

2016 Annual Overview

Gathering insights to anticipate your needs

A word from Angela Dowling

Chief Revenue Officer

Regence BlueShield



While the health care industry continues to experience significant change, our commitment to you remains the same. We're proud to serve Washingtonians as a trusted partner, advocate and ally, dedicated to improving health care overall and continuing to support communities we serve.

Since 1917 we have offered health care benefits to people across the Northwest. Advocating on your behalf means helping you make more informed health care decisions by providing transparency tools or working with providers to improve health outcomes, drive accountability and contain costs. As the industry continues to change, we will do whatever it takes to deliver the best possible health care experience for you and your family.

In 2017, we celebrate Regence's 100th anniversary. We've grown from humble beginnings, serving the timber industry, to now serving more than 1 million members in Washington. We look forward to partnering with you as we work to transform health care for the next 100 years.

2016

In numbers



33,776
In-network providers

1.03M
Members

99
Years serving
Washingtonians

\$1.67B
In member premiums

1,777
Employees

1,521
In-network facilities



Meeting you where you are

We believe you deserve health care that's designed around your unique needs. So we're building tools that connect you to the care you need and provide you with a more streamlined experience.



When you're on the go, you can now easily learn about your benefits

This starts at regence.com with your personalized Member dashboard that simply and clearly spells out your benefits information. Using our Find a doctor tool, you can search and compare providers and facilities based on network, costs, quality ratings and patient feedback—all taking into account your specific benefits. And when you're on the go, you can now easily learn about your benefits—as well as health-related discounts and wellness tips—through our text and email outreach.

Improving your health care experience is also about speaking your language. We've re-written our member communications to be more clear and concise. Our newly redesigned Explanation of Benefits

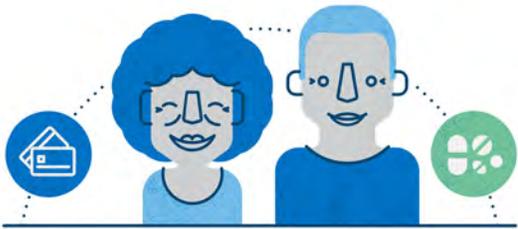
statement makes it easier for you to reconcile a doctor's bill against a paid claim, understand how your benefits were applied and easily identify your financial responsibility.

Convenience and clarity, tailored to meet your needs: That's the health care experience we're striving to create.



Regence mobile app: Benefits at your fingertips 24/7

With our Regence mobile app, you get on-the-go access to your health benefits. Using secure sign-in (including fingerprint technology), you can easily find in-network doctors and urgent care facilities, review your claims, see where you stand with your deductible and much more. The app also conveniently stores your member ID card for anytime, anywhere access.

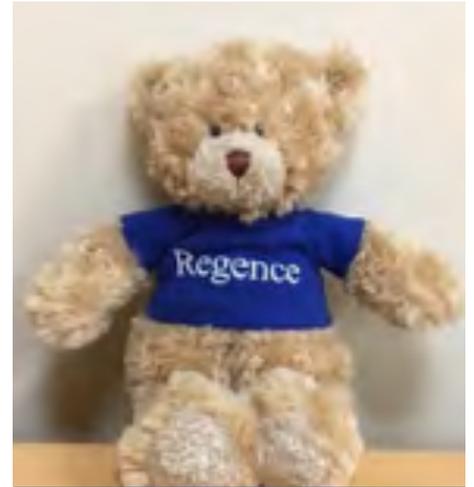


A better Rx solution for your health and your wallet

As costs continue to rise for medications, we're excited about helping address this issue through our promising new partnership with MedSavvy™. Piloted in 2016, this comparison tool helps consumers and providers make smart, informed decisions about prescription drugs by comparing their effectiveness and cost. Here's how it works:

- Search and compare medications using a pharmacist-created tool
- Access report card-style grades based on proven evidence-based medication assessments
- See costs for primary and alternative treatment options
- Get questions answered by knowledgeable pharmacists

Early feedback has been overwhelmingly positive, and we look forward to getting this helpful tool in the hands of more people in 2017.



"Thank you for this adorable teddy & note welcoming our baby girl! Another reason why hubby and I love our insurance company!"

- Anna Berman

Service with a smile—and a cuddle

New parents face plenty of challenges. Affording a breast pump shouldn't be one of them. In 2016, we made purchasing a breast pump easier—and sent families with newborns a teddy bear to welcome them into the world. Parents loved it, but the newborns weren't quite old enough to appreciate the gift. So going forward, any child 2-10 years old who needs hospital care will receive a Regence bear. It's a small gesture, but hopefully one that makes a potentially scary care experience a little easier to face.



Bernice and Leonard’s story

Bernice, Leonard’s wife, was diagnosed with advanced-stage cancer. Leonard requested assistance from Regence Personalized Care Support. As the director of palliative care at a local university, he understood how crucial palliative care was to his wife’s quality of life—and to him and their children.

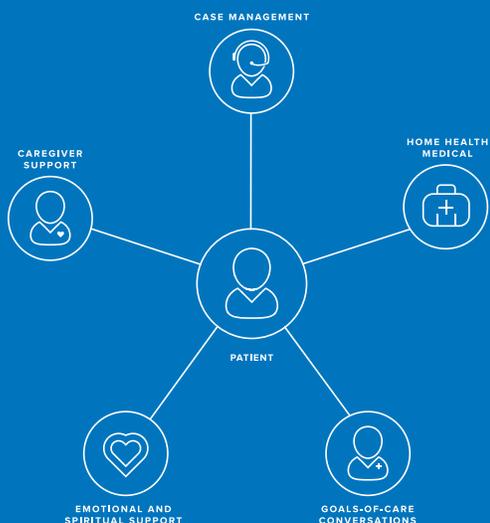
He asked, “Do you have a program that allows us to coordinate my wife’s care in a home setting?” The answer was, “Yes, we do.” He told us that he wanted to enjoy his remaining time with his wife, not worrying about who would take care of her.

“We will take care of the details; you just focus on your time with her,” their Regence case manager said.

Regence took care of all the complex details in coordinating a unique combination of home hospice and palliative care.

A few weeks later, Bernice called: Leonard had also been diagnosed with advanced-stage cancer. “You’ve been such a relief and help caring for me,” she said. “Would you be willing to care for my husband, too?”

Regence heard from Leonard and Bernice’s children a few months later. They expressed their deep gratitude for our help in making their parents’ last days comfortable and worry-free.



Palliative care: A holistic approach for those who need it most

Health care should be patient-centered, family-oriented and compassionate. This is especially true for those being treated for a serious illness or significant injury. That’s why we provide the industry’s most comprehensive palliative care benefit. This is not the same as hospice care, which is a separate benefit. Palliative care is focused on relieving the symptoms, pain and stress caused by a serious illness or significant injury. People may need it at any stage of life, with or without treatment meant to cure the condition.



Making the most of your health care dollars

Navigating health care can be challenging. At Regence, our role is to be a steady partner who stands behind you and advocates on your behalf—so you can get the most value for your dollar.

As a nonprofit, our sole focus is on supporting you: our members. Since we're not beholden to shareholders or quarterly profit reports, we can put more resources into improving your care while holding the line against rising costs. From the steps of the state capitol to physicians' offices throughout Washington, we're doing just that.

We collaborate with doctors and hospitals on value-based provider arrangements that improve the quality and affordability of your care. Our networks balance access with fostering more coordinated care, all in the name of better health outcomes and patient satisfaction. And we're advocating for more transparency and affordability from for-profit pharmaceutical companies.

