



Making healthcare work better

March 2022
Knowledge Management
Consulting for:

Alaska Railroad Corporation

Incurred Period: 12/1/2020 - 11/30/2021
Group ID: 1038789

PREMERA | 

BLUE CROSS BLUE SHIELD OF ALASKA

Premera Blue Cross Blue Shield of Alaska is an
Independent Licensee of the Blue Cross Blue
Shield Association

Agenda | Knowledge Management Consulting



Attendees

Alaska Railroad Corporation

Mike Humphrey	Nathan Lunn
Dan Kane	Bill O'Leary
Barbara Amy	Rick Traini
Jennifer Mergens	Allen Kinne
Jessica Paul	Beth Butcher

Premera Blue Cross

Nadja Hipszer	Vanessa Lyons
Ellen Izer	Sharon Berry, RN CCM
Missy Smith	Jason Barnes, Pharm.D. R.Ph.

Segal Consulting

John Povinelli	Brian King
Peri Ralston	

Working together in support of your mission.

1. Introductions

Ellen Izer

2. Knowledge Management Consulting:

- ▶ Claims Experience
- ▶ Clinical Programs
- ▶ Pharmacy
- ▶ Provider Network

Vanessa Lyons
Sharon Berry
Jason Barnes
Missy Smith

3. Recap - Review Action Items

Ellen Izer

Reporting Definitions

▶ Incurred Period: 12/1/2020 - 11/30/2021

▶ Norm: Large group commercial business excluding jumbo accounts

▶ Adjusted Norm: Norm is adjusted to match the age and gender profile of your group

Data accounts for claims that may have been incurred but not yet paid

MAKING HEALTHCARE WORK BETTER

Our purpose is to improve customers' lives by making healthcare work better.



Health Equity

Premera is committed to advancing equity

- Premera sponsors Alaska Heart Association's check.change.control hypertension campaign in rural Alaska
- Behavioral health and hypertension focus areas
 - Premera's social impact

OUR VALUES

The customer is the center of all we do

Identify with the customer
Act with urgency
Be excellent

Challenge convention
Do the right thing
Work together

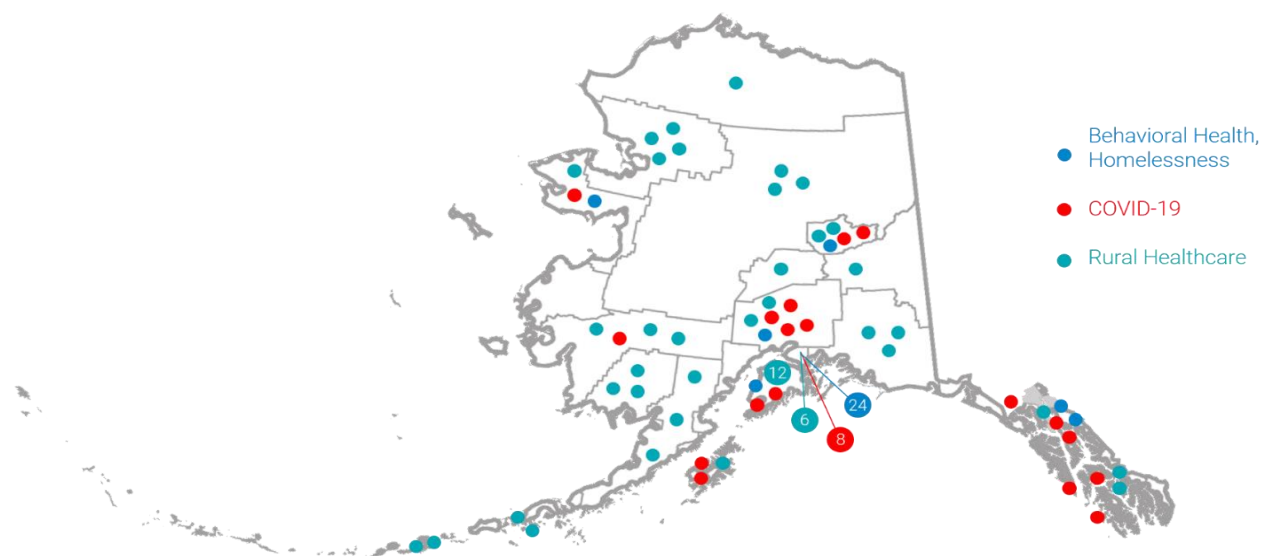
Working with you

Key Service Metrics:

- 1,552 customer service inquiries handled
 - » 968 member inquiries
 - » 584 provider inquiries
- 32,211 claims processed
 - » 20,197 medical claims
 - » 9,954 prescription drug claims
- 7.4 days – average turnaround time for medical claims

Investing in communities in need

To date, social impact has directly served communities by awarding more than **\$13.5 million** in Alaska.



Sharpening focus on health equity, behavioral health, homelessness, and rural health access.

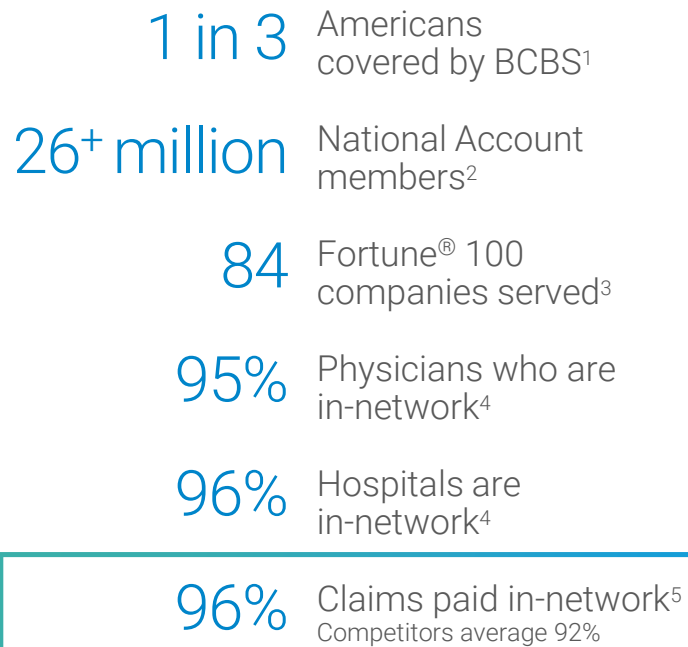
Investment Highlights

- All Alaska Pediatric Partnership
- Covenant House Alaska
- University of AK Anchorage School of Nursing for BSN program expansion in Bethel, Dillingham, and Ketchikan with a centralized student success coordinator

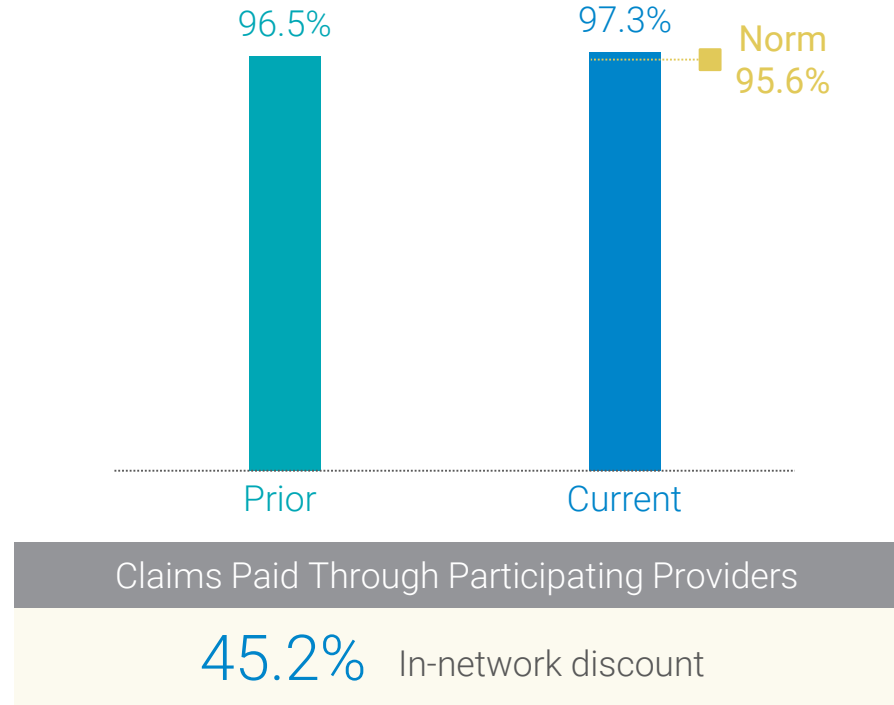
What does access to the Premiera network mean to you?

You saved more than \$9.9 million dollars in the current time period due to Premiera's contracted discount.

National Advantage



Group Advantage



^{1,2} BCBSA Q4 2015 Quarterly Enrollment Report, BCBSA Analysis

³ Fortune Magazine, 2015 BCBSA Analysis

⁴ CHP Network Compare Findings, Q3 2017

⁵ National Discount Benchmarking Study, CY 2015

Alaska Network

Premera offers the broadest access in Alaska, partnering with all hospitals statewide, and providing access to the largest number of contracted practitioners, while achieving the deepest network discounts. Contracting efforts over the past few years have produced significant network savings across all specialties.

In 2021:

- Re-contracted 1,000+ professional Alaska contracts that are on standard reimbursement for an anticipated savings of \$10M.

Contracting Areas of Focus:

- Medical Drug Cost (J codes) in hospital outpatient setting
- Clinical Lab (CLAB) in hospital outpatient setting
- High-dollar Specialty Reviews (i.e. Orthopedic Surgery, Sleep Medicine, DME, and ASCs.)

Premier Provider Program:

- 68 providers that are both quality and cost designated
- 159 that are designated in cost-efficiency
- 262 that are designated as high-quality
- 489 total providers that are generally designated (cost, quality, or both)

Medical Travel

Three pronged approach for members residing in Alaska



Medical Access Transportation

Up to 3 round-trip coach air or ground transportation trips to the closest in-network provider for a serious medical condition that can't be treated locally.



Elective Procedure Travel Benefit

Reimbursement of travel and lodging costs up to IRS guidelines for Alaska based members who travel to a U.S. in-network provider for certain elective procedures with prior authorization.



Premiera-Designated Centers of Excellence

Offers lower out-of-pocket costs with concierge travel and medical care planning for TJR, Spinal or certain Gynecological Surgery services from a curated Designated Center of Excellence facility.

Top Providers

Guiding your employees to higher performing healthcare providers results in improved quality of care, lower cost, and a better experience for your employees.

