

2018 Annual Overview

---

# Your health care partner

# A word from Tim Lieb

Plan President  
Regence BlueShield



In 2018, we entered our second century of service to Washingtonians. For more than 100 years, we've been committed to delivering the best possible health care experience for our members. We now have more than 1 million members in Washington, and our investment in our community and the well-being of our state's residents is stronger than ever.

Regence's dedication to transforming health care throughout our state was reflected this past year through our new collaboration with the Washington State Health Care Authority. Embarking together on a 10-year partnership to deliver health care to public employees, we will continue our legacy of making care more affordable, more accessible and more personal by delivering the next generation of health solutions to Washingtonians who serve in the public sector.

We put our members first by crafting solutions that improve affordability and personalized experiences through high-touch customer service and technology. One example is MedSavvy®, which gives consumers the tools they need to find affordable and clinically effective medications. We are also deeply invested in telehealth, where patients receive care from a doctor without leaving their home or work. This cutting-edge technology provides our members with significant convenience and cost savings.

Our connections to the communities we serve run deep. We give back through volunteerism, community investments and impactful partnerships with nonprofit groups that improve people's lives. We are dedicated to helping to enhance the work of game-changing organizations such as Habitat for Humanity, Mary's Place and Community Action of Skagit County.

Regence started in Tacoma in 1917 as the nation's first health plan. In 2019, we're focused on building on our longstanding mission of making Washington a better place to live and work, with innovations that will deliver to you the next generation of health care when, where and how you need it most.



2018  
In numbers

1.05M  
Members

37,893  
In-network providers

\$1.76B  
Member premiums

1,742  
Employees

752  
In-network facilities

101  
Years serving Washingtonians



# Putting members first

Health care is personal, and we believe in taking a personalized approach to make it better. We're focused on developing new tools, technologies and services that put you at the center so you can more easily access care, when and how you need it most.

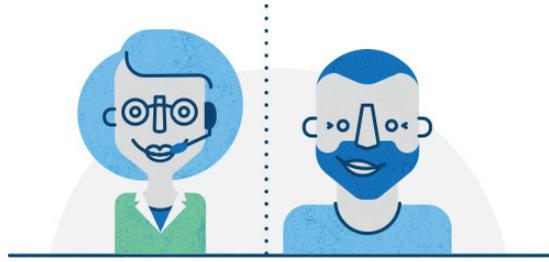


## How data is powering better health

We all want a simpler health care experience. That's why we create partnerships to empower you with information and solutions that enable smarter and more streamlined health choices.

One example is our partnership with MedSavvy. This solution takes the mystery out of medications through report-card-style effectiveness grades and costs to help you easily compare your options. When one of our young members was diagnosed with epilepsy, her doctor prescribed a medication that carried a hefty \$800 monthly price tag. Concerned about the cost, her father did a quick search in MedSavvy and found an equally effective medication option for \$13 a month. Sharing this information with their doctor ultimately saved them \$787 a month.

We also look to data to shine a light on emerging issues affecting the health of our communities. By finding patterns in health care claims, we're able to create new programs and solutions. Recently our claims team identified a dramatic spike in knee injuries among 17-year-olds. By working with community partners to place certified athletic trainers at local high schools, we helped encourage kids to remain active and healthy, instead of staying on the sidelines. Through member newsletters, social media, regence.com and the athletic trainers themselves, we raised awareness of the increased numbers and shared strategies to avoid potentially preventable knee injuries.



## Working to make our communities addiction-free

Everyone deserves the chance to live a healthier life. That's why we're helping to address the most pressing health care issues affecting the communities in which we live, work and play.

We're taking action to reduce the misuse and abuse of opioids. Key efforts include sponsoring safe medication disposal kiosks at Walgreens stores and facilitating community roundtables and panel discussions focused on addiction. We also created a conversation guide that can be used to ensure that people and their doctors are on the same page when it comes to pain management.

We're proud that through outreach and strengthened policies, we've cut the number of opioid prescriptions by 39 percent across our region since 2015 while supporting appropriate use for people who can benefit from treatment.

## Care gets personal with our customer care tool

Regence members have long valued our local and award-winning customer service professionals. Now we've empowered them with a customized tool that combines data, technology and our teams' innate know-how to serve you with more valuable insights and solutions.

When you call us or initiate a live chat, our team accesses a customer care tool that provides personalized information and valuable discounts. Nearly four out of 10 members were made aware of new solutions because of this tool, increasing satisfaction and leading to savings. In fact, members who take advantage of our convenient care solutions like telehealth save an average of \$120 per visit, and those who use our Regence Advantages discount programs save an average of \$87 a year.



## Meet Dr. Polo: An expert in behavioral health

In early 2018, Dr. James Polo became our newest medical director, focusing on behavioral health. In addition to strengthening our behavioral health practices and provider partnerships, Dr. Polo champions our work to address substance abuse and the opioid crisis by engaging the community and general public in a solution-driven dialogue around this crisis. We're committed to doing our part to decrease abuse while supporting appropriate use for people who need opioids to manage pain.

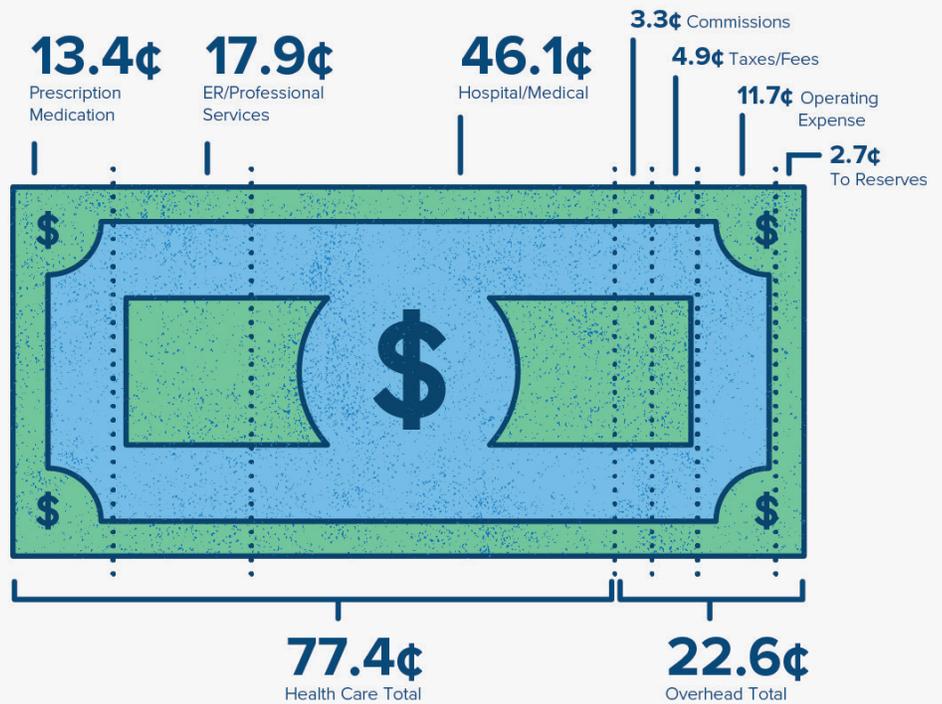


# Making the most of your health care dollars

As a tax-paying nonprofit, our sole focus is on helping people today and for generations to come. We don't answer to shareholders; we answer to you, so we focus our resources toward improving your care while holding the line against rising health care costs. We continuously look for new ways to simultaneously reduce our operating expenses and keep a sharp focus on organizational efficiency.

For more than a century, our members have counted on us to advocate on their behalf, and we take this responsibility seriously. We are always developing new solutions and collaborations that deliver more value for your premium dollar.

Where your Regence premium dollar goes



## Transforming your health through value-driven care

Improving care starts with forging strong partnerships with providers and hospitals in our communities to measurably improve the health of our members. Through an innovative approach to value-based care, we're holding providers to higher standards through quality and patient-experience measures focused on safety and effectiveness.

In 2013, we pioneered Total Cost of Care (TCC), a leading value-based care program that takes a more thoughtful and holistic approach to the care of our members—not just the treatment of symptoms or conditions. This program works behind the scenes to change how providers approach care and reimburses them in kind. Our provider partners are empowered to keep their patients at the center by providing them with highly detailed information on medical cost and quality that helps them meet their value-based care measures. We also support providers by hosting informative training sessions, monitoring providers' action plans for quality improvement, and creating open lines of communication to deliver truly coordinated care.



For our members, changing the way we engage with providers results in better health outcomes, bigger cost savings and a more personalized experience as a patient. This approach also leads to fewer hospital admissions and urgent care appointments. The TCC program shows a notable increase in performance on targeted quality measures (for example, how well providers manage chronic conditions such as high blood pressure, diabetes and low back pain), resulting in lower costs for all. That's improvement we can stand behind.

One member who directly benefited from this program was making frequent trips to the emergency room stemming from the effects of her bipolar disorder. Our care managers connected directly with her providers and worked with them to develop an integrated care plan that was personalized to her needs. With a coordinated treatment approach among her providers, she was able to get the behavioral health support she needed—and reduce her visits to the ER.

2018  
Financials

\$1.36B  
Health care spend

15.7M  
Claims processed

\$3,133  
Average amount paid in  
claims per member

## Leveraging virtual visits for on-demand care

Life is busy, and a doctor appointment can feel like one more thing to fit in. That's why we offer our members convenient tools like telehealth, which lets you access care when, where and how you need it and even saves you money in the process.

