20,760,184
% Change from Incumbent	10.02%	10.02%	10.02%	10.02%	10.02%

Anthem has a 4.24% (\$2.5 million for 2023) claim cost advantage over Aetna, and 10.02% (\$6.0 million from 2023) advantage over Blue Shield. Please note, on the updated version Aetna claimed confidentiality on their Network discount and Out-of-Network discount; therefore, Keenan redacted the information.

Prescription Drug Evaluation – Disruption Analysis

In 2022, SJVIA utilized EmpiRx for PPO/EPO and Anthem IngenioRx for HDHP prescription drug benefit administration. EmpiRx would minimize disruption by only having 180 drug transactions negatively impact SJVIA covered members. Aetna CVS would have 697 negative drug transactions with 53 excluded transactions.

SJVIA Prescription Drug Disruption Analysis		
# of Drugs	EmpiRx	Aetna CVS
EPO/PPO # of Drugs		
No Change	38,639	37,580
Positive Change	0	374
Negative Change	0	639
Excluded	0	46
Total	38,639	38,639
HDHP # of Drugs		
No Change	6,651	7,362
Positive Change	769	173
Negative Change	180	58
Excluded	0	7
Total	7,600	7,600
EPO/PPO/HDHP # of Drugs		
No Change	45,290	44,942
Positive Change	769	547
Negative Change	180	697
Excluded	0	53
Total	46,239	46,239

Prescription Drug Discount Comparison

EmpiRx and Aetna CVS provided updated discounted data. Aetna CVS data was labeled as confidential and is therefore redacted, making it difficult to arrive at any conclusions between the two PBMS.

Aetna CVS	Generic				Preferred Brand				Non-Preferred / Specialty				Specialty			
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
Retail																
Discount from AWP																
Annual Projection of Scripts																
Projected Average Claim Cost per Script																
Mail Order																
Discount from AWP																
Annual Projection of Scripts																
Projected Average Claim Cost per Script																
Retail 90																
Discount from AWP																
Annual Projection of Scripts																
Projected Average Claim Cost per Script																
EmpiRX																
Retail																
Discount from AWP	86.00%	86.00%	86.00%	86.00%	23.00%	23.00%	23.00%	23.00%	19.00%	23.00%	23.00%	23.00%	19.00%	19.50%	19.50%	19.50%
Annual Projection of Scripts		61,774	61,774	61,774		7,601	7,601	7,601		2509	2509	2509		642	642	642
Projected Average Claim Cost per Script		\$19.16	\$19.16	\$19.16		\$428.03	\$428.03	\$428.03		\$353.03	\$353.03	\$353.03		\$5,395.84	\$5,395.84	\$5,395.84
Mail Order																
Discount from AWP	90.00%	90.00%	90.00%	90.00%	25.50%	25.50%	25.50%	25.50%	23.00%	25.50%	25.50%	25.50%	23.00%	23.00%	23.00%	23.00%
Annual Projection of Scripts		836	836	836		82	82	82		13	13	13		1,773	1,773	1,773
Projected Average Claim Cost per Script		\$47.06	\$47.06	\$47.06		\$1,305.08	\$1,305.08	\$1,305.08		\$1,132.83	\$1,132.83	\$1,132.83		\$3,225.90	\$3,225.90	\$3,225.90
Retail 90																
Discount from AWP	86.00%	86.00%	86.00%	86.00%	23.00%	23.00%	23.00%	23.00%	19.00%	23.00%	23.00%	23.00%	19.00%	19.50%	19.50%	19.50%
Annual Projection of Scripts		28,669	28,669	28,669		2,374	2,374	2,374		258	258	258		1	1	1
Projected Average Claim Cost per Script		\$50.64	\$50.64	\$50.64		\$1,274.31	\$1,274.31	\$1,274.31		\$1,108.60	\$1,108.60	\$1,108.60		\$7,399.37	\$7,399.37	\$7,399.37

Prescription Drug Rebate Comparison

The PBMs were asked to project prescription drug rebates for 2024-2026.

Prescription Drug Analysis	Aetna CVS			EmpiRx		
	2024	2025	2026	2024	2025	2026
Rx Rebate PG per Script						
Retail 30-day supply				\$225.00	\$230.00	\$235.00
Retail 90-day supply				\$650.00	\$660.00	\$670.00
Retail Specialty				\$2,600.00	\$2,625.00	\$2,650.00
Mail Order				\$600.00	\$610.00	\$620.00
Specialty Mail Order				\$2,600.00	\$2,625.00	\$2,650.00
Rx Rebate PG number of Scripts						
Retail 30-day supply				6,944	6,944	6,944
Retail 90-day supply				2,152	2,152	2,152
Retail Specialty				60	60	60
Mail Order				680	680	680
Specialty Mail Order				741	741	741
Total				10,517	10,517	10,517
Annual PG Aggregate Total						
Retail 30-day supply				\$1,562,400	\$1,597,120	\$1,631,840
Retail 90-day supply				\$1,398,800	\$1,420,320	\$1,441,840
Retail Specialty				\$156,000	\$157,500	\$159,000
Mail Order				\$408,000	\$414,800	\$421,600
Specialty Mail Order				\$1,926,600	\$1,945,125	\$1,963,650
Total				\$5,451,800	\$5,534,865	\$5,617,930

Aetna CVS data was labeled as confidential and is therefore redacted making it difficult to arrive at any conclusions between the two PBMs. They provided the following language:

THIS TAB IS CONSIDERED CONFIDENTIAL. Aetna is proposing minimum per brand script rebate guarantees with 100% pass-through. Please refer to the grid below for 3TQ rebate guarantees and please refer to the SFS for 2T/3TNQ rebate guarantees. **Proposed brand Rxs are only illustrative and based on Aetna book of business assumptions; and, they are not reflective of SJVIA's expected brand utilization** given the incomplete data set provided as part of the RFP. However, Aetna is guaranteeing payment of rebates as requested and value should not be discounted. Total rebate value is determined by multiplying the per brand guarantees against SJVIA's actual utilization of applicable brand claims.

