

Cooperation not Competition:



**Working together to Build a True
Integrated Delivery System**

**Pat Koelling, RN
President and CEO
AtlantiCare Health Plans**

What's in a name?

Everything.



Get to know the AtlantiCare family of services:

- Atlantic City Medical Center
- Heart Institute at Atlantic City Medical Center
- Joint & Spine Institute at Atlantic City Medical Center
- RNS Regional Cancer Center at Atlantic City Medical Center
- Regional Trauma Center at Atlantic City Medical Center
- Regional Neonatal Intensive Care Unit at Atlantic City Medical Center
- Center for Surgical Weight Loss & Wellness at Atlantic City Medical Center
- AtlantiCare Women's Health & Wellness
- AtlantiCare Urgent Care Center
- AtlantiCare Surgery Center
- AtlantiCare/duPont Children's Health Program
- AtlantiCare Kids
- AtlantiCare Behavioral Health
- Atlantic City Medical Center Hospice
- AtlantiCare Occupational Medicine
- AtlantiCare Clinical Laboratories
- AtlantiCare Home Medical Equipment
- Kessler/AtlantiCare Home Health
- AtlantiCare Clinical Associates
- AtlantiCare Foundation
- AtlantiCare Health Plans

ATLANTICARE



Note: 4000 Associates – 85% Clinical

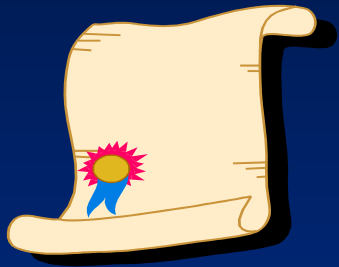
Joint Venture AtlantiCare / Horizon



Why

- Combine the strengths of both organizations to develop capabilities that neither company could perform alone.
- Form a laboratory to develop and execute new ideas in a small area (Atlantic, Cape May and Cumberland counties).
- Both companies believed there had to be a better option than the annual “contracting dance”.

Horizon Blue Cross Blue Shield of New Jersey AtlantiCare Joint Venture



Value Statement

The Horizon Blue Cross Blue Shield of New Jersey/AtlantiCare Joint Venture will bring together the very best health care products, providers, services and capabilities from both organizations and create a better way to manage and improve the delivery of health care in our community. By responding to the needs of all customers-including employers, plan members and physicians-this joint venture will bring to the community:

