

**Advancing Your Health
Care Connections**

**Commonwealth of Virginia
PPEA Conceptual Proposal**
April 2008

April 22, 2008

Mr. Dan Hinderliter
Director of Contracts and Finance
Department of Human Resource Management
101 N. 14th Street, 12th Floor
Richmond, Virginia 23219

Re: PPEA Phase I Conceptual Proposal

Dear Mr. Hinderliter:

Anthem Blue Cross and Blue Shield is pleased to submit a conceptual proposal for consideration under the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA). Also included, please find the required \$5,000 proposal review fee as well as a separate cover containing our financial proposal that we request be maintained confidential and exempted from public disclosure under the Freedom of Information Act (FOIA).

Anthem's conceptual proposal presents a distinctly different and innovative technological platform to improve the health of your employees, resulting in savings for the Commonwealth. We believe this proposal, in conjunction with the current benefit and program plans in place with the Commonwealth, creates a model health care partnership.

The theme of our proposal, Advancing Your Health Care Connections, stems from our firm belief that Anthem can help the Commonwealth of Virginia achieve new goals that are coming into view with the onset of new technologies and strategies. These goals include:

- **Introducing Clinically-trained Care Coaches**
- **Leveraging an Enhanced Information and Technology Platform**
- **Implementing Integrated Reporting Capabilities**

Our long-time partnership affirms our shared passion and commitment to achieve these goals for your employees, retirees, and their families. We look forward to hearing from you upon evaluation of the enclosed proposal.

Sincerely,

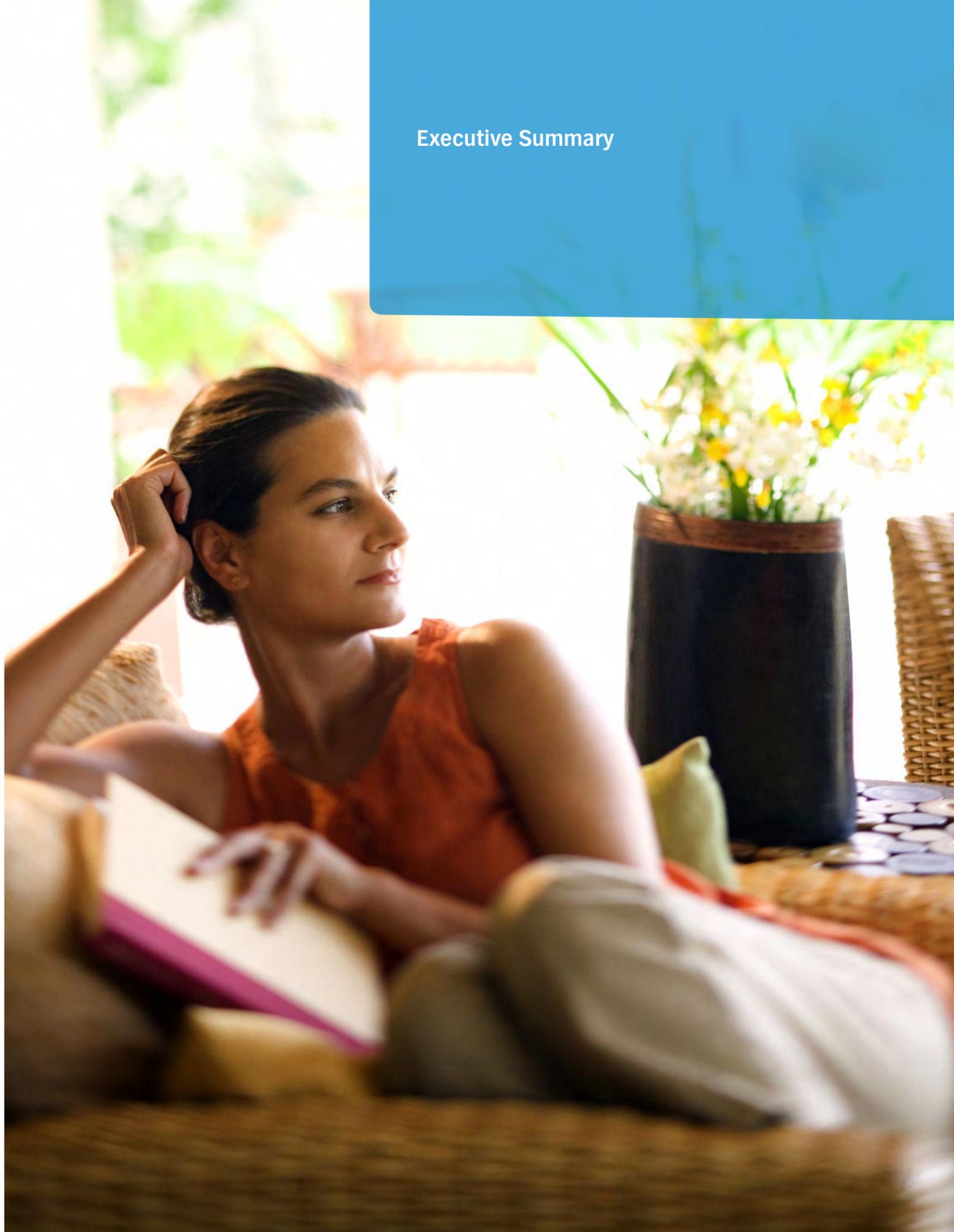


MacGregor T. Gould
Director of Sales and Marketing
State and Local Government Programs

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Executive Summary



Executive Summary

Anthem Blue Cross and Blue Shield is proud to be a partner with the Commonwealth of Virginia.

We have some exciting new ideas that promise to advance your health care goals, create better health and lower costs.

Anthem Blue Cross and Blue Shield is pleased to submit this project proposal for consideration under the Public-Private Education Facilities and Infrastructure Act (PPEA). Our proposed innovative solution will:

- **Introduce Clinically-trained Care Coaches**
- **Leverage an Enhanced Information and Technology Platform**
- **Implement Integrated Reporting Capabilities**

Our combined solution will elevate the engagement of active employees and their dependents.

The Commonwealth of Virginia and Anthem have enjoyed a 37-year history, and it is from this strong foundation that we deliver this proposal. Together we have provided access to quality health care and innovative programs and services to engage State employees and their families.

The Commonwealth of Virginia — A Leader in Improving Health

The Commonwealth of Virginia has taken a leadership stance in focusing on the health of Virginians. Both Governors Kaine and Warner have taken active roles in promoting healthy lifestyles and healthy decision making. The Healthy Virginians initiative reflects the commitment the Commonwealth has made to its residents. As an employer, the Commonwealth has demonstrated its leadership to its employees and their families through its commitment to offering the long-running CommonHealth program.

We are proud to be your long-standing partner in this cause. Our mission is to improve the lives of our members and the health of our communities. We find ourselves uniquely positioned to impact macro trends in health care, and from our vantage point, the greatest cost-savings opportunities lie in creating a “connected” environment where better health can be achieved.

Advancing Your Health Care Connections

New technology is now making it possible to go further, to leverage our extensive knowledge-base and infrastructure and to achieve a system of better health for the Commonwealth of Virginia employees.

These new technologies will make it possible to reach out to members individually, more effectively engaging them with messages and strategies tailored to them. Where Customer Service once had to paint with broader strokes, they can now see the nuances of every member’s health picture. Sophisticated analysis of health care data can more accurately identify those with greater needs, so a new team of Care Coaches can proactively reach out to help manage health challenges before they become costly or devastating.

How We Plan to Get There

We start by building upon the success of our Integrated Customer Service team – more than 100 Customer Service Representatives who are currently dedicated to the Commonwealth of Virginia and The Local Choice health benefits plan members. Over half of this team has a tenure of more than 10 years – they have a deep familiarity with your culture and have earned your employees’ trust, a trust that is not easily replicated.

We introduce a new team of Clinically-trained Care Coaches that will help navigate your employees and coordinate with our integrated Customer Service team. The Care Coach team will round out the deep and specialized expertise of our entire existing clinical staff already at work to ensure that all members from the healthy to those with complex health needs have access to help when they need it. Both the Customer Service Representative and the Care Coach will work in concert so that the member is supported proactively whenever and wherever they touch Anthem.

We leverage our Enhanced Information and Technology Platform - the cornerstone of this proposal, providing the service representatives and Care Coaches with access to expanded information about your employees. Advantages of our proposed platform include the compilation of information about your employees from a variety of channels that captures claims, risk assessments, wellness programs and other relevant data. This thorough member record allows your employees to receive compassionate, concierge-level service from our integrated Customer Care Center.

The enhanced technology provides other engagement opportunities not previously available to your employees. For instance, your employees won't have to surf the net alone. The enhanced platform will allow service representatives or Care Coaches to “co-browse” with them. Your employees can have a trusted, personal guide to help them learn and use all the tools and applications located on www.anthem.com/cova or www.anthem.com/tlc.

We are also investing heavily in improving our Integrated Reporting Capabilities through technology as well as an expanded Client Consulting team to help advise and interpret the results.

Why Anthem?

Anthem is a leader in the health care benefits industry known for our innovative approach. We offer a full portfolio of products, including medical, pharmacy, behavioral health, dental, vision, life & disability and employee assistance program (EAP).

We have the depth and breadth of data that surpasses our competitors. With more than 37 years of serving the Commonwealth and more than 2.9 million members in Virginia, we have the largest pool of claims data in the state.

Data analytics is increasingly important for employers to better understand opportunities to improve health outcomes, which can lead to cost savings. In support of this need, we have the advanced infrastructure and team of people to leverage these capabilities throughout the organization. In addition, HealthCore, our wholly-owned data analytics company provides more focused analysis and is positioned to identify these opportunities for the Commonwealth.

Our enhanced information platform includes a suite of programs and services that will create a comprehensive set of capabilities to identify and stratify the needs of members. These tools will allow delivery of information to Care Coaches who will proactively reach out to members and guide them in meeting their health care needs.

To further demonstrate our commitment to data analytics, our parent company has acquired Resolution Health. A personal health care guidance company, Resolution Health monitors the care of individual health plan members to identify actionable opportunities to improve quality and reduce cost. These opportunities are then communicated to members, physicians and other care managers in the form of personalized messages.

Our enhanced information and technology platform will allow us to collect and analyze the data captured through all points of contact to initiate outreach. In addition, an enhanced web-based dashboard summary will be made available to the Department of Human Resource Management (DHRM) to facilitate the Commonwealth’s analytics and reporting.

An Innovative Financial Solution

We are proposing a financial model designed to reward the Commonwealth and its employees as their ongoing health and wellness improve.

We are confident that the results will break new ground in engaging the Commonwealth’s employees and their families in their health; thereby, increasing patient safety, improving member health status and driving lower costs while still focusing on their satisfaction with Anthem’s services.

Committed to Our Community

Advancing Quality of Care in Our Communities

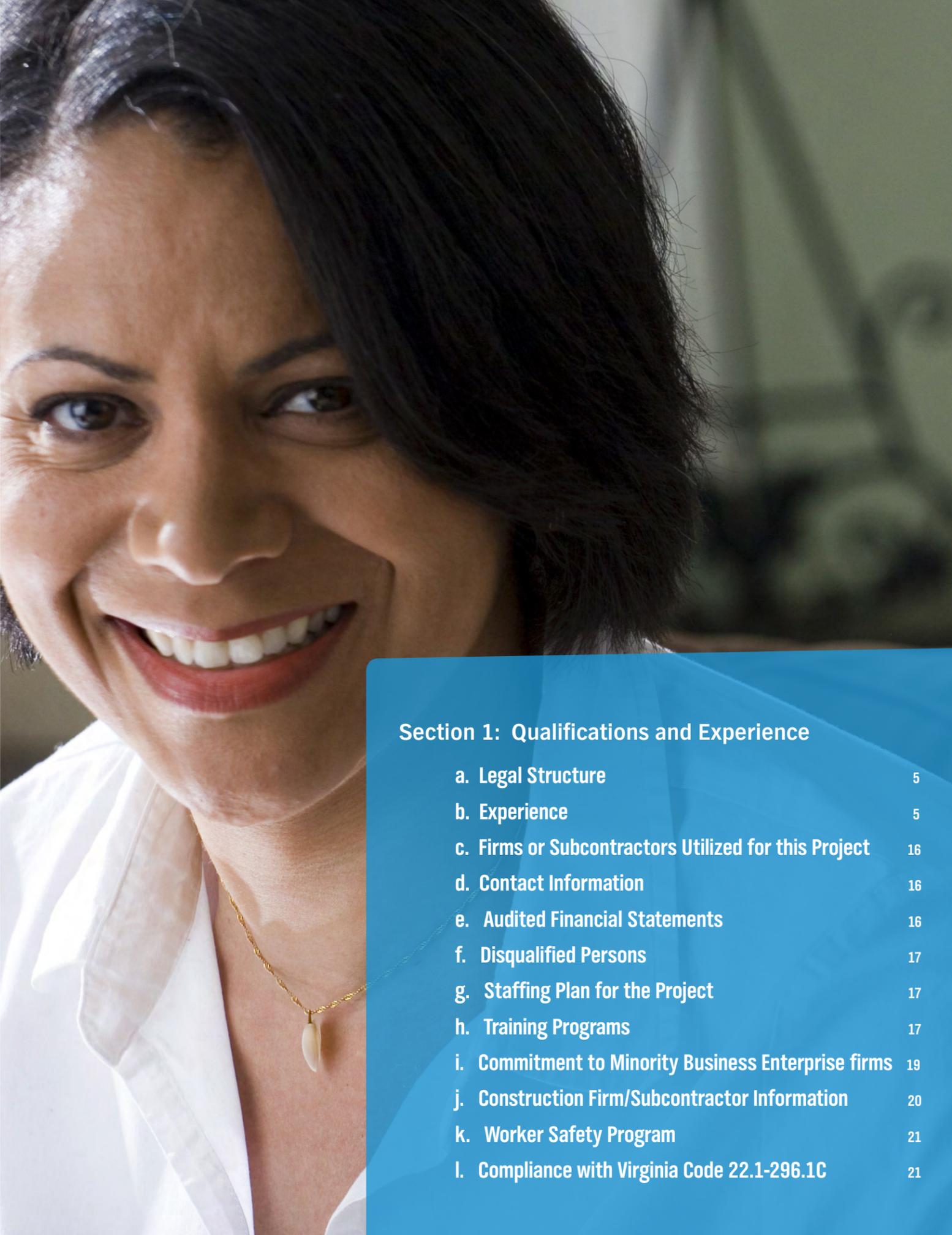
We are committed to the overall health of all residents of the state of Virginia as well as the other communities that we serve.

Our hospital pay-for-performance program, Quality-Insights: Hospital Incentive Program (Q-HIP), the first of its kind in the country, evaluates hospitals based on health outcomes, patient safety and patient satisfaction. The outcomes and safety measures are based on all-payor patient data. The program has yielded improved outcomes to the benefit of all Virginians including quicker “door-to-balloon” time and reduction in post-operative complications.

We are able to leverage the breadth and depth of member data to launch ground-breaking quality of care initiatives.

Our commitment to this mission is also demonstrated by our innovative Member Health Index (MHI) initiative, which will measure how our health improvement, care management and wellness programs are helping to improve the overall health of our members and the quality of care they are receiving.





Giving Back to Our Communities

Through their generosity of time, money and energy, our associates in Virginia live our mission through our annual Associate Giving Campaign which benefits qualifying nonprofit organizations throughout Virginia, including schools, churches, and civic charities.

During our 2007 campaign, associate pledges, combined with a 50 percent match from the Anthem Blue Cross and Blue Shield Foundation, resulted in donations of more than \$3.3 million to 938 nonprofits in Virginia.

Our associates devote significant time and talent supporting charitable activities through the United Way, and company-sponsored events that benefit causes such as the fights against cancer and heart disease, and efforts to help the medically underserved.

Our Foundation recently awarded two noteworthy grants to Virginia organizations:

- \$750,000 to the Virginia Association of Free Clinics for unrestricted operating assistance to member clinics across the Commonwealth
- \$300,000 to the Virginia Health Care Foundation to establish four new "Project Connect" sites in high-need communities to ensure that eligible children are enrolled in Medicaid and FAMIS.

Today, we have the opportunity to demonstrate our leadership in harnessing technology to connect. We consider it our duty to the Commonwealth of Virginia to continue reaching beyond what we are already accomplishing together, toward a health care future that serves your needs and the needs of your employees as never before.

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Section 1: Qualification and Experience



Advancing Your Health Care Connections through Leveraging Our Expertise

1. Qualification and Experience

- a. Identify the legal structure of the firm or consortium of firms making the proposal. Identify the organizational structure for the project, the management approach and how each partner and major subcontractor (\$1 million or more) in the structure fits into the overall team. All members of the offeror's team, including major subcontractors known to the proposer must be identified at the time a proposal is submitted for the Conceptual Stage. Include the status of the Virginia license of each partner, proposer, contractor, and major subcontractor. Identified team members, including major subcontractors (over \$5 million), may not be substituted or replaced once a project is approved and comprehensive agreement executed without the written approval of the responsible Agency.

Headquartered in Indianapolis, Indiana, WellPoint is an independent licensee of the Blue Cross and Blue Shield Association and serves its members as the Blue Cross licensee for California; the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as Empire BlueCross BlueShield in 10 New York City metropolitan and surrounding counties and as BlueCross or BlueCross BlueShield in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.), Wisconsin; and through UniCare. Additional information about WellPoint is available at www.wellpoint.com. Anthem is a down-stream subsidiary of WellPoint, Inc. operating in good standing under Virginia License 71835.

For more than 70 years, Virginians have counted on Anthem Blue Cross and Blue Shield (Anthem) for their health care benefits. Founded in 1935, Blue Cross of Virginia was the eleventh Blue Plan in the nation. By the close of the 1930s, Blue Cross of Virginia became a recognized symbol for Virginians. In October 1944, Blue Shield was established and developed their provider network by signing participating agreements with physicians. In 1946, the Blue Cross Plan and the Blue Shield Plan entered into an agreement to provide joint enrollment to subscribers and their families.

In addition to our local focus, we can leverage the resources of our parent company, WellPoint, Inc., which is the largest publicly traded health benefits company in terms of commercial membership in the United States. WellPoint serves over 34.8 million members across the country.

Through its nationwide networks, our parent company delivers a number of leading health benefit solutions through a broad portfolio of integrated health care plans and related services. Additionally, we offer a wide range of specialty products, such as life and disability insurance benefits, pharmacy benefit management, dental, vision, and behavioral health benefit services, as well as senior products and flexible spending accounts.

For additional information regarding the organizational structure for this project, please see our response in 1b.

b. Describe the experience of the firm or consortium of firms making the proposal and the key principals involved in the proposed project including experience with projects of comparable size and complexity. Describe the length of time in business, business experience, public sector experience and other engagements of the firm or consortium of firms. Describe the past safety performance record and current safety capabilities of the firm or consortium of firms. Describe the past technical performance history on recent projects of comparable size and complexity, including disclosure of any legal claims, of the firm or consortium of firms. Include the identity of any firms that will provide design, construction and completion guarantees and warranties and a description of such guarantees and warranties.

Our relationship with the Commonwealth of Virginia for more than 35 years best positions us to understand and meet your needs. In addition to this long-standing relationship, WellPoint is committed to the other state entities in which it operates. These relationships present a unique opportunity for Anthem and the Commonwealth to leverage best practices across the nation and better serve the health of the Commonwealth's employees.

Our local presence and national expertise create opportunities for collaborative programs that reward physicians and hospitals for clinical quality and excellence. The commitment we have to health improvement and care management provides added value to the Commonwealth's employees, their family members, and health care professionals – helping to improve both health and health care costs for the people we serve.

We currently serve three million members in Virginia, including those in numerous municipal accounts. Over the years, the scope of services and breadth of contracts that Anthem has provided to the Commonwealth has created a strong and enduring relationship. As one would expect from a long-standing and successful business relationship, the Commonwealth and Anthem have shared exceptional experiences and welcomed growth as we've worked together to meet the changing needs of the Commonwealth's employees, retirees, and their families.

In a broader light, we have worked to improve the lives of the citizens in this Commonwealth through shared community commitments and partnerships with providers, care givers, clinics, and more.