Performance Guarantees – Medical Carriers and Medical TPA

SJVIA Performance Guarantees	Anthem	Aetna CVS	Blue Shield	Health Comp
Medical PGs				
Claims Timeliness (14 Calendar Days)	Yes	Yes	Yes with Adj.	Yes
Claim Timeliness (30 Calendar Days)	Yes	Yes	Yes with Adj.	Yes with Adj.
Claim Payment Accuracy	Yes	Yes	Yes with Adj.	Yes
Claim Financial Accuracy	Yes	Yes	Yes with Adj.	Yes
Open Enrollment ID Card Issuance	Yes	Yes	Yes with Adj.	Yes
Processing of Ongoing Eligibility	Yes	Yes	Yes with Adj.	Yes with Adj.
Ongoing ID Cards Issuance	Yes	Yes	Yes with Adj.	Yes
Eligibility Error Reports - Ongoing	No	Yes	Yes with Adj.	Yes
Average Speed to Answer	Yes	Yes with Adj.	Yes with Adj.	Yes with Adj.
Call Abandonment Rate	Yes	Yes	Yes with Adj.	Yes
First Call Resolution	Yes	Yes	Yes with Adj.	Yes
Member Satisfaction	Yes	Yes	Yes with Adj.	Yes with Adj.
Management Reports	Yes	Yes	Yes with Adj.	Yes
Annual Performance Report	Yes	Yes	Yes with Adj.	Yes
Performance Guarantee Objectives	Yes	Yes	Yes with Adj.	Yes
Account Management Satisfaction	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.
Appeals	No	Yes	Yes with Adj.	No
Network Alerts	Yes	Yes	Yes with Adj.	No
Provider Accessibility	Yes	Yes	Yes with Adj.	No
Security Breach	Yes	Yes	Yes with Adj.	Yes

SJVIA Performance Guarantees	Anthem Comments	Aetna CVS Comments	Blue Shield Comments
Medical PGs			
Claims Timeliness (14 Calendar Days)		We have guaranteed 90% within 14 calendar days with 1% of applicable fees at risk. Please see the performance guarantees included in the revised financial package for complete details.	
Claim Timeliness (30 Calendar Days)		We have guaranteed 98% within 30 calendar days with 1% of applicable fees at risk. Please see the performance guarantees included in the revised financial package for complete details.	
Claim Payment Accuracy		We have guaranteed 97% payment incidence accuracy with 1% of applicable fees at risk. Please see the performance guarantees included in the revised financial package for complete details.	
Claim Financial Accuracy		We have guaranteed 99% financial accuracy with 1% of applicable fees at risk. Please see the performance guarantees included in the revised financial package for complete details.	
Open Enrollment ID Card Issuance		We have guaranteed ID Card production and Distribution of 99% within 10 business days with 1% of applicable fees at risk. Please see the performance guarantees included in the revised financial package for complete details.	Amended PG metric to 97%
Processing of Ongoing Eligibility Information		We have guaranteed Eligibility updates of 97% withing 2 business days and 100% within 5 business days with a total of 1% of applicable fees at risk. Please see the performance guarantees included in the revised financial package for complete details.	Amended PG metric to 97%
Ongoing ID Cards Issuance		We will produce and distribute ongoing ID cards at 99% withing 10 business days as noted above.	Amended PG metric to 97%
Eligibility Error Reports - Ongoing	Year 1 only. Years 2 & 3 if needed	Eligibility Error Reports are included as part of our Eligibility Updates and Account Management Satisfaction guarantees.	
Average Speed to Answer		In place of average speed of answer we have proposed our Customer Effort Score and Customer Satisfaction Score guarantees each with 1% of applicable fees at risk. Please see the performance guarantees included in the revised financial package for complete details.	
Call Abandonment Rate		We have guaranteed an abandonment rate of 2.5% with 1% of applicable fees at risk. Please see the performance guarantees included in the revised financial package for complete details.	
First Call Resolution		We have guaranteed first call resolution of 90% with 1% of applicable fees at risk. Please see the performance guarantees included in the revised financial package for complete details.	

SJVIA Performance Guarantees	Anthem Comments	Aetna CVS Comments	Blue Shield Comments
Medical PGs			
Member Satisfaction		We have guaranteed a positive response rate of 87% with 1% of applicable fees at risk. Please see the performance guarantees included in the revised financial package for complete details.	
Management Reports		We have guaranteed Processed claim information within 45 days; Incurred claim information within 90 days. 1% of applicable fees are at risk on this measure. Please see the performance guarantees included in the revised financial package for complete details.	
Annual Performance Report		Yes we will provide an annual performance report. This is included as part of our Overall Account Management Satisfaction guarantee.	
Performance Guarantee Objectives Results Report		Yes we will provide performance guarantee objective results reporting. This is included as part of our Overall Account Management Satisfaction guarantee.	
Account Management Satisfaction		We have guaranteed a satisfaction score of 3 or higher. 1% of applicable fees are at risk on this guarantee. Please refer to the performance guarantees included in our revised financial package for complete details.	
Appeals		We have guaranteed appeals resolution turnaround time of 95%. 1% of applicable fees at risk on this guarantee. Please refer to the performance guarantees included in our revised financial package for complete details.	
Network Alerts		We have guaranteed network alerts within 30 days of the effective date. 1% of applicable fees are at risk on this guarantee. Please refer to the performance guarantees included in our revised financial package for complete details.	
Provider Accessibility		We have guaranteed provider accessibility of 85%. 1% of applicable fees will be at risk on this guarantee. Please refer to the performance guarantees included in our revised financial package for complete details.	
Security Breach		We have guaranteed to provide breach notifications within 30 calendar days. 1% of applicable fees is at risk on this measure. Please refer to the performance guarantees included in our revised financial package for complete details.	

Performance Guarantees – Condition Management and Case Management

SJVIA Performance Guarantees	Anthem	Aetna CVS	Blue Shield	Health Comp
Condition Mgmt PGs	Anthem	Aetna CVS	Blue Shield	Health Comp
Condition Care Enrollment Rate	No	Yes	Yes with Adj.	Yes with Adj.
Condition Care Engagement Rate	Yes with Adj.	Yes	Yes with Modification	Yes with Adj.
Heart Failure ACE Inhibitors/ARB	No	Yes	Yes with Adj.	Yes
Diabetes Annual Hemoglobin A1c (HbA1c) Testing	No	Yes	Yes with Adj.	Yes
Persistent Asthma Prescription Drug	No	Yes	Yes with Adj.	TBD
Diabetes Nephropathy Testing/Identification	No	Yes	Yes with Adj.	No
Case Management PGs	Anthem	Aetna CVS	Blue Shield	Health Comp
Case Management High Dollar Claimant Outreach	Yes with Adj.	Yes	Yes with Adj.	Yes
Case Management Member Outreach for	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.
Case Management Member Outreach for	Yes with Adj.	Yes	Yes with Adj.	Yes with Adj.

