

STRATEGIC AFFILIATION BETWEEN BLUE CROSS NC AND CAMBIA

A DIFFERENT APPROACH TO BETTER, SIMPLER, MORE AFFORDABLE HEALTH CARE



The health insurance industry has evolved rapidly in the past several years. Meeting consumers' needs and expectations takes a different approach. By sharing resources, innovation and best-in-class abilities, this new balanced affiliation will enable Blue Cross and Blue Shield of North Carolina (Blue Cross NC) and Cambia Health Solutions (Cambia) to offer individuals and families better, simpler and more affordable care.

BENEFITS

BUILDING ON WHAT EACH COMPANY DOES BEST:



A national leader in improving the consumer experience through innovation

Created HealthSparq, which serves nearly 70 million health plan members nationwide by delivering benefits-based cost transparency, identifying convenient provider locations and promoting high-quality providers so consumers can make better choices for their health.

Founded MedSavvy, which empowers consumers to make informed medication decisions alongside their physicians using report-card-style grades, cost information through an easy-to-use, mobile-optimized website.

Invested in and partnering with Livongo to empower people with chronic conditions like diabetes to live healthier lives through the use of personalized data insights.



A national model for transforming the way people pay for health care by focusing on higher quality and lower costs

Launched Blue Premier, one of the most advanced shared risk programs in the nation where Blue Cross NC and health systems are jointly responsible for better health outcomes, exceptional patient experience and lower costs.

Supporting independent primary care physicians in implementing value-based care models designed to deliver higher quality care and a better patient experience, at a lower cost.

Statewide participant in the ACA marketplace, where new value-based provider arrangements are helping drive a \$120 million reduction in medical costs in 2019.

TOGETHER, WE'LL DO MORE, FASTER:



BETTER

Investing in data analytics and new health technologies to close gaps in care, provide better health insights and identify at-risk members early to address health challenges.



SIMPLER

Providing individuals and their families with best-in-class experiences to help them get the right care, at the right time and at the right price. Together we will develop innovative products and services for customers that minimize the complexity of health care.

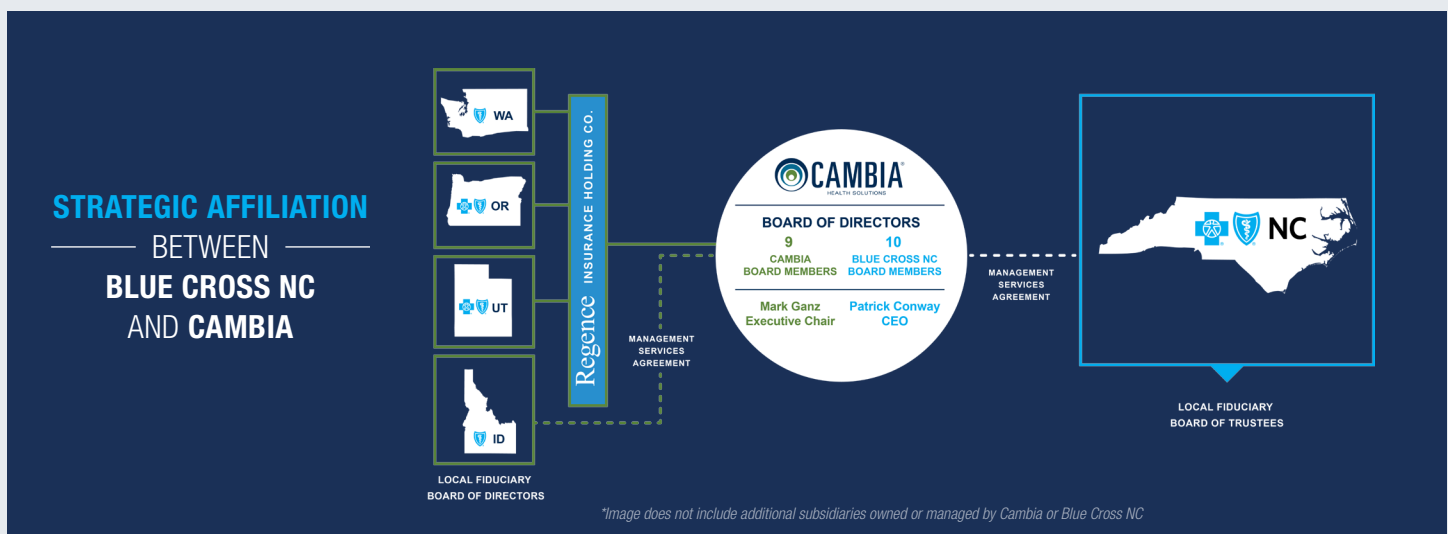


MORE AFFORDABLE

Leveraging our expertise, common management and increased resources to better address rising health care costs by engaging consumers, reinvesting shared savings and promoting broader adoption of value-based payment models.

STRUCTURE

Through this affiliation, Cambia and Blue Cross NC will enter into a long-term management services agreement, adopting best-in-class services from both companies. Specifically, the companies have agreed to share management, administrative, operational and other corporate services under the Cambia Health Solutions name. Cambia's Board of Directors will be made up of 10 members from Blue Cross NC's current Board of Trustees and nine members from Cambia's current Board of Directors. Blue Cross NC will retain its own separate Board of Trustees and name.



KEY FACTS

Cambia serves 2.6 million members in its regional health plans in Oregon, Washington, Idaho and Utah. The company serves an additional nearly 70 million people through its non-insurance health solutions. Cambia has close to 4,700 employees and has been in service for more than 100 years.

Blue Cross NC serves more than 3.7 million members. The company has over 4,700 employees and has been in business for 85 years.

LEADERSHIP

Mark Ganz will serve as Cambia's new Executive Chair of the Board. Patrick Conway will serve as Cambia's new CEO, and will remain CEO of Blue Cross NC. Working together, they will set the strategic direction of Cambia and ensure the alignment and success of a high-performing culture across the enterprise.

Ganz's roles and responsibilities as Executive Chair include, in part:

Chairing and leading the development of the reconfigured Cambia Board; and primary oversight of corporate development, Echo Health Ventures and Cambia's consumer platform.

Conway's roles and responsibilities as Cambia's new CEO include, in part:

Leading all aspects of the business and operations in all five states, including the senior management team, and all operating and capital allocation decisions.

WHAT WON'T CHANGE

Blue Cross NC and Cambia will remain tax-paying local not-for-profits.

The companies will maintain separate assets, capital and revenues. The affiliation will also maintain the existing corporate structures of both companies and retain their existing names.

The products sold in each state will be issued by the health insurance company in each state and be regulated in the state in which they operate.

Each health insurance company will still maintain its own contracts with providers and consumers.

Both companies will maintain their commitment to improving the health and well-being of their local communities, and their charitable foundations will remain locally focused.

Since the founding of the Blue Cross NC Foundation in 2000, it has invested in and taken on challenges such as food insecurity, rural access to care and early childhood development.

Founded in 2007, the Cambia Health Foundation invests in partnerships and initiatives that move health care from innovation to impact through a focus on advancing palliative care, improving children's mental and behavioral health and promoting health care equity and quality.