Top Hospitals (By Paid)

Rank	Provider	State	Network	Members	Paid	Relative Cost ¹
1	Providence Alaska Medical Center	AK	In Network	146	\$1,501,147	0.91
2	Mat Su Regional Medical Center	AK	In Network	88	\$896,909	1.11
3	Harborview Medical Center	WA	In Network	<5	\$615,171	1.62
4	Alaska Regional Hospital	AK	Participating	55	\$537,299	1.60
5	Fairbanks Memorial Hospital	AK	In Network	72	\$452,847	0.88

State Average

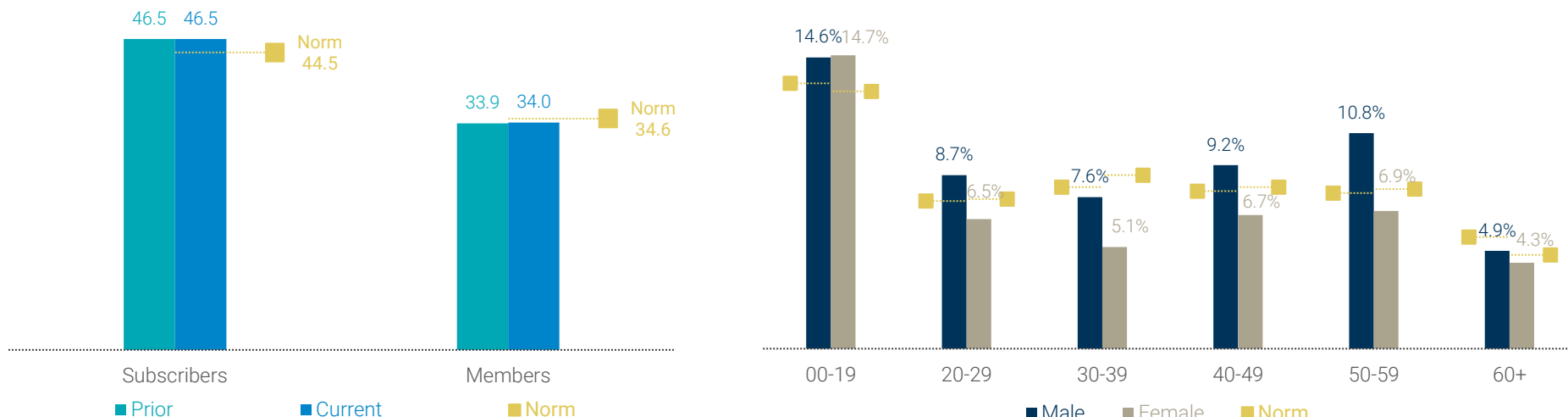
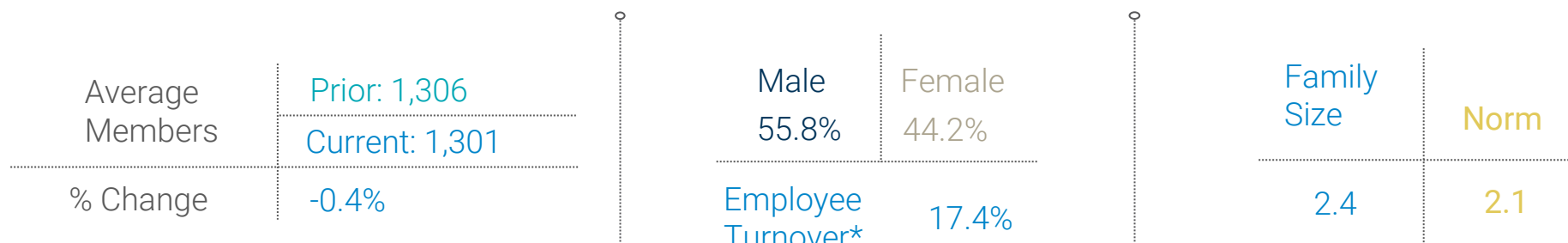
Top Provider Groups (By Paid)

Rank	Provider	State	Network	Members	Paid
1	OrthoAlaska LLC	AK	In Network	68	\$183,070
2	Christine Bailes LLC	AK	In Network	<5	\$133,269
3	Imaging Associates LLC	AK	In Network	81	\$119,216
4	Medical Network of Alaska LLC	AK	In Network	216	\$116,776
5	Alaska Heart Institute LLC	AK	In Network	38	\$108,035

¹ Relative Cost defined using the Allowed IP/OP State Hospital Expense Index for hospitals

Your Population Profile

Age and gender can drive utilization and cost patterns.



*Turnover is calculated as number of subscribers disenrolled off of plan divided by the average subscriber count
Employee turnover is 15-20%, on average, for groups in the Norm

Plan Performance

Components of Total Cost Change

High Cost Claimants >\$50K	14.3%
Cost Share	1.6%
Demographics	0.9%
Utilization	8.0%
Price/Service Mix	-1.0%
Total	23.8%

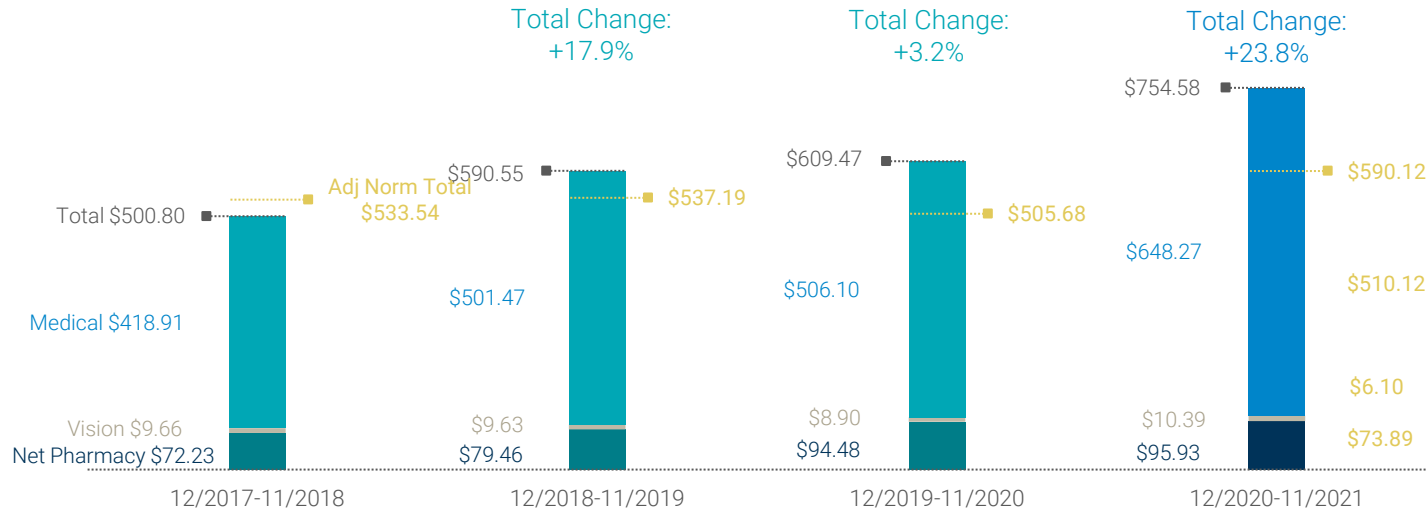


Medical claims increased 28.1% in the current period driven by high cost claimants.



Rx costs increased 1.5% driven by unit-cost/drug mix changes.

The average annual medical+Rx trend over the past two years is 13.0%, compared to 4.8% for the Norm



Current Year Paid

Medical	\$10,118,121.05
Vision	\$162,141.15
Net Pharmacy	\$1,497,233.05
Total	\$11,777,495.26

Historical Plan Costs Per Member Per Month (PMPM)

*Pharmacy costs are net of Rx rebates. Rx rebates lag the overall experience period due to timing of when Rx rebates are received and paid to the plan

COVID-19 Summary

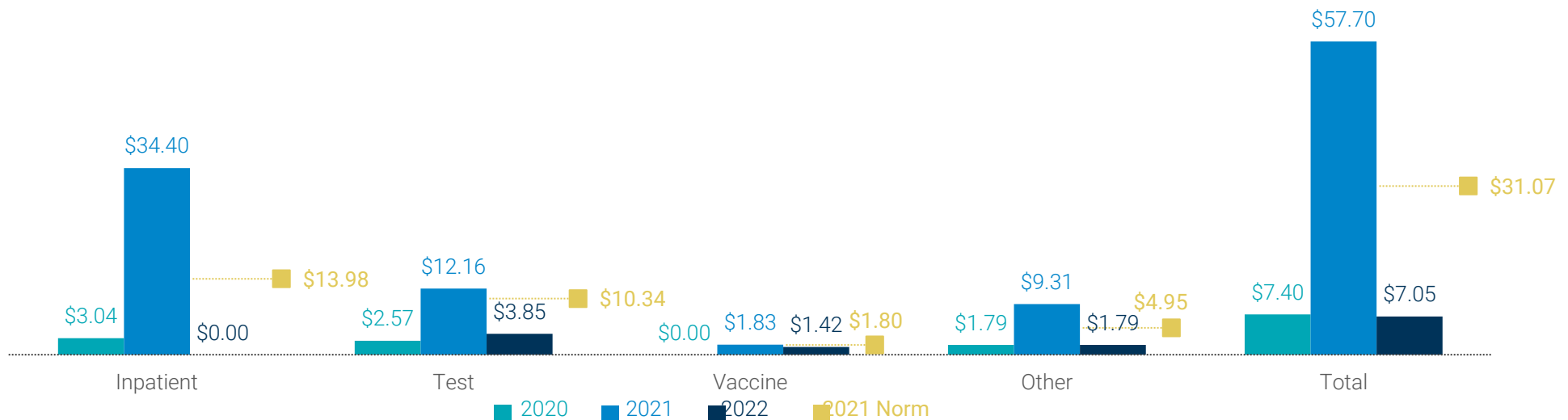
Premera is here to support members, employers, and healthcare providers during the COVID-19 outbreak.

TREATMENT SUMMARY

Unique Members with COVID-19 Dx ¹ :	148	Inpatient (IP) Admits:	10
Unique Members w/Vaccination Claim ² :	400	Average Length of Stay (Days):	6.0
Diagnostic/Antibody Tests:	1,402	Average IP Cost Per Admit:	\$58,389
Over-the-Counter (OTC) Tests:	00	Total COVID-19 Paid ³ :	\$1,024,407
Antiviral Drug Scripts:	00		

1.18%	7.53%	3.68%	5.13%
2020	2021	2022 YTD	2021 Norm

COVID-19 % of Medical Costs



COVID-19 Costs PMPM by Service Type

Average Members: 1,251

Total Reporting Period: Claims incurred and paid between 1/1/2020 - 1/31/2022

¹Includes all claims with a COVID-19 diagnosis, including diagnoses coded on a claim where a lab test is also billed

²Unique members vaccinated includes members who have received one or more doses

³Total COVID-19 paid includes claims with a COVID Dx, tests, and vaccines

Utilization Summary

- Inpatient per member per month (PMPM) costs increased by 96% and are 47% above the Adjusted (Adj) Norm due to large claimant experience.
- Outpatient PMPM increased 12% mainly driven by surgeries and emergency room utilization.
- Professional services utilization increased by 19% and is 14% above the Adjusted Norm driven by specialty drugs, mental health, surgeons and advance imaging.
- Prescription drug utilization decreased by 3%. Days of therapy per patient is higher than Adjusted Norm.