Telehealth lets members connect with board-certified doctors anywhere. There's no need to deal with traffic or waiting rooms. You simply meet with your doctor securely over the phone, by video chat or via two-way messaging, anytime, day or night. Plus, members who use telehealth services save more than \$120, on average, per visit.

For Regence member Kim, telehealth enabled her to easily get treatment for a lingering cough right before a vacation. Kim connected to the live telehealth video conference and in less than five minutes had started a virtual doctor appointment.



“The doctor was professional and kind, talking through my symptoms to really figure out what the root cause was. Within 20 minutes of my visit, I received a notification from the pharmacy that they were processing my prescription. It was a great experience that saved me time and money, which helps when you're preparing to go on vacation!”

– Kim, Regence member

On-demand telehealth services can also be used to treat many conditions affecting the mind and body—beyond coughs and colds. Over the last year, we've seen a 48 percent increase in millennials opting to use telehealth services to address mental health concerns such as depression, anxiety and ADHD, which top the list of telehealth concerns for this age group.

For members looking for a more convenient, cost-effective care option that doesn't sacrifice quality, telehealth may just be the answer.



# Making Washington a better place to live and work

Regence was born out of a spirit of neighbor helping neighbor, and this spirit continues to guide us today in the ways we work to support communities throughout Washington.

In 2018, we identified key focus areas to guide our strategic investments. From addressing food insecurity and other social determinants of health to supporting addiction prevention and education, the game-changing partnerships we cultivate with organizations across the state help to enhance the quality of life in our communities.

Together, we are working to ensure that our communities are as healthy as the members we serve.

## Invested in Washington

In 2018, we continued our longtime partnership with Habitat for Humanity to fund new construction and critical home repair programs. Many of our employees also rolled up their sleeves and participated in Habitat for Humanity builds and cleanup projects, supporting the development of safe, welcoming communities for our neighbors in need.

2018

In giving back

Aligning with our dedication to addiction prevention and education, we actively supported Battlefield Addiction, an organization that guides addicts and their families through addiction and recovery. And we continued our support of Mary's Place and Tacoma Rescue Mission, two organizations that provide support for individuals and families on their journey out of homelessness.

Another way we contribute to the community is through our unique Board Placement program, which matches our employees with nonprofit organizations looking to grow their board of directors. This program has become one of the most impactful ways we strengthen our local communities and support our employees in their own volunteerism. Through the Board Placement program and the corresponding funding that complements an employee's board service, we empower our employees to serve the greater good and enhance the long-term health and well-being of all Washingtonians.

\$1.5M

Invested

2,597

Volunteer hours

921

Organizations supported

51%

Employees participating in the annual giving campaign



44

Employees serving on nonprofit boards

## Celebrating diversity

Honoring diversity and inclusion within our workforce helps us better reflect the members we serve and deepens our relationships in the community. One way we do this is through our Employee Resource Groups (ERGs).

By empowering our employees to connect with colleagues who have similar interests and passions, from the military community to caregivers, women, Latinos, African-Americans and LGBTQ employees and allies, we can continue to grow and thrive. Our ERGs offer personal and professional development opportunities as well as community volunteerism opportunities that enhance our diversity efforts, empower our members and strengthen our communities. By joining forces, we can use our passion to make an impact that's felt far outside the walls of our own organization.

Our commitment to maintaining a diverse workforce has been recognized publicly, with awards that include being named among America's Best Employers for Women by *Forbes*, one of the World's Most Ethical Companies® of 2018 by the Ethisphere Institute and a Top 10 Military Friendly® employer by Viqtory Media.



## Why I give back

Regence employee Stephanie first learned about the nonprofit Battlefield Addiction when she was searching for resources to help her daughter, who was struggling with heroin addiction.

"I had been watching my daughter fight her addiction for almost three years, and I thought I had done everything in my power to help her," she says. "The moment I dropped her off at Battlefield Addiction's sober living house, I knew I was going to give back."

Stephanie began working with parents who were trying to help their children, many of whom were young adults, overcome addiction. She soon discovered that she was passionate about working with the young adults served by Battlefield Addiction.

Stephanie helps them make appointments, update their resumes and find housing. Sometimes she just listens.

"It's so, so important to give back to your community in any way that you can," says Stephanie, who works in Regence's Seattle office. "Money is great, but time means everything. Just giving a little bit of yourself can mean so much to someone."

"Regence continues to support Battlefield Addiction as we try to end the stigma of addiction and help people realize that addiction is a family disease," she added. "It's not just the addict. The whole family needs to get well."

# The future of health care starts here.

As we look to the future, our primary focus is on improving the way you experience health care. From investing in new technologies that ease access and increase transparency to engaging in innovative partnerships, we are here to guide you through your health care journey one step at a time. Thank you for your partnership.



[regence.com](https://www.regence.com)

© 2019 Regence BlueShield

MedSavvy is a separate and independent company that provides prescription comparison services for Regence BlueShield members