



Preferred **Partnership**

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Business Environment



Business Realities

- Emerging Competition
- Sequestration
- Partnering for Success
- Supply Chain Management

Health Care Profile

- Incentive Only
- Maintain Employee Choice
- Simplified Approach



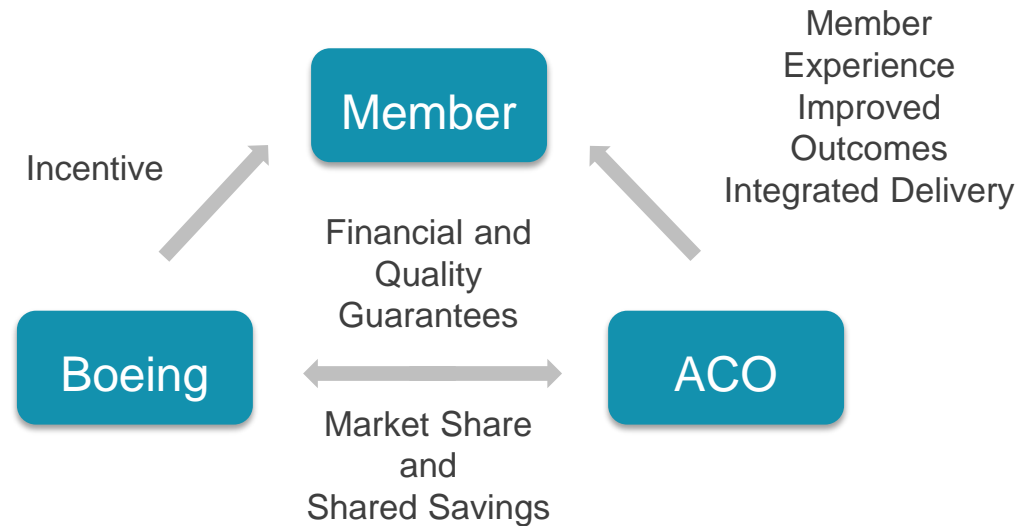
Overview of the Model

Preferred Partnership (ACO)

- Improved Quality
- Enhance Member Experience
- Reduce Cost

Delivery Goals

- \$2.5B in annual spend
- 500K lives covered
- 48 States



Puget Sound Approach

- Providence-Swedish Health Alliance and their partners
- UW Medicine Accountable Care Network and their partners

Key Contractual Issues



Improve Quality

- Clinical Outcomes (Blood Pressure, Statins, Diabetes)
- Preventative Screenings
- Health Status
- Member Satisfaction

Enhance Member Experience

- Guaranteed Access to PCPs and Specialists
- After hours care
- Call Center Triage
- Access to electronic Medical Records; Share Care Plans

Puget Sound Approach

- Aligned Financial Incentives
- Shared Savings with Quality Gates
- Medical, Prescription Drug and Behavior Health

ACO Plan Structure



Financial Incentives

- Lower Employee Premiums
- Higher Company Funded HSA
- \$0 Primary Care Copay
- \$0 Generic Drugs

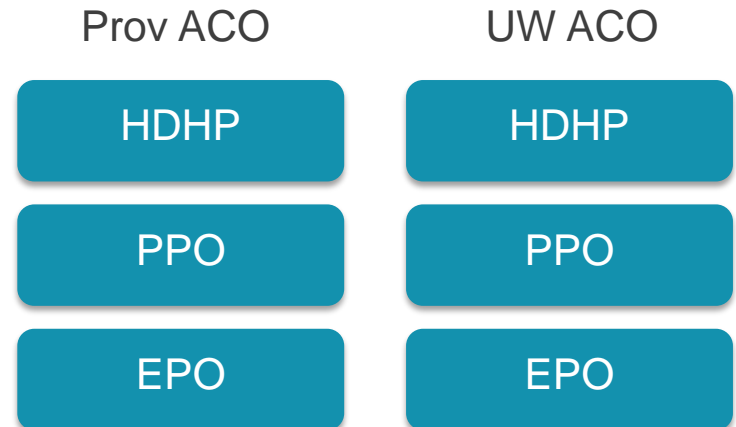
Plan Design

- ACO Network is 'In-Network'
- Existing Network for Ancillary
- No PCP Requirement
- No Gatekeeper

2014



2015



Early Learnings



Significant Work Effort — *Internal and external*

- Contracting
- Network Configuration
- Data Flow and Vendor Integration

Early Communication

- Provider Search Functionality
- Plan Design Incentives
- Member Experience
- External Communication

Care Transformation

- Embedded Medical Home
- Multi-Year Approach
- Transition of 'Centralized Programs' (e.g. Disease Mgmt.) to ACO
- Onsite/Near Site Opportunities