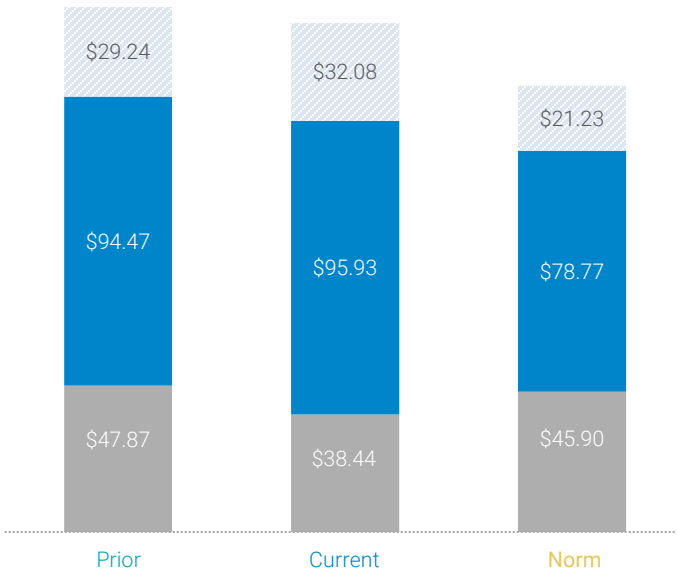
Service Category	Prior	Current	% Change	Adj Norm	Adj Norm Variance
Inpatient Admits per 1,000	42.1	46.6	11%	41.3	13%
Inpatient Days per 1,000	178.5	339.8	90%	237.3	43%
Inpatient Avg Length of Stay	4.2	7.3	74%	5.7	27%
Inpatient PMPM	\$93	\$182	96%	\$124	47%
Outpatient Cases per 1,000	1,028.8	1,137.2	11%	1,451.9	-22%
Outpatient PMPM	\$156	\$174	12%	\$163	7%
Professional Svcs per 1,000	16,834.5	20,117.2	19%	17,653.8	14%
Professional PMPM	\$252	\$269	7%	\$203	33%
Rx Scripts per 1,000	7,118.8	6,872.6	-3%	6,648.7	3%
% of Utilizing Members*	51.5%	53.7%	2.2%	50.8%	2.9%
Generic Fill Rate*	84.7%	86.4%	1.7%	87.0%	-0.6%
Days of Therapy per Patient*	584.4	547.6	-6%	492.4	11%
Dental Procedures per 1,000	3,469.8	3,800.3	10%	3,778.1	1%
Dental PMPM	\$31	\$38	20%	\$41	-9%

10% Unfavorable 10% Favorable (Variance from Norm or Prior period)

*Norm is not adjusted for age/gender

Drug Costs

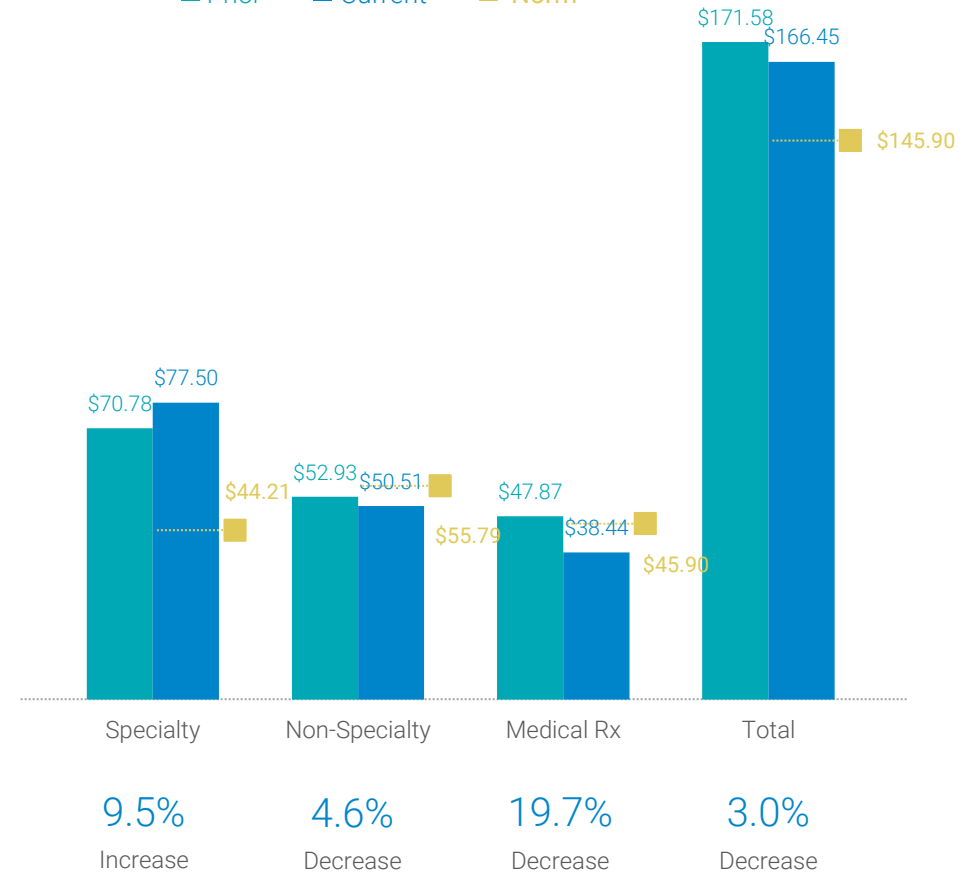
■ Medical Drug Spend ■ Pharmacy Drug Spend
▨ Pharmacy Rebates



Total PMPM	\$171.58	\$166.45	\$145.90
Total w/100% Rebates	\$142.35	\$134.37	\$124.67

Total Drug Spend by Benefit

■ Prior ■ Current ■ Norm



Plan Cost PMPM

Medical drugs are drug claims that are paid through the medical benefit rather than the pharmacy benefit

Net Drug Trend Drivers

Inflation

9.4%

PMPM change driven by
unit-cost AWP changes

Utilization

-1.3%

Total PMPM Change

- Total Units dispensed change
- Change in % of members
utilizing Rx benefit

Mix

-6.6%

PMPM change driven by
shift in brand/generic ratios

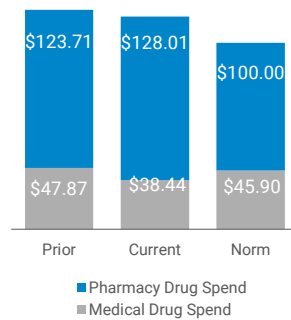


PMPM
T R E N D D R I V E R S

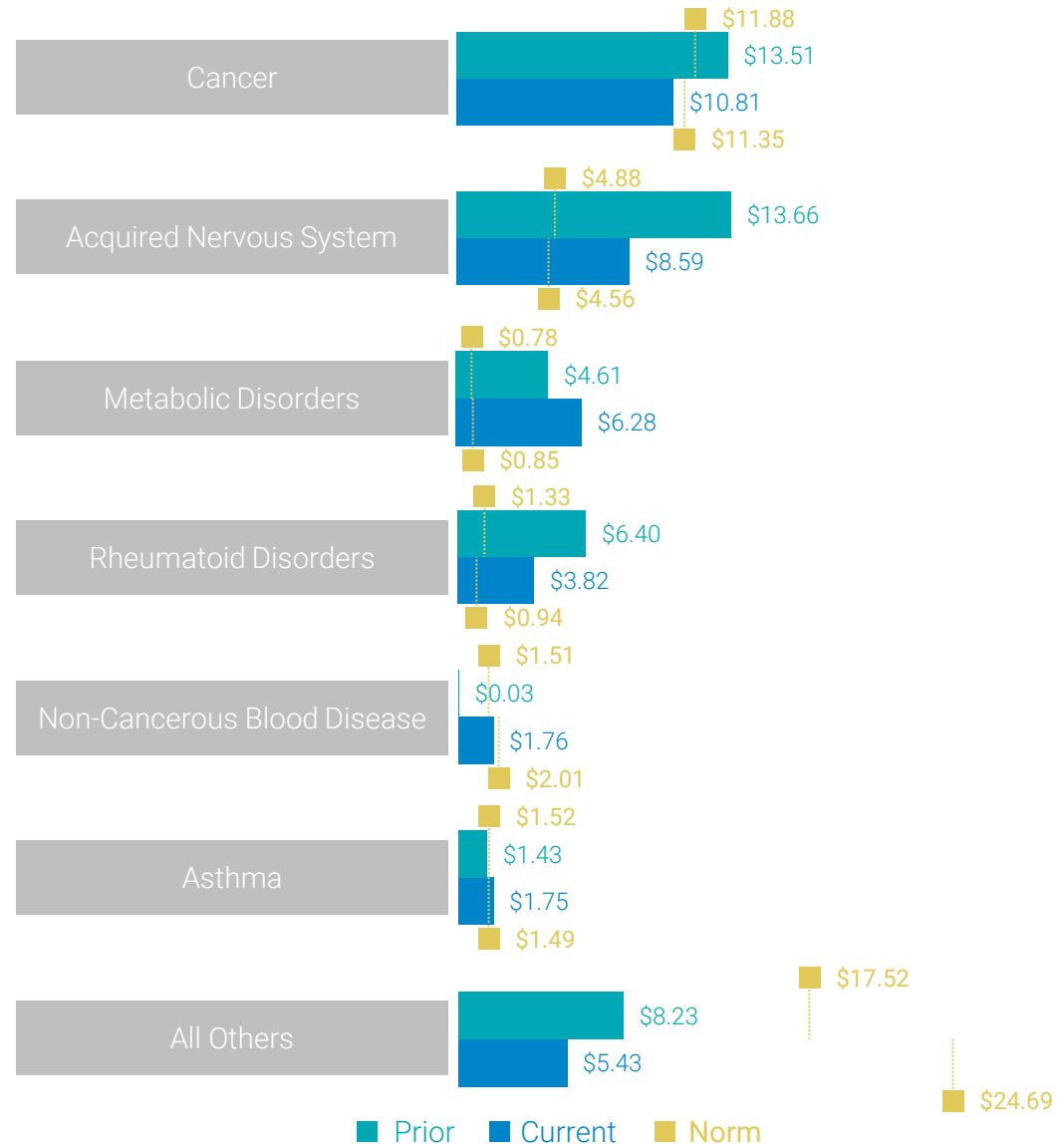
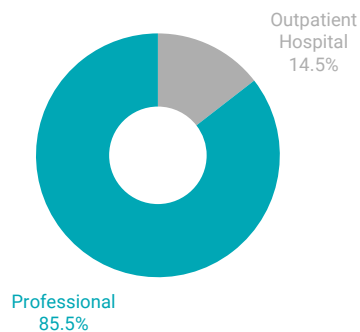
Medical Drug Costs

Not all prescribed medications obtained by your members are from retail pharmacies. Some services are provided within a physician's office or at the hospital.