SJVIA Performance Guarantees	Aetna CVS Comments	Blue Shield Comments
Condition Mgmt PGs	Aetna CVS Comments	Blue Shield Comments
<p>Condition Care Enrollment Rate</p>	<p>We have guarantee our care management engaged of reach rate guarantee at 70% with \$0.20 PEPM at risk as a component of our Care Management Guarantees. Our care management guarantees places 100% of applicable program fees at risk including this measure as well as those described below and an ROI of 2 to 1 saving with a total of \$11.03 PEPM at risk across all measures.</p>	<p>Connect without EngagementPoint Blue Shield guarantees \$4.00 PEPM gross savings attributed to those members engaged in care management as part of Connect. The calculation will be performed as follows: Blue Shield will calculate book of business aggregate savings for care management as the difference-in-difference between costs paid for the engaged members and a matched control group of non-engaged members. Average savings per member will be calculated by taking the aggregate and dividing by total number of members engaged. This average book of business savings per engaged member will be multiplied by the number of engaged members and converted to PEPM.</p>
<p>Condition Care Engagement Rate</p>	<p>We have guaranteed maternity engagement rate of 90% with \$0.25 PEPM at risk and Nurse/Coach engagement rate of 50% with \$0.80 PEPM at risk. Please refer to the Clinical Guarantees section of our revised financial package for complete details.</p>	<p>Connect without EngagementPoint Blue Shield guarantees \$4.00 PEPM gross savings attributed to those members engaged in care management as part of Connect. The calculation will be performed as follows: Blue Shield will calculate book of business aggregate savings for care management as the difference-in-difference between costs paid for the engaged members and a matched control group of non-engaged members. Average savings per member will be calculated by taking the aggregate and dividing by total number of members engaged. This average book of business savings per engaged member will be multiplied by the number of engaged members and converted to PEPM.</p>
<p>Heart Failure ACE Inhibitors/ARB</p>	<p>We have proposed our CAD members using statins with a target of 50% and Diabetic members using statins with a target of 45% both with \$0.10 PEPM at risk. Please refer to the Care Management Guarantees section of our revised financial package for complete details.</p>	<p>BSC is listed as YES, though RFP response included modifications</p>
<p>Diabetes Annual Hemoglobin A1c (HbA1c) Testing</p>	<p>We have proposed our Diabetic HbA1c testing guarantee with a target of 75% and \$0.10 PEPM at risk. Please refer to the Care Management Guarantees section of our revised financial package for complete details.</p>	<p>BSC is listed as YES, though RFP response included modifications</p>
<p>Persistent Asthma Prescription Drug</p>	<p>We have proposed our Asthma-controller medications guarantee with a target of 75% and \$0.10 PEPM at risk. Please refer to the Care Management Guarantee section of our revised financial package for complete details.</p>	<p>BSC is listed as YES, though RFP response included modifications</p>
<p>Diabetes Nephropathy Testing/Identification</p>	<p>We have proposed our Diabetic nephropathy guarantee of a 75% target and \$0.10 PEPM at risk. Please refer to the Care Management Guarantee section of our proposal response for complete details.</p>	<p>BSC is listed as YES, though RFP response included modifications</p>
Case Management PGs	Aetna CVS Comments	Blue Shield Comments
<p>Case Management High Dollar Claimant Outreach</p>	<p>We have proposed High Cost Claimant Screening of 95% with \$0.20 PEPM at risk. Please refer to the Care Management Guarantees section of our revised financial package for complete details.</p>	<p>Measured and assessed annually. Results available 60 days close of measurement period. Requires purchase of the Connect program. Penalty will be 25% of metric amount at risk for every 1% less than goal.</p>
<p>Case Management Member Outreach for Preadmission Counseling</p>	<p>We have proposed Inpatient Admission Outreach of 95% with \$0.20 PEPM at risk. Please refer to the Care Management Guarantees section of our revised financial package for complete details.</p>	<p>Measured and assessed annually. Results available 60 days close of measurement period. Requires purchase of the Connect program. Penalty will be 25% of metric amount at risk for every 1% less than goal.</p>
<p>Case Management Member Outreach for Post Discharge Counseling</p>	<p>We have proposed a number of care management measures including Depression Screening of 90% with \$0.20 PEPM at risk on this measure. Please refer to the Care Management Guarantees section of our revised financial package for complete details.</p>	<p>Measured and assessed annually. Results available 60 days close of measurement period. Requires purchase of the Connect program. Penalty will be 25% of metric amount at risk for every 1% less than goal.</p>

2023 and 2024 Administrative Costs—The Carriers: The following chart illustrated the administration costs per carrier. Fee descriptions are provided on each vendor.

SJVIA Administrative Cost Summary		Anthem Blue Cross		Aetna CVS	Blue Shield				HealthComp	
Per Employee per Month (PEPM)	Enrollment Assumption	2023	2024		2023	2024	2025	2026 Optional	2023	2024
		Medical Only	Medical Only		Medical Only	Medical Only	Medical Only	Medical Only	Medical Only	Medical Only
Administration Fee EPO/PPO	6,189	\$34.90	\$36.23		\$28.40	\$28.40	\$29.18	\$29.98	\$19.75	\$16.62
Administration Fee HSA Compatible HDHP PPO	720	\$34.90	\$36.23		\$28.40	\$28.40	\$29.18	\$29.98	\$19.75	\$16.62
EPO/PPO Network Access Fee	6,909	Included	Included		Included*	Included*	Included*	Included*	Provided by Carrier,Carrier	
Case Management Fee	6,909	Included	Included		\$2.30	Included**	Included**	Included**	\$160/Hour	\$190.00/Hr
Condition/Disease Management Fee	6,909	\$0.10	\$1.77		Included**	Included**	Included**	Included**	Included in Clinical Management	
Clinical Management Fee	6,909	Included	Included		Included**	Included**	Included**	Included**	\$5.60	\$5.60
Utilization Review Fee	6,909	Included	Included		Included	Included	Included	Included	Provided by Network	
Wellness Fee	6,909	Included	Included		Included	Included	Included	Included	Included in Clinical Management	
1 Other (Pharmacy Allowances)	6,909	\$250,104			\$5.42	\$5.42	\$5.58	\$5.75	Included in Clinical Management	
2 Other (Fee Holiday)	6,909				\$500K annual	\$500K annual			Included in Clinical Management	
3 Wellness Fund	6,909	\$60,000	\$90,000		\$100,000	\$100,000	\$100,000	\$100,000	Provided by Network Provide	
4 Other (Tech/Communication Allowance)	6,909				Included				Included in Case Managemen	
5 Other (Pharmacy Performance Credit)	6,909								45% of Savings	45% of Savings
									14% of Savings	14% of Savings
									30% of Savings	30% of Savings
									\$2.50	\$2.50
									Medical Claims Administratir	
Total Cost (PEPM)	6,909	\$35.00	\$38.00		\$36.12	\$33.82	\$34.76	\$35.73	\$25.35	\$22.22
Gross 2023 Annual Cost	6,909	\$3,151,884	\$3,150,504		\$2,994,637	\$2,803,949	\$2,881,882	\$2,962,303	\$2,101,718	\$1,842,216
First Year Credit	6,909	\$0	\$0		\$400,000	\$400,000	\$400,000	\$400,000		
Net 2023 Annual Cost	6,909	\$3,151,884	\$3,150,504		\$2,594,637	\$2,403,949	\$2,481,882	\$2,562,303	\$2,101,718	\$1,842,216