Today, Anthem serves approximately 267,000 Commonwealth of Virginia members through the Active, The Local Choice (TLC) and Retiree plans. During our relationship with the Commonwealth, we have remained steadfast in our commitment to you and your employees. Your employees, retirees and their families are the beneficiaries of unprecedented customer service; and as a result, we have forged a foundation of trust. As such, we also know it is a trust we must continue to earn.

Anthem administers a full suite of health plans and care management programs to address the needs of your employees and retirees. Our current health plan offerings include:

State Employees and Early Retirees

- COVA Care (PPO plan)
- COVA HDHP (PPO High-Deductible Health Plan/HSA compatible)

State Medicare-Eligible Retirees

- Advantage 65
- Medicare Complementary
- Medicare Supplemental

The Local Choice Employees and Early Retirees

- Key Advantage Expanded, 200, 300 and 500 (PPO plans)
- TLC HDHP (PPO High Deductible Health Plan/HSA compatible)

The Local Choice Medicare Eligible Retirees

- Advantage 65
- Medicare Complementary

The Commonwealth and The Local Choice Active Employees – Care Management programs:

- **ConditionCare:** Disease management programs for chronic conditions including asthma, diabetes, coronary artery disease (CAD), heart failure and chronic obstructive pulmonary disease (COPD).
- **Vascular at Risk:** Hypertension, hyperlipidemia, obesity and metabolic syndrome are prevalent and potentially life-threatening conditions associated with an increased risk of CAD, diabetes, stroke, peripheral vascular disease, and peripheral artery disease.
- **Future Moms:** Maternity management program for prenatal and postpartum care. The program offers proactive management of expectant mothers who are identified as being at risk for premature birth and other maternity health issues.
- **24/7 NurseLine:** Provides members with round-the-clock access to Registered Nurses trained to address common health care concerns such as medical triage, education, access to health care, diet, social/family dynamics and mental health issues. The program also provides an after-hours and weekend resource for members engaged in our programs who need assistance or reinforcement.

Dedicated Account Management Team

In addition to the programs and plans we offer to the Commonwealth, we can help you advance your health care connections through our dedicated account management team.

As you will see in the following section, Anthem offers you a group of individuals with the experience and education to provide you superior service for all aspects of administering health care benefits. And, with this team in place, we can successfully implement a new model integrating new information platforms, enhanced customer service and customized financial solutions. A key component of this team will be the Care Coaches, who will proactively reach out to members to help them manage health challenges before they become costly or devastating.

Key Innovations

1990
Launch of unprecedented TLC program

1990
Anthem administers new COVA Medicare plans

1992
TLC Program adds PPO plan

1997
Anthem administers Advantage 65 plan

1998
COVA adds Condition-Care program

1999
CAD and CHF added to ConditionCare

2003
Anthem creates one ID for all COVA Care vendors

2004
COPD added to ConditionCare

2005
COVA adds Vascular at Risk

2006
COVA awards HDHP to Anthem

2007
COVA adds 24/7 NurseLine

2008
dLife and Weight Watchers pilots launched

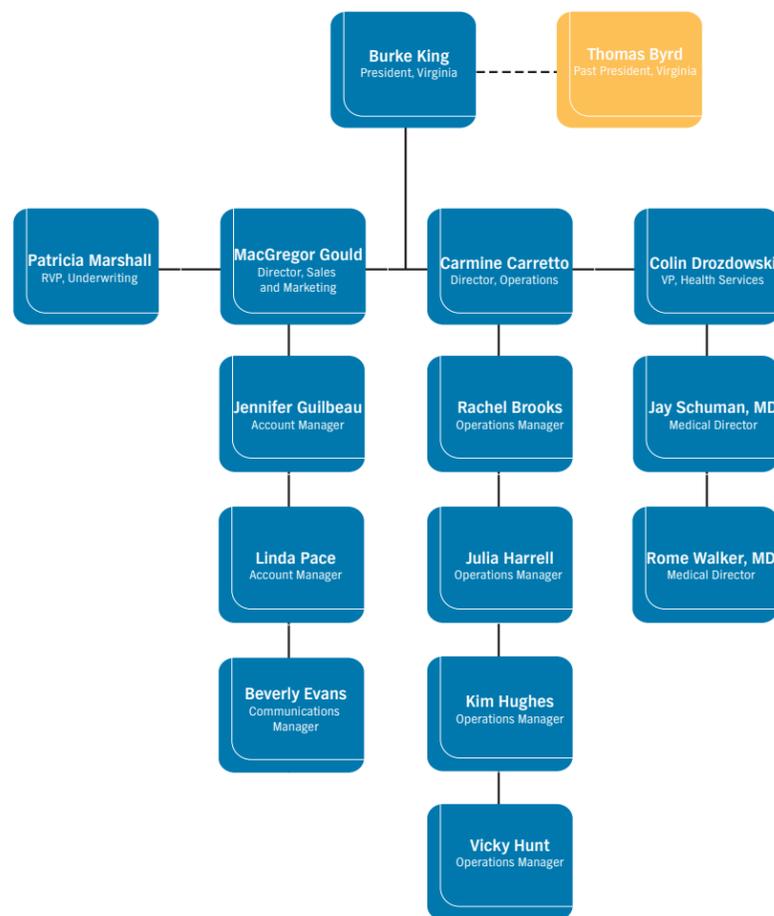
MacGregor Gould, Account Director, has been dedicated to the Commonwealth account since 2005. He currently serves as the overall leader for the Commonwealth account, with ultimate responsibility for all aspects of supporting the Commonwealth's interaction with Anthem. Upon acceptance of this proposal, he will also be responsible for the deployment of this project and managing all Anthem staff working on this account.

Supporting the account management team led by MacGregor, the Commonwealth leverages:

- A dedicated Customer Service team led by Carmine Carretto, Director of Operations;
- An underwriting team led by Regional Vice President of Underwriting, Patricia Marshall
- A health care services team led by Vice President of Health Services, Colin Drozdowski and Medical Directors, Jay Schukman, M.D. and Rome Walker, M.D.

This combined dedicated team has the full support of the local Virginia Executive Leadership Team led by Burke King, Virginia Plan President. Burke has support from our enterprisewide leadership, including Angela Braly, WellPoint President and CEO. An organization chart and biographies of those who are dedicated to supporting the Commonwealth account are included on the following pages.

The Commonwealth Team



C. Burke King, President & General Manager, Anthem Blue Cross and Blue Shield, Virginia

Burke King is President & General Manager of Anthem Blue Cross and Blue Shield in Virginia. Burke joined the company in 1992 and has a proven track record of building strong teams to deliver results. He has served the Virginia market in a number of leadership positions, including Vice President, Virginia Individual, Senior and Small Group Markets, President of the Virginia HMO subsidiaries and Vice President, Physician Network Management.

Prior to assuming the Virginia President position, Burke was in an enterprise role serving as Vice President, Product Management, Product Development and Segment Innovation for WellPoint's Individual business across all 14 Blue Cross and Blue Shield states.

Burke serves on the Virginia Association of Health Plans Board of Directors and Executive Committee. His keen understanding of both our business and the environment in which we operate make him a proven asset for the Commonwealth. Burke will continue our strong emphasis on putting the customer first.

Burke is a lifelong Virginian and a native of Gloucester County. He received undergraduate degrees in Economics and French from Hampden-Sydney College and holds a Master's of Business Administration degree from The College of William and Mary.

Thomas R. Byrd, Past President, Anthem Blue Cross and Blue Shield, Virginia

Tom Byrd served as President of Anthem Blue Cross and Blue Shield in Virginia until April 2008. He continues to support Burke King during a brief transition period into Burke's new role as President. Tom's assistance includes guidance for the operational and financial performance of the company's Virginia business.

When Anthem Inc. merged with WellPoint Health Networks Inc. in November 2004 and was subsequently renamed WellPoint, Inc., Tom was serving as president of Anthem Specialty Business. In this capacity, he was responsible for the company's pharmacy benefits management, behavioral health, dental, vision, and life business units.

Tom served as senior vice president and chief financial officer of Trigon Healthcare Inc. from 1997 until Trigon was acquired by Anthem Inc. in 2002.

Before joining the company in 1991, Tom was a senior manager with the public accounting firm KPMG LLP.

As an active member of our community, Tom serves on the following boards: Virginia Tech's Accounting Advisory Board, Impact Richmond, and Cross Over Ministry. Tom earned a Bachelors of Science, summa cum laude, in business from Virginia Polytechnic Institute in 1980.

MacGregor T. Gould, Director, Sales & Marketing - State and Local Government Programs

MacGregor Gould is Director of State and Local Government Programs for Anthem Blue Cross and Blue Shield in Virginia. In his current role, MacGregor manages the Commonwealth of Virginia account, the largest account in Virginia and fifth-largest among all of Anthem/WellPoint's 35 million members. Additionally, he is responsible for the Inmate Medical Services Program representing approximately 90% of the inmate population in Virginia.

Prior to his current position, MacGregor advised the Virginia Medicaid program at Anthem, leading much of the January 1, 2006 merger of UniCare Medicaid members into the Anthem Medicaid HMO.

As a member of the Anthem Virginia leadership team, MacGregor provides regular direction to ensure the Commonwealth of Virginia's interests are kept at the forefront of Anthem's focus and strategic development. Additionally, MacGregor serves as Chair of the Virginia Associate Giving Campaign which raised over \$3.3 million dollars in 2007 for Virginia charities.

Before joining Anthem in 2005, MacGregor spent six years at Capital One Financial, leading supply chain relationships with marketing vendors as well as serving as Partnership Operations Director. In these roles, MacGregor gained significant account management expertise as well as extensive knowledge in financial valuation and data analytics.

MacGregor holds both a Bachelor of Arts degree and Master's of Business Administration degree from The College of William and Mary in Virginia.

Jennifer L. Guilbeau, Account Manager III - State COVA Care Program

Jennifer Guilbeau is the Account Manager of the State's COVA Care health plan for Anthem Blue Cross and Blue Shield in Virginia. She is an expert of the COVA Care contract and is responsible for managing the day-to-day activities of the account.

Prior to her current position, Jennifer has seven years of experience with Anthem in roles ranging from Marketing Communications, to Marketing Strategy, to Sales. During that time, she helped transition the company's brand through multiple mergers; was responsible for managing business-to-business direct mail programs for specialty products to select markets; and supported the retention of local and national employer groups with up to 10,000 health plan members. During her four years in Sales, she was a member of the Retention Plus Club each year and in 2006, she and her account partner were awarded top retention team in the state.

Additionally, Jennifer served on the 2004 United Way Committee; and for the past four years has been a part of the Anthem Gurney Tourney Fundraiser Team to raise money for Richmond's Hospital Hospitality House and Virginia Commonwealth University's Pediatric Cancer Research Fund.

Before joining Anthem in 2001, Jennifer was a marketing manager for a conference and trade show company in Richmond and for an incentive marketing company in Georgia. In these roles, she increased her companies' market presence and credibility by cultivating relationships with industry associations, publications, and exhibitors. She also created, directed, and managed customized dealer/sales incentive promotions for Fortune 500 clients.

Jennifer is a graduate of the University of Georgia with a Bachelor of Arts in Journalism.

Linda K. Pace, Account Manager III - The Local Choice Program

Linda Pace is the Account Manager for The Local Choice program, an integral part of the Commonwealth of Virginia contract serving numerous municipalities and local governments throughout Virginia. Additionally, she is responsible for the Inmate Medical Services Program representing approximately 90% of the inmate population in Virginia.

Linda joined Anthem in October of 2001 as an Account Executive in the large group local market. Prior to her current position, Linda worked in Large Group Underwriting. She joined the Commonwealth team in July of 2006.

As the Account Manager of The Local Choice program, Linda works closely with the team at the Department of Human Resources to strategize for the long-term success of the program. She also works closely with the Anthem Sales force, which is directly responsible for marketing the program across the state. The Local Choice program is currently comprised of 237 individual groups statewide.

Before joining Anthem, Linda worked for two different competitors and has been in the health insurance industry since 1994.

Linda earned a Bachelors of Science degree in Finance from Virginia Tech in 1991.

Beverly A. Evans, Manager, Marketing Communications - State and Local Government Programs

Beverly Evans is Marketing Communications Manager reporting to the Director of State and Local Government Programs for Anthem Blue Cross and Blue Shield in Virginia. She has provided communications expertise and support for the Commonwealth of Virginia account for 16 years.

As Communications Manager, Beverly is responsible for developing the communications strategy and content for all products and programs offered through Anthem to the Commonwealth. Her tenure yields invaluable experience and strong relationship bonds. Her role also requires constant evaluation of the effectiveness and appropriateness of communications in light of the ever-changing nature of the Commonwealth's needs and the health care industry.

Beverly's commitment to fostering partnerships with the Commonwealth's Healthy Virginians and CommonHealth wellness initiatives promotes synergies and integration of the state's many wellness initiatives. Beverly also manages communications for the state employee disease management programs. She leads special wellness initiatives created specifically for the Commonwealth account.

Recent initiatives include the Take Care Road Show to promote wellness and preventive care benefit to state employees; promotion for the Commonwealth's Weight Watchers partnership; a pilot "birthday card" mailing reminding employees to get their mammogram and colonoscopy screenings; and creation of the "wellies" - wallet cards showing employees their wellness and preventive benefits at a glance and reminding providers that these benefit are covered at 100%.

Recently, Beverly was named Communications Committee Chair for Anthem's Live Well Feel Well associate wellness program. This exposure has direct benefit to the Commonwealth account through the exchange of ideas and best practices to improve employee engagement in wellness activities.

Beverly began her career at Anthem in 1989 directing the Marketing Communications Department in Richmond. She holds a Bachelor of Arts in Mass Communications/Advertising from Virginia Commonwealth University.

Carmine J. Carretto, Director of Customer Care for State and Local Government Programs

Carm Carretto directs customer care for State and Local Government Programs and Group Business in Virginia and Georgia. This includes both PPO and HMO contracts for the Group business. In his role serving the Commonwealth of Virginia, Carm directs the multi-functional unit handling the Commonwealth's customer service needs of the account.

He has played a key role developing both strategic and tactical direction to achieve improved service levels, including authoring and implementing the "One Touch" service strategy. Having a passion for process improvement and a deep understanding of production management, Carm uses these skills to constantly push service to new, higher levels.

Carm has been at Anthem for seven years. Prior to coming to Anthem, he spent several years working with the Blue Cross and Blue Shield Plan (Excellus) in Rochester, New York. During his career at Excellus, he spent 20 years in Finance, playing a major role in financial reporting and operating cost controls. He also spent seven years in Operations where he directed both claims and customer service areas for both the HMO and PPO networks.

Carm has a Master's of Business Administration degree from the William E. Simon School of Business at the University of Rochester. He graduated with a focus on operational management and statistical analysis.

Rachel E. Brooks, Multi-functional Customer Care Manager II - State and Local Government Programs

Rachel Brooks has been with Anthem for 15 years where she started as a multi-functional customer service representative in the Commonwealth of Virginia unit. During her tenure, Rachel has managed multiple operation areas, worked in project management, contributed to the creation of Anthem's intranet protocol, and helped to establish common reporting of metrics. She currently manages the Commonwealth's Case Administration team, the Commonwealth's Coordination of Benefits Unit, as well as a team of call and claims customer service associates.

Rachel majored in History and Politics at Randolph-Macon Woman's College. While at Anthem, she completed her Master's degree in Business from Averett University.

Julia T. Harrell, Customer Care Manager II – State and Local Government Programs

Julia Harrell has been with Anthem for six years. She has 16 years of customer service and call center management experience. Julia leads a team of multi-functional customer service associates. She manages day-to-day operations of call, claim, and written inquiry processing to ensure the consistent delivery of distinctive service to the Commonwealth.

Julia participated on the implementation team for the Associate Scorecards Program, which measures customer service performance. She played an integral role with the "One Touch" service workgroup and continues to represent Virginia on other service initiatives, including the weekly member survey. Julia also serves as a mentor to new managers in the Commonwealth organization.

Julia holds a Bachelor of Arts degree in Urban Studies from The College of Charleston.

Kim H. Hughes, Service Operations Manager – State and Local Government Programs

Kim Hughes has been with Anthem for five years. She brings more than 15 years of customer service and call center management experience to the organization. Currently, she leads a team of multifunctional associates in the Commonwealth business unit who are responsible for telephone calls, claims, and written inquiry processing.

Kim has worked on several projects that are directly related to providing world-class service to our members. Additionally, she has successfully completed LeaderVision, a management-training program.

Prior to joining Anthem, Kim worked with Capital One where she gained experience in corporate training and outsourcing strategies. She received a degree in Fine Arts from Virginia Commonwealth University.



Vicky E. Hunt, Customer Care Manager II – State and Local Government Programs

Vicky Hunt has 29 years of experience with Anthem and more than 18 years working specifically with the Commonwealth of Virginia. Vicky leads a multi-functional team of associates responsible for processing claims and answering telephonic inquiries for the Commonwealth. Her team also includes two Excess Loss Specialists who review large dollar and transplant claims for the account.

Vicky began her career with Anthem as a customer service representative and held positions as Training Specialist and Operations Analyst before becoming a manager. Prior to moving to the State and Local Government Program, Vicky managed the Provider Inquiry, Group Administrator Support and Executive Inquiry functions.

Vicky majored in Classical Studies and Education at the University of Mary Washington (Mary Washington College), from which she holds a Bachelor of Arts degree.

Colin S. Drozdowski, Vice President of Health Services

Colin Drozdowski is Vice President of Health Services and leads Virginia's network development and oversees case management, behavioral health, network profiling, health care information and clinical quality. In addition to his responsibilities for Anthem in Virginia, Colin is leading the efforts for national contracting in the WellPoint companies.

Colin has been within the Blue Cross and Blue Shield system for over 15 years serving in a variety of capacities in Ohio, West Virginia, and Virginia. He moved to Virginia from Mountain State Blue Cross Blue Shield in West Virginia where he was Executive Director, Super Blue HMO and Health Services. In July 2000, he joined the Virginia Blue Cross and Blue Shield as Vice President of Medical Informatics responsible for provider profiling, health care research, and fee schedule reimbursement and administration.

In 2001, Colin was appointed Vice President of Medical Informatics and Physician Network Management with additional responsibilities for statewide professional provider contracting and network development. Next, Colin became Vice President, Provider Network Management. This new role added responsibilities for professional provider contracting, facility contracting, and ancillary network development.

In addition, he has led the business aspects for the Virginia plan's provider portal and their Quality Insights pay-for-performance incentive programs. In 2004, as a result of Anthem's acquisition of WellPoint, Colin became Vice President of Network Development. A reorganization in 2006 led to Colin's current position as Vice President, Health Services.

Prior to entering the health care industry, Colin was employed with the Federal Reserve Bank of Cleveland, where he supported their economic research efforts.

Colin has two degrees in economics, including a Master's degree from Cleveland State University and a Bachelor's degree from Hiram College in Ohio.

Jay Schukman, M.D., M.Sc. Medical Director & Manager of Health Care Management

Dr. Schukman has been with Anthem Blue Cross and Blue Shield in Virginia since 1999 and is currently Manager, Medical Director. From 1994 to 1999 he was Medical Director for a physician-owned health plan associated with the Kansas Medical Society. Prior to that, Dr. Schukman was in the private practice of family medicine for 16 years in Great Bend, Kansas, from 1978 to 1994.

He has been responsible for overseeing utilization management, disease management and quality management programs for the Commonwealth of Virginia. He participates in leading the strategic implementation of improving the health of your employees and their families.

With respect to his direct impact to supporting the Commonwealth of Virginia, his primary responsibilities also include:

- Improving access to and usefulness of health improvement tools
- Contributing to development of Medical Management and Quality Management strategies
- Communicating medical management trends and recommending responses or solutions to address those trends
- Contributing to efforts to establish effective physician and hospital quality and cost profiling and education.

He obtained his medical degree from the University of Kansas in 1975 and completed a residency in family medicine in 1978 at the Kansas University Medical Center in Kansas City, Kansas. He completed a master's degree in administrative and preventive medicine at the University of Wisconsin at Madison in 1994.