Total Drug Spend by Benefit

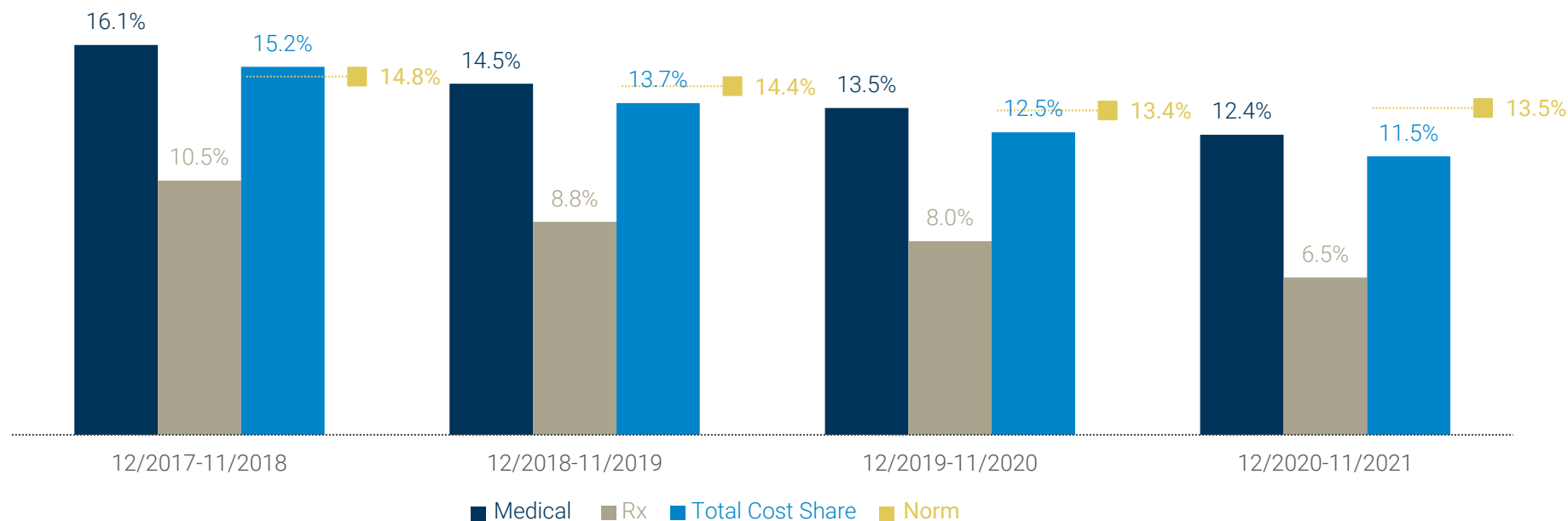


Medications Paid Under Medical by Service Category



Member Cost Share

Plan design influences the member cost share percentage. Increased levels of member engagement impact utilization decisions and costs. Member cost share in the form of deductibles and coinsurance helps remind members of the real cost of care and the value of their benefits.

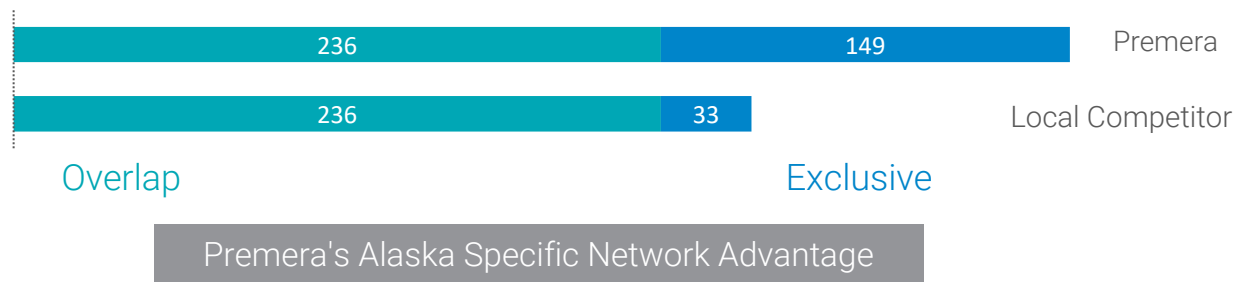


Cost Share as a Percent of Allowed

Dental

Studies have shown that oral health can show warning signs for other diseases or conditions, including heart disease. People with serious gum disease are 40% more likely to have a chronic condition.

Premera has 30% more dental providers (all provider types) in the Premera network in Anchorage and 43% more in Fairbanks than another local dental competitor's 'Premier' plan.

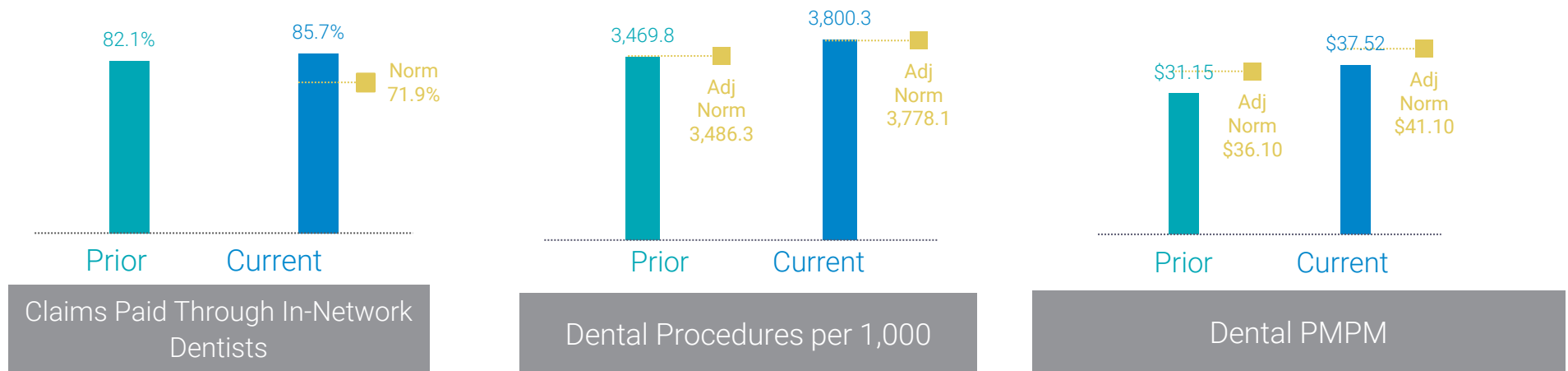


In 2020 Premera added dental access points and continues work to improve the Alaska dental network

Current State-wide network

Unique Providers: 453
Total Access Points: 663

- Specialists: 106
- General Dentists: 557

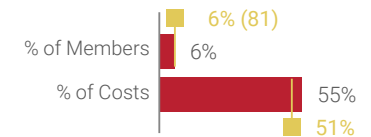
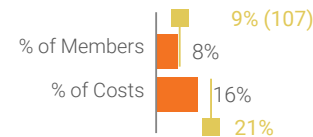
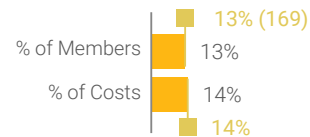
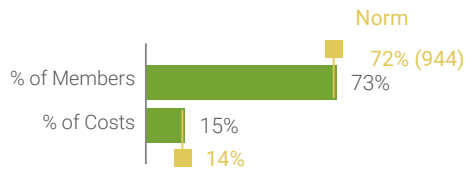


Focus Opportunities

- Continue to promote the importance of good oral health
- Consider targeted dental care communications for members with high-risk conditions

CareCompass360° Population Health

What makes our approach unique is that we focus on members and their lives, not solely on their diseases or health status. Simply put – we help people. We call this “whole person” model, **CareCompass360°**.



Incurred Risk Score = 0-1 Healthy / 1-2 Low Risk / 2-4 Moderate Risk / 4+ High Risk & Complex

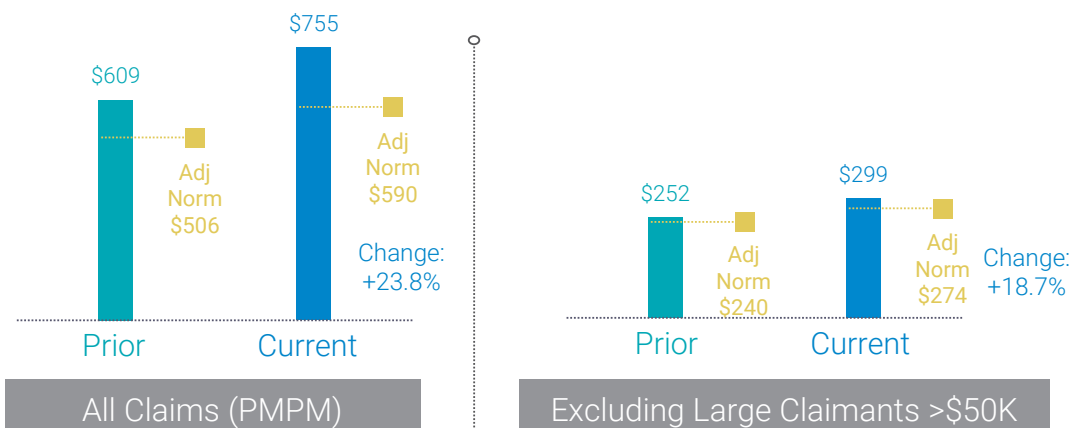
¹Includes members with no claims in the reporting period (non-utilizers): 14% for group vs. 17% for Norm

²Does not include the Rx Utilization Management Program

Reporting Period: 12/1/2020 to 11/30/2021

3.7% of your members drove 60.4% of your cost.

Claimants Above	Prior			Current			Norm*	
	Claimant Count	Count Per 1,000	PMPM	Claimant Count	Count Per 1,000	PMPM	Count Per 1,000	PMPM
\$50,000	44	33.7	\$357.97	54	41.5	\$455.94	29.3	\$316.01
\$75,000	30	23.0	\$302.75	34	26.1	\$376.73	16.8	\$252.24
\$100,000	21	16.1	\$250.57	26	20.0	\$332.22	11.5	\$214.03
\$150,000	10	7.7	\$165.40	10	7.7	\$204.78	6.2	\$160.16
\$200,000	6	4.6	\$123.75	<5	<5	\$146.89	3.7	\$124.04
\$250,000	<5	<5	\$78.88	<5	<5	\$117.86	2.3	\$99.02