SJVIA Administrative Cost Summary	Anthem Blue Cross			Aetna CVS	Blue Shield		HealthComp	
	Enrollment Assumption	2025	2026		2025	2026	2025	2026
		Medical Only	Optional Medical Only		Medical Only	Optional Medical Only	Medical Only	Optional Medical Only
Administration Fee EPO/PPO	6,189	\$36.23	\$37.18		\$29.18	\$29.98	\$16.62	\$16.62
Administration Fee HSA Compatible HDHP PPO	720	\$36.23	\$37.18		\$29.18	\$29.98	\$16.62	\$16.62
EPO/PPO Network Access Fee	6,909	Included	Included		Included*	Included*	Provided by Carrier, Carrier	
Case Management Fee	6,909	Included	Included		Included**	Included**	\$190.00/Hr	\$190.00/Hr
Condition/Disease Management Fee	6,909	\$2.47	\$2.47		Included**	Included**	Included in Clinical Management	
Clinical Management Fee	6,909	Included	Included		Included**	Included**	\$5.60	\$5.60
Utilization Review Fee	6,909	Included	Included		Included	Included	Provided by Network	
Wellness Fee	6,909	Included	Included		Included	Included	Included in Clinical Management	
1 Other (Pharmacy Allowances)	6,909				\$5.58	\$5.75	Included in Clinical Management	
2 Other (Fee Holiday)	6,909						Included in Clinical Management	
3 Wellness Fund	6,909	\$90,000	\$90,000		\$100,000	\$100,000	Provided by Network Provider	
4 Other (Tech/Communication Allowance)	6,909						Included in Case Management	
5 Other (Pharmacy Performance Credit)	6,909						45% of Savings	45% of Savings
							14% of Savings	14% of Savings
							30% of Savings	30% of Savings
							TBD	TBD
							Medical Claims Administration	
Total Cost (PEPM)	6,909	\$38.70	\$39.65		\$34.76	\$35.73	\$22.22	\$22.22
Gross 2023 Annual Cost	6,909	\$3,208,540	\$3,287,302		\$2,881,882	\$2,962,303	\$1,842,216	\$1,842,216
First Year Credit	6,909	\$0	\$0		\$400,000	\$400,000		
Net 2023 Annual Cost	6,909	\$3,208,540	\$3,287,302		\$2,481,882	\$2,562,303	\$1,842,216	\$1,842,216

Fee Descriptions - Anthem

Medical Only ASO: ASO Basic Foundational Package plus Anthem Health Guide (AHG), Claims Fiduciary Coverage, LiveHealth Online, Blue Distinction Programs, Standard ID cards, Standard management reporting, State/Federal reporting, Open Enrollment meeting support, electronic version of the benefit booklets, processing 12 months of run-out claims, excluding any direct charges (i.e. data feeds to other vendors); HSA Compatible HDHP PPO includes pharmacy administration.

Case Management – Behavioral Health (includes Behavioral Health Advantage with CBT), Case Management – Medical (includes ESRD, NICU and Transplant) , ESRD (cost included in Case Management), Transplant (costs included in Case Management)

Future Moms with pro-active identification and lactation support

Clinical Review Cancer Care Quality program (through AIM)

Utilization Management – Medical and Behavioral Health

- Anthem Health Guide

Fee Descriptions - Blue Shield

EPO/PPO Network Access Fee: *Network access is included for CA network. Blue Card fees for non-CA network will be invoiced.

Case Management Fee: Shield Support Program

Condition/Disease Management Fee: ** Included in Shield Support OR Connect Program

Clinical Management Fee: **Included in Shield Support OR Connect Program

1 Connect Program - Connect our Concierge integrated clinical and customer service model with a designated team including integration of 3rd party SJVIA partners as desired

2 Implementation Credit for Medical/Rx (can be used for implementation, wellness, audits, communications and more)

3 \$100,000 wellness fund included in \$500k Medical Only credit for year 1, wellness fund provided annually

4 Health Improvement Program - Wellvolution: comprehensive life-style and disease prevention and reversal program, including coaching. Personalized for each member.

Fee Descriptions - Aetna CVS

Fee Descriptions - HealthComp (Excludes Network Access Fee)

Administration Fee EPO/PPO: HealthComp admin fee includes various features. Please see SJVIA HealthComp Proposal for more details.

Administration Fee HSA Compatible HDHP PPO: HealthComp admin fee includes various features. Please see attachment SJVIA HealthComp Proposal for more details.

EPO/PPO Network Access Fee: Represents the Anthem Network Access fee if HealthComp is chosen as the TPA and the Rx is carved out. HealthComp is proposing OptumRx as the PBM should Rx be carved out.

Case Management Fee: The fee is \$160.00 Per Hour (billed in 6 min increments)

Condition/Disease Management Fee: HealthComp's program proactively engages the riskiest members before any hospitalizations (and before case management) to help them address gaps in care.

Clinical Management Fee: HealthComp's Population Preventive Care is inclusive of Disease Management: helping members with chronic conditions and also members without chronic conditions but other high risk factors. Leveraging advanced analytics to create personalized care plans for each member, HealthComp's clinical team then applies a high-touch service model to proactively engage members, co-create goals, and consistently follow-up with members to remind and remove barriers – all while reviewing for site of care optimization opportunities and adverse medication interactions.

Utilization Review Fee: HealthComp does not provide this service when utilizing the Anthem network. Anthem does this.

Wellness Fee: HealthComp's wellness solution analyzes the member's historical data to create a personalized wellness plan.

1 Other - Cancer Awareness: Program is designed to promote a culture of health at your company, create awareness, and ultimately reduce the participants' risk of cancer through early detection and intervention.

2 Other - Emergency Room Solutions: ER Solutions program identifies members who have recently visited the Emergency Room and performs outreach to educate them on alternatives to the ER.