Rome H. Walker, M.D., Medical Director, Health & Preventive Services

Dr. Walker is currently the Medical Director for Health & Preventive Services for Anthem Blue Cross and Blue Shield in Virginia. Prior to coming to Anthem, he was the Chief Medical Officer for Carilion Health Plans, a managed care company in Roanoke, Virginia.

Dr. Walker received his undergraduate training in economics at Ohio Wesleyan University and his medical degree at West Virginia University School of Medicine. He completed a residency program in General Surgery through Roanoke Memorial Hospital and the University of Virginia. Dr. Walker is board certified by the American Board of Surgery and practiced general surgery for 24 years.

Dr. Walker has over 20 years of managed care experience. His current areas of responsibility include employer group reporting and health promotion in Virginia, and he is the clinical lead for Performance Based Incentive Programs for hospitals and physicians for WellPoint.

Patricia K. Marshall, Regional Vice President of Large Group Underwriting

Patty Marshall manages local large group business, which includes the Commonwealth of Virginia account. As such, she is responsible for over 880 customers (employer groups) covering almost 500,000 lives.

Prior to her current position, Patty spent more than 19 years in various roles in underwriting, and more than six years managing National Accounts, Major Accounts Marketing (1,000+ lives) and managing a cross-functional team that included Sales, Operations and Underwriting. She has been supporting the Commonwealth of Virginia account for over 20 years.

As a member of the Anthem Virginia leadership team, Patty provides an in-depth understanding of underwriting methodology and risk management with a demonstrated ability to monitor and influence profitability of renewal and proposal business.

Patty is a member of several professional organizations which include: Group Underwriters Association of America, National Association of Health Underwriters, Virginia Association of Health Underwriters and the Blue Cross Association.

Patty holds a Bachelors of Science degree from Longwood College in Virginia.

Dedicated Customer Service

Commonwealth of Virginia employees have access to service via a unique single toll-free number. A dedicated multi-functional team of over 100 customer service representatives support your specific benefit programs and offerings.

We are proud to acknowledge that more than half of the Commonwealth team has been serving this account for 10 or more years. Our “One Touch” service model for fully integrated customer service delivery allows representatives to master the complexity of this unique account.

Knowing the Commonwealth – its custom plans and integrated systems (claims, medical management, customer service, electronic enrollment and other vendor’s systems) – gives a level of service that cannot be easily replicated.

In addition, an advanced team of experts is dedicated to assisting frontline associates with research and in-depth questions related to the health plans. Finally, Anthem provides an onsite customer service liaison to the Commonwealth to assist with benefit questions and specific account requests.

This dedicated unit consistently sets the bar for our entire company’s customer satisfaction results. On average, these dedicated customer service associates process approximately 4 million claims per year and answer approximately 215,000 member calls per year. In aggregate, our claims payment accuracy is greater than 99%.

Because of our record and proven ability to exceed service and quality goals, your employees and their families, our members, trust our team to help them with everything from claims, to explaining benefits, to partnering with their provider, and coordinating with the other plan administrators who participate in the health plans. Our proposal looks to leverage this relationship and experience in an enhanced care coordination model. This is a relationship that we look forward to maintaining for years to come.

- c. For each firm or major subcontractor (\$1 million or more) that will be utilized in the project, provide a statement listing all of the firm’s prior projects and clients for the past 3 years with contact information for such clients (names/addresses /telephone numbers). If a firm has worked on more than ten (10) projects during this period, it may limit its prior project list to ten (10), but shall first include all projects similar in scope and size to the proposed project and, second, it shall include as many of its most recent projects as possible. Each firm or major subcontractor shall be required to submit all performance evaluation reports or other documents in its possession evaluating the firm’s performance during the preceding three years in terms of cost, quality, schedule, safety and other matters relevant to the successful project development, operation, and completion.

This question is not applicable. No major subcontractors are being directly utilized or being specifically procured for the development of this project; however, WellPoint does engage with a number of subcontractors during the normal course of business.

- d. Provide the names, addresses, and telephone numbers of persons within the firm or consortium of firms who may be contacted for further information.

MacGregor Gould, Director of Sales and Marketing for State and Local Government Programs will continue to be the Commonwealth’s central point of contact. MacGregor is located at 2015 Staples Mill Road, Richmond, Virginia 23230. MacGregor can be contacted via phone at (804) 354-3915 or e-mail at macgregor.gould@anthem.com

- e. Provide a current or most recently audited financial statement of the firm or firms and each partner with an equity interest of twenty % or greater.

A copy of our most recently audited financial statements have been provided with our submission.

- f. Identify any persons known to the proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the project pursuant to The Virginia State and Local Government Conflict of Interest Act, Chapter 31 (§ 2.2-3100 et seq.) of Title 2.2.

Anthem is not aware of any persons to be identified with the project pursuant to The Virginia State and Local Government Conflict of Interest Act, Chapter 31.

- g. Identify proposed plan for obtaining sufficient numbers of qualified workers in all trades or crafts required for the project.

Anthem has a team of experienced and qualified professionals across the enterprise to implement this proposal.

There are over 100 dedicated Commonwealth of Virginia customer service associates located in Richmond, Virginia as well as a fully dedicated account management team. Anthem anticipates hiring additional nurses in Virginia to serve as Care Coaches that will work in tandem with the existing dedicated team. As such, Anthem is well positioned to support the project being proposed. We currently have the team of technology staff to implement this proposal.

- h. Provide information on any training programs, including but not limited to apprenticeship programs registered with the U.S. Department of Labor or a State Apprenticeship Council, in place for employees of the firm and employees of any member of a consortium of firms.

Customer Service Representative Training

Under the multi-functional member support model currently in place for the Commonwealth account, Customer Service Representatives (CSRs) are trained both in claims processing and customer service. Customer advocacy training for CSRs begins with our hiring process. Once hired, CSR trainees begin a 16-week training program. This is a combination of comprehensive technical training that focuses on systems proficiency, claims and medical management training, and on customer interaction skills.

In addition, trainees have the opportunity to adjudicate claims in a production setting. In this environment, they are exposed to a variety of claims and processing scenarios. Trainees’ performance is monitored and audited daily to track progress.

This model enables the CSR to provide comprehensive “One Touch” service to our customers. When a customer calls, the CSR is able to do all of the required research to answer questions regarding benefits, claims and Explanation of Benefits (EOBs).

Enhanced CSR Training

In support of the technological enhancements being detailed in our conceptual proposal, Anthem will provide an even higher level of training and coaching to the Commonwealth's dedicated CSRs. As described in detail in Section 2, Project Characteristics, these CSRs will have access to a more comprehensive portrait of a member's care and interactions with Anthem.

With this enhanced level of information, CSRs will be able to engage callers even more effectively, thus ensuring the members are receiving the full breadth of services available to them.

Care Coach Training

Our Care Coaches, who are all experienced registered nurses, undergo a four-week orientation/training period to develop additional skills not typically acquired in a health care setting such as adult learning theory, telephonic assessment, motivational interviewing, and behavior change theories and strategies.

Classroom and on-the-job training are combined for at least one week of supplemental education from assigned mentors. Quality monitoring and assessment of staff is a continual process to ensure adherence to policies and procedures and to ensure deployment of effective motivational management, health education, clinical intervention, and consistency in delivery of protocol-driven programs and services.

The nurse care managers can take advantage of continued education training offered throughout the year. They are also required to maintain state licensure and complete any educational requirements based on the state requirements. In-service education is provided to all staff and continuing education units (CEU) are delivered to support and maintain licensure. Incentives for advancing their education, achieving certifications (such as certified diabetes coordinator), and other related specialty designations are also provided.

Motivational interviewing and incorporation of motivational change strategies and theories are integral to the management of participants and is a key driver to improvement in outcomes and improved health status of the individual. We have invested heavily in motivational interviewing and have incorporated these techniques into our systems and training for our staff to support the Commonwealth participant behavior modification. We believe this differentiates us in the marketplace.

On average, Anthem nurse care managers have over eight years of clinical nursing experience. All Anthem nurses have documented patient education experience and possess superior interpersonal communication skills. Qualifications include:

- RN license (BSN preferred)
- Three-plus years of clinical nursing experience in multiple settings
- Excellent clinical assessment skills
- Superior communication skills
- High level of independent thinking and judgment
- Understanding of the health decision-making process
- Proficient computer skills
- Experience specifically related to diabetes, asthma, COPD, heart disease, and/or maternity

- i. Provide information on the level of commitment by the firm or consortium of firms to use Department of Minority Business Enterprise certified firms in developing and implementing the project.

Anthem remains committed to the Commonwealth in achieving our common goals of workforce and supplier diversity for all projects; the plan detailed in this proposal is no exception. Anthem's dedication to diversity is a vital thread woven throughout our corporate "community." Most recently for 2008, DiversityInc magazine, the leading publication on corporate diversity, announced that our parent company made its annual list of the Top 50 Companies for Diversity.

The DiversityInc Top 50 list is increasingly competitive. A total of 352 companies participated this year, up 10 percent from last year and up 100 percent since 2003. Companies apply by submitting answers to more than 200 detailed questions. Those organizations that earn a spot in the list have consistently demonstrated strength in four key areas: CEO commitment, workforce diversity, corporate and organizational communications, and supplier diversity.

"It is an honor for WellPoint to be recognized by DiversityInc magazine. This is the most prestigious acknowledgement in corporate diversity, and we are thrilled to be back in the top 50 list, which we also made in 2006," said Linda Jimenez, Chief Diversity Officer.

"This is a very visible proof of the impact of our efforts to improve our company's diversity capability. As an organization we believe that the ability to attract and retain a world-class workforce means reaching out to all available talent pools — women, minorities, people with disabilities, veterans, etc. — in addition to the mainstream talent segments, and successfully incorporating them into our organization, so they have opportunities to grow, and WellPoint has the opportunity to leverage their talent. That's why we are making deliberate decisions to move diversity forward in our organization and, increasingly, we are being recognized for those efforts. This award in particular will help us continue building our reputation as an employer of choice for diversity."

At Anthem, we recognize the importance of diversity. We are committed to being a valuable member of the communities in which we live and operate, with diversity being an important part of that commitment.

In addition, through our Supplier Diversity Program, we are dedicated to diversifying our supplier base to include minority-owned, women-owned and disabled veteran-owned businesses wherever possible. We actively work to include diverse suppliers in every bidding opportunity because it's important and the right thing to do.

Our supplier diversity initiative is one of the building blocks that support WellPoint's overall success. We look forward to continued growth in our program. For 2007, as an enterprise, Anthem and our parent company affiliates paid more than \$968,000,000 to minority-owned, women-owned and small businesses. Small business accounted for 90% of that spend. Payments to minority-owned and women-owned business represent about 11% and 22%, respectively. Please note that some of the minority-owned and women-owned businesses are also included in the small business designation.

Additionally, we were ranked 14th among the "Top 50 Companies for Diverse Managers to Work." The list was published by DiversityMBA magazine, a niche publication targeting people of color and women with MBAs, students, professionals and the business community in general. The 2008 Top 50 Companies list showcases companies that make a strategic effort to implement diversity strategies for managers of diverse backgrounds to excel and develop into the executive ranks.

Anthem has also been recognized by various groups for its charitable work and efforts to ensure that as many Virginians as possible have health care coverage. These awards include:

- Virginia Health Care Foundation's NETworthy Award: The NETworthy Award was created to recognize a person or organization whose efforts have been noteworthy in growing and

strengthening Virginia's health care safety net. On May 10, 2007, Governor Tim Kaine presented Tom Byrd, president of Anthem Blue Cross and Blue Shield in Virginia, with the Virginia Health Care Foundation's NETworthy Award in front of an audience of nearly 1,000 health care leaders from across the Commonwealth.

- Million Dollar Plus Award: Anthem Blue Cross and Blue Shield in Virginia was honored by the United Way's Greater Richmond and Petersburg chapter at their annual Celebration Breakfast on March 4, 2008. The breakfast was attended by hundreds of community and business leaders from throughout the Richmond region. Anthem was one of three companies to receive top honors at the event, earning the distinction due to the generosity of our associates whose pledges, combined with our Foundation match during our Associate Giving Campaign, resulted in over \$3.3 million in contributions to Richmond-area nonprofits in 2007.

j. For each firm or major subcontractor that will perform construction and/or design activities, provide the following information:

1. A sworn certification by an authorized representative of the firm attesting to the fact that the firm is not currently debarred or suspended by any federal, state or local government entity.
2. A completed qualification statement on a form developed by the Commonwealth that reviews all relevant information regarding technical qualifications and capabilities, firm resources and business integrity of the firm, including but not limited to, bonding capacities, insurance coverage and firm equipment. This statement shall also include a mandatory disclosure by the firm for the past three years any of the following conduct:
 - A. bankruptcy filings
 - B. liquidated damages
 - C. fines, assessments or penalties
 - D. judgments or awards in contract disputes
 - E. contract defaults, contract terminations
 - F. license revocations, suspensions, other disciplinary actions
 - G. prior debarments or suspensions by a governmental entity
 - H. denials of prequalification, findings of non-responsibility
 - I. safety past performance data, including fatality incidents, "Experience Modification Rating," "Total Recordable Injury Rate" and "Total Lost Workday Incidence Rate"
 - J. violations of any federal, state or local criminal or civil law
 - K. criminal indictments or investigations
 - L. legal claims filed by or against the firm

Not applicable. External firms or major subcontractors will not perform construction or design activities for this project. As previously mentioned, WellPoint does engage with a number of subcontractors during the normal course of business.

- k. Worker Safety Programs: Describe worker safety training programs, job-site safety programs, accident prevention programs, written safety and health plans, including incident investigation and reporting procedures.

We operate in full compliance of OSHA requirements as outlined by the Virginia Employment Commission. Additionally, all associates are educated and supplied with Emergency Procedure Manual detailing critical safety and emergency response information: Site Evacuation, Bomb Threats, Suspicious Parcel/Substance, Crimes in Progress, Fire, Medical Emergency, Earthquake, Severe Weather and Power Failure.

- l. Virginia Code 22.1-296.1C provides: "Prior to awarding a contract for the provision of services that require the contractor or his employees to have direct contact with students, the school board shall require the contractor and, when relevant, any employee who will have direct contact with students, to provide certification that (i) he has not been convicted of a felony or any offense involving the sexual molestation or physical or sexual abuse or rape of a child; and (ii) whether he has been convicted of a crime of moral turpitude." Identify the proposed plan for complying with the intent of Va. Code §22.1-296.1C (whether or not the statute applies to the client Agency) if the contractor or its employees or subcontractors, will have direct contact with students.

We are in compliance with VA code §22.1-296.1C and have provided Contractor Employee Background Certification with our submission. Please note that the deployment of this project will not cause any Anthem associates to have direct contact with students.



Section 2: Project Characteristics

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Section 2: Project Characteristics



2. Project Characteristics

- a. Provide a description of the project, including the conceptual design. Describe the proposed project in sufficient detail so that type and intent of the project, the location, and the communities that may be affected and clearly identified.

Introduction

Throughout Anthem's 37-year partnership with the Commonwealth, we have shared a singular goal – to improve the health of our members and our communities. We hold our partnership dear.

We are also passionate about transforming health care – making it work more effectively, more seamlessly – and, no less important, more affordably. Today, we have a great opportunity to demonstrate our leadership in harnessing a new era of technology to achieve these goals. It is our duty to the Commonwealth of Virginia and we believe we are uniquely positioned to continue reaching far beyond what we are already accomplishing together, toward a health care future that serves your needs and the needs of your employees as never before.

This opportunity is particularly exciting to us because it is the result of years of hard work and steady vision that with better health would be a genuine path to cost savings.

For your employees, we feel we are in a unique position to offer a more simplified and enriching health care experience. Powered by our new Enhanced Information and Technology Platform, a new team of clinically-trained Care Coaches will use advanced tools to help your employees navigate more efficiently their own, personal health care path. Care Coaches are seamlessly integrated with our experienced Commonwealth of Virginia dedicated Customer Service team. Members will feel more engaged and the infrastructure we've built together over three decades will be increasingly capable of reaching out and giving them the personalized support and care they need.

For the Commonwealth, new technology means we can provide an ever-clearer reporting picture. It means an advanced ability to gather, aggregate and interpret a more comprehensive set of data. We are investing heavily in a Client Consulting team that has a new set of tools at their disposal and the expertise to put them to use. Ultimately, this means finding savings the right way, through a much more transparent and advanced system that nurtures and engages employees.

We are confident that these new technologies will make it possible to reach out to members individually, more effectively engaging them with messages and strategies tailored to them. Sophisticated analysis of health care data can more accurately identify those with greater needs, so the new team of Care Coaches can proactively reach out to help manage health challenges before they become costly or devastating.

Advancing Your Health Care Connections through an Enhanced Information and Technology Platform

At the very foundation of Anthem's proposal for an Enhanced Information and Technology platform is our unparalleled access to and experience with vast amounts of health data. Anthem and our affiliates processes claims and captures clinical information on the nearly 35 million individuals we serve. This has resulted in one of the richest data repositories of health information available anywhere in the world. It integrates financial, operational and clinical information under one roof.

To better serve the Commonwealth, we utilize industry-leading technology and partner with world-class data warehouse specialists to create our business intelligence capabilities. These tools allow us to provide reliable and secure services, including secure data exchange processes, documented file

layouts, a secure facility that meets all HIPAA Security/ISO2000 standards, and 24/7 data warehouse support.

The security of your employees' information is of the utmost importance to Anthem. As such, we have implemented sophisticated security technology to protect your employees' information and our computing environments and networks. These security controls cover multiple layers of firewalls; ACF2 protected information, and tightly controlled physical environments both within our data centers and our operations areas. Our company employs penetration tests, is regularly audited and has received passing results from SAS 70 audits.

The technology platform we are proposing brings together several advanced capabilities to enable the efficient and effective sharing and analysis of information. This Enhanced Information and Technology Platform consists of:

- Claims Processing
- Enhanced Data Mining and Predictive Modeling
- Clinical System Capabilities
- Member Web Portal – anthem.com
- Reporting and Measurement

Claims Processing

Anthem's ability to process claims accurately and timely has been a core component of the service we provide. The claims and membership processing system, which we currently use for the Commonwealth and more than two million other Virginia members, feeds significant volumes of data into our Enhanced Information and Technology Platform.

But, as these capabilities become more advanced, the value of a well-oiled claims processing engine goes beyond just an efficiently processed claim. Medical claims contain the keys to identifying members who may need deeper levels of support. And when data is fully integrated under one roof, all areas of the enterprise are able to avail themselves of internal information on the timeliest basis.

- Claims data flows seamlessly into our data mining and predictive modeling processes.
- The claims history informs our integrated service and clinical team of various interactions with the member.
- A member can easily view his claims information on our member web portal making self-service possible twenty-four hours a day, seven days a week.
- Our leading Personal Health Record made available as part of this proposal, can be set to auto-populate with claims information to create a complete record for the member.
- The proposed enhancements to our Reporting capabilities enable deeper analysis of claims.