Top Conditions for Large Claimants >\$50K

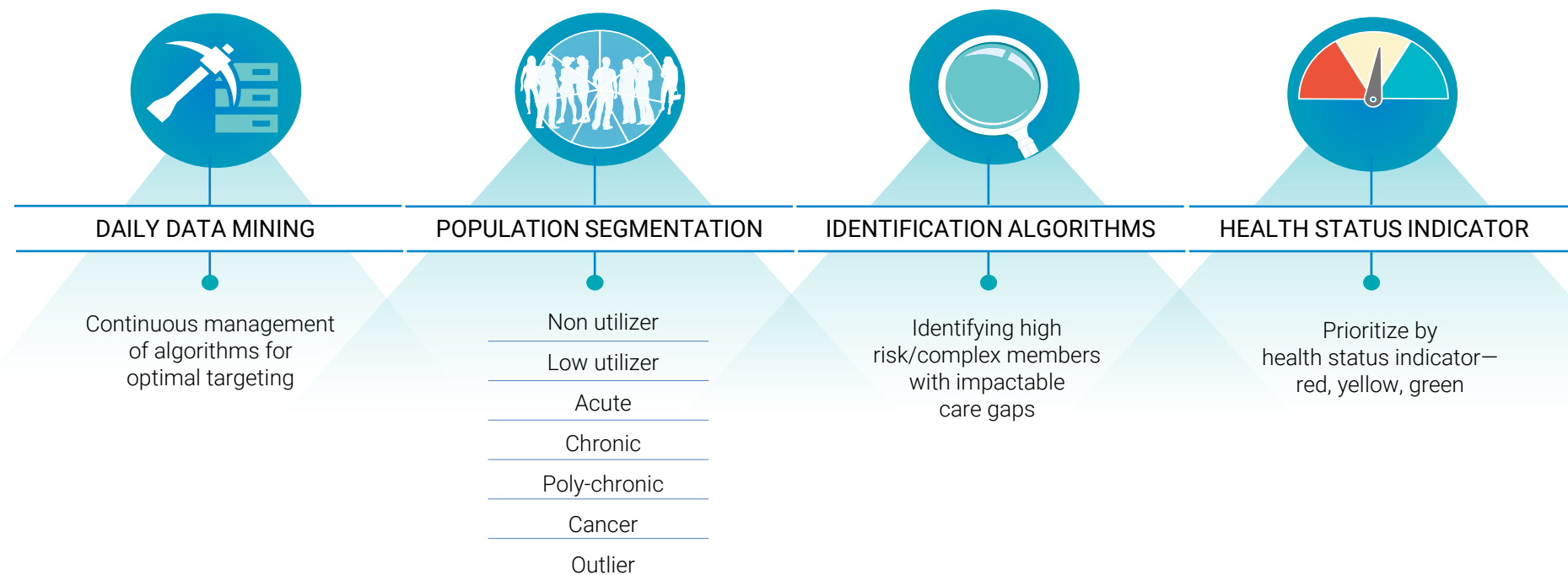
(% of paid)

- Fracture/Dislocation 14.8%
- Cancer 11.2%
- Neonatology 8.3%

*Norm large claimant data is not adjusted for age/gender

Personal Health Support

Targeting members at engageable moments



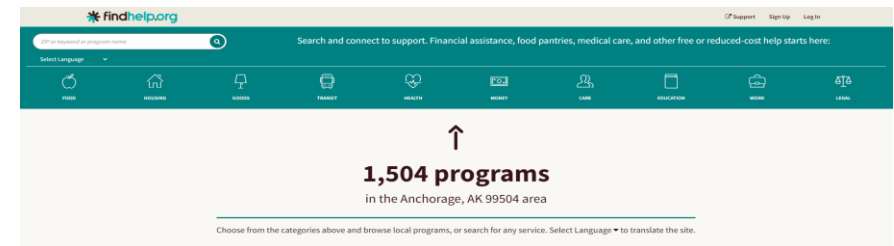
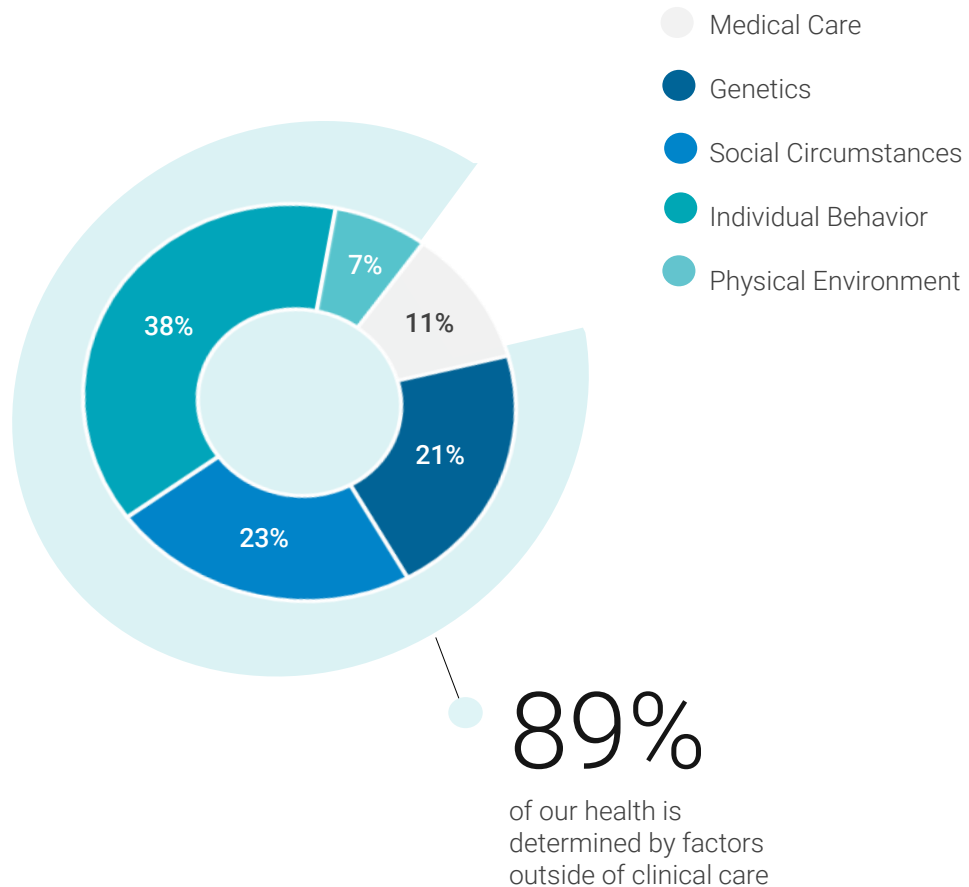
Personal Health Support

Clinicians engage and provide one-on-one support to your employees and their families through:



Personal Health Support

Social Determinants of Health



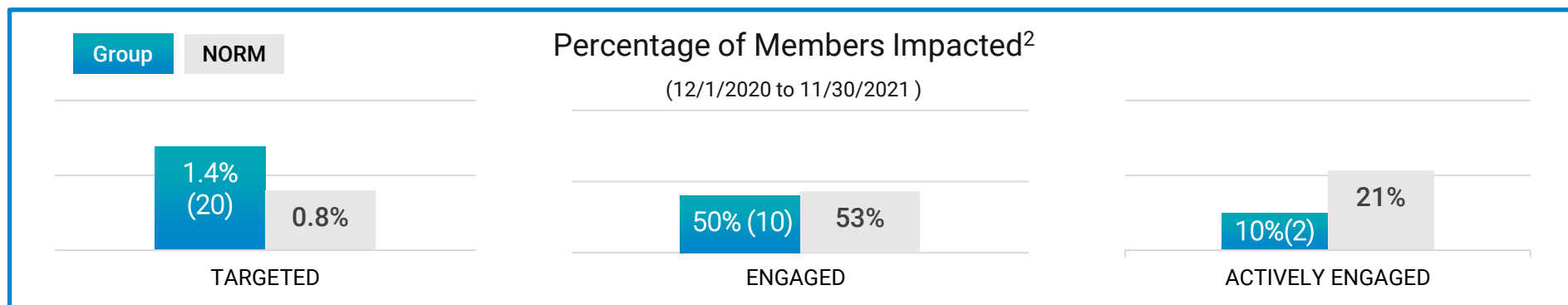
Clinicians connect members to local social care services by using **findhelp.org**

Services include food, housing, goods, transit, health, money, care, education, work, and legal

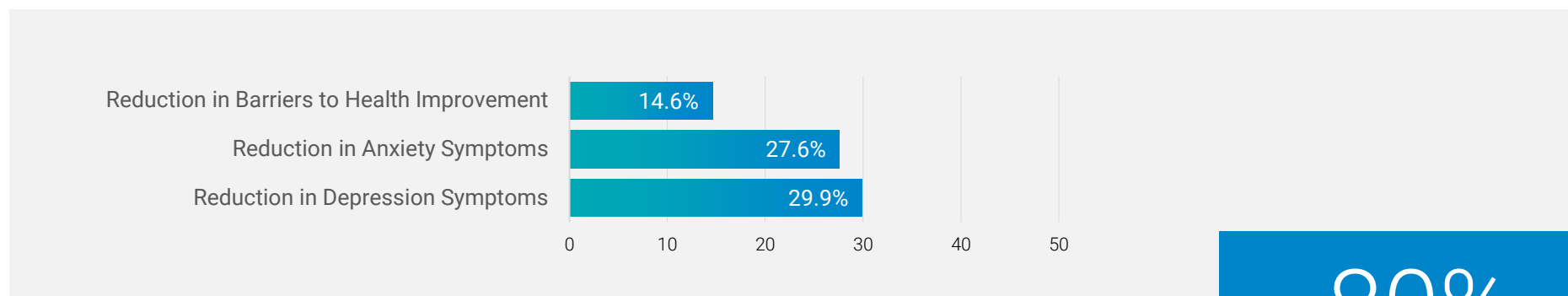
source: <http://determinantsofhealth.org>

Personal Health Support

Clinical Engagement



Clinical Outcomes¹



80%
of engaged members had a follow-up appointment with a provider **within 7 days** after being discharged from the hospital.

¹ Premera book of business.

² **TARGETED:** Identified via targeting algorithm and reviewed for care gaps or has been referred into the program

ENGAGED: One bidirectional call with the member/family discussing health goals

ACTIVE ENGAGEMENT: Two or more bidirectional calls with the member/family discussing health goals

Utilization Management

Using evidence to help solve our customers' problems.

I often...

Pay too much for what I get

Don't get what I need

Get what I don't need

Don't have the experience I want
and deserve

How do we ensure customers get the care they need and reduce harm and cost from unnecessary services?

Work with providers

Confirm appropriate
treatment based on
clinical review

Manage inpatient stays and
prevent readmissions

Set limits on dispensed drug
quantities based on clinical
guidelines

Top 5 Medical Reviews*

Advanced
Imaging

184

Testing Serum
Vitamin D Levels

42

Sleep Studies

41

Upper
Gastrointestinal
(UGI) Endoscopy
for Adults

19

Diagnostic
Radiology

7

Top 5 Pharmacy Reviews

Autonomic & CNS
Drugs, Neurology
& Psych

23

Diagnostics &
Miscellaneous
Agents

16

Endocrine/
Diabetes

13

Dermatologicals/
Topical Therapy

12

Cardiovascular,
Hypertension &
Lipids

9

Clinical Review Metrics

Medical Reviews Completed*

Pharmacy Reviews Completed

Appeals Reviewed

Total	Approved	Denied
352	282	71
92	54	38
6	3	3

*Incurred Period: 10/1/2020 – 09/30/2021

PREMERA | 

BLUE CROSS BLUE SHIELD OF ALASKA

The Value of Integrated Benefits

We make healthcare work better when everything works together

SIMPLICITY

Combining pharmacy, dental and medical makes things easier for members and employers.

1

CONTACT
ID CARD
CONTRACT

EASIER ADMINISTRATION

SAVINGS¹

Groups with integrated benefits experience significant medical cost savings.