2016

Financials

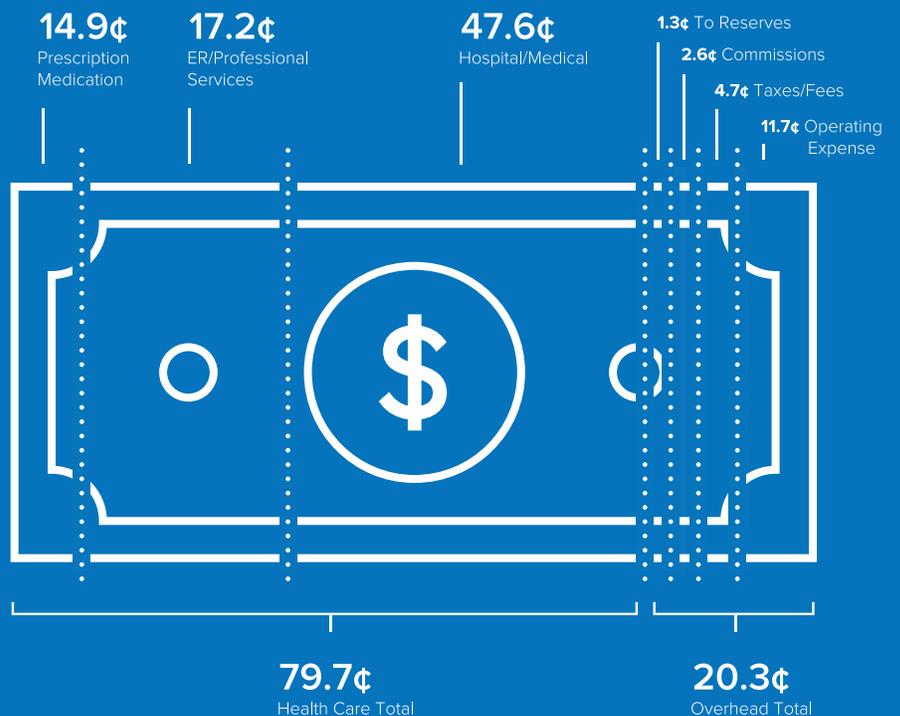
\$1.33B
Health care spend

You want a partner who not only has your back, but protects your wallet too. We take that responsibility to heart. As health care continues to evolve, we stand behind you, working to improve your care while keeping costs in check.

\$3,413
Average amount paid in claims per member

14.5M
Total claims processed

Where your Regence premium dollar goes





Strengthening Washington communities

We're passionate about making a difference in the communities we serve. By donating our time, talents and financial resources, the Regence family is proud to say we've helped improve the quality of life for our neighbors here in Washington.

Regence and its Washington employees contributed \$3.6 million and 1,798 volunteer hours to nonprofits over the course of 2016.

2016

In giving back

38

Executives serving on nonprofit boards

63%

Employees participating in the annual giving campaign

\$3.6M

Invested

Regence was founded 100 years ago right here in Washington on the principle of neighbor helping neighbor. And because of our mutual focus of building, literally, a better community, it seemed natural last year to enter into a partnership with Master Builders Association of King and Snohomish County (MBA) and Habitat for Humanity Seattle-King County. A cross-functional team of Regence employees worked with staff and volunteers from MBA to help two families complete work on their very own homes in Renton.

1,798

Hours donated

Our employees were also enthusiastic supporters of Mary's Place, a nonprofit that helps women, children and families reclaim their lives by offering community, acceptance, hope and dignity. With help from Regence, Mary's Place was able to increase its number of families served by 12 percent last year and hire more housing and wellness advocates to meet the needs of families in distress.

484

Organizations benefiting

As a local and regional leader, our investments in communities throughout the state help ensure those communities are as healthy as the members we serve.



MARY'S PLACE



Reflecting and looking ahead

2016 marks nearly a century of serving people. This an exciting and humbling milestone. Thank you for your trust and partnership. As we reflect on our evolution and look forward to our future, we're relentlessly focused on transforming your health care experience. Here's to a bright year ahead for the health of Washingtonians.



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