



Regence

# Regence 2020 Annual Overview

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



# A message from Angela Dowling



Angela Dowling

Plan President

Regence BlueCross BlueShield of Oregon

79 years  
serving Oregonians



940,004  
people served



3,270  
employees

At its core, health insurance is a promise to be there when you need it most—providing peace of mind and financial security to help persevere through life's biggest health challenges.

2020 presented more than its fair share of challenges: parents became teachers and full-time caregivers, kitchen tables doubled as offices, business models pivoted and hundreds of thousands tragically lost their lives to a once-in-a-century pandemic. We endured together through these hardships because resilience is in our Pacific Northwest DNA.

Our roots as a health insurance company go back to the eve of the last pandemic when, in 1917, loggers and their families pooled funds to help each other with medical costs—giving birth to the Regence family of health plans. More than 100 years later, this same principle of neighbor helping neighbor guides our response to COVID-19.

We listened and quickly evolved how we serve Oregonians, striving to create certainty in uncertain times.

**Supporting our members:** From covering COVID-19 testing, treatment and vaccines at no out-of-pocket costs to expanding telehealth, we took action to ensure the nearly 1 million Oregonians we serve could safely and conveniently access care.

**Focusing on financial stewardship:** Guided by our nonprofit values, Regence voluntarily refunded to our fully insured Oregon customers and members \$13.5 million in premium credits that resulted from fewer members seeking care during stay-at-home orders.

**Standing alongside our employer and broker partners:** We hosted more than 90 webinars to help customers navigate the changing environment and connect directly with our medical experts.

**Working hand in hand with our providers:** By expediting claims payments, we provided more financial security and implemented additional flexibility measures to support our heroic frontline workers.

**Aiding our community:** We committed more than \$3.9 million to local organizations, including \$250,000 in wildfire relief to bolster impacted communities like those in Southern Oregon.

We continue to walk this road together, standing behind our members and helping our state on the journey forward. I'm confident that 2021 will be a year filled with hope and better health.

Thank you for your trust and partnership.



**32,871**  
in-network providers



**\$2.28B**  
member premiums



**676**  
in-network facilities

## 2020 by the numbers



**3.1M**  
people served by Regence



**70%**  
of Fortune 500 companies  
are Blue



**95%**  
of providers nationwide  
are Blue





## Guiding principles for our pandemic response



Ease **access to care** through increased provider collaboration and support during unprecedented times



Protect the **safety and well-being** of our employees



Ensure **continued service** to our members and customers



Demonstrate leadership toward a **collaborative, person-focused approach** in our communities and the health care industry



Maintain **financial stability** so we can serve our members and customers today and in the future





## Here for our members

When COVID-19 began its rapid spread in early March, Regence prioritized safely connecting members to care and supporting their needs in what was becoming a confusing and highly stressful environment.

As the pandemic gripped our region throughout the year, we employed a combination of ingenuity, technology, education and targeted communications to ensure our members and customers were supported.

**Expanded telehealth and behavioral health options** to increase access to care when traditional methods were constrained

Virtual medical care increased from 2% of visits to a high of 50% in April

Virtual behavioral health care increased from 2% to 65% and remains at that level

**Waived prescription refill policies** for 10,000 fills to make sure members had the medications they needed while in quarantine



During a very confusing and stressful time, our customer service professionals have been connecting daily with members across our four-state footprint impacted by COVID-19.

34,246

COVID-19 calls  
from members  
in 2020

41,680

COVID-19 calls  
to members  
in 2020

**Provided commercial members additional well-being support** by offering the myStrength® COVID behavioral health module free of charge

**Proactively contacted high-risk members** in our Care Management program and those who contracted COVID-19 to ensure their needs were being met



## More members are using telehealth—and it's making a big difference:

"I'm SO very grateful this was an option ... With COVID and fever, I knew there was no way someone would take me on, and my only recourse would be the emergency room or urgent care. I got medication for flu and fever and will remember this experience as one of the best."

"We were on vacation in the middle of nowhere. This option saved me a two-hour round trip to the ER. That would have cost me a fortune. So thankful for this option."