\$148

LOWER MEDICAL COSTS
PMPY¹

\$216

PMPY SAVINGS IN 2019
COMPARED TO GROUPS
WITH CARVED-OUT
BENEFITS³

QUALITY OUTCOMES¹

Better quality health management and more control over members' total care management.

7

% LOWER ODDS OF AN ER
VISIT¹

15

% LOWER ODDS OF A
HOSPITALIZATION EVENT¹

22

% HIGHER PARTICIPATION IN
CASE MANAGEMENT²

We provide a positive integrated experience for your employees and their families.

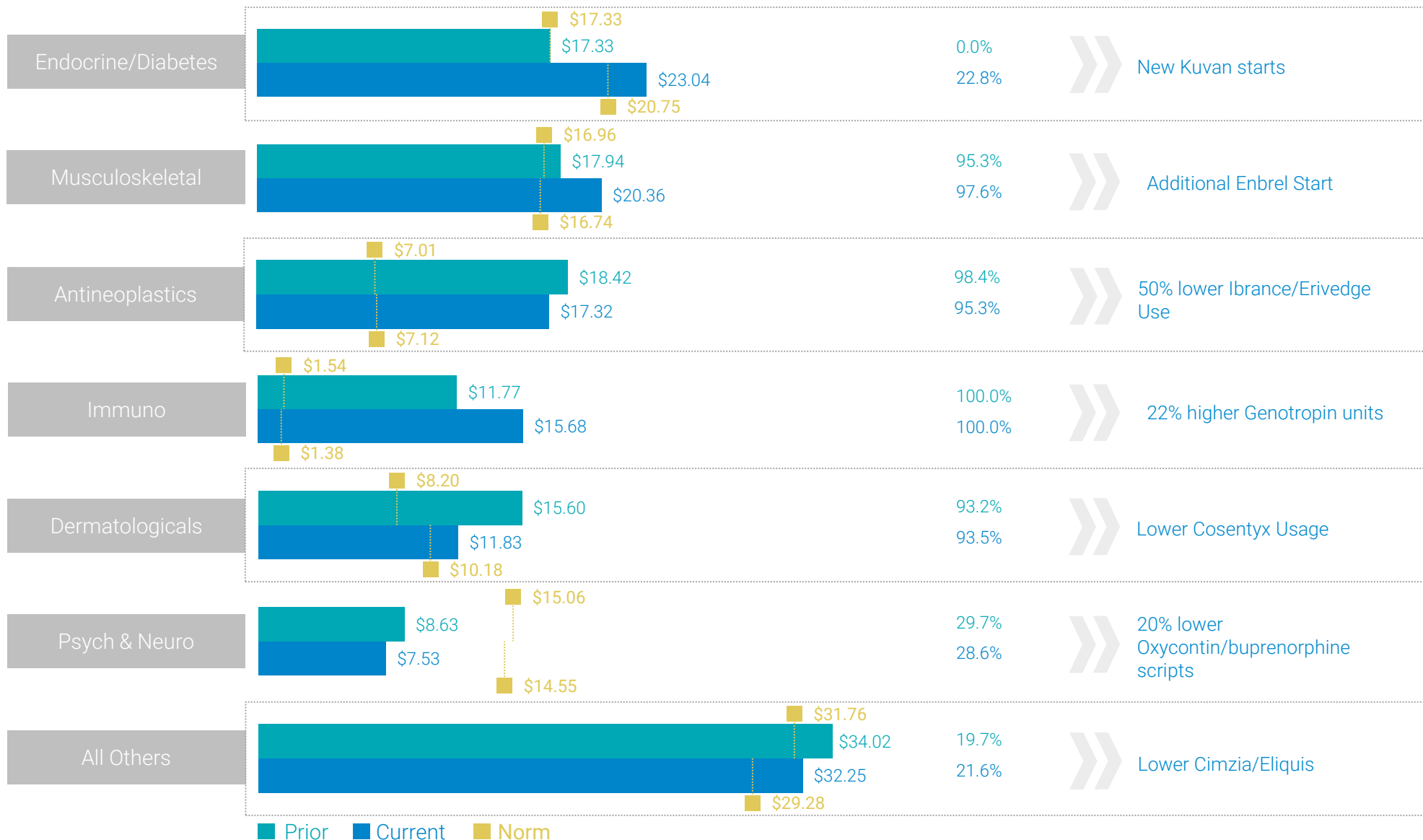
¹ Journal of Managed Care & Specialty Pharmacy, June 2020

² CIGNA Integration Study, October 2018

³ Highmark Integrated Pharmacy Value Analysis, April 2021

Pharmacy Plan Cost PMPM by Therapeutic Categories

Specialty Drug Cost %



Top 30 Drugs: Medical + Pharmacy

Rank	Brand Name	Prior Rank	Specialty	Drug Chapter	Current Cost	PMPM	Prior Cost	PMPM	%Change	Scripts
→ 1	IBRANCE	2	✓	Miscellaneous Antineoplastic Drugs	\$215,782	\$13.83	\$237,798	\$15.17	-8.8%	18
→ 2	HUMIRA	1	✓	Miscellaneous Rheumatological Agents	\$196,107	\$12.56	\$244,564	\$15.60	-19.5%	29
→ 3	GENOTROPIN	7	✓	Growth Hormones	\$165,697	\$10.62	\$91,475	\$5.83	+82.2%	<10
→ 4	TYSABRI	3	✓	Miscellaneous Neurological Therapy	\$134,100	\$8.59	\$214,034	\$13.65	-37.1%	14
→ 5	SANDOSTATIN	5	✓	Miscellaneous Antineoplastic Drugs	\$102,128	\$6.54	\$107,106	\$6.83	-4.2%	12
→ 6	HIZENTRA	6	✓	Vaccines & Miscellaneous Immunologicals	\$101,467	\$6.50	\$98,268	\$6.27	+3.7%	55
→ 7	TALTZ	4	✓	Antipsoriatic/Antiseborrheic	\$100,166	\$6.42	\$115,353	\$7.36	-12.8%	23
→ 8	REBIF	9	✓	Interferons	\$78,986	\$5.06	\$68,489	\$4.37	+15.8%	10
→ 9	HARVONI	N/A	✓	Miscellaneous Antivirals	\$70,568	\$4.52	\$0	\$0.00	N/A	<10
→ 10	ENBREL	35	✓	Miscellaneous Rheumatological Agents	\$61,813	\$3.96	\$10,774	\$0.69	+473.9%	12
→ 11	*SAPROTERIN DIHYDROCHLORIDE	N/A	✓	Miscellaneous Agents	\$59,919	\$3.84	\$0	\$0.00	N/A	<10
→ 12	INFLIXIMAB	10	✓	Miscellaneous Gastrointestinal Agents	\$59,656	\$3.82	\$53,993	\$3.44	+11.0%	<10
→ 13	TRULICITY	21		Non-Insulin Hypoglycemic Agents	\$51,025	\$3.27	\$34,972	\$2.23	+46.6%	31
→ 14	SIMPONI	80	✓	Miscellaneous Rheumatological Agents	\$47,353	\$3.03	\$4,962	\$0.32	+846.9%	15
→ 15	PROLIA	16	✓	Adjunctive Agents	\$38,314	\$2.45	\$38,340	\$2.45	+0.0%	21
→ 16	XOLAIR	15	✓	Miscellaneous Pulmonary Agents	\$33,727	\$2.16	\$38,499	\$2.46	-12.2%	10
→ 17	GLATIRAMER ACETATE	14	✓	Miscellaneous Neurological Therapy	\$33,650	\$2.16	\$40,170	\$2.56	-15.6%	10
→ 18	CIMZIA	8	✓	Miscellaneous Gastrointestinal Agents	\$31,105	\$1.99	\$85,519	\$5.46	-63.6%	<10
→ 19	GENVOYA	20		Sensitive Diagnosis	\$28,852	\$1.85	\$36,088	\$2.30	-19.6%	<10
→ 20	DUPIXENT	24	✓	Miscellaneous Dermatologicals	\$28,351	\$1.82	\$28,986	\$1.85	-1.6%	<10
→ 21	NOVOLOG	19		Insulin Therapy	\$26,080	\$1.67	\$37,451	\$2.39	-30.1%	16
→ 22	SAXENDA	34		Anorexiant	\$25,361	\$1.62	\$11,081	\$0.71	+128.2%	22
→ 23	OZEMPIC	26		Non-Insulin Hypoglycemic Agents	\$24,804	\$1.59	\$16,856	\$1.08	+47.2%	25
→ 24	*KUVAN	N/A	✓	Miscellaneous Agents	\$22,110	\$1.42	\$0	\$0.00	N/A	<10
→ 25	ERIVEDGE	12	✓	Miscellaneous Antineoplastic Drugs	\$21,841	\$1.40	\$45,810	\$2.92	-52.1%	<10
→ 26	ELIQUIS	23		Anticoagulants	\$21,428	\$1.37	\$29,438	\$1.88	-27.1%	24
→ 27	STELARA	N/A	✓	Antipsoriatic/Antiseborrheic	\$20,565	\$1.32	\$0	\$0.00	N/A	<10
→ 28	*FASLODEX	43		Antiestrogens	\$19,532	\$1.25	\$8,281	\$0.53	+135.8%	12
→ 29	LANTUS	25		Insulin Therapy	\$18,629	\$1.19	\$24,028	\$1.53	-22.2%	31
→ 30	FARXIGA	32		Non-Insulin Hypoglycemic Agents	\$17,460	\$1.12	\$11,989	\$0.76	+47.4%	13

→ Pre-Approval Drug *Prescription Drug Losing Patent Protection

Bolded drug names are medical drugs

Pharmacy Programs

These programs offer simple, easy access to pharmacy tools and benefits while helping to ensure safety and adherence.

Utilization Management Program



- Ensures current clinical guidelines are followed
- Confirms appropriate drug selection per member's condition
- Sets upper limits on dispensed drug quantities based on manufacturer and FDA guidelines
- Manages medical drugs

92

Pharmacy Drugs: Reviews Requested

\$388,649

Plan Savings

13

Medical Drugs: Reviews

SaveOnSP

SaveOnSP is a vendor that works in conjunction with Accredo to administer a copay offset program for certain specialty medications with available manufacturer coupons.

\$160,097

Plan Savings for SaveOnSP

Rx Home Delivery



- Express Scripts (ESI) provides cost-effective and convenient home delivery of prescription medication for members
- Members have access to specialized pharmacists and nurses who can address their specific medical concerns and needs

RationalMed® Program



- Leverages both medical and pharmacy claims history to help identify quality improvement opportunities for prescribers
- Alerts prescribers to potential member safety issues that they may otherwise not be aware of
- Closes care gaps and promotes better coordination of care for members with multiple medical conditions



Alerts:

255



Successes:

79











\$31,801

Plan Savings

Top Conditions

Your Top Spend

Fracture/Dislocation and COVID are your two top conditions and accounted for 17.0% of the total spend.