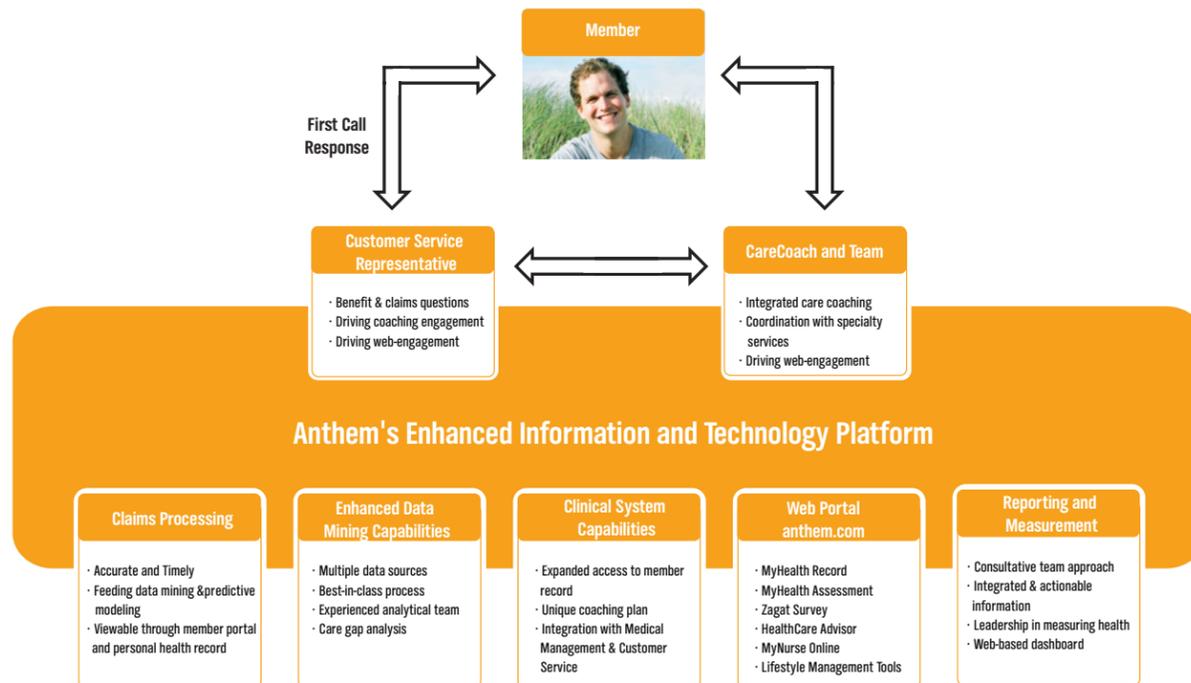
We have deep experience in aggregating claims from Rx, behavioral and specialty vendors to enable a total view of the member's health.

Our ability to process, integrate, store and analyze claims data has been not only a core competence but also a competitive advantage.

Enhanced Data Mining

As Anthem captures the claims data, our broad goals are to:

- Continuously analyze the data to look for timely and appropriate outreach opportunities based on our experience, knowledge and available tools. This also includes ongoing scanning of data to find patient-safety and adverse-event issues that have immediate benefits to the member and the Commonwealth.
- Capture relevant member information to uniquely and effectively engage your employees and their covered family members using individualized care plans and intervention strategies.



Data sources

We leverage all our available medical claims and membership data in conjunction with all available feeds (such as pharmacy) from the Commonwealth's partners. While the data-mining process is optimized through integrated services delivered by Anthem, we have demonstrated flexibility in working with other vendors. The data warehouse serves as an initial repository which feeds our predictive models and enables us to appropriately identify and stratify your employees with the greatest opportunity for impact.

In addition to the existing pharmacy data stream, other data streams that may come from outside the health plan that can be leveraged include, but are not necessarily limited to:

- Lab values
- Vision provider information
- Dental data for oral health information that is important for certain medical conditions
- Behavioral health information
- Disability information
- Health Risk Assessment data
- Health fair or onsite screening captured data

Anthem is also proposing to incentivize the Commonwealth's members to complete our online Health Risk Assessment "MyHealth Assessment" so that the results can be incorporated into our Data Mining process. We believe that the self-reported information about a member's behavior and health history are vital pieces of information that are useful predictors of a member's health risk.

Enhanced Predictive Modeling Process

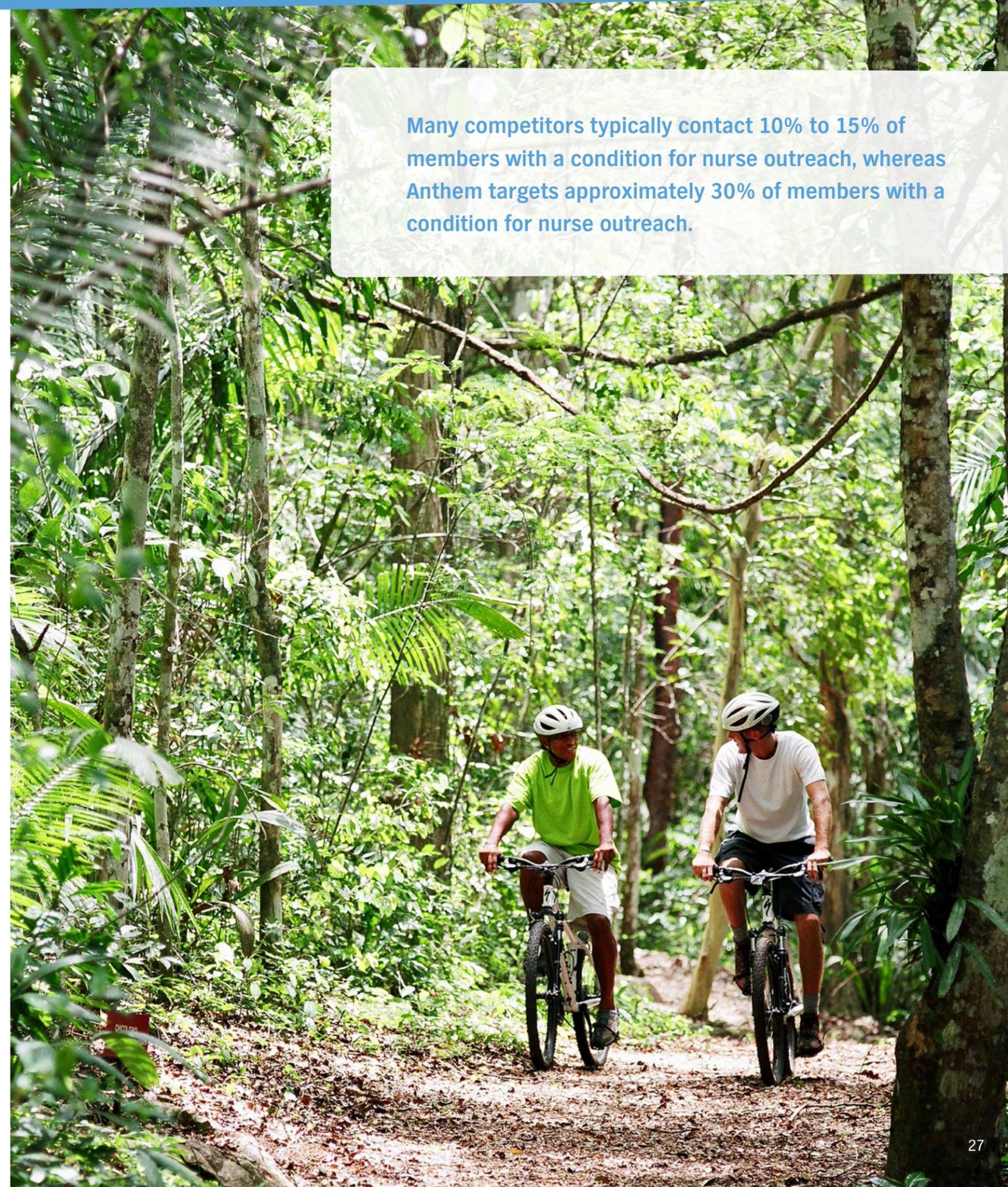
Anthem's predictive modeling combines a best-in-class, industry-recognized modeling platform with our experienced analytics team. We're advancing beyond the typical, off-the-shelf capabilities that focus solely on medical claims, pharmacy claims and membership data. Our staff has the ability to test the supplemental data sets listed above to be more accurate in selecting a target population and improving outcomes.

One hundred percent of the Commonwealth's employees and their covered family members will be analyzed through our predictive modeling process on a regular basis. We will assign current risk scores denoting the likelihood of incurring future high-cost levels, including inpatient admissions. Our experience tells us these two factors are key to identifying opportunity for optimizing financial returns and improving outcomes.

Data pulled from the predictive modeling tool is also used to effectively segment and prioritize member outreach, so resources can be focused where they are most needed and will be most effective. Our predictive model is designed to achieve the following results:

- Apply a more targeted and holistic approach to member management
- Increase member engagement
- Improve clinical outcomes by managing member's total health risk
- Avoid preventable health care utilization
- Reduce high costs

Many competitors typically contact 10% to 15% of members with a condition for nurse outreach, whereas Anthem targets approximately 30% of members with a condition for nurse outreach.



Additionally, our predictive modeling tool flags member-specific opportunities and clinical indicators and alerts and forwards that information to the nurse desktop. Members with the highest risk of incurring future high cost coupled with a high likelihood of future inpatient admissions are targeted for outreach.

Many competitors typically contact ten (10) to fifteen (15) percent of members with a condition for nurse outreach, whereas Anthem targets approximately thirty (30) percent of members with a condition for nurse outreach.

Care Gap Analysis

We are proposing additional resources to target those Commonwealth employees who have opportunity to increase adherence to evidence-based guidelines or have possible patient-safety and adverse-event issues. These resources include:

- Care Path Analysis
- Care Alerts

To further demonstrate our commitment to data analytics, our parent company has acquired Resolution Health. A personal health care guidance company, Resolution Health monitors the care of individual health plan members to identify actionable opportunities to improve quality and reduce cost. These opportunities are then communicated to members, physicians and other care managers in the form of personalized messages.

Care Path Analysis

To further enhance our predictive modeling process we are incorporating a care path analysis component into the tool. The original predictive modeling process identified and stratified members with the following chronic conditions: asthma, COPD, CAD, heart failure, and diabetes. The predictive modeling tool will now be enhanced to include care path analysis that will also identify members with care patterns indicating that they are most at-risk for high-cost procedures, such as candidates for lower-back surgery, hip/knee replacement surgery, carpal tunnel corrective surgery, and metabolic syndrome disorders. The care path analyses provide additional outreach triggers for Care Coaches beyond those historically identified with the original modeling tool.

Care path analysis identifies members by care patterns to determine who is most at-risk for high-cost procedures. We have the ability to quickly act on these findings, working with members and their providers to find the most appropriate treatment options. This program, which is in development, is an exciting enhancement to our data mining capabilities. We find ourselves in a unique position to address the Commonwealth's concern about high costs in areas such as orthopedic conditions.

Care path analysis can identify a number of key early-on indicators for orthopedic conditions such as:

- Low back surgery candidates
- Carpal Tunnel
- Knee Replacements
- Hip Replacements
- Metabolic Syndrome
- Elderly at risk for slip and fall

Care Coaches can then support members with information, guidance, and goal setting to improve their condition, potentially avoid costly surgery, or if surgery is indicated guide them through the pre- and post-surgical period.

Care Alerts

Through rigorous mining of the Commonwealth's data, we can provide population-wide interventions that will flag opportunities to prevent issues of patient safety and improve long-term participant health outcomes. This process analyzes your employees' data to drive:

- Improved compliance with evidence-based guidelines
- Rapid response to urgent issues
- Greater member safety

These sophisticated analyses serve as the foundation for customized communication programs that target both members and physicians on more than 270 alerts. These care gaps can be related to adherence to condition-specific guidelines or to general preventive care guidelines. A recent internal control group study indicated an up to a 12 percent increase in compliance with standards of care when the care gap analysis program was in use.

Here is a sample care note that an employee might receive.

360°Health ANTHOND1

MyHealth Note
A health care summary for

James Q. Public
Some Apt. #
1234 Some Street
Some Town, State 99999

Frequently Asked Questions

Q. How will this program help me?
A. This program is designed to provide you with information on:
• specific recommendations to help you improve your health care
• ways you may be able to save money on various health care services

Q. Why was I selected to receive these materials?
A. We select members who may benefit the most from this program.

Q. Does it cost me anything to participate in the program?
A. No. There are no costs to participate in this program.

Q. Should I give these statements to all of the providers that are listed in my claims summary?
A. In some cases, we may have already alerted your doctor of this information. And we encourage you to share this information with all the doctors caring for you.

Q. Is my privacy protected?
A. This is a confidential service: your employer never sees your personal health information. This report is only for you. You decide how it will be used.

Important Telephone Numbers
For questions on info included in your personal MyHealth Note, please call **1-866-408-7197**. For claims or benefits questions, please call the number listed on the back of your insurance card.

How to Use MyHealth Note

- Review your recent medical and prescription claims, shown inside
- Share this report with your doctors; they will find the information useful
- Learn about special health care programs recommended for you
- Save money on prescription drugs and other health care services

Report of: James Q. Public
Date of Birth: February 29, 1946
Member ID #: 00123456-01
Group #: GRX 123678

Suggestions for You
Information to help improve your health care and save you money.

- +** Diagnosis codes from your doctor(s) show that you had a heart attack in the past. For most people, a type of medication called a beta blocker can lower your chances of having another heart attack. We encourage you to communicate with your doctor about this suggestion to see if a beta blocker is right for you. [94]
- +** It is currently recommended that people obtain certain blood tests 3 months after starting Lipitor. These tests will re-check your cholesterol and liver function. We have not received a bill from a laboratory that shows you have had these test. We recommend that you communicate with your doctor about this suggestion. [55]
- +** Using generic drugs reduces the amount you pay for your prescriptions. Recently, you filled a prescription for Proventil and paid a copay of \$40.00. Albuterol is a generic form of Proventil. If you use Albuterol your copay would be only \$7. By switching, you could save \$396 each year. Talk to your doctor about whether you can make this switch and start saving money. [760]
- +** Using medications that are on our Preferred Drug List reduces the amount you pay for your prescriptions. Recently, you filled a prescription for Nexium and paid a copay of \$40. Listed below are alternative medications from our Preferred Drug List that would cost you less than Nexium.

Medication	Your Copay	Annual Savings
Omeprazole	\$ 7	\$396
Pylorsec	\$20	\$240
Prevacid	\$20	\$240

Talk to your doctor about whether you can make this switch and start saving money. [701]

Other Activity

Date	Code	Description	Quantity	Unit	Provider	Amount
10/12/05	109001 AL - 010 mg	WALSON, LARRY H.	90	30		\$44.50
9/12/05	Accupril - 20 mg	Lynn, Samuel F.	60	30		\$86.99
8/23/05	Preventil 90 mg - 17 gm	Wilson, Michelle L.	01	25		\$46.50
11/29/05	Blood Panel	Quest Diagnostics	-	-		\$110.40
11/28/05	Medical Equipment	Lynnwood Medical Mart	-	-		\$198.00
8/28/05	Blood Panel	Unified Labs - SF # 3	-	-		\$110.40
2/04/05	CT X-Ray, Paranasal Sinuses	Radiology Assoc. - SFSL	-	-		\$854.35
2/02/05	Allergy Panel	Wilson, Michelle L.	-	-		\$125.00
11/15/04	CT X-Ray, Paranasal Sinuses	Mercy Hospital - Rad	-	-		\$854.35

* May appear as another physician/provider name in the doctor's office/practice.
** NOTE: "Paid" reflects the total amount you and your health plan paid for each service.

Looking for a new Provider?
Call the number listed on the back of your insurance card, or go online.
Online: <http://provider-directory.anthem.com/awp/landing.asp>

From HARVARD MEDICAL SCHOOL. Learn more information about each of the Suggestions for You shown above by visiting <http://www.anthem.com/myhealthnote> and entering the shortcut # shown at the end of each message in the L.

Complex issues and those relating to sensitive diagnoses are communicated only with the doctor while economic messages are generally only sent to the member. Once an alert is sent, it is then suppressed for a period of time (normally four months). After that time, if the issue has not been resolved and no additional information has been received from the member or his doctor, the alert is sent again. The system also has the ability to monitor pharmacy claims as frequently as daily to identify critical and urgent safety issues. If an issue is identified, a pharmacist reviews the member's information and, if warranted, calls the physician to alert him/her of the issue.

Through Anthem's pharmacy benefit manager, NextRx, we can produce Pharmacy (Rx) Alerts that are designed to address medication compliance, persistency and patient safety concerns. They include evaluation for drug underutilization, drug-to-drug interactions, drug-to-disease interactions, drug persistency and age appropriateness of drug and dose. If Anthem is able to provide pharmacy benefit services through NextRx, our PBM, the Care Alert process would be even more enhanced.

As an additional resource to target your employees who could benefit from nurse outreach, we will leverage our internal Safety Sentinel from HealthCore, a wholly-owned subsidiary of Anthem's parent company. HealthCore is a health outcomes and health services research company that Anthem can capitalize on for its research and analytics expertise. HealthCore's goal is to measure the value and safety of pharmaceuticals, biotechnologies, medical devices, clinical interventions, and care and disease management companies in a real world setting. This system is designed to detect, evaluate and communicate "signals" of potential safety concerns.

In conclusion, through our enhanced state-of-the art data mining and predictive modeling tools, we can leverage our integrated health data and management tools to capture relevant member information to more comprehensively engage a larger segment of your population to actively participate in healthy behaviors and to improve health outcomes.

Clinical System Capabilities

A Common View of the Member Record

As part of this proposal, Anthem will expand access to the Member Record to the Commonwealth's dedicated team of Customer Service Representatives. This common view shared by the CSR and Care Coach into the member record will be the key to enabling continuity throughout all of the member's touchpoints. By sharing information through a common web-based platform, we will be able to create more effective Anthem-member interactions and provide a seamless experience – bringing a small-company feel to the employee by allowing all staff to speak to the employee's experience, reinforce care guidance, assist with issues and direct him/her to the right resources.

In addition, our Care Coaches have access to an even deeper and robust set of information necessary to coach the member through their health care needs. Our clinical system collects member-specific data electronically from an online health assessment which populates the member's health record. This record includes data associated with the member's case, his/her individualized intervention plan plus notes and comments from our primary nurse care managers detailing previous contact. As the management process continues and as new data are obtained, the intervention plan is revised to best

By sharing information through a common web-based platform, we will be able to provide a simpler and richer member experience with Anthem.

help the member obtain his/her goals through participation in the appropriate program. The data elements included in this member record include:

- Medical history
- Medication
- Self-monitoring and control/prevention information
- Non-compliance issues
- Length of time diagnosed with the condition
- Co-morbid conditions
- History of exacerbations
- Hospital admissions
- Clinical severity
- Medications
- Other mitigating factors that may impact compliance such as physical limitations/disabilities, language barriers, and sentient issues (untreated vision or hearing impairments)

By having access to a complete view of your covered employees' health status and history, our clinical team is able to proactively and effectively address the member's needs.

Unique Coaching Plan

At the individual level, your employee's progress towards his/her health care goals is tracked. For those with intensive management needs, individualized outcome-oriented goals are generated, which drive the employee's specific intervention plan. Each goal has defined interventions that incorporate barriers, motivation, and health status measurements. The recommended contact frequency is based on a composite of all the employee's issues and goals. This comprehensive plan includes telephonic management and educational counseling.

As the program continues and as new data is obtained, our strategy enables us to reinforce program interventions and further assist members with managing their health.

Health-Related Contacts Log

Anthem also keeps a repository for all member-driven, health-related contacts. By capturing the history of the interactions, Anthem is able to track all the activities performed by our integrated clinical team. Member contacts include:

- Outbound calls
- Length of call
- Type of contact
- Educational materials provided
- Conditions discussed
- Goals established
- Follow up

By having access to a complete view of the member's health status and history, our clinical team is able to proactively and effectively address the member's needs



Web Portal – anthem.com

Many of your employees turn to the Web for immediate access to information about their health benefits and decision-making. As such, we have designed and will offer a refreshed, easy-to-navigate Web site to include a comprehensive suite of health resources and personalized features. The member area is a source for around-the-clock health information, tailored to users' lifestyles and needs, providing information and guidance to enable members to get healthy and stay healthy.

The member is empowered and well-equipped to do "self-service" or to call our integrated Customer Service team when needed. An expanded list of all features is included in the Integrated Service and Clinical team section.

As part of this proposal, we are enabling our integrated Customer Service Representative or Care Coach to have the ability to "co-browse" with the member while they are on the phone – maximizing the benefit of our web tools and help them navigate to the most appropriate on-line tool to address their issue. For example, members will often call in asking about a "good" provider in their area. Using co-browsing technology, our Customer Service Representatives can direct them to our Provider Finder. We look forward to offering our new pilot Consumer Feedback tool, Zagat's, so that members can read reviews, written by members, of local physicians.

Reporting and Measurement

It is Anthem's commitment to continue to work collaboratively with the Commonwealth to use your employees' data and transform it into quality, care-focused actionable activities, at both the individual and group level.

Operationally, data is used in real-time to provide quality service and care to your members. We will continue to enhance our reporting capacity to reflect the proposed activities within our service model. Our vision in this critical area will continue to focus on serving in a consultative manner to your health program and your members.