## Fact-based guidance in a confusing time

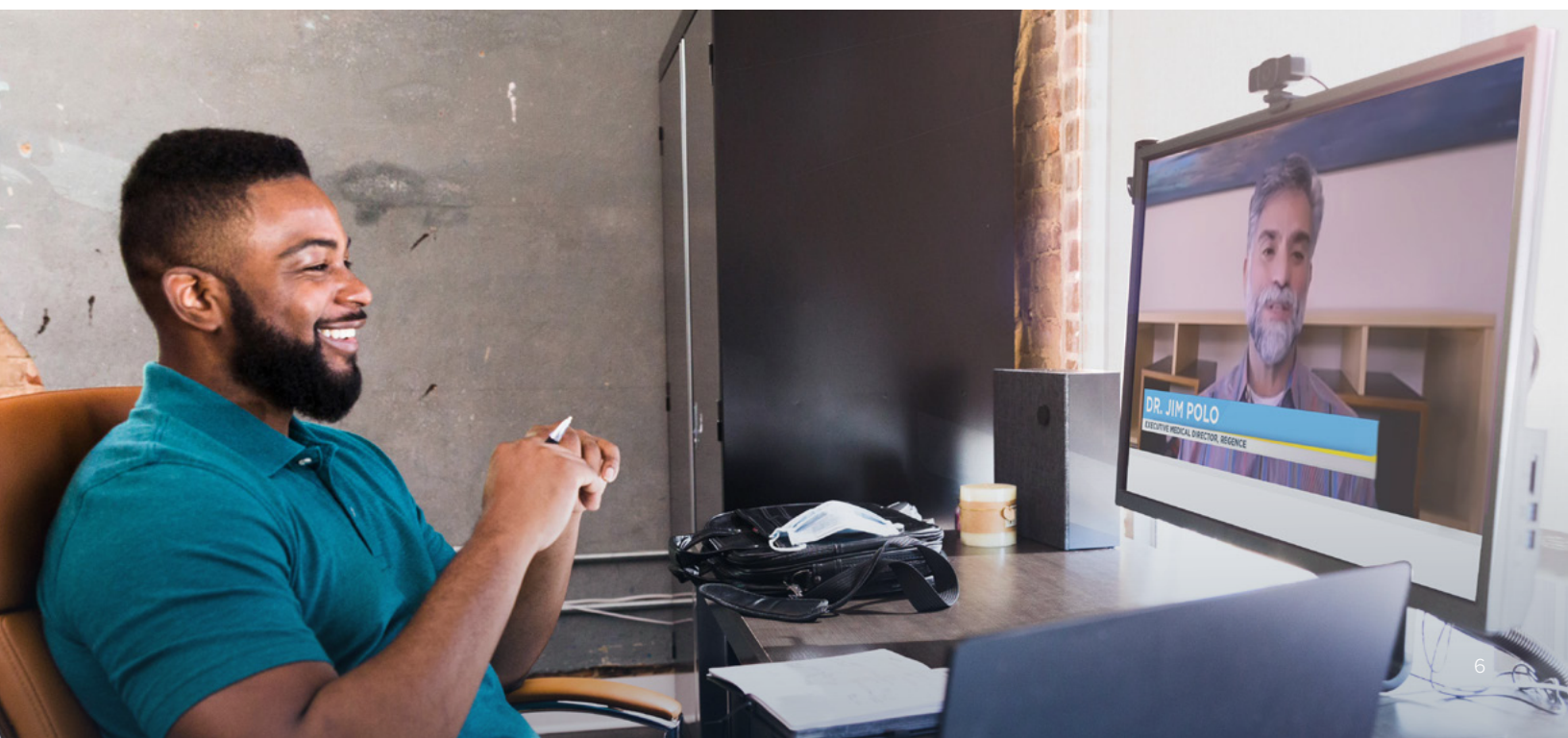
To help combat misinformation and keep members informed, we created a centralized online resource on **regence.com** that provides the latest about COVID-19. This includes an interactive symptom tracker to help members navigate next steps, easy access to behavioral health tools and resources, and FAQs about benefits and the coronavirus. Our medical directors provided fact-based content and videos

via our blog and social media accounts, and appeared on local TV and radio stations to cover a variety of timely topics such as:

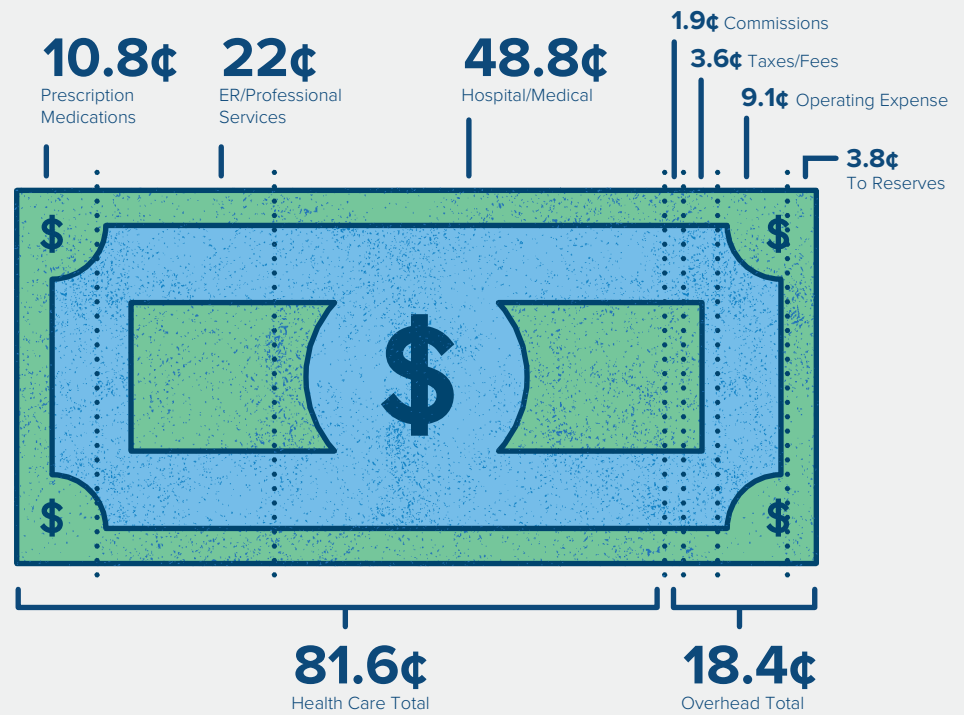
**Staying social while social distancing**

**Mental resiliency and addiction resources**

**How to talk to your kids about COVID-19**



Where our members' premium dollar goes



## Focused on financial stewardship

As a tax-paying nonprofit, we don't answer to shareholders—we answer directly to our members. We work as advocates on their behalf, holding the line against rising health care costs and making investments that improve the care experience, all while maintaining our financial stability so we can pay claims in good times and bad.

Amid 2020's challenges, we took measurable steps to prioritize financial stewardship for our members, including:

**Providing more than \$110 million in COVID-19 tests and treatment (including \$50 million for fully insured members)** at no out-of-pocket costs to members across our four-state footprint by waiving copays, deductibles or coinsurance.

**Offering financial relief through premium credits**, including \$13.5 million to our fully insured customers and members right here in Oregon. This represents the amount that was paid for coverage for care that some members were not able to fully access during stay-at-home orders.

**Fostering value-based arrangements with providers**, leading to measurable improvements in the health of our members. This quality-over-quantity approach, which compensates providers based on health outcomes rather than volume of care, leads to fewer unnecessary medical appointments and lower health care costs.

**Saving our health plan members over \$500 million in claims** through cost stewardship efforts. Examples include working with pharmacists to provide access to the right medication at the right price and collaborating with providers to reduce unnecessary or potentially unsafe care.

Value-based arrangements represent  
43% of claims across our footprint.







2020  
Financials

\$1.8B  
Health care spend

11.18M  
Claims processed

\$4,065  
Average amount paid in  
claims per member





## Standing behind our customers

Businesses big and small have experienced unparalleled disruption during the pandemic while navigating closures and stay-at-home orders, shifts in consumer demand, and changes in their own workforces. As their trusted partner, we're working hand in hand with them to provide guidance and resources that help keep their employees safe and their businesses economically viable. Our efforts included:

**Collaborating with employers** on solutions to support their businesses and workforces, including grace periods, leave-of-absence policies to continue coverage, mid-year plan changes, help accessing state and federal financial resources, and premium credits for care that members weren't able to fully access

**Hosting 87 virtual education events** across our four-state footprint on back-to-work guidance, testing and prevention, mental well-being, and health benefits strategies, reaching approximately 7,750 employers and producers

**Launching a first-in-the-nation Fitbit Ready for Work partnership program** focused on assisting essential industries and their employees

**Standing up dedicated online resources and FAQs** to help employers navigate resources and benefit information

**Increasing the frequency of our Employer News e-newsletter** to twice monthly—and sometimes more often—in the spring and summer to ensure customers had the latest pandemic-related updates

**Transforming open enrollment to a virtual experience** to protect our customers' and employees' health while driving increased engagement and attendance



## Collaborating with providers to care for our communities

Amid the pandemic's many hardships, one silver lining has been a widespread recognition of the critical and selfless role health care workers play. Doctors, nurses, therapists and countless others have been the true heroes of 2020, and we roundly celebrate their service and sacrifices. Regence has taken a number of steps to support and collaborate with our provider partners to enable better, safer and more-efficient care for those we collectively serve:

**Reimbursing virtual care at the same levels as in-person visits**, allowing for safer care for members and greater financial stability for providers during the height of the pandemic

**Expediting provider claims payment** to seven days on average—a 105% improvement

**Supporting hospital discharge needs**, including removing barriers to quickly relocate critical COVID-19 patients to alternative settings

**Shifting pre-authorization of elective procedures** to ease access to care, and eliminating pre-authorization for COVID-related tests and treatments

**Expediting provider credentialing** to help meet emerging demand

**Advocating** for providers to receive additional assistance through federal aid packages

**Spearheading campaigns** that encourage members to safely schedule preventive care visits and flu shots, easing the downstream burdens on the health care system and giving providers added financial certainty

**Partnering with Tabula Rasa Healthcare** on a virtual clinical trial that assesses potential COVID-19 treatments, and publishing the results for the collective learnings of the medical community

**Empowering rural primary care practices** with technology and resources through a new partnership with value-based care specialist Aledade so providers can deliver more effective care and remain independent





## Taking care of our employees so they can perform at their best

Everything we do to support our members, business partners and communities starts and ends with our employees. Ensuring our workforce is protected from COVID-19 and maintaining critical operations without interruption is paramount to our mission of transforming health care for those we serve.

We rapidly and successfully shifted 99% of our employees to work from home in mid-March without missing a beat. This new reality has been balanced with a number of organizational changes that offer additional support:

**Increasing the frequency of all-employee meetings and divisional town halls** to foster closer connections with leadership, share information, answer questions and strengthen company culture

**Implementing flexible work schedules and coaching for managers** to help employees balance caregiving and other at-home and pandemic-related realities

**Financially supporting hourly and contracted workers** through the early stages of closures

**Providing weekly virtual offerings on wellness** (physical and behavioral), stress relief and resilience that are regularly attended by more than 300 employees

**Offering all employees access to myStrength** for additional mental and behavioral health support

**Matching our employees' generosity to help fight food insecurity** in our local communities; Regence matched 100% of employee donations made to hunger-related organizations, collectively raising \$218,000 to ensure Americans stay healthy and fed during this time of increased need

# 4,725

employee volunteer hours

# 89

employees serving on the board of 103 organizations in Oregon



## Investing in the communities we serve

Sadly, 2020 claimed many lives, magnified health disparities and compounded financial instability among our most vulnerable neighbors.

Together with our employees, parent company and foundation, we responded by committing more than **\$18.7 million** in philanthropic investments to strengthen and support the communities we serve. This includes more than **\$3.9 million** to **697 Oregon nonprofit organizations** addressing immediate needs like food insecurity, protecting front-line workers, and tackling the pandemic's long-term health and socioeconomic impacts.

Through these investments, we were able to:

**Fight barriers to food access.** We partnered with the Portland-based Sunshine Division to support expansion of its Emergency Food Distribution program to meet a fourfold increase in demand for food assistance. Since March, the program has served more than **3.6 million meals** to Oregonians in need—including **134,000 food boxes, 35,000 of which** went to homebound seniors.

**Address health and socioeconomic disparities through housing stability.** Understanding that access to safe, stable and affordable housing can improve health outcomes, we made a multi-year investment in Habitat for Humanity Portland/Metro East to fund projects that will offer homeownership opportunities for **200 Oregonians** and a path toward equity for those displaced due to gentrification and systemic racism.

**Support our most vulnerable neighbors.** Technology plays a strong role in building connections, particularly in a year in which physical distancing highlighted the impact of prolonged isolation. Our support for the Children's Cancer Association's MyMusicRx® program provided virtual music "medicine" for children undergoing treatment or in recovery, offering hope, healing and connection in a safe environment. One mother was grateful for her son's compassionate MyMusicRx specialist. "Jared loved every minute of it...Thank you so very much for making my boy laugh and being his friend!"



## Providing aid in the wake of the Oregon wildfires

Amid an already difficult year, Oregon also experienced devastating wildfires that ravaged communities across the West Coast and affected thousands of Oregonians. To support our communities and front-line responders, we committed **\$250,000** in aid to the American Red Cross and other organizations committed to recovery efforts.



## Addressing mental health in rural communities

The economic recession, social isolation and political unrest further fueled our nation's behavioral health crisis. In 2020 we donated more than **\$11.5 million** to help meet the urgent mental and behavioral health needs of rural communities. This funding, resulting from our parent company's receipt of risk corridor funds through the Affordable Care Act, will increase access to programs that provide 24/7 support to people in crisis or emotional distress, expand the capacity of established safety net programs, and support efforts to reduce stigma around seeking mental health care.

# Preparing for the future

While vaccines offer a welcome light at the end of the tunnel, we're also looking ahead and anticipating what our members and the communities we serve will need to fully recover. That's why we're committing an additional \$6 million to advance health equity and increase access to behavioral health.

Learn more about the steps we're taking to empower our members, business partners and communities on the road to recovery by visiting **regence.com**.

Fitbit Health Solutions and myStrength are separate and independent companies that provide services for Regence BlueCross BlueShield of Oregon members.



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