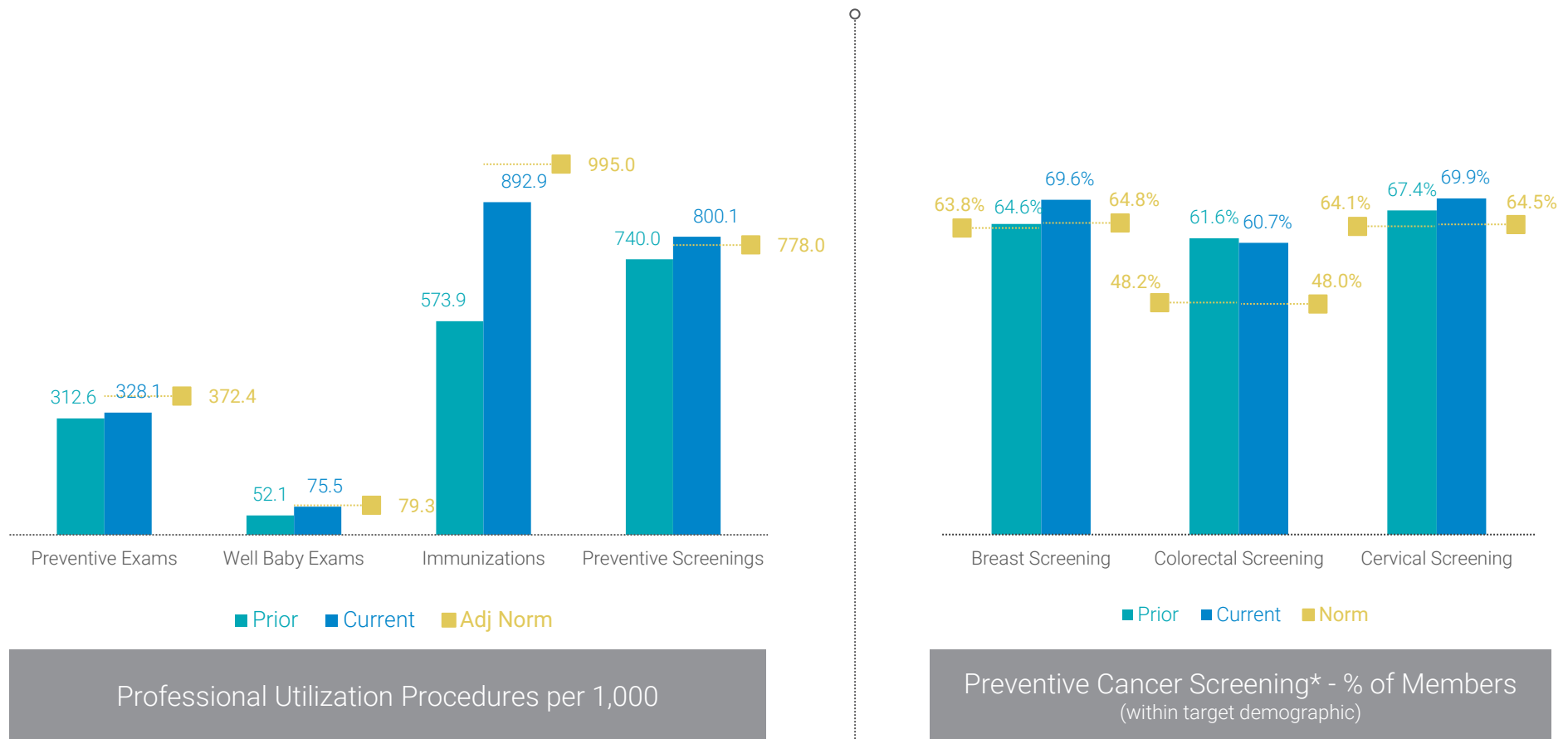
Condition	Patients	Prevalence*	Norm	Medical + Rx Paid \$	Drug Cost %	Last Year Comparison
1. Fracture/Dislocation	30	2.0%	1.9%	 \$1.1M	0.1%	Up from 27 (\$75K)
2. COVID	724	49.3%	46.9%	 \$959K	0.1%	Up from 29 (\$73K)
3. Cancer	31	2.1%	1.8%	 \$834K	50.4%	Down from 1 (\$1.3M)
4. Cardiovascular Disease	266	18.1%	15.1%	 \$639K	11.2%	Down from 3 (\$611K)
5. Neonatology	13	0.9%	1.0%	 \$624K	0.0%	Up from 13 (\$209K)
6. Joint Degeneration	185	12.6%	9.6%	 \$563K	1.6%	Down from 2 (\$935K)
7. Psychiatry	312	21.3%	20.8%	 \$563K	9.4%	Down from 4 (\$482K)
8. Pregnancy	22	1.5%	2.0%	 \$448K	1.6%	Up from 10 (\$265K)
9. Skin Inflammation	169	11.5%	12.0%	 \$440K	81.0%	Down from 6 (\$465K)
10. Metabolic Disorders	124	8.4%	7.6%	 \$390K	56.8%	Up from 19 (\$143K)

▶ Fracture/Dislocation, COVID, Neonatology and Metabolic Disorders are new conditions in the top 10 in the current period.

*Prevalence is members with condition divided by unique member count

Preventive Care

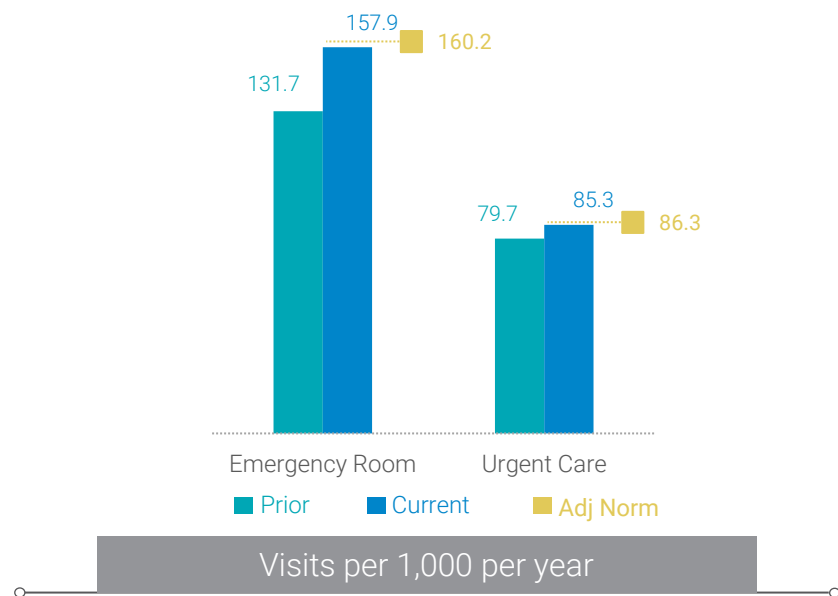
High-quality preventive care helps avoid or delay the onset of disease, reduces health costs, and empowers people to lead healthy, productive lives.



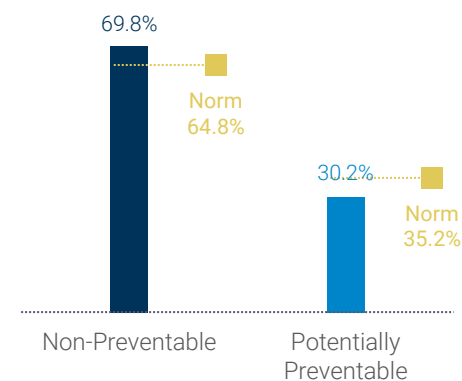
*Prior Period = 11/2020, Current Period = 11/2021

Your average cost for an emergency room (ER) visit is more than 34x that of an office visit.

- Average plan cost of an ER visit in the current period was \$4,117
- Average plan cost of an office visit was \$119
- Redirecting members to the appropriate level of care can save your plan money



ER Visits by Potentially Preventable* Category



Top Potentially Preventable Conditions

1. Nonspecific chest pain
2. Other upper respiratory infections
3. Asthma
4. Abdominal pain
5. Spondylosis; intervertebral disc disorders

*Potentially preventable ER visit is where member's condition: 1) required no care within 12 hours 2) required care by primary care physician within 12 hours or 3) was potentially preventable/avoidable if timely and effective ambulatory care had been received

Telehealth Support

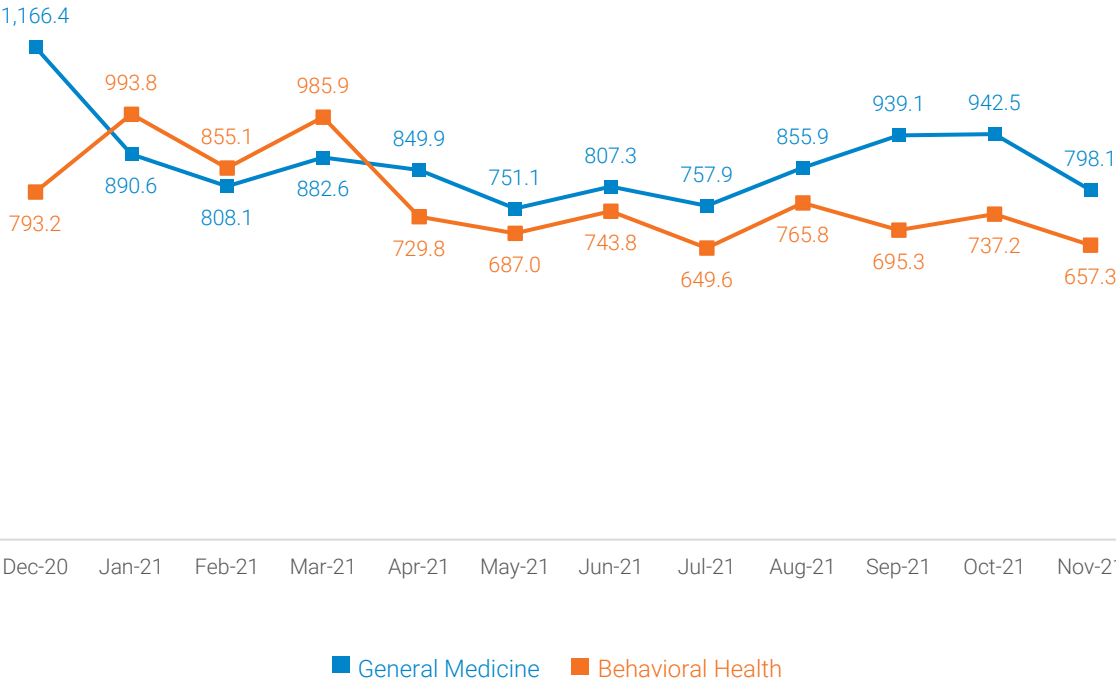
Telehealth

Members can “visit” a doctor – wherever and whenever they need to.

Telehealth gives members immediate and convenient access to care whenever and wherever they need it. Members who are covered by the service receive care virtually from their own doctor or from a doctor at our national provider and vendor partners.