Our consultative team will provide recommendations and insight, and provide reporting that will be advantageous and consultative for the Commonwealth's employees and their covered family members.

Our Consultative Team Approach

With a dedicated team that includes an experienced Account Executive with dedicated Account Managers, and Medical Directors, Anthem understands the Commonwealth's culture, has earned the trust of the benefits team, and understands the priorities of the employee population. The Medical Directors ensure that all clinical programs meet the Commonwealth's high expectations. Additionally, the Commonwealth's Medical Directors are available to respond to questions, attend meetings, and report on the results of Anthem's programs. Our consultative team will provide recommendations and insight, and provide reporting that will be advantageous and consultative for the Commonwealth's employees and their covered family employees.

The Client Consulting team consists of experienced health care professionals who play a critical role in the analytical process by examining trends shown within Anthem's diverse and robust information.

Actuarial and underwriting resources review trend information to highlight and propose potential changes to the benefit program to improve plan performance, while the clinical team provides input on opportunities for population-specific intervention.

Integrated and Actionable Information

Using all of the health care related data available, we will measure and report around key areas of importance: operational service to your employees, clinical care management, health care utilization and cost of care.

- From the perspective of the proposed Integrated Clinical and Service model, we will provide reporting on customer contact volumes, interactions, referrals into programs and alternative resources available to support your employees within the new care model.
- For care management, Anthem will present measures around the enhanced programs that are part of our proposed model, as well as continue to provide the reporting and analytical services that you have known historically. You will receive reports for measurements of member identification, member engagement, member stratification (for care), member compliance to suggested preventive care and screening recommendations, and condition management. We will provide clinically based compliance, outcomes and savings. In addition, Anthem will continue to provide member ratings of physical and mental status, as well as customer satisfaction scores.
- Utilization and cost reporting will continue to be provided and continually improved upon.
 - Anthem is proposing a Clinical Health Index that will consolidate many measures into single number that will provide an overall health rating for your group's members. We look forward to collaborating with you on creating this index which will measure and weight many clinically based compliance and quality measures into an overall classification.
- As throughout our ongoing, collaborative relationship, Anthem will continue to strive to meet additional requirements as business needs change over time.

Leadership in Measuring Health

In addition to information specific to the Commonwealth, the overall health of all residents of the state of Virginia is also important. We are able to leverage the breadth and depth of member data stored in our data warehouses to launch ground-breaking quality of care initiatives. Anthem's measures provide comprehensive looks at the health of our population and serves as a basis in determining how we are improving the health of the communities we serve. To provide measures of our corporate initiatives, we will share the following measures that take advantage of Anthem's national scope and our local presence in Virginia.

State Health Index

The State Health Index, a composite of overall health measures reported to the Centers for Disease Control, will continue to be provided to the Commonwealth by Anthem. This aggregation of measures speaks to the overall health of the entire population of the Commonwealth of Virginia, as ranked and compared to every other state. Over time, we believe that our goal to improve the health of our members will result in improvement of the scores within the states where we operate.

Member Health Index

In addition to the compilation of national measures, Anthem has made an investment in improving the overall health of all of our members. Our company is the first health benefits company to implement an initiative that will demonstrate the level of engagement and focus of our associates on improving the lives of the people we serve. As an industry leader, we set high standards, and are committed to transforming health care. We measure the progress of each state in which we operate through our Member Health Index (MHI) initiative. We measure how our health improvement, care management, and wellness programs are helping to improve our consumers' health and the quality of care they are receiving. Not only do we measure our progress, we ensure that each of our associates is committed to this effort by linking our success to our compensation.

These measures are clustered into 20 clinical areas in four broad domains focusing on prevention and screening, care management, clinical outcomes, and patient safety.

Some measures include:

- Breast Cancer Screening
- Diabetes Optimal Care
- Hypertension Optimal Care
- Hospital Readmissions for Heart Failure, Asthma and Diabetes
- Patient Safety Hospital Structural Index
- Patient Safety Outcome Index

Blue Health Intelligence

While we believe health care is local, we also know the power of data when it's combined in these volumes. We continue to make significant corporate investments in capturing, protecting, analyzing, and utilizing our data assets to drive improvements in health care at both an individual and systemic level. One of these corporate investments leverages our affiliation with the Blue Cross and Blue Shield Association. We are a participating partner in the development of Blue Health Intelligence, an initiative to develop a national "Blues" data warehouse will capture data on over 79 million individuals. When complete, Anthem will be able to mine this data warehouse to provide custom analytics and benchmarking available only to our customers.

Web-based Dashboard

To further demonstrate our sincere commitment to the Commonwealth, we will also provide web-based access to a dashboard summary of reporting metrics. This will support timely access to information by the Commonwealth; our dedicated team will continue to be available to analyze and interpret information for the Commonwealth.

Clinical Expertise

Additionally, we have extensive knowledge in the field of health care information, clinical program management, clinical outcomes, underwriting, actuarial services, and data integration and analysis. Anthem will make available a team of experienced health care professionals to support data mining and analysis needs of the Commonwealth.

Making our resources accessible to your employees to enhance outreach avenues is part of Anthem's efforts to help make your employees knowledgeable health care consumers. This empowers your employees to take an active role in managing their health.

Our resources provide support to the care coaching they receive. Anthem also recognizes your desire to encourage the use of technology in order to empower your employees to make more informed decisions. By providing a variety of online tools, we are able to better educate members to make wise decisions for both their health care needs and their lifestyle. This variety of options that covers the total care continuum has been the largest contributing factor to success in increasing participation and retention rates among employees and employer groups to date.

Anthem offers many innovative web tools to help the Commonwealth members manage their health. But innovative tools are only worthwhile if they are used. Many of your employees may not be aware of the breadth of these tools and therefore do not use them.

Anthem Customer Service Representatives (CSRs) will use co-browsing technology to drive member use of web tools by navigating members through the website while they are on the phone. This allows the CSR to identify key issues to the member and then direct them to the most appropriate tool to address their issue.

Anthem.com also offers innovative resources to help the Commonwealth employees adopt healthy behaviors such as health information, weight management tools and tobacco cessation tools. Research shows that people who track their behaviors are more likely to make healthy changes and maintain those changes. Our tools help members do just that. The Care Coaches will also use co-browsing to direct members to those resources that correspond with their unique behavior change needs.

Driving members to these tools through co-browsing will result in members who feel empowered to obtain their own health information and manage their health therefore leading to behavior change. Greater use of web resources will also result in increased understanding of offerings, operational efficiencies and fewer reasons to call Customer Service.

With confidence in this experience and as part of our enhanced technological platform, we are proposing the following innovative online tools via a customized Commonwealth website:

- MyHealth Record
- Online Health Risk Assessment
- MyNurse Online
- Lifestyle Management Tools
- Online provider partnership

These innovative, interactive online resources and capabilities play an integral role in our total health solution. The Care Coach team can refer members to and utilize these tools as part of their coaching strategy. Also, each is designed to support individual members with personalized tools to enhance the management process and help improve health outcomes.

MyHealth Record

MyHealth Record is one method Anthem utilizes to help members monitor their health. Anthem's personal health record feature allows members to keep a secure, online record of their medical, prescription, and lab data on MyHealth@Anthem.

MyHealth Record allows members to own and manage their personal health information through several innovative features:

- Comprehensive health profile. Members may add extensive health information to their personal health record, including family medical history, health risks, allergies, over-the-counter medications and prescription drugs.
- Personalized experience. Patient education, health management programs, health news and tools are all customized based on a member's personalized health profile, giving members the ability to make more informed decisions about their health.
- Portability. Members may print the easy-to-read health summary and share it with their physicians.

The benefits of the consumer electronic medical record include:

- Keeping members up to date with their health care
- Enhanced and customized health education and health management tools
- Improved targeting capabilities and more secure, organized information
- MyHealth Record conveniently integrates and organizes key member data into the following categories:
 - Visits
 - Conditions
 - Medications
 - Test results and trackers
 - Immunizations
 - Allergies
 - Surgeries and procedures

Online Health Risk Assessment

As an exciting new component to Anthem's offering to the Commonwealth, we are including an online health risk assessment questionnaire for comprehensive and condition-specific health evaluation that will serve to educate your members about the connection between lifestyle choices and their health, and also provide Anthem with an additional avenue to systemic identification for our suite of program offerings.

Anthem has worked in collaboration with WebMD to customize the assessment tool into a version that is unique to Anthem. As America's most trusted source for health information, the WebMD partnership allows Anthem to offer a technology platform that offers personalized and highly interactive health assessments. These online resources provide members with personalized health information that will help them understand and better manage their health issues, make responsible health care decisions and reach their health goals.



The online health risk assessment was designed so that information is presented in a manner for members to easily understand their personal health risks and take action to lower those risks. The assessment highlights the financial impact of the employees' health risks by providing a more holistic view of how certain behaviors affect an employee's well-being and the costs associated with various health conditions.

The online health risk assessment is comprised of over 60 possible questions with over 100 different options for gathering additional details on medical conditions and risks. While information that is omitted will not impede the completion of the assessment, providing the most specific information will yield the most personalized results, information and actionable recommendations. Members may not be presented with all possible questions, as intelligence is built into the questionnaire and subsequent questions are presented based on previous responses. Typically, a member can fully complete the assessment in 15 minutes.

Upon completing the online health risk assessment questionnaire, your employees receive a personalized report and 100-point health score, allowing them to compare their overall health status with the national average of their peers. This report provides employees with personalized recommendations to help them manage, reduce or eliminate personal health risks and embrace healthier lifestyle behaviors. An accompanying interactive visual tool also makes it easy for your employees to see how healthy choices will improve their personal health score.

The employee's assessment report is organized by modifiable risk factors, including a tailored action plan that addresses each of the member's risk factors. Additionally, the online health risk assessment prioritizes the impact that improving each risk factor could have on chronic conditions and overall health.

Through completion of the online health risk assessment, your employees can also receive a summary report that they can share with their treating physician. This helps the physician remain informed, and provides the opportunity to implement a proactive treatment approach.

- **Program Connectivity:** Targeted questions within the assessment serve as a gateway to Care Coach team members. If the employee is identified as needing one-on-one management and gives their permission to be contacted, a Care Coach team member is assigned and continues direct contact with the member. Even if a member is already actively participating in a program, the assessment data is loaded into Anthem's care management system and is available for viewing by all Care Coach team members. The Care Coach can readily access this data and information to strengthen the interventions and goals already established or to establish additional interventions.
- **Lifestyle Centers:** Anthem's new Lifestyle Centers are an integral part of your employee's personalized online experience, complementing the online health risk assessment by bringing together risk-specific health tools and content in a "one-stop shop" to empower members with the information and motivation they need to adopt healthier lifestyle choices. An employee's personalized assessment report will direct him or her to relevant Lifestyle Centers and accompanying resources. These Centers provide your employees with a central location for easily accessing integrated health resources and tools that address each of the risk factors addressed by the online health risk assessment – including weight, fitness, nutrition, stress, emotional health, tobacco use, blood pressure, cholesterol, blood sugar, substance use, alcohol use, and safety. These Centers guide your employees to resources that will help them lower their personal health risks, including journals, worksheets, online communities, interactive tools and lifestyle programs.

- **Condition Centers and Online Communities:** MyHealth@Anthem also includes access to Condition Centers, which provides members with in-depth health assessments for more than 40 conditions. Condition Centers include such information as treatment types for each condition, up-to-date health news, helpful tools and calculators, and information on related conditions. Online Communities offer a way for your employees to communicate with other individuals who may share or can provide information related to a specific condition. Your employees' personal, secure information is not distributed to these message boards. These are forums for your employees to post public messages to seek insight and support from others sharing health interests.

MyNurse Online

Members with select chronic conditions also have access to the MyNurse Online website. The site provides web-based, condition-specific education services accessible to both members and physicians.

Anthem's MyNurse Online website enables members to access self-management tools, send secure messages to their Care Coaches, and utilize an extensive clinical library. In addition, members can monitor specific goals including weight loss, diet, blood pressure, and medication compliance online as well as receive health screening reminders.

Anthem's web site features:

- Health assessments
- General health information
- Disease-specific information
- Medication tracking
- Tracking of self-care goals and personal health record
- Health reminders
- E-mail capabilities/automated messaging with their Care Coach

Members can submit condition-specific inquiries to their Care Coach. Once the inquiry is received, the nurse will contact the member telephonically to respond and, if necessary, re-calibrate subsequent program interventions based on the member's identified health status/risk factors.

Health Care Transparency

"Transparency" describes the process by which consumers can obtain meaningful information and data regarding quality metrics and cost indicators for the services offered by physicians and hospitals.

Anthem's view is that providing consumers access to quality of care and outcome information helps drive down costs. Anthem's claims data has proven that quality care costs less over time.

Anthem is designing and implementing transparency strategies that improve health, health care quality and affordability. Strategies are aimed at helping create informed consumers, employers, and providers. Anthem currently has several initiatives underway or in development to provide our customers with meaningful and credible information and data so they can better navigate the health care system.

HealthCare Advisor

The Healthcare Advisor™ is available to all of your employees through Anthem's website. The tool helps improve health care quality and reduce costs by providing decision-making tools to consumers. As consumers become more involved in their health care, they will utilize tools to help them assess their options to make better decisions for themselves and their families. With these tools, anybody facing a significant health care decision or needing to learn how to manage a condition can quickly get straightforward, honest, and accurate information. There are several services provided to our members:

- Learn what to expect when facing an illness.
- Identify different treatment options.
- Ask the right questions when talking with a doctor.
- Know what to expect before having a surgery.
- Find the best hospital for a particular health need.
- Determine which hospitals have met quality measures for patient safety.
- Find links to health resources on the web.
- Join a discussion group about a particular health topic.

Treatment Cost Advisor

Treatment Cost Advisor™ is a tool designed to help consumers estimate the costs of specific health care services or episodes of care. The Treatment Cost Advisor provides in-network and out-of-network costs based on a national database of health care utilization and costs for the most common medical procedures. The tool provides costs for over 160 diagnostic tests, inpatient and outpatient procedures and treatments, office visits and dental procedures. It also includes information on a variety of conditions and drug categories, covering over 200 topics in all. The tool connects members to high value health care facilities based on individual preferences, quality indicators, outcomes measures and costs. With this tool members can:

- Search for an estimate of cost data by medical condition, test, or by specific procedure
- View details and information about specific conditions
- Obtain adjusted estimates for demographic and regional differences

Future Transparency Tools

- Anthem Care Comparison

Our Care Comparison tool is an innovative tool for members that share real price ranges for some of the most common scheduled procedures where comparisons and price are most meaningful. This allows visibility into procedures where people have the opportunity for research and where differences could sway facility choice. When available, this tool will augment the current transparent decision cost support tool.

- Zagat Survey

First in the health care field, we are offering an online survey that allows consumers to share their experiences and rate physicians using the renowned Zagat 30-point scale. The online survey allows members to rate their physicians in four areas:

- Trust
- Communication
- Availability
- Office Environment

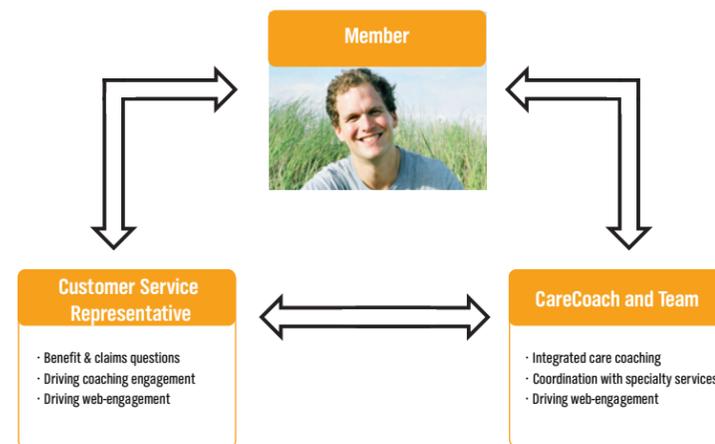
Moreover, the survey features a section that allows consumers to record and share comments and expand on their ratings. Consumers can view contact information, physician ratings on a 30-point scale for each of the four categories, and the percentage of consumers who recommend that physician. The survey and results are available free of charge to consumers via our website.



Advancing Your Health Care Connections through an Integrated Health Team

When a Commonwealth employee or a covered family member has a question about their health, it usually falls into one of two categories:

- Benefits – What does my health plan cover? Is my doctor a participating provider? What is the status of my claim?
- Health status – My doctor told me I have diabetes, and I need help. How do I test my blood sugar? Why do I have to take this medication every day?



Answering questions on these topics takes a coordinated team of professionals - a team composed of those who are **benefit** experts and those who are **clinical** experts. Anthem is proposing the Commonwealth Integrated Health Team (IHT), a dedicated and coordinated unit of both types of professionals that will provide a complete set of resources to address all of your employees' health care needs. The IHT is comprised of two critical Anthem associates:

- **Customer Service Representatives (CSR):** The same dedicated team of 100 CSRs are the initial point of contact for all of the Commonwealth's employees needs and they proactively facilitate engagement in care coaching and web-based resources. For example, when a Commonwealth employee or a covered family member calls to say they have just been diagnosed with diabetes, the CSR gets them to the resource they need to help with their questions.
- **Care Coaches** are the subsequent central health resource who help the Commonwealth's employees navigate their complex, chronic condition, and lifestyle management needs by providing education, support and health behavior change coaching. Care Coaches will also proactively reach out to employees who are identified that could benefit from their clinical expertise.

We are proposing a Registered Nurse as the primary resource for health-related needs. Registered Nurses are educated, trained, and experienced professionals ideally suited to address the health needs of Commonwealth employees and their families. Experienced nurses can address anything along the health care continuum from coaching on weight loss to education about the side effects of chemotherapy.

CSRs proactively identify members who have health needs beyond their benefit and claims questions.

The goal of this team is simple - to empower members to achieve better health by providing them the services and support they need, when they need it. The IHT is connected by the Enhanced Information and Technology Platform and drives the engagement of the Commonwealth employees and their families in health improvement programs. All IHT members will have access to Commonwealth employee and family members' information to improve communication between customer service Representatives and Care Coach teams. As a result, both teams are equipped to address the employee's needs in a coordinated fashion. Both teams will have access to:

- Member profiles that are updated daily.
- Automated referrals between programs.
- Key member contact information (i.e., telephone numbers, preferred time of day for contact).



Customer Service Representatives

Anthem will continue to leverage the Commonwealth's dedicated team of CSRs. The CSRs will continue to provide first call issue resolution and address all benefit and claims issues while providing the same stellar service to which the Commonwealth's employees have become accustomed. Additionally, Anthem recognizes these CSRs are in a unique position. They interact with many of the Commonwealth's employees at a time when they have special concerns about their health; a time when they may be ready to engage further in Anthem services that support behavior change and promote better health. We will maximize the opportunity to drive engagement.

Member: Hello, my husband is in the hospital...

CSR: I am so sorry to hear that. I know that you have a lot of questions around your husband's care and what to expect. Would you like to talk to one of our nurse case managers?

Our dedicated CSR team will serve as a compassionate care concierge service. While they will continue to navigate members through the complex health care system, they will also drive engagement of the Commonwealth's dedicated Care Coaches, Case Management nurses, and online resources. Anthem's CSRs will listen for "trigger words" and create "just in time" referrals to Care Coaches, or any of the appropriate specialized programs and services. The Enhanced Information and Technology Platform will let the CSRs know if a member is already enrolled in a program for the condition they are calling about or if they have a new condition that needs to be managed. CSRs will also send alerts to the Care Coaches via the Enhanced Information and Technology Platform if a member is someone that our Care Coaches have been trying to contact. They will use their training to educate and encourage members as to the importance of speaking to a Care Coach with the ultimate goal of improving their care. CSRs will also use these inbound calls as an opportunity to share a monthly wellness message to members.

This enhancement to our Customer Service Model will drive greater engagement in our health programs because members will be engaged at a time when they are thinking about their health needs and are hearing about it from a person they trust.

Dedicated Care Coaches

Anthem is excited to provide a nurse-based care management model solution to the Commonwealth that provides your employees and their family with a dedicated, personal resource for all of their health care needs ranging from general questions to detailed, health-condition specific questions.