3 Other - Mommies 2-B: HealthComp's program provides expectant mothers with services and educational materials that are designed to help give their babies a healthy start.

4 Other - Teladoc: 24/7 access to care by web, phone or mobile app. Care is delivered through a network of U.S. board-certified physicians with 20 years average experience.

5 Other - Compliance Fee: Covers compliance on CAA and NSA, 1099's, PCORI Reporting Data, W2 Reporting Data, Medicare Part D Notices (includes mailings), etc.

Fee Descriptions - EmpiRx \$6.00 per Script estimated at \$3.35 pepm or \$277,452 annual cost

1 Other - Per Rx Administration fee	\$6 per Rx (est annual projected cost \$277,452, Total Cost PEPM (\$3.35) based on \$277,452/6,909/12)
2 Other - Direct Reimbursement Claims Processing	\$5.00 per Direct Reimbursement Claim
3 Other - Annual Benefit Summary (EOB)	\$3.00 per summary, plus postage
4 Other - Replacement ID Cards	\$2.50 per card, plus postage for 10mil card stock
5 Other - Administrative Prior Authorization	\$15.00 per plan prior authorization
6 Other - Clinical Prior Authorization (including re	\$55.00 per determination
7 Other - Clinical Program Mailings (e.g., Step The	\$1.75 per communication, plus postage
8 Other - Fraud, Waste & Abuse – Retrospective	\$5.00 per letter, plus postage
9 Other - External Third-Party Appeals	\$500.00 Per Hour for preparation / participation in external appeals, + reasonable travel expenses
10 Other - Medicare Part D RDS Support	Annual base charge of \$10,000 and an additional per eligible life per month fee
11 Other - Integration with health plan providers	As mutually agreed by the parties on a case-by-case basis

Total Cost Summary

Keenan conducted analysis on

- Medical: member disruption, network pricing, network adequacy, network valuations, and cost valuation
- Prescription drug: member disruption, AWP discount, rebating, and cost valuations

The following chart summarized Keenan’s cost findings:

2024 Projection						
Medical Vendor	Anthem	Aetna	Blue Shield	HealthComp (Missing Network Access Fees)		
PPO Network	Anthem	Aetna	Blue Shield	Anthem	Aetna	Blue Shield
PBM Vendor	EmpiRx	CVS	EmpiRx	EmpiRx	EmpiRx	EmpiRx
Claim Cost						
Medical	\$64,356,997		\$70,805,028	\$62,104,502		\$68,326,852
Rx	\$26,282,889		\$26,282,889	\$26,282,889		\$26,282,889
Rx Rebates	<u>\$5,451,800</u>		<u>\$5,451,800</u>	<u>\$5,451,800</u>		<u>\$5,451,800</u>
Total	\$85,188,086		\$91,636,117	\$82,935,591		\$89,157,941
Administrative Cost						
Medical	\$3,150,504		\$2,803,949	\$1,842,216		\$1,842,216
Rx	<u>\$277,452</u>		<u>\$277,452</u>	<u>\$277,452</u>		<u>\$277,452</u>
Total	\$3,427,956		\$3,081,401	\$2,119,668		\$2,119,668
Total Cost						
Total Claims and Admin	\$88,616,042		\$94,717,517	\$85,055,259		\$91,277,609
\$ Difference	\$4,370,400		\$10,471,876	\$809,617		\$7,031,967
% Difference	5.2%		12.4%	1.0%		8.3%
Total Cost w/ Credits						
First Year	-\$30,000		\$400,000	-\$30,000		\$400,000
Wellness Annually	<u>-\$60,000</u>		<u>\$100,000</u>	<u>-\$60,000</u>		<u>\$100,000</u>
Total Cost w/ Credits	\$88,526,042		\$94,217,517	\$84,965,259		\$90,777,609
\$ Difference	\$4,280,400		\$9,971,876	\$719,617		\$6,531,967
% Difference	5.1%		11.8%	0.9%		7.8%

Please note Aetna and Anthem completed their own total cost summary factors (claim cost and admin fees). Cost summaries have not been validated by Keenan; due the carrier’s lack of transparency, Keenan is concerned about the cost projections.

2025 Projection						
Medical Vendor	Anthem	Aetna	Blue Shield	HealthComp (Missing Network Access Fees)		
PPO Network	Anthem	Aetna	Blue Shield	Anthem	Aetna	Blue Shield
PBM Vendor	EmpiRx	CVS	EmpiRx	EmpiRx	EmpiRx	EmpiRx
Claim Cost						
Medical	\$70,734,218		\$75,867,670	\$68,258,520		\$73,212,302
Rx	\$27,036,785		\$27,036,785	\$27,036,785		\$27,036,785
Rx Rebates	<u>\$5,534,865</u>		<u>\$5,534,865</u>	<u>\$5,534,865</u>		<u>\$5,534,865</u>
Total	\$92,236,138		\$97,369,590	\$89,760,440		\$94,714,222
Administrative Cost						
Medical	\$3,290,274		\$2,881,882	\$1,842,216		\$1,842,216
Rx	<u>\$277,452</u>		<u>\$277,452</u>	<u>\$277,452</u>		<u>\$277,452</u>
Total	\$3,567,726		\$3,159,334	\$2,119,668		\$2,119,668
Total Cost						
Total Claims and Admin	\$95,803,864		\$100,528,924	\$91,880,107		\$96,833,889
\$ Difference	\$7,187,822		\$5,811,407	\$6,824,849		\$5,556,281
% Difference	8.1%		6.1%	8.0%		6.1%
Total Cost w/ Credits						
Ongoing Credits						
Wellness Annually	<u>-\$90,000</u>		<u>\$100,000</u>	<u>-\$90,000</u>		<u>\$100,000</u>
Total Cost w/ Credits	\$95,713,864		\$100,428,924	\$91,790,107		\$96,733,889
\$ Difference	\$7,187,822		\$6,411,407	\$6,824,849		\$6,156,281
% Difference	8.1%		6.8%	8.0%		6.8%