47%

of Telehealth consults were related to behavioral health services



Focus Opportunities

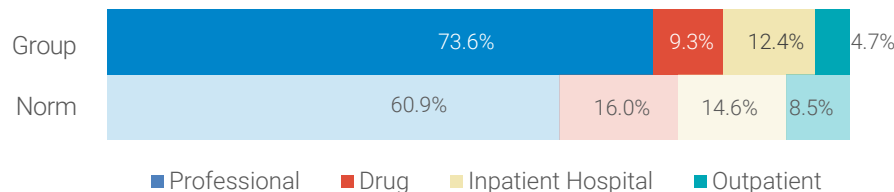
- Consider promoting telehealth care options such as Doctors on Demand, TalkSpace and others.
- These additional access points can improve productivity by providing appointments that require less time away from work and more access to manage health concerns before they become emergent.

What is Premera doing regarding these top conditions?

Psychiatry

Psychiatry is a driver of your overall spend and made up 4.6% of total costs, which is close to the Norm of 5.5%.

Psychiatry Cost Distribution



Focus Opportunities

- Working with providers to increase quality and access to care
- Increasing the provider network nationally to attract and retain behavioral health providers
- Telebehavioral health services through Talkspace provide additional and more convenient access to care for members
- Utilize the mental health resources on premera.com to promote de-stigmatization and mental health awareness

Chemical Dependency

Chemical Dependency is a driver of your overall spend and made up 0.1% of total costs, which is close to the Norm of 0.7%.

Top Diagnoses:

Other Drug Dependence and Opioid Dependence

Opioid Utilization:

134 members

\$11,227 Plan Cost

Treatment for Opioid

<5 members

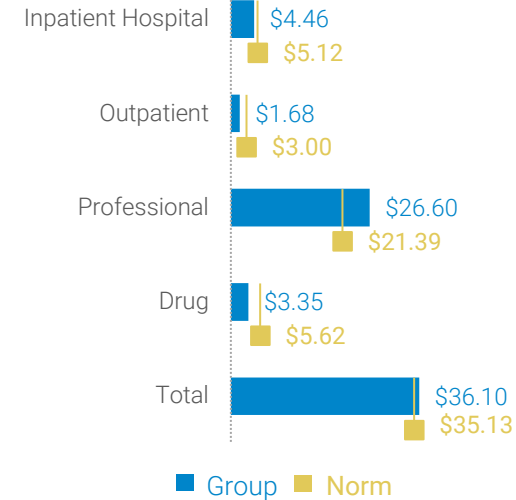
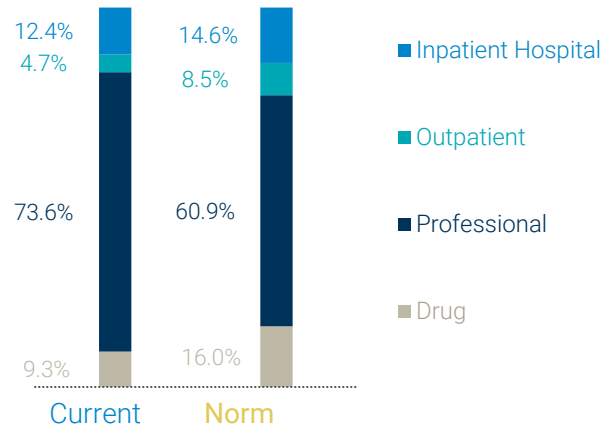
\$2,324 Plan Cost

Focus Opportunities

- Addressing opioid prescribing and utilization. This is achieved through clinical review and quantity and dosing limits that follow current CDC recommendations
- Helping protect your employees and their dependents with the Enhanced Controlled Substance Utilization (eCSU) program
- Promote Boulder Care and Workit: removing barriers and offering safe, convenient, private Alcohol Use Disorder (AUD) and opioid addiction support

The prevalence of members with a psychiatric claim increased from 17.8% to 21.3% in the current period.

Psychiatry Cost Distribution
(% of Paid)



Psychiatry Costs PMPM

Top Pharmacy Psychiatric Drugs:

- Viibryd
- Savella
- Vyvanse

Members treated for behavioral health also had other chronic comorbidities

Top Comorbidities:

- Joint Degeneration
- Cardiovascular Disease
- Metabolic Disorders

Addressing Opioid Prescribing & Utilization

Clinical review and quantity and dosing limits that follow current CDC recommendations

*Center for Disease Control (CDC) Brief October 2012

Behavioral Health Care for Children



Solution

Value

A comprehensive behavioral health solution designed to support kids, teens and parents across a range of behavioral health conditions

This children's behavioral health solution provides access to educational content, coaching programs and virtual therapy appointments

- **Timely access** to care amidst a shortage of pediatric behavioral health providers
- **Convenience** of bringing the appropriate level of virtual care to families with expanded hours, including nights and weekends
- **Education and support** through self-service information, modules and coaching
- **Seamless coordination** of digital programs between appointments to get help and track meaningful progress

Select Examples of content, programs and therapy

Brightline Connect+ Content

- Back to school stress
- Meditation and mindfulness
- Self esteem
- Discuss mental health as a family
- Healthy social media behaviors

Brightline Coaching Programs

- Managing tantrums (ages 3-5)
- Boosting confidence (ages 6-17)
- Organizational skills training (ages 6-17)

Brightline Care Therapy

- Anxiety
- Depression
- ADHD
- Disruptive behaviors
- Medication evaluation and management

It's estimated that up to **1 in 5** children living in the United States experience a mental health disorder each year

Chronic Condition Support – Livongo

Program Description

- Offers comprehensive customizable diabetes management, diabetes prevention, and hypertension programs
- Includes technical support, clinical monitoring, and coaching

Diabetes

11.9% of eligible members are enrolled in the program.

Eligible	84
Enrolled	10
Activated	10

100% of members receiving alerts are responding.

Prediabetes

4.8% of eligible members are enrolled in the program.

Eligible	312
Enrolled	15
Activated	15

15 active members reached milestones and 60% of these members lost 5% body weight.

Hypertension

11.1% of eligible members are enrolled in the program.

Eligible	261
Enrolled	29
Activated	29

82.1% of members maintained or improved their blood pressure.

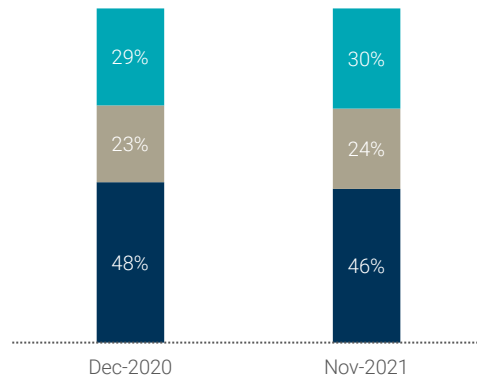
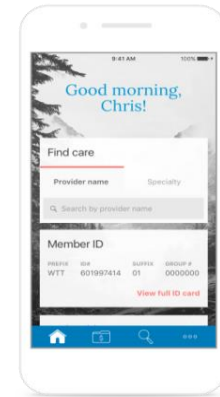
Eligible: Members with the condition (based on Premera claims/eligibility through February 2022).
Enrolled: Members that completed registration and eligible for the program.
Device activation: Members that used the device
As of 02/2022

Web and Mobile Tools

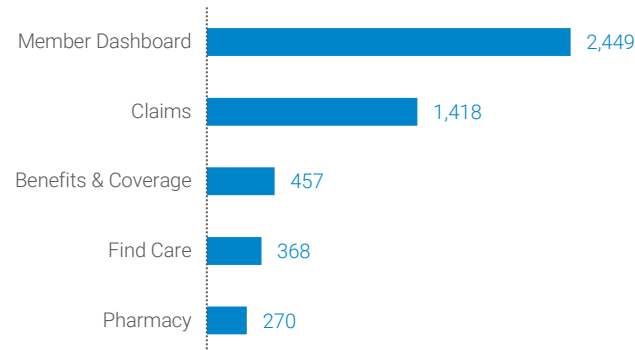
Available technology and tools make it easier for your employees to manage costs, find the right care, and take a more active role in their health. Manage prescriptions and claims from home, work, or anywhere via the web or mobile app.

Premera Web and Mobile Resources

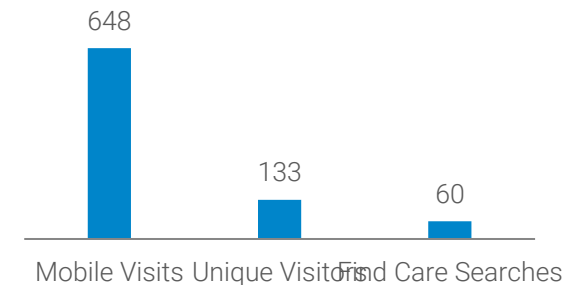
- ID card
- 24-Hour Care
- Find a doc, urgent care
- Benefits/Claims
- Cost and quality
 - » Treatment cost estimator
- Personal Funding Accounts
 - » Manage health funding accounts
 - » Make claims payments and investments
 - » Store claims for later payment
- Pharmacy benefits
 - » Order and refill prescriptions
 - » Look up cost and coverage
 - » Find drug pre-approval information
 - » View preventive drug list(s) if included in benefit
 - » Find in-network pharmacies
- Mobile
 - » View your claims
 - » Show your digital ID card
 - » Find care options anytime, anywhere
 - » View individual and family deductibles
 - » Medicine Cabinet
 - View a list of your prescriptions, including dosage and pharmacy information
- B'link
 - Customizable employee communications on B'link
 - » Flyer/poster option you can customize with your logo
 - » Email templates you can just open and send
 - » Long, medium & short versions you can copy, paste, and share



Website Registration and Electronic EOB (eEOB) Election Rate



Member Website Utilization (Top Five Activities Completed)



Average Monthly Mobile Utilization

- Registered with eEOB
- Registered without eEOB
- Not Registered

Reporting Period: 12/01/2020 - 11/30/2021

Results and Opportunities

Premera and Alaska Railroad Corporation is committed to providing value to you and your employees while lowering healthcare costs.

\$548,506
CareCompass360°

Savings across all CareCompass360° services¹

\$500,702
Rx Rebates

\$12,090,647
Network Discounts

Medical & Pharmacy

Total Annual Savings \$13,139,855

	Emergency Room Visit Costs	Medical Travel, Premera Designated Centers of Excellence	Behavioral Health Care for Children	Enhance Employee Communications with B'link
Focus and Savings Opportunities	Promoting 24-Hour NurseLine and virtual care to members... <ul style="list-style-type: none"> Enables them to make informed choices Engages them to consider case management Encourages them to be smart users <p>Moving 10% of your ER visits that could be directed to lower levels of care could save you...</p>	<p>Promote Premera's new total joint replacement bundle at Providence to help ensure members receive value care at a fair price.</p> <p>Alternatively, remind your members they have access to medical treatment options outside Alaska in the event they need additional services.</p>	<p>Promote Premera's comprehensive behavioral health solution designed to support kids, teens, and parents across a range of common family challenges such as mental health, speech therapy, and occupational therapy.</p>	<p>Utilize the employee communications on B'link (blink.AK.premera.com) to help your members understand and use their Premera health plan throughout the year.</p> <p>B'link contains materials to help you promote virtual care services for both general medicine and behavioral health.</p>
Estimated Annual Plan Savings	\$83,000 - \$85,000			

¹Utilization management savings includes estimated savings for changes in provider behavior due to Premera's medical policies