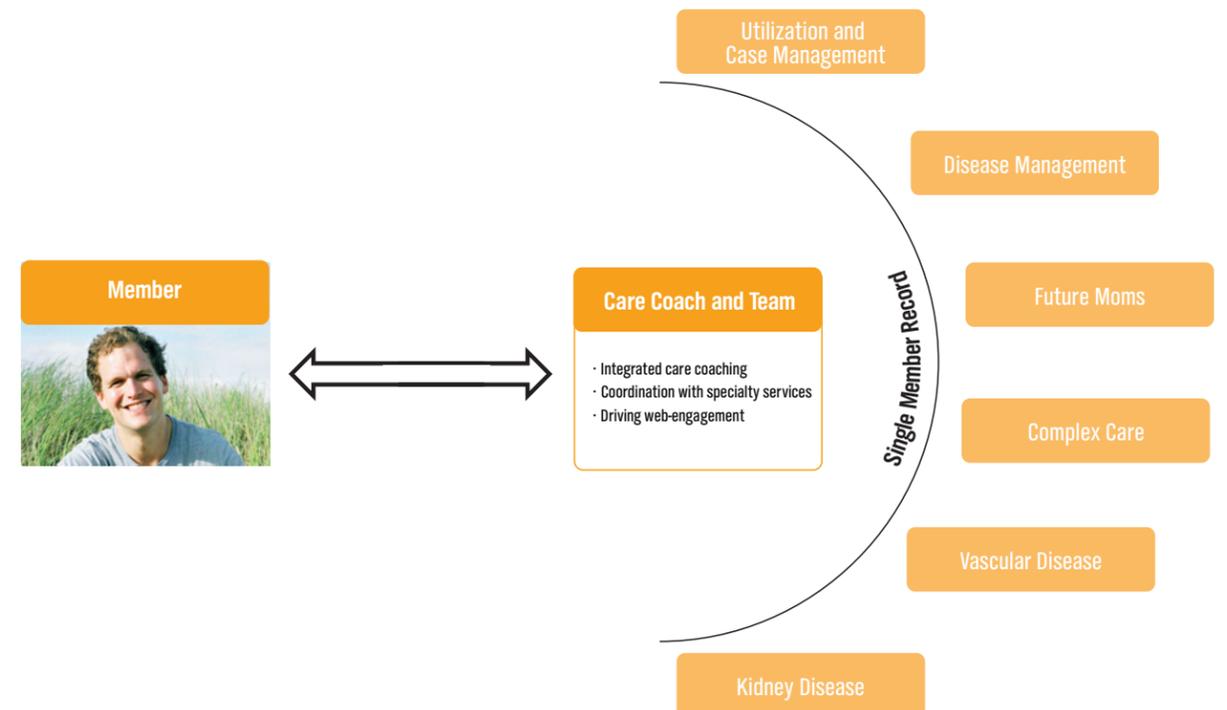
Care Coach nurses serve as a central point of contact for engaged members for a variety of questions including those regarding a health care related topic, condition or concern. The Care Coach team is comprised of nurses with a variety of clinical backgrounds, both generalist and specialty. This allows us to provide the best coaching experience based on an individual member's needs. The Care Coach will provide the following services:

- Complex issue assessment, education, and coaching.
- Care coordination and access.
- Chronic condition assessment, education, and coaching for the following:
 - Asthma
 - Diabetes
 - Coronary artery disease
 - Heart failure
 - Metabolic syndrome
 - Chronic obstructive pulmonary disease
 - Arthritis
 - Low back pain
 - Oncology
- Assessment and guidance prior to and after hospital admissions and surgical procedures.

- Decision Support for elective procedures.
- Education for the first fill of a prescription.
- Lifestyle behavior assessment, education, and coaching.
- Return to Work assessment, education, and coaching.

The Care Coach has access to key member information to guide care, such as medical history, medication usage and other information. Through one-on-one interventions, the Care Coach will assess the member's level of motivation, provide education on the member's condition, collaborate with the treating physician(s) to improve safety, promote adherence to the physician's plan of care, and enhance quality monitoring on behalf of each member. Additionally, the same Care Coach will be able to identify the member for other care opportunities and triage him or her to more appropriate specialized programs as needed.

But Care Coaches aren't just waiting for the member to call. In addition to referrals, our program proactively identifies Commonwealth employees and their families who will benefit from Care Coaching before more serious health issues arise. Care Coaches identify and contact the top tier of health care users and work with the member or their families to develop a plan to drive health care change.



Care Coaches are the quarterback for the health care needs of the entire family.

Specialized services for members with extremely high risk or catastrophic needs.

Specialized Health Services

In addition to the dedicated Care Coach nurse, other members of the Integrated Health Team may include medical management professionals and other registered nurses with expertise specifically in maternity and kidney disease.

Medical Management

Anthem Care Coaches work directly with medical management teams to support Commonwealth employees and their families from the point at which they enter the medical management system and continue through until they are stable enough for Care Coaching. This integration ensures members receive the attention and information they need, when they need it. By working closely with case management, utilization management and other medical management initiatives, Care Coaches have established a seamless approach for referral and member management. Anthem will also establish connectivity processes to keep both the medical management and Care Coach teams aware of all member interactions, interventions and activities. Anthem also has extensive experience in successful care management program integration to support the Commonwealth's requirements and optimize your employees' management. A key component of team training is providing Care Coaches with a specialized understanding of the Commonwealth's specific benefit structures and any available resources. Anthem has established extensive protocols, policies and procedures for this purpose and will continue to work collaboratively with the Commonwealth for seamless integration of services to ease member access, resulting in improved health outcomes.

Chronic Kidney Disease & End Stage Renal Disease

As an additional program offering, Anthem is proposing our Chronic Kidney Disease (CKD) and End Stage Renal Disease (ESRD) services. Our goal is to slow the progression of the condition and when needed, prepare the individual for dialysis and/or kidney replacement. This is achieved through a multi-disciplinary approach with the Commonwealth's employee or their covered family member, their providers, and the medical management team all working together to decrease the complications. If a member has already been diagnosed with ESRD, Anthem strives to promote quality, cost-effective care and the highest achievable clinical outcomes through successful condition management of kidney program participants.

Advanced Engagement Strategies

It is critical to the success of the Integrated Health Team to engage the right people at the right time. The right people are those who have the highest risk and therefore are in most need of care coaching. The right time is when they are most likely to be receptive to the help of a Care Coach. Anthem proposes enhanced strategies to drive greater member engagement through timely triggers, integration with CSRs through warm transfers, innovative incentive strategies, member segmentation, alternative media, MyHealth Advantage, a Commonwealth Toolkit and web-based member support tools and resources.

Maximizing "the right people at the right time" engagement

Engagement During Key Transition Points

Anthem also provides management programs that identify and manage particularly vulnerable and potentially unstable populations that include members:

- With prolonged hospital stays
- With frequent admissions
- With advanced stages of cancer
- Requiring high-cost specialty medications
- Seeking authorization for advanced imaging such as PET scans, MRIs and CTs
- Seeking authorization for complicated back surgery due to back pain

The first 30 days after a member's discharge is a particularly vulnerable time for potential re-admissions. Once a member is discharged from the hospital, the medical management team will notify the Care Coaches who will then reach out to ensure the member's understanding of their discharge orders and access to needed resources. Once the member is further stabilized, the Care Coach will provide suggestions for other health and lifestyle needs as appropriate. This outreach from the Care Coach occurs at a moment in your employee's life when they are most amenable to engaging with and entering in long-term productive, clinical relationships with the Care Coach team resulting in increasing the engagement rates of the highest-cost members.

Driving Care Coach Engagement through Warm Transfers

Through our state-of-the-art telephony system and our clinical system capabilities, Anthem's Care Coaches can warm transfer members to other team members if a member is identified as able to benefit from more intensive management. The Care Coach team and Anthem's dedicated Customer Service Representatives can also warm transfer calls to each other if the member needs assistance from other areas

For example, if a member calls in to the 24/7 NurseLine, the RN will ask the member if he/she has any known medical conditions or if he/she is taking any prescribed medications. If the member answers yes and identifies an existing chronic condition listed on the Commonwealth's plan, the nurse will either transfer or refer the member to a Care Coach. Additionally, if a Commonwealth CSR finds out the member is pregnant and not yet taking advantage of the Future Moms programs, the CSR can transfer the member to Future Moms.

Innovative Incentive Strategies

We understand how powerful effective motivation, such as incentives, can be toward jumpstarting positively influencing behaviors.

Anthem proposes to maintain the current incentive linked to Future Moms participation where Commonwealth members may get their maternity deductible waived if they enroll in the program in the first trimester and stay engaged throughout their pregnancy. Other proposed incentives include rewards for:

- MyHealth Assessment completion
- Engagement in Care Coaching
- Program graduation or goal achievement

Our proposed new incentive program also incorporates different potential reward types such as gift cards from hundreds of retailers including Barnes and Noble, Bed, Bath, and Beyond, CVS, Macy's, O'Charley's and TGIFriday's, or from merchandise rewards. These choices reflect our understanding that individual Commonwealth employees and their covered family members may be motivated by a different rewards leading to further encouragement to make the right health choices.

Our incentive program has the built-in capability to provide tracking and management of employer-provided incentives. Additionally, the Commonwealth has the option to customize the core rewards program such as customizing the reward points allocation, customizing the rewards redemption center and adding additional incentives.

Health Risk Assessment

Anthem's key differentiator is our ability to integrate the data from our Health Risk Assessment into our Care Coach program. This enables Care Coaches to work with members who have risk factors that cannot be identified through data mining with medical claim information. The Care Coach can use this information to enable a more focused coaching session and interaction and to refer them to other specialized services, as appropriate. To further capitalize on captured data, MyHealth Assessment responses are stored in Anthem's clinical system and automatically displayed to assigned Care Coaches as part of a member's history. Once incorporated into a member's history, the member's Care Coach can work on enhancing and expanding specific goals and interventions to address the overall health of the member.

To protect member privacy, members must give their permission before they are contacted for program participation. If the member elects to participate in a program, a Care Coach team member is assigned and continues direct contact with the member.

This integration allows Anthem to proactively engage your members on achieving wellness goals, maintaining optimum health, and effectively managing chronic conditions.

Member Segmentation

Vital to the success of our engagement strategy is our ability to tailor our approach and connect with the unique attributes of the member, and our flexibility with how we communicate to your employees and their covered family members. We understand that members have different preferences and motivation for how they receive information and interact with their health care. A refined segmentation approach is our way of taking a more meaningful strategy with your members. Based on their health concerns and needs, some members are short-term customers while others may be long-term. By recognizing these different member types and appropriately targeting them, we will engage more members and achieve better program participation and retention.

Anthem has developed a pilot segmentation system called "Portraits" that we will use as a base model for the Commonwealth's population. Upon full implementation, the Care Coach team will also have access to and understand the Portraits segments to better communicate with your employee by being knowledgeable about the best methods to engage members, set goals and assist with health results. For example, the more computer savvy employee may appreciate a secure email message reminder as opposed to a letter for important alerts or information while another employee may prefer a phone call for follow-up information.

Segmentation allows us to uniquely target our engagement strategies

Alternative Media

Anthem is partnering with dLife, an alternative media company, to offer the current Commonwealth Diabetes Condition Care Program participants with new tools and resources not previously available to drive effective member management. Not all members want to be engaged in the same way with their health care. dLife can be an alternative to engagement with a Care Coach for members who do not want to engage over the phone, or it can be an adjunct to the support they receive from their Care Coach. These enhanced tools and resources include:

- Telephonic inbound (toll free) and outbound IVR information.
- A customized dLife DVD that provides engaging information on various real-life diabetes-related topics.
- Access to the dLife website where members will find:
 - Diabetes blogs
 - Streaming video from a weekly diabetes series
 - Nutrition & Meal information including recipes, nutrition advice, and food substitution suggestions
 - Information specific to Type 1, Type 2 and Gestational Diabetes
 - Self-care tips
 - Ethnically focused content
 - Newsletters

Because of our commitment to the Commonwealth and your employees, you are the first to receive this program offered by the number one diabetes web destination and winner of Best Health and Health Care Website in 2007 from the Web Marketing Association's WebAward and Medical, Marketing and Media, to provide alternative media resources as part of our diabetes ConditionCare program.

MyHealth Advantage

MyHealth Advantage is designed to help improve your employees' compliance with evidence-based care recommendations, reduce errors and care omissions, and to help reduce their out-of-pocket costs through personalized information that empowers our members to take greater control of their health and health care decision-making. This program offered is produced by Resolution Health, Inc. a company recently acquired by WellPoint.

MyHealth Advantage identifies over 270 alerts for health issues by applying a sophisticated analytical process to sort the data for patterns of care, disease prevalence, and drug interactions, among other factors. Our early risk management program analyzes the Commonwealth's employees' and their covered family members' medical and pharmacy claims data, lab values, and information that members self-report through online health assessments and personal health records. These sophisticated analyses serve as the foundation for customized communication programs that target both members and physicians.

As part of the program, Anthem will send your members preventive care reminders. Preventive care reminders can be specific to a medical condition, such as a reminder to get a cholesterol test for a member with heart failure or an A1c test for a diabetic member. Other reminders pertain to lab tests or screenings for members taking certain medications. Additionally, Anthem may send members alerts for routine office visits, vaccinations and other age or demographic related care. Many of these preventive care reminders are also sent to the member's physician. In some cases, where it is a sensitive issue

MyHealth Note provides actionable information for the member and provider

or there are additional complexities, the message is only sent to the physician for them to personally follow-up with the member.

We can also review pharmacy claims, as frequently as daily, specifically for critical or urgent safety issues regarding dangerous drug interactions or contraindications with a member's condition. If a potential issue is identified, a pharmacist reviews the information and if warranted, calls the member's physician to alert them to the issue.

A hallmark of our offering is the MyHealth Note, a personalized statement that includes a review of the Commonwealth's employees' and their covered family members' recent medical and prescription claims history. Members are encouraged to share the detailed report with their providers. This review of their recent medical and prescription claims history is often reflective of visits to various physicians who are not coordinating the member's care. Also, the listing of prescription drug claims may alert the physician to medications the member is taking that they were not aware of. This snapshot provides a physician with the entire picture of care that is being delivered to a member. Also important, these customized communications provide members with health care program recommendations that are specific to their individual health conditions.

For example, a member who has been placed on Lipitor® for high cholesterol might receive a message saying there is no evidence from the member's claims history that she had his liver function tested three months after starting drug therapy (or if she hasn't received this test in the past year for members on this medication long-term). The message informs the member that this test is generally recommended and she should discuss it with his physician.

Commonwealth Toolkit

As part of Anthem's efforts to present the Commonwealth with the right tools and resources to build a culture of wellness for your work force, Anthem offers 'Time Well Spent.' Time Well Spent is a toolkit of communication materials available on Anthem.com designed to assist in the Commonwealth's long-term strategy to build a healthier culture for employees. Increasing the wellness level of your employee base can result in a shift in improvements in work productivity. Helping your employees reach and maintain their highest level of wellness is time well spent.

Toolkits available contain print on-demand clinically reviewed articles, worksite posters, payroll stuffers, nutrition guides, recipes, links to other resources (i.e., mypyramid.gov, etc.), that address good health. For example, kits focus on Healthy Eating, Know Your Numbers, Physical Activity and Heart Health. The information is designed to showcase positive images and "good news" messages about how healthy lifestyle choices can help prevent or better manage chronic illness and promote better quality of life regardless of where your employees are on the health care continuum.



- b. Identify and fully describe any work to be performed by the public entity.

The success of the project will be directly impacted by the continued partnership and collaboration between Anthem and the Commonwealth. With the common goal of improving the lives of your employees and their covered family members, a united effort in promoting a health-centric culture within the Commonwealth is imperative to effectively change behaviors that will result in better health.

Anthem will promote this culture through member newsletters, targeted member mailings, Website banners and through the calls received by our Customer Service Representatives. Our CSRs will use inbound calls as an opportunity to share a monthly wellness message to members. This 60-second message will allow our CSRs to highlight new programs and educate members on program offerings that apply to the members' current health situation. While this message will change monthly, messages will not be repeated should a member call in more than once during a month.

From the Commonwealth's perspective, a cultural shift this important must be driven from the top of the organization. These enhanced offerings, combined with our long time experience with supporting the Commonwealth's organization, will lead to more collaborative solutions to engaging your members.

- c. Include a list of all federal, state and local permits and approvals required for the project and a schedule for obtaining such permits and approvals.

Federal, state, and local permits are not required for this proposal given its nature. As a managed health care system, we operate in full compliance of state and federal laws.

- d. Identify any anticipated adverse social, economic and environmental impacts of the project. Specify the strategies or actions to mitigate known impacts of the project. Indicate if environmental and archaeological assessments have been completed.

We do not anticipate any adverse social, economic and environmental impacts of this project. Anthem welcomes the opportunity to better serve you and your employees with an integrated member experience to more effectively engage those employees in participating in healthy behaviors. Through the development of our enhanced technology platform, innovative predictive modeling and more robust reporting tools, our goal is to improve the health of your employees and to allow this plan to serve as the model to improve the health of *all* Virginians.

- e. Identify the projected positive social, economic and environmental impacts of the project.

Our commitment is to our members and to our communities. As part of our day-to-day business, WellPoint is dedicated to improving the health of our communities. As a result, The WellPoint Foundation was established in 2000 as the philanthropic arm of WellPoint, Inc. The Foundation focuses its funding on strategic initiatives and programs that address and provide innovative solutions to reduce the number of the uninsured or to promote the Healthy Generations program, a multi-generational initiative that targets specific disease states and medical conditions to improve public health.

With combined net assets of \$173 million as of year-end 2007, the Foundation supports non-profit organizations whose projects and programs directly impact these health care priorities. The Foundation also matches funds pledged to non-profit organizations through the company's annual associate giving campaign.

In 2007, Anthem and its affiliated Foundation contributed nearly **\$800,000** to nonprofit organizations creating healthier communities throughout Virginia and \$1 million in approved grants (pending first quarter payment). In Virginia, employees contributed \$2.2 million to nonprofit organizations through our annual Associate Giving Campaign.

Additionally, we held four events that raised over \$580,000. Those events and the dollar amount raised are:

- Anthem Lemonaid: \$100,000+
- Anthem Gurney Tourney: \$100,000+
- Heart Walks: \$81,000+
- AnthemLIVE!: nearly \$300,000

On Saturday, April 5, 2008, Anthem sponsored the Monument Avenue 10K, the fourth largest 10K in America. This was the first year that Anthem served as a top sponsor of the 10K - supporting an event that inspires people to become more physically active, while at the same time raising funds to fight cancer in Richmond.

Virginia associates contributed \$3,500 towards the Massey Fundraising Challenge to raise money for the cure for cancer. The Massey Cancer Center exceeded its goal of raising more than \$500,000 through this event.

The Monument 10K is just one way we are helping to build a healthier community. On April 26, 2008, WellPoint will launch a new tradition: our first annual Community Service Day. On this day, associates across the company will volunteer for a local cause in their communities. Our Community Service Day team has partnered with United Way and March of Dimes to develop volunteer projects nationwide that align with the WellPoint Foundation's mission. Volunteer projects include beautification activities at community health centers, "fun and fit" days at Boys & Girls Clubs, and staffing the March of Dimes' "March for Babies" walk. Although Community Service Day is new, it is entirely in keeping with our mission: to improve the lives of the people we serve and the health of our communities.

Also in scope for this year's community service projects are: Anthem Quest for the Cure/Night with the Kickers, Anthem Lemonaid, our 10th Annual Anthem Gurney Tourney, and the American Heart Walk.

- f. Identify the proposed schedule for the work on the project, including the estimated time for completion. Anthem is a successful pioneer in the health benefits industry and remains committed to timely completion of projects and their successful implementations. Anthem's plan will adhere to a detailed timeline which, subject to timely awarding of the PPEA proposal, will include implementing key member enhancements by January 1, 2009.

Many years of successful partnership with the Commonwealth have taught us the value and importance of teamwork and collaboration to ensure that every Commonwealth members' needs are met. Therefore, upon approval, Anthem's Commonwealth of Virginia Account Management team – which is headed by MacGregor Gould – will immediately begin finalizing our core PPEA solution deliverables.