2026 Projection						
Medical Vendor	Anthem	Aetna	Blue Shield	HealthComp (Missing Network Access Fees)		
PPO Network	Anthem	Aetna	Blue Shield	Anthem	Aetna	Blue Shield
PBM Vendor	EmpiRx	CVS	EmpiRx	EmpiRx	EmpiRx	EmpiRx
Claim Cost						
Medical	\$75,908,512		\$81,292,297	\$73,251,714		\$78,447,067
Rx	\$27,812,305		\$27,812,305	\$27,812,305		\$27,812,305
Rx Rebates	<u>\$5,617,930</u>		<u>\$5,617,930</u>	<u>\$5,617,930</u>		<u>\$5,617,930</u>
Total	\$98,102,887		\$103,486,672	\$95,446,089		\$100,641,442
Administrative Cost						
Medical	\$3,371,043		\$2,962,303	\$1,842,216		\$1,842,216
Rx	<u>\$277,452</u>		<u>\$277,452</u>	<u>\$277,452</u>		<u>\$277,452</u>
Total	\$3,648,495		\$3,239,755	\$2,119,668		\$2,119,668
Total Cost						
Total Claims and Admin	\$101,751,382		\$106,726,427	\$97,565,757		\$102,761,110
\$ Difference	\$5,947,518		\$6,197,503	\$5,685,649		\$5,927,220
% Difference	6.2%		6.2%	6.2%		6.1%
Total Cost w/ Credits						
Ongoing Credits						
Wellness Annually	<u>-\$90,000</u>		<u>\$100,000</u>	<u>-\$90,000</u>		<u>\$100,000</u>
Total Cost w/ Credits	\$101,661,382		\$106,626,427	\$97,475,757		\$102,661,110
\$ Difference	\$5,947,518		\$6,197,503	\$5,685,649		\$5,927,220
% Difference	6.2%		6.2%	6.2%		6.1%

Value Proposition Statements

Keenan asked each carrier/vendor to briefly state their value proposition.

Value Statement – Anthem Blue Cross

We know that the health plan SJVIA selects will be the most valued employee benefit, as well as a significant business investment. We are committed to delivering a customized, coordinated solution that will help your employees take control of their health and become their healthiest self, and improve cost savings for all. We will continue to leverage our superior network discounts and access, while delivering innovative, cost saving programs, tools, and services to achieve the best outcomes for your employees now and for years to come.

Our specific value proposition and key differentiators for SJVIA’s consideration include the following:

Integrated Benefits Solutions

We feel our integrated medical and pharmacy programs and services offer the best value to you. The integration of Anthem’s medical and pharmacy services will allow you to offer your employees access to the care they need, all packaged in a seamless, simple experience. We provide guidance and coordinated solutions for better total health. Our extensive resources and networks allow us to be flexible, building the ideal benefit solution to fit your needs. We coordinate our information, programs, and interactions to help enrollees manage their conditions and live healthier lives. Healthier enrollees mean increased productivity and lower health care costs for you. We coordinate our data between doctors, pharmacists, members, and our disease management teams. This gives us the power to help ensure that good health does not fall through the cracks.

We help improve member health outcomes and reduce total healthcare costs by integrating our medical and pharmacy programs — and by focusing on our members holistically. We integrate our medical, pharmacy, and lab data — and we go beyond the data to ensure coordination of our people, programs, and knowledge. We work to drive consistent strategies for our medical and pharmacy programs.

Based on a 2020 HealthCore, Inc., Value of Medical and Pharmacy Integration study analyzing our 2015 to 2018 data, clients with our integrated pharmacy and medical benefits through Anthem experienced on average medical costs \$30.70 PMPM lower compared to those who carved out pharmacy. This translates to an average of \$315 PMPY client savings and \$53 in member out-of-pocket savings — a total of \$368 lower average medical costs PMPY.

Other key findings illustrate the following for the carve-in population:

- 11.6% lower outpatient costs
- 5.5% lower inpatient costs

Our integrated medical and pharmacy benefits help drive lower costs, better outcomes, and increased member satisfaction through the following:

- Outcomes-based formulary that includes medications proven to improve and lower total costs
- Aligned medical and pharmacy clinical criteria and policies
- Effective, coordinated medication management programs
- Proactive site-of-care management
- More closely and quickly identified care gaps because of connected data that leads to more actionable insights
- Seamless and coordinated experience for members, clients, and providers

Member Engagement Platform — A Smarter Personalized Healthcare Journey

Like SJVIA, Anthem values innovative member resources designed to help members make informed decisions and increase engagement with their health plan. Sydney Health, our member engagement platform, focuses on driving a smarter healthcare journey for members by putting health management tools in their hands. Sydney Health integrates all benefits together for whole-person care. It not only supplies information but also, uses the information, driven by artificial intelligence (AI), to help members proactively stay healthier. Proactive support includes alerting members to gaps in care notifications, helping them find a provider based upon quality and cost information, and providing health tips based on each member's history and interests.

By delivering a member-personalized experience, Sydney Health will support your employees to achieve goals. Sydney Health is all about saving members time and connecting them with the care they need, when they need it. It delivers total procedure cost estimates, member pay cost estimates, plan pay cost estimates, and the capability to view costs for all procedures performed by a provider. Sydney Health sorts data and recommend products, programs, and content according to a member's unique needs to deliver better outcomes and lower costs. Leveraging the Blue Cross Blue Shield Association national data, Sydney Health accurately provides cost estimates and expenses for more than 700 procedures, and that list continues to grow.

Additional features for members include, but are not limited to, the following:

- Curated, personalized experiences that drive members toward outcomes
- The ability to set personal goals, sync their fitness trackers, and review content related to their unique needs
- Integrated benefits, claims and health and wellness programs
- Members will receive content based on their personal risk factors, identified by our AI engine
 - They can select areas of interest, such as weight loss or getting active
 - They can enter goals for monetary or non-monetary rewards
 - They receive personalized program recommendations

We look forward to further discussion about the many programs and services Anthem has to offer you and a continued partnership and a mutually successful relationship between our two organizations.

Value Statement – Blue Shield

Below is a summary of our differentiated value proposition for SJVIA **Our commitment to the San Joaquin Valley Insurance Authority is significant:**

