



Regence

Regence 2020 Annual Overview

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

A message from Sean Robbins



Sean Robbins
Market President
Regence BlueShield of Idaho

74 years
serving Idahoans



257,973
people served



628
employees

As we can all attest, 2020 was a year none of us will soon forget. Every organization in our state was tested as never before by the pandemic and its associated economic impact. I'm honored that our company and the health insurance industry rose to the occasion to be there when you needed us most, providing peace of mind and financial security to help you persevere through many challenges.

As Idahoans, we came together for the common good—because the notion of neighbor helping neighbor is woven into the fabric of who we are and how we live.

Our roots as an Idaho health solutions company date back to 1946 when a group of Lewiston physicians came up with a novel plan that invited area residents to pool their funds to help each other with medical costs. Nearly three quarters of a century later, we creatively used this compassionate made-in-Idaho model to guide our response to the COVID-19 pandemic.

We listened and quickly evolved how we serve our Idaho neighbors, working 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 more than 257,000 people we serve could access care safely and conveniently.

Focusing on financial stewardship: Guided by our nonprofit values, Regence voluntarily refunded \$2.9 million in premium credits to our fully insured Idaho customers and members due to reduced care levels during stay-at-home orders.

Standing alongside our employer and broker partners: We've hosted dozens of webinars to help our customers navigate the changing environment and connect directly with our medical experts.

Working hand in hand with our providers: We expedited claims payments for more financial security and implemented additional measures for added flexibility to support our heroic frontline professionals.

Though we're not out of the pandemic woods yet, I believe we're on the right path. As we continue to work our way through the challenges before us, I'm confident that 2021 will be a year filled with hope, better health and growing prosperity.

Thank you for your trust and partnership.

A handwritten signature in black ink, appearing to read "Sean Robbins".



11,540
in-network providers



\$385.2M
member premiums



454
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:

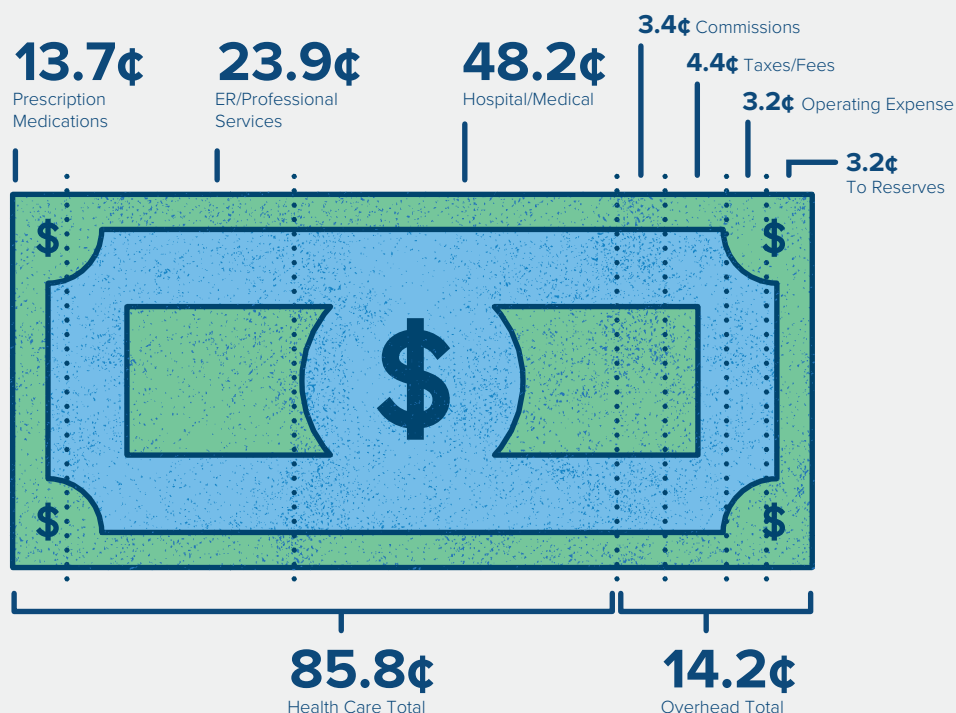
Staying social while social distancing

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 \$2.9 million to our fully insured customers and members right here in Idaho. 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