This plan will include weekly meetings with the Commonwealth and pertinent third party vendors to develop the PPEA solution policies and procedures. Such collaboration will ultimately help to leverage existing COVA Care and TLC programs with newly proposed programs, encompassing our commitment to technology and innovation.

- g. Identify contingency plans for addressing public needs in the event that all or some of the project is not completed according to projected schedule.

For many years, we've been the one that the Commonwealth and its members count on. Implementing a new, dynamic, and innovative PPEA solution will not alter our commitment in any way – we will still be the one to count on.

We understand and share the Commonwealth's commitment to providing its employees with a solid portfolio of products and services that demonstrate real value and true savings. That's why our dedicated Commonwealth of Virginia Account Management team will work tirelessly to ensure that all facets of our proposed PPEA solution are completed according to schedule.

- h. Propose allocation of risk and liability for work completed beyond the agreement's completion date, and assurances for timely completion of the project.

There is no risk to the public as a result of the implementation of this proposal.

- i. State assumptions related to ownership, legal liability, law enforcement and operation of the project and the existence of any restrictions on the public entity's use of the project.

This is not applicable to this project.

- j. Provide information relative to phased or partial openings of the proposed project prior to completion of the entire work.

This is not applicable to this project.

- k. List any other assumptions relied on for the project to be successful.

Our mission is to improve the lives of the people we serve and the health of our communities. As referenced in Section 1, we are the largest health benefits company in terms of commercial membership in the United States with medical enrollment of 34.8 million members. Through our nationwide networks, our company delivers a number of leading health benefit solutions through a

broad portfolio of integrated health care plans and related services, along with a wide range of specialty products such as life and disability insurance benefits, pharmacy benefit management, dental, vision and behavioral health benefit services.

The success of health care behavioral change within a population is directly linked with the integration of these products and the service team that supports them. By offering a full suite of products to the Commonwealth's employees and their families, Anthem is able to "touch" the member multiple times through different channels, consistently sending the same message; drawing members in to engage in their own health management and/or maintenance. Behind the scenes, these various products and programs "speak" to each other on a common technological platform that allows the Commonwealth to monitor, report and capture trends. This deeper dive into a larger pool of members creates further opportunities for the development of influential programs through a continued partnership between the Commonwealth and Anthem.

When customers choose to carve-out pieces of the health care continuum, gaps in care can result. Subsequently, the customer cannot realistically achieve a holistic view of their member population, thereby decreasing the effectiveness of programs that may or may not be supporting the customer's overall goal. Additionally, when managing multiple vendor relationships and data specifications, it can jeopardize the integrity and accuracy of the data. In the end, members are not as well served as they could be with an integrated solution that reaches beyond just medical insurance. can receive data from external vendors and utilize data for member management, experience has taught us that this limits the overarching success of health improvement for you and your associates. Integrated data covering the scope of a member's health and specialty experiences that is readily available greatly enhances the ability to identify, stratify, and assess health outcomes. The success of this proposed project plan will be directly impacted by the scope of the partnership that the Commonwealth ultimately pursues with Anthem.

- l. List any contingencies that must occur for the project to be successful. Please note the assumptions referenced in the previous bullet point.

As we advance toward exciting goals that just a few years ago seemed like dreams – goals like better health, better care, greater member satisfaction and more control to manage costs – we believe Anthem is in a unique position to serve the Commonwealth of Virginia. We look forward to rolling up our sleeves and entering this new era with you.



Meet Gale

- Gale is 39, married with no kids.
- It's the beginning of the year and Gale has just started with her new COVA Care plan.
- She holds an executive office position with the Commonwealth.
- She and her husband are considering having a child.

January February March April May June July August September October November December



She's Expecting... And It's Twins!

- Integration between Service and Coaching leads to early engagement in Future Moms.
- She finds an OB in Provider Finder.
- Her OB's call to customer service to verify her maternity benefits generates a referral to the Future Moms program.
- Gale is high risk so she has regular calls with her Future Moms Coach.

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Gale Gets Started

- Gale completes a health assessment and receives a gift card.
- She locates her internist in Provider Finder and peruses information about various health topics.

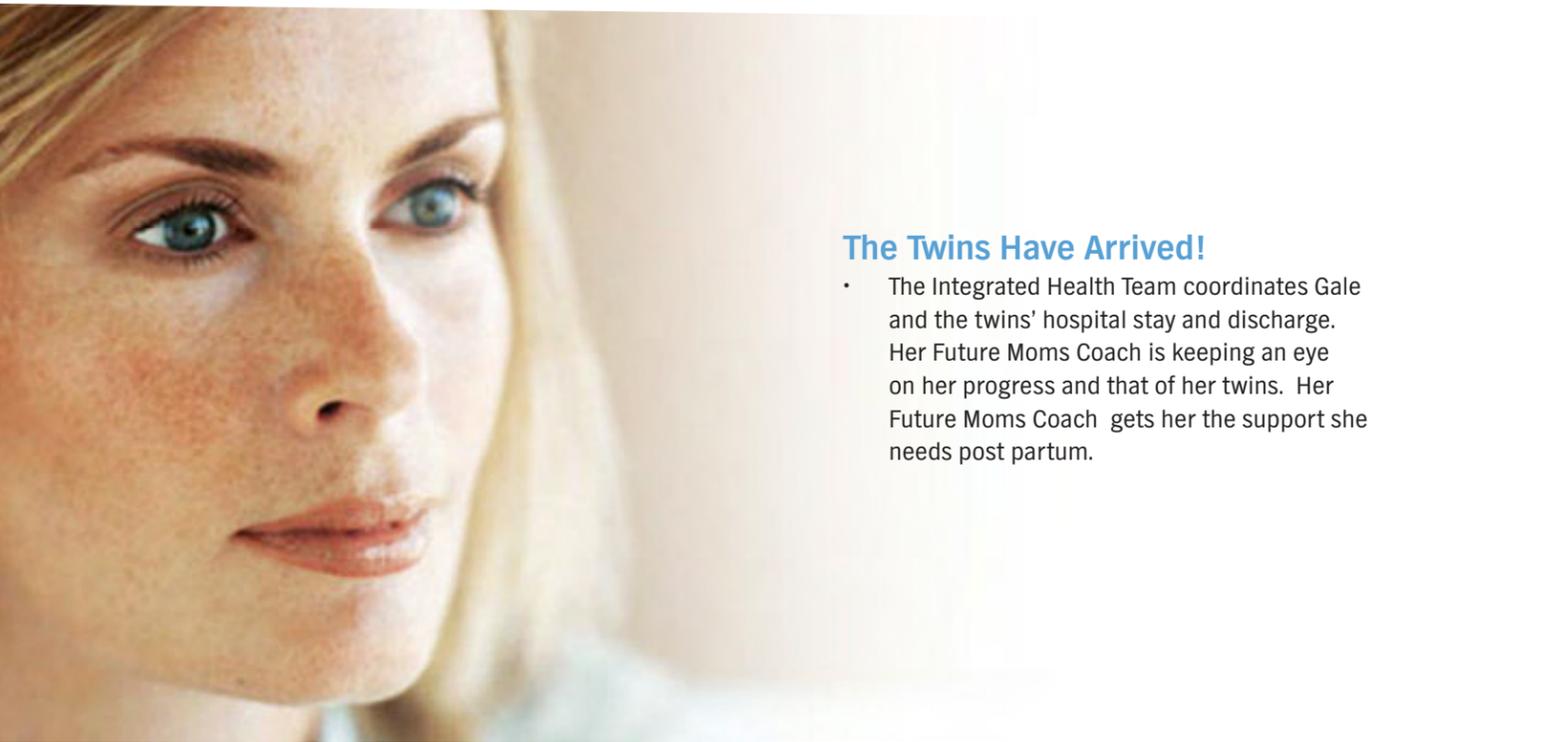
January February March April May June July August September October November December



A Complication...

- Gale has just been diagnosed with high blood pressure.
- Gale's off work much earlier than expected.
- Future Moms Coach helps her file a Short Term Disability claim.
- Her coach provides education on sign and symptoms of preeclampsia and pre-term labor.

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The Twins Have Arrived!

- The Integrated Health Team coordinates Gale and the twins' hospital stay and discharge. Her Future Moms Coach is keeping an eye on her progress and that of her twins. Her Future Moms Coach gets her the support she needs post partum.

January February March April May June July August September **October** November December



Meet Steve

- Steve is 50 and a former high school athlete.
- He has periodic back pain and is 30 lbs. overweight.
- It's the beginning of the year and Steve has just started with his new Anthem PPO plan.
- He's a professor of Kinesiology.
- Steve isn't happy with his Department head.

January February **March** April May June July August September October November December

Return to Work Support

Post Partum Depression screening at 6 weeks

Behavioral health Referral for Depression

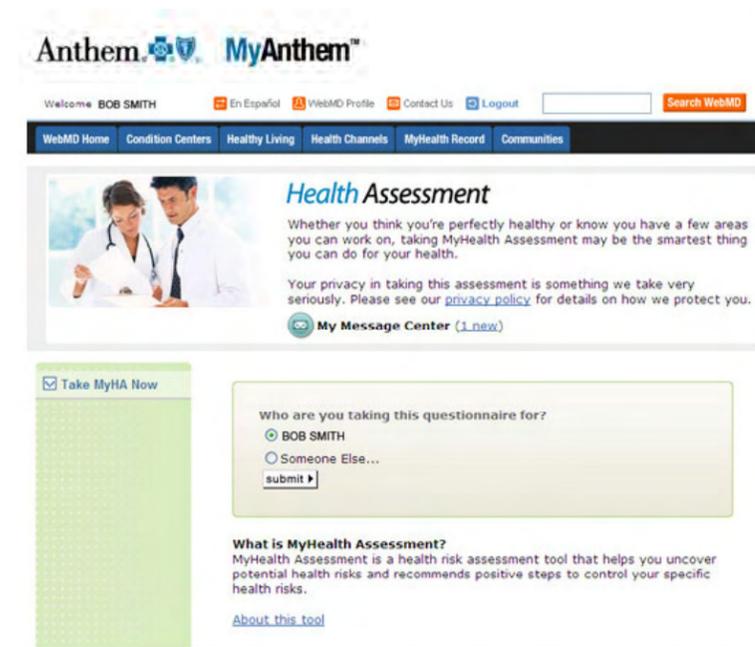
EAP referral for childcare resources



Gale is Back to Work

- Gale receives support from a Care Coach during Return to Work
- Gale receives a maternity incentive.
- Future Moms Coach transitions her case to a Care Coach for Gale and her family.
- Care Coach helps her with her transition back to work.

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January February **March** April May June July August September October November December

Steve Gets Started

- Steve completes a health assessment and receives a gift card.
- He locates his PCP in Provider Finder and peruses information about various health topics.
- His high BMI triggers a call from a Care Coach. Steve isn't ready to lose weight yet.



Steve Injures His Back at Home

- Anthem.com provides valuable information
- 4 weeks of conservative treatment, and he's still in pain.
- Steve calls Customer Service to inquire about participating providers and hospitals.
- CSR co-browses Provider Finder to help Steve find a doctor

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Getting Back to Work

- Steve receives support from Care Coach during Return to Work.
- Steve receives a gift card incentive for engaging with his Care Coach.
- Working with his Disability vendor and EAP, the Care Coach gets Steve the resources he needs to return to work.

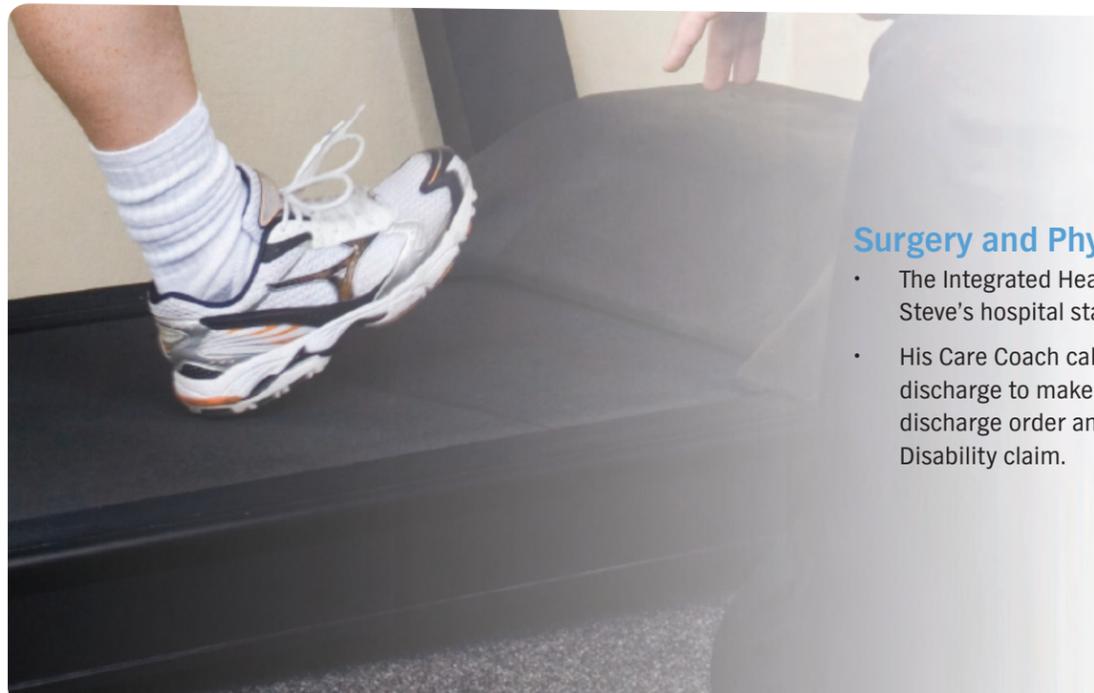
January February March April May June July August September October November December

Return to Work Support

Back Health Action Plan

Weight Management Coaching

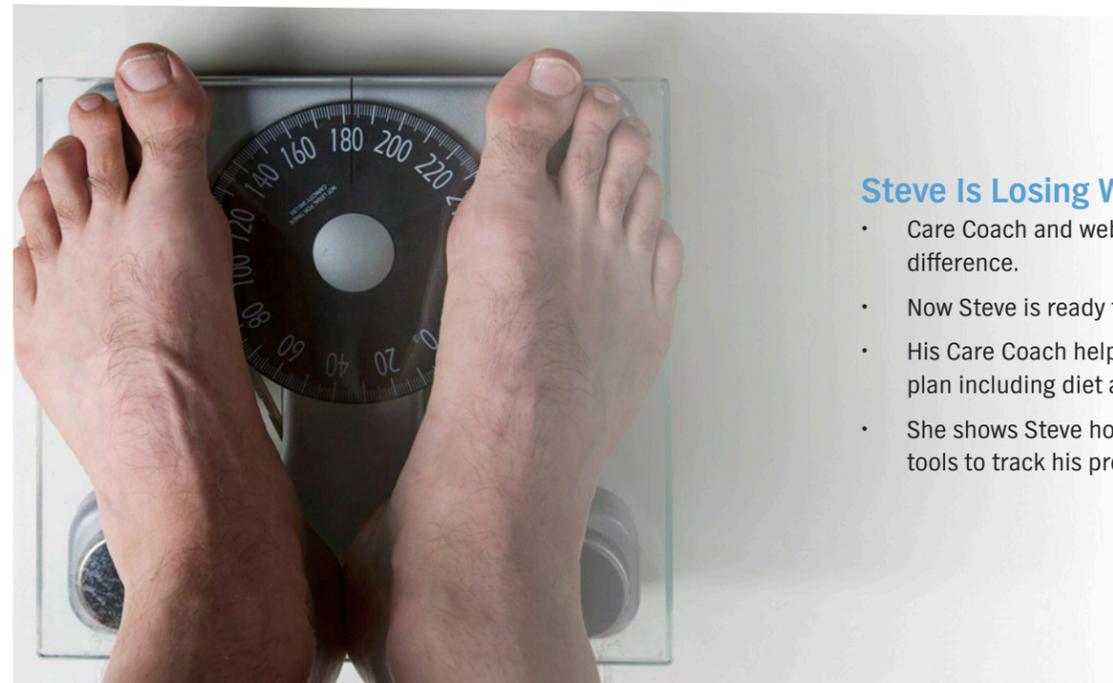
EAP referral for issues with boss



Surgery and Physical Therapy

- The Integrated Health Team helps coordinate Steve's hospital stay and discharge.
- His Care Coach calls him shortly after discharge to make sure he understands the discharge order and files his Short Term Disability claim.

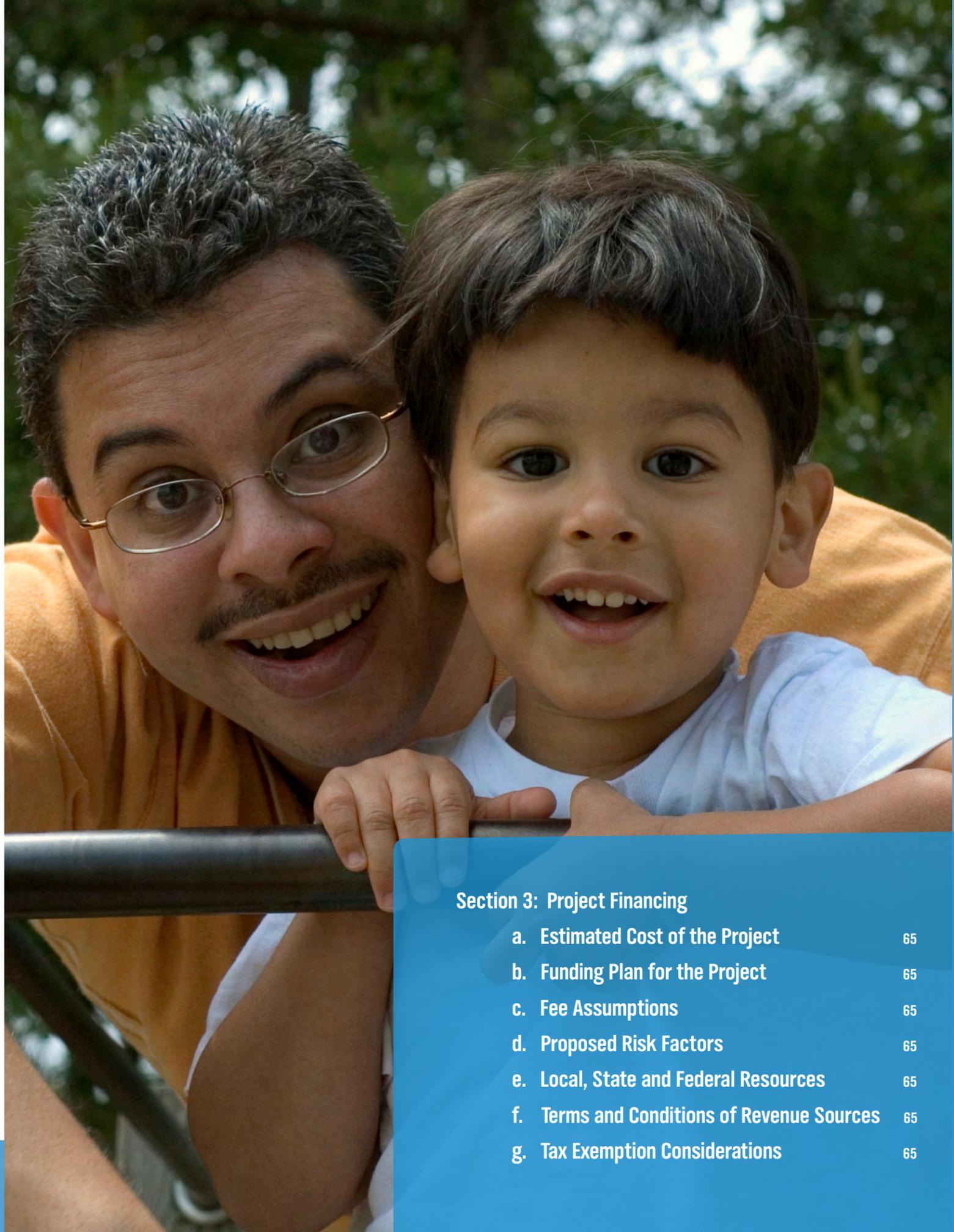
January February March April May June July August September October November December



Steve Is Losing Weight

- Care Coach and web tools make the difference.
- Now Steve is ready to lose weight.
- His Care Coach helps him set up a weight loss plan including diet and exercise.
- She shows Steve how to use Anthem's online tools to track his progress.

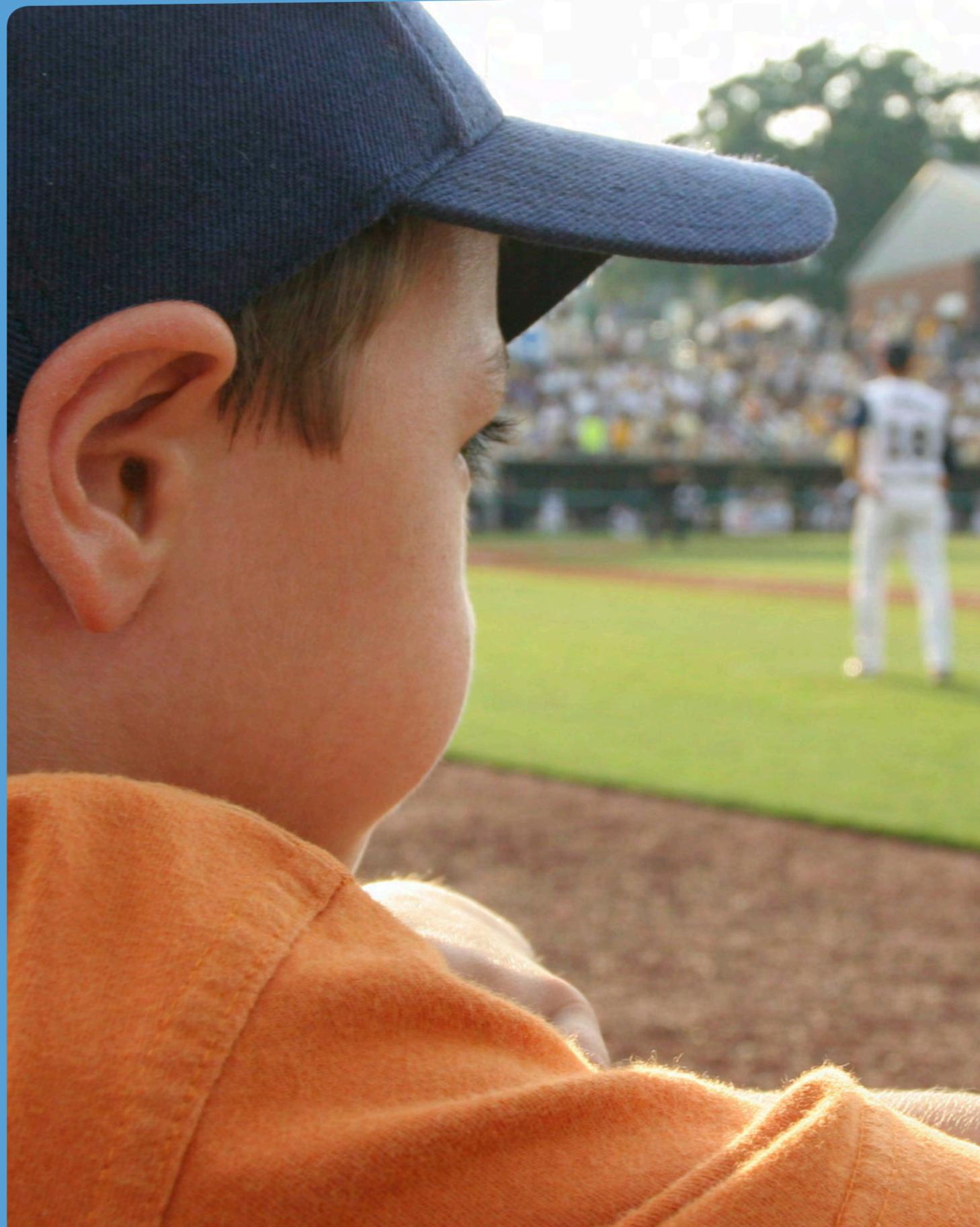
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Section 3: Project Financing

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Section 3: Project Financing



3. Project Financing

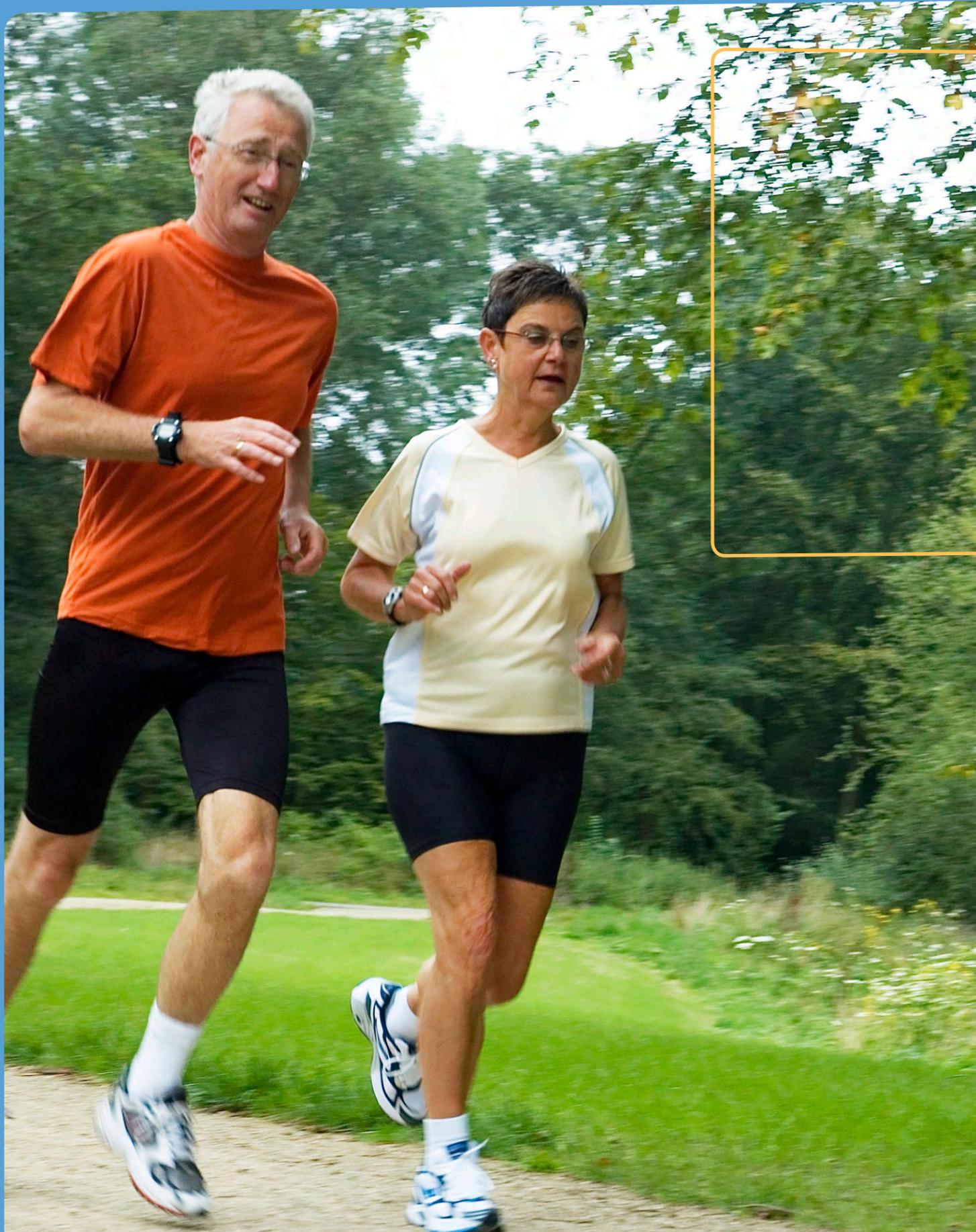
- a. Provide a preliminary estimate and estimating methodology of the cost of the work by phase, segment, or both.
Please refer to our Financial Proposal provided under separate cover.
- b. Submit a plan for the development, financing and operation of the project showing the anticipated schedule on which funds will be required. Describe the anticipated costs of and proposed sources and uses for such funds, including any anticipated debt service costs. The operational plan should include appropriate staffing levels and associated costs. Include any supporting due diligence studies, analyses or reports.
This is not applicable to this project.
- c. Include a list and discussion of assumptions underlying all major elements of the plan. Assumptions should include all fees associated with financing given the recommended financing approach. In addition, complete disclosure of interest rate assumptions should be included. Any ongoing operational fees, if applicable, should also be disclosed as well as any assumptions with regard to increases in such fees.
Please refer to our Financial Proposal provided under separate cover.
- d. Identify the proposed risk factors and methods for dealing with these factors.
Please refer to our Financial Proposal provided under separate cover.
- e. Identify any local, state or federal resources that the proposer contemplates requesting for the project. Describe the total commitment, if any, expected from governmental sources and the timing of any anticipated commitment. Such disclosure should include any direct or indirect guarantees or pledges of the Commonwealth's credit or revenue.
This is not applicable to this project.
- f. Identify the amounts and the terms and conditions for any revenue sources.
Please refer to our Financial Proposal provided under separate cover.
- g. Identify any aspect of the project that could disqualify the project from obtaining tax-exempt financing.
This is not applicable to this project.



Section 4: Project Benefit and Compatibility

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Section 4: Project Benefit and Compatibility



Anthem is a company with roots in Virginia, having served the Commonwealth of Virginia for 37 years. We employ 4,000 plus associates who work in Virginia, including more than 100 Customer Service Representatives who are dedicated to serving Commonwealth employees and their families. We work on the local, regional and state level to partner with various agencies to encourage healthier lifestyles. Additionally, in 2006 and 2008, our parent company was named among the “Top 50 Companies for Diversity” by Diversity, Inc. magazine. This means we are committed to working with minority- and women-owned businesses.

4. Project Benefit and Compatibility

- a. Identify community benefits, including the economic impact the project will have on the Commonwealth and local community in terms of amount of tax revenue to be generated for the Commonwealth and political subdivisions, the number of jobs generated for Virginia residents and level of pay and fringe benefits of such jobs, the training opportunities for apprenticeships and other training programs generated by the project and the number and value of subcontracts generated for Virginia subcontractors. Anthem employs over 100 CSRs in Virginia who are solely dedicated to the Commonwealth account. Statewide, Anthem employs over 4,000 associates. Since 1935, we have provided thousands of Virginians employment along with very competitive benefits and compensation plans that are typically above average for this area.

In order to implement our project, we will provide extra job opportunities in Virginia by hiring additional nurses to serve as Care Coaches, as well as additional CSRs.

Anthem strives to help its associates live healthy lifestyles. In fact, the Wellness Councils of America (WELCOA) recognized Anthem for its enhanced workplace wellness programs with a gold Well Workplace award in 2007. This demonstrates that Anthem is committed to improving the health of its employees.

- b. Identify any anticipated public support or opposition, as well as any anticipated government support or opposition, for the project;

Anthem anticipates full public support for this project. As discussed in Section 2e, Anthem has a long history both in Virginia as an employer of thousands, and with the Commonwealth as a customer. We are a committed partner focused on improving the health of all we serve and the communities in which we work. Such a successful long-term relationship, combined with new technology, innovation and member enhancements, means we can best serve the Commonwealth's employees and their families.

- c. Explain the strategy and plan that will be carried out to involve and inform the general public, business community, local governments, and governmental agencies in areas affected by the project;

Anthem will leverage several communications tools to deploy a comprehensive awareness campaign. Press releases and other media sources, at the Commonwealth's discretion, will likely be an important aspect of the communications strategy. Anthem will work directly with the appropriate state agencies and take advantage of the many channels we already have established with the Commonwealth. This includes, but is not limited to, supplying information for posting on the DHRM and Anthem websites; e-mail blasts to state agency benefits administrators and The Local Choice group administrators; and educational events across the state.

- d. Describe the compatibility of the project with local, regional, and state economic development efforts.

Anthem's proposal goes hand in hand with continually raising the bar for health care delivery in the Commonwealth. A crucial outcome is encouraging healthier lifestyles, which can have a myriad of economic impacts on both a corporate and public level.

Anthem hopes to continue its partnership with the Commonwealth and achieve the following goals:

- Improve employees' health
- Reduce rising health care costs
- Increase employee productivity
- Improve employee morale
- Decrease utilization of employer-subsidized health benefits
- Reduce absenteeism due to health-related causes.

Our programs will also increase the Commonwealth's ability to attract and retain key personnel. An improvement in any of these areas has a clear bottom-line financial benefit to the organization.

Overall benefits include:

- Improving quality of life
- Preventing illnesses
- Educating members about disease and health/wellness issues
- Supporting the appropriate use of employer-subsidized health benefits
- Creating a healthy work culture
- Reducing inappropriate health care claims

- Reducing employee absenteeism
- Increasing employee productivity
- Improving employee morale and thereby reducing employee turnover
- Improving HEDIS scores

- e. Describe the compatibility with the local comprehensive plan, local infrastructure development plans, and any capital improvements budget or other local spending plan.

Please see the response provided for the section above as appropriate.

- f. Provide a statement setting forth participation efforts to be undertaken in connection with this project with regard to the following types of businesses: (i) minority-owned businesses; (ii) woman-owned businesses; and (iii) small businesses.

As discussed in Section 1i, Anthem remains committed to the Commonwealth in achieving our common goals of workforce and supplier diversity for this project. Anthem and our parent company affiliates paid over \$968,000,000 to minority-owned, women-owned and small businesses in 2007. Small business accounted for 90% of that spend, with minority-owned and women-owned business representing 11% and 22%, respectively. Please note that some of the minority-owned and women-owned businesses are also included in the small business designation.

Diversity touches every aspect of life at WellPoint, from career advancement to supplier relationships. A diverse supplier base enables us to deliver unique value to the culturally distinct markets in which we live and work.





A wide range of suppliers is needed to support our business operations. Through our Supplier Diversity Initiative, we are dedicated to diversifying our supplier base to include businesses that are minority-owned and women-owned. We actively work to include diverse suppliers in every bidding opportunity.

In addition to direct business with diverse suppliers, our Supplier Diversity Initiative promotes business with diverse suppliers who are subcontracted to provide goods and services to us from a primary supplier. This represents the WellPoint Tier II Program.

Recognition by Diversity, Inc.

In 2006 and 2008, WellPoint was named among the “Top 50 Companies for Diversity” by Diversity, Inc. magazine.

The publication’s editorial mission is to provide education and clarity on the business benefits of diversity. Diversity, Inc. conducts an annual survey of diversity business practices to determine the “Top 50 Companies for Diversity.”

The survey captures four distinct categories of information. They include CEO Commitment, Human Capital, Corporate Communications (internal and external) and Supplier Diversity. In 2006, competition increased with 257 companies participating, a 100% increase over the last three years and a 26% increase over the previous year.

Within the category of supplier diversity, quality and intensity of the supplier diversity effort was measured by emphasizing structure and integration into general procurement.

Areas measured included:

- Percentage of procurement spending going to minority and women-owned enterprises
- Tier II (subcontractor) spending
- Tracking supplier diversity in a database, to whom supplier diversity reports
- Third-party certification

Also, WellPoint was ranked 14th among the “Top 50 Companies for Diverse Managers to Work.” The list was published by DiversityMBA magazine, a publication targeting people of color and women with MBAs, students, professionals and the business community.

Setting and Exceeding Diversity Goals

In 2007, WellPoint set goals and made plans to effectively manage the performance of our supplier diversity base and align the supplier diversity program with WellPoint’s key business objectives. The supplier diversity goal was exceeded by 64%. The actual dollars spent by Anthem’s parent company alone with minority-owned and women-owned businesses was \$64 million in 2007.

The supplier diversity plan for 2008 includes significantly increasing the number of direct or Tier I diverse suppliers, ensuring supplier diversity language in all RFPs, and doubling the number of Tier I suppliers reporting Tier II spend. Additionally, WellPoint will be seeking new opportunities by partnering with several of our strategic business units.

In 2007, WellPoint conducted a vendor review to ensure the integrity of the supplier diversity spend and to ensure diverse suppliers were, in fact, certified. A third-party consultant, who is a minority-owned business, was hired to review the data, manage the Tier II reporting and provide a comprehensive database from which diverse suppliers can be located. These tools have offered a great advantage to the supplier diversity effort.

WellPoint offers a supplier registration process that will automatically enter a supplier’s information into the supplier database. Additional information about supplier registration can be found on the WellPoint website at wellpoint.com.

WellPoint is a member of the National Minority Supplier Development Council, the Women Business Enterprise National Council and the National Association of Women Business Owners and serves as a financial contributor as well as an active member. Each organization exists to educate and promote the corporate support of diverse suppliers for contracting opportunities. WellPoint actively promotes supplier diversity in our participation at conferences, trade shows, networking events, and in board and committee roles.



Supplier Diversity Accomplishments and Goals for 2007 included:

- Procurement actively works to include diverse suppliers in every bidding opportunity.
- Supplier Diversity Director included in all sourcing activities (direct knowledge of contract opportunities).
- Supplier diversity is a commitment that begins at the top. WellPoint's President and CEO, Angela Braly is committed to supplier diversity.
- WellPoint named among "Top 50 Companies for Diversity (2006)." Supplier Diversity is one of four measured categories.
- WellPoint has been recognized on the Diversity, Inc. list of "Top 25 Noteworthy Companies for Diversity."
- WellPoint received the Mayor's Top Celebration of Diversity Award in Indiana. Supplier Diversity was one component.
- WellPoint commissioned a supplier vendor review, a validation of a company's diversity status.
- Established successful subcontracting diversity program; vendors subcontract work with diverse suppliers.
- Partnership between Supplier Diversity and Supplier Performance Management - includes tracking diversity compliance.
- WellPoint is a participant and financial contributor of Supplier Diversity-related events nationwide.
- WellPoint is a corporate member and active participant of Supplier Diversity organizations, nationally.
- Created Supplier Diversity brand, "Dedicated to Diversifying Our Supplier Base."
- Established technology-based vendor registration portal.
- In 2007, \$64 million was spent with certified diverse suppliers in goods & services, a 64% increase over 2006.

Supplier Diversity Goals for 2008 include:

- Increase spending with diverse suppliers over 2007.
- Increase the number of diverse suppliers, locally and nationally.
- Establish IT/Supplier Diversity strategic alliance - increase Supplier Diversity spending with IT vendors.
- Increase utilization of national databases as a resource for diverse supplier searches.

Anthem Blue Cross and Blue Shield is the trade name of: In Colorado: Rocky Mountain Hospital and Medical Service, Inc. In Connecticut: Anthem Health Plans, Inc. In Indiana: Anthem Insurance Companies, Inc. In Kentucky: Anthem Health Plans of Kentucky, Inc. In Maine: Anthem Health Plans of Maine, Inc. In most of Missouri: RightCHOICE® Managed Care, Inc. (RIT), Healthy Alliance® Life Insurance Company (HALIC), and HMO Missouri, Inc. RIT and certain affiliates administer non-HMO benefits underwritten by HALIC and HMO benefits underwritten by HMO Missouri, Inc. RIT and certain affiliates only provide administrative services for self-funded plans and do not underwrite benefits. In Nevada: Rocky Mountain Hospital and Medical Service, Inc. In New Hampshire: Anthem Health Plans of New Hampshire, Inc. In Ohio: Community Insurance Company in Ohio. In Virginia: Anthem Health Plans of Virginia, Inc. (serving Virginia excluding the city of Fairfax, the town of Vienna and the area east of State Route 123.). In Wisconsin: Blue Cross Blue Shield of Wisconsin (“BCBSWI”) underwrites or administers the PPO and indemnity policies; CompCare Health Services Insurance Corporation (“CompCare”) underwrites or administers the HMO policies; and CompCare and BCBSWI collectively underwrite or administer the POS policies. Independent licensees of the Blue Cross Blue Shield Association. © ANTHEM is a registered trademark. The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association. Anthem provides administrative claims payment services only and does not assume any financial risk or obligation with respect to claims.