- **Blue Shield is a leader in serving public sector entities.** We partner with over **1,300** public sector entities in California, including direct client relationships with 18 cities and towns, 7 counties, and associations with a variety of public agencies through joint powers authorities and trusts. We have a deep understanding of the particular challenges that organizations such as SJVIA face, including the need for predictable budgeting, reducing costs while increasing efficiencies, and addressing the expectations of multiple stakeholders.
- **A 5 year-comprehensive core service fee of \$25.90 PEPM**, including flat fees for years 1 and 2 with 3% escalator for years 3-5 that includes comprehensive administrative services as well as telehealth, tele-behavioral health, NurseHelp 24/7, Fiduciary and **Wellvolution** comprehensive health improvement program: lifestyle and chronic care management services personalized for every SJVIA member
- **Network Strength** – little to no disruption for SJVIA given a Blue-to-Blue transition AND given we expanded our PPO ACO models in both Fresno and Tulare County in 2022, our Network Discount/Total Cost of Care is even stronger – **we expect a 2% improvement for SJVIA given these new PPO ACO provider contracts.** Through claims evaluation, 35% of SJVIA are already using these providers, so the value will happen without any disruption.
- **Strong Performance guarantees with 36% of fees at risk including:**
 - 21% for operational and account management performance
 - Discount guarantee with 15% of fees at risk
- **A comprehensive fund offer:**
 - Transition fund of \$500,000 for Medical services and \$1,000,000 for the Medical and Pharmacy offering (can be used for Wellness, Communications, audits, staffing, implementation costs, etc.)
 - Annual wellness and audit fund in Year 2 and 3: \$100,000/year
- **Expanded Access to Primary and Specialty Care through Health@Home and Walgreens** – In addition to our PPO network we have a new Health@Home offering that includes near-site primary care at Walgreens Health Corners and Dispatch Health – increasing access to primary care and removing barriers to care. This will expand primary care and chronic condition support for SJVIA employees and family members. **The Walgreen Health Corners will be available in both Tulare and Fresno Counties!** Blue Shield also offers the CVS minute clinics as a part of our PPO network... therefore, through Blue Shield, SJVIA would get access to the CVS Minute Clinics, and the exclusive Walgreens Health Corners
- **Wellvolution®**, our digital healthcare platform that offers a large scope of services, from prevention (e.g., diet, physical activity, stress, sleep, social support, smoking cessation) to the treatment and reversal of conditions (e.g., heart disease, diabetes, hypertension, hyperlipidemia, metabolic syndrome, obesity) to support optimal health. Wellvolution's digital platform uses decades of research and leading technology to deliver personalized support. Offering multiple digital applications and 30,000 brick-and-mortar locations, members have unprecedented choice in preventing, treating, and reversing a number of health conditions.

- **Expanded Mental Health Services: On-demand mental health support day or night through Ginger and Briteline** including behavioral health coaching 24/7/365 via text-based chat, informational content, self-guided activities, and support from licensed therapists and psychiatrists via video.
- **Integrated medical and pharmacy offering: Blue Shield serves as its own pharmacy benefits manager (PBM)**, making us uniquely qualified to provide quality and affordable pharmacy benefits to SJVIA. The advantages of our fully integrated model include:
 - **Simplified administration** through a single source and consolidated reporting to ensure you have a complete picture of your health benefits program
 - **Better value and results** through technology-driven solutions, pharmacist outreach, and coordinated case management
 - **Lower total cost of care** through competitive pricing, end-to-end specialty solutions, and integrated analytics
 - **Seamless and engaging member-facing experience** through an integrated and consistent online and mobile platform and high-touch and high-tech pharmacist support

Our model saves **\$16–\$24 per member per month** compared to carve-out PBM models and lowers hospitalization and emergency room rates. We also provide consolidated reporting for a comprehensive insight into both financials and the qualitative member experience.

- **Executive Commitment** By partnering with Blue Shield, you will be collaborating with a company whose leadership will be engaged in your interests and needs at every turn and stand by our commitments!

Value Statement – Aetna CVS

We're taking health care where you want us to be by creating unrivaled connections on every corner in every neighborhood close to home.

With the combined capabilities of CVS Health and Aetna, our care support and health guidance are so deeply embedded, they become part of our members' everyday lives. And perhaps most important of all, we deliver better costs and greater simplicity than ever, helping our members get on and stay on an affordable, connected path to better health.

A new health care experience

Being where you want us to be isn't just about being the most local as Fresno County. It's about going farther – reaching out, making ourselves more accessible, and by doing so, creating a more whole, more connected experience. The result is unmatched human connections, digital access whenever and wherever our members need it and a new reality where our members know that no matter where they are or when they're reaching out, we'll be there to answer.

We've structured our approach on three simple, but meaningful ideas: more caring, more connected, and closer to home. Here's what that means for our members in Fresno and Tulare Counties:

- More caring means we provide health care solutions how they need them by using connected data that creates insights for a more personalized experience, giving members more reasons to engage and helping them take the right health actions.
- More connected means we provide health care solutions based on a simpler, more integrated approach that delivers a better health care experience that feels whole.
- Closer to home means we provide health care solutions where they want them by reaching members in more ways and at more times than any other health care provider. Through our nearly 9,900 CVS Pharmacy® locations, more than 1,100 MinuteClinic® locations and a growing list of CVS HealthHUB® locations, our unmatched local footprint provides access to our members where they live and work because that's where health happens.

What better health feels like

The connected, personalized, and affordable experience we're creating feels different. We're providing our members:

- Unmatched engagement touchpoints for a personalized “what's best for me” experience
- A holistic approach to health that takes both physical health and mental well-being into account
- A complete member view driven by robust, integrated data that powers our behavioral insights and member outreach
- Pharmacy solutions in your neighborhood and cost-effective retail and specialty drug costs
- Benefits that encourage appropriate and convenient sites of care
- Innovative and low-cost relationships with providers

Value Statement – HealthComp

HealthComp At-A-Glance Lower Health Plan Costs

- Founded in 1994
- Largest Independent TPA: Medical, Dental, Vision, COBRA, HIPAA, Flexible Spending Accounts
- Serve over 900K medical and 1.5M total members nationwide
- Client size range: 30,000-150,000 medical members
- National footprint: Operations center in Fresno (CA), Homewood (IL), Covington (LA), Lancaster (PA), and Ripley (WV), Lexington (KY)

Operational Excellence: Measurable, Repeatable, and Predictable

Our clients work with a designated team (pod) of associates from various departments. This ensures that you receive the best service from a team that understands your benefits offering.

- **2.8** days claims turnaround time
- **99.7%** claims accuracy
- **63%** of claims processed in 1 day
- **97%+** client retention

HealthComp operates independently, with no ties to providers. Our cost management program utilizes claims and quality excellence, payment integrity, and care management to optimize your health plan spend.

Claims and Quality Excellence

Operational excellence, auto-adjudication, QA processes, post-claims reviews, 100% audit above \$5,000

Payment Integrity

Out-of-network negotiations, subrogation, fraud protection, waste & abuse monitoring, stop loss processing

Care Management

- Large case management, care coordination, claims review and negotiation, member education
- Chronic Condition Management
- Specialized programs to control ER and dialysis costs
- Preventive care programs: Cancer Awareness, Mommies 2-Be

HealthComp's Clinical Care Management Program Clients see **30% lower utilization** and **19% lower medical costs** than the industry average

Help your employees get affordable, high-quality medical care.