\$309M
Health care spend

2.32M
Claims processed

\$1,919
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

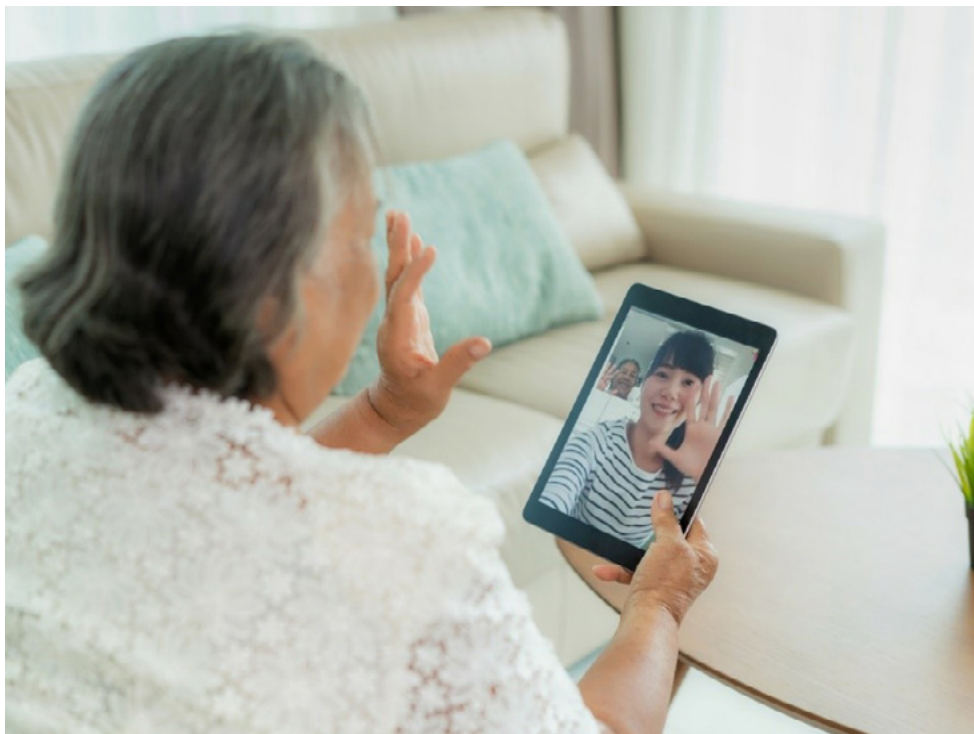
Matching our employees' generosity to help fight food insecurity in our local communities; Regence matched 100% of employee donations made to hunger-related organizations, collectively raising \$218,000 to ensure Americans stay healthy and fed during this time of increased need

1,090

employee volunteer hours

23

employees serving on the board of 46 organizations in Idaho



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, family of companies and foundation, we responded by committing more than **\$18.7 million** in philanthropic investments to strengthen and support the communities we serve. This includes nearly **\$2.2 million** to **112 Idaho 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:

Raise the bar on community giving. Early in the pandemic, we joined the Idaho Nonprofit Center to support Idaho Gives—a campaign to bring awareness and raise money for local nonprofits in need. The campaign raised more than **\$3.9 million**—a \$2 million increase from the previous year—benefiting **634 organizations** and stabilizing funding in a year of heightened uncertainty.

Create connection points for seniors and caregivers.

Technology plays a strong role in building connections, particularly when physical distancing has highlighted the impacts of prolonged isolation. We partnered with the Idaho Commission on Aging and local Area Agencies on Aging to equip residents with technology to keep them safely connected to loved ones. An additional donation provided tablets and internet access to caregivers in rural areas. Kristin Schmidt, director of the Area Agency on Aging and Community-based Programs, noted how digital connections have served as creative ways to help residents and relatives stay in touch. “Once the devices are in their new ‘homes,’” she said, “the potential impact of this grant could benefit as many as 1,400 residents and their loved ones!”

Reinforce the primary care safety net. When critical PPE was in short supply for community-based nonprofit health centers, we partnered with the Idaho Community Health Centers to deliver **249,000 pieces of PPE** to ensure health center heroes were protected.



“During unprecedented times brought on by the COVID-19 pandemic, Community Health Centers have gone to extraordinary measures to meet the primary health care needs of their patients and communities ... with generous grants from Regence, our care centers were able to offer additional support to their member health centers and positively impact the lives of those in need.”

—Rachel A. Gonzales-Hanson
Senior vice president for Western Operations,
National Association of Community Health Centers



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 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 BlueShield of Idaho members.



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