HealthComp's high-touch clinical care management programs nurture healthy employee populations.

Wakely, an independent actuarial firm crunched our numbers and revealed how HealthComp's high-touch, personalized approach to care administration ensures more plan members receive tailored, appropriate medical care.

Our clinical care management team serves as the change-making advocates that health plan members need most.

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KEY FINDINGS

Help your employees get affordable, high-quality medical care. HealthComp's high-touch clinical care management programs nurture healthy employee populations.

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Our clinical care management team serves as the change-making advocates that health plan members need most.

- **30% lower utilization** through inpatient, outpatient, and professional services, or **\$3,000 in savings per employee per year**, without changing benefits or network design
- **19% lower medical costs** across every service category for managed HealthComp members compared to the industry average
- **48% lower inpatient costs** for **HealthComp members 80 NPS score**, compared to the **healthcare industry's average of 12**
- **40% lower maternity spend** for members in HealthComp's **Mommies 2-Be Program**
- **32% lower emergency room utilization**, representing **\$16.09 PEPM in savings**
- **19% lower medical costs** across every service category for managed HealthComp members compared to the industry average

COMPLETE TRANSPARENCY

HealthComp's analytics provide complete transparency into your data, so you can develop insights to better manage your benefits offering.

- Integrated dashboards
- A reports library, custom reports and on-demand reports
- HCNavigator, a proprietary tool that allows you to drill into your data and identify trends

Learn more at [HealthComp.com](https://www.healthcomp.com)

Value Statement – EmpiRx

Why EmpiRx Health

As the most clinically advanced PBM in the industry, EmpiRx Health is SJVIA’s healthcare partner—and we’re proud of it. Since 2017, we have successfully worked together with SJVIA to deliver best-in-class pharmacy benefits to you and your members. **More than \$16.5M in fully-auditable clinical savings and less than 5% YOY trend, compared to an industry trend of 12-18%**, all with the highest level of clinical integrity, is the reason why our partnership with, and results for SJVIA are market-differentiated.

100% auditable Clinical Savings Guarantee. Our pay-for-performance model holds us accountable and is 100% auditable and transparent. We take downside risk to lower SJVIA’s costs—if we don’t meet our guarantee, we cover the difference. **No other PBM in this market does this.**

A data-enriched, human-delivered population health strategy tailored to your membership at no charge. We drive equal or better outcomes for SJVIA members while eliminating waste and excess cost. Our pharmacists are at the center of our patient care team, collaborating with prescribers to ensure the right therapy for your members at the right price.

SJVIA receives white-glove service 24/7/365. EmpiRx Health is SJVIA’s service destination—a high-touch, people-focused level of concierge service no other PBM can offer. We recently implemented our **Member Care Advocacy model for SJVIA at no additional charge.** Specially trained clinical advocates deliver a heightened patient experience and reduce gaps in care for members with healthcare or service complexities.

National presence with a local PBM feel, including client management support from our Head of Client Services, Lisa Krajewski, **located in California.**

100% pass-through of guaranteed rebates for the 2023 renewal and an increased clinical savings guarantee of an additional \$250,000 per year.

No burdensome or risky implementation process. Your pharmacy program is in place and your members know us, which affords continuity of service and zero member interruption and noise.

Our broad pharmacy network and formulary ensures equitable access to healthcare. **No messy transition** of care, no stress, just comfort and convenience.

By remaining with EmpiRx Health, SJVIA can expect a clinical-first approach to improving health outcomes while delivering deep and sustainable savings—and we do it in a way no one else does.

Healthcare Done Right for SJVIA

We ensure that SJVIA members receive the **highest quality care in the most cost-effective manner**, maximizing value and preserving your benefit dollars. Over the last four years, we have provided high-touch concierge service with every interaction, lowered your Rx costs, and delivered significant clinical savings, and we have zero intention of stopping the momentum.

Employers need a truly different solution in which value is the focus, not volume and rebates—a solution that will guarantee cost savings and trend management, and employers should hold the benefit manager financially accountable for those guarantees with a high degree of transparency. **EmpiRx Health is that solution**—we are the only truly value-based PBM in the market.

Financial Stability. We take downside risk to reduce drug spend, with a fully-auditable Clinical Savings Guarantee over three years and a cover-the-difference warranty. Our guarantee mitigates inflation as we optimize drug mix and utilization-waste in the current spend to protect employers from runaway pharmacy trend. EmpiRx Health manages appropriate trend and spend by driving fully auditable clinical savings.

Tailored, Personalized, Population Health Management. Our unique model emphasizes value, savings, and accountability—without SJVIA having to choose between care, access, and savings. We understand the need for wellness across your organization and our core model is dedicated to exactly that. We stratify by risk factors, not conditions, and we use the Johns Hopkins ACG system and factors in a combination of Rx claims, medical claims and other data for a distinct employee population. Please refer to Figure 1 for an SJVIA member’s clinical success story.

As indicated by SJVIA’s interest in **weight-management**, EmpiRx Health can specifically tailor our Population Health model around this initiative for your membership. Weight management and the comorbid conditions that accompany a diagnosis of obesity are complex, and not every patient faces the same risks. Simply checking off a box that there is a one-size-fits-all Weight Management Program doesn’t mean success will follow. It fails to consider medication adherence, severity of disease, nor behavioral factors that influence patient outcomes. We understand that no two members are the same and the conversations that we have with their respective providers will not be the same either.

EmpiRx Health deploys **the industry’s only population health management program** along with a best-in-class clinical concierge model for patients with complex healthcare needs:

- Our care management playbook tailored to your population, **delivers the right clinical and cost containment solutions for your plan.**
- Pharmacist-Physician engagement and complex care management are how we execute on the playbook.
- Our pharmacists review the clinical and financial risk factors of your population and go deep with physicians on the patients’ whole health—not just their dominant conditions. Pharmacists working directly with physicians as a part of the patient’s care team can influence healthier, more cost-effective drug selections for patients.
- Strategies used by our pharmacists deliver a very strong physician engagement **model with 88% in overall engagement and 64% therapeutic switch rate—both industry leading numbers.**
- We continually monitor the member’s treatment for safety and efficacy.
- Members with service or healthcare complexities are handheld by Member Care Advocates to ensure they receive the therapies and services they need.

At no additional cost, we provide an AlertRx News Flash that identifies critical findings and provides actionable recommendations that have a direct impact on, and save money for, the plan. It’s provided to SJVIA within 24 to 48 hours of critical activity, such as members being transitioned to medications, cured of conditions, or new drugs entering the market. **The AlertRx News Flash is the first proactive communication of its type in the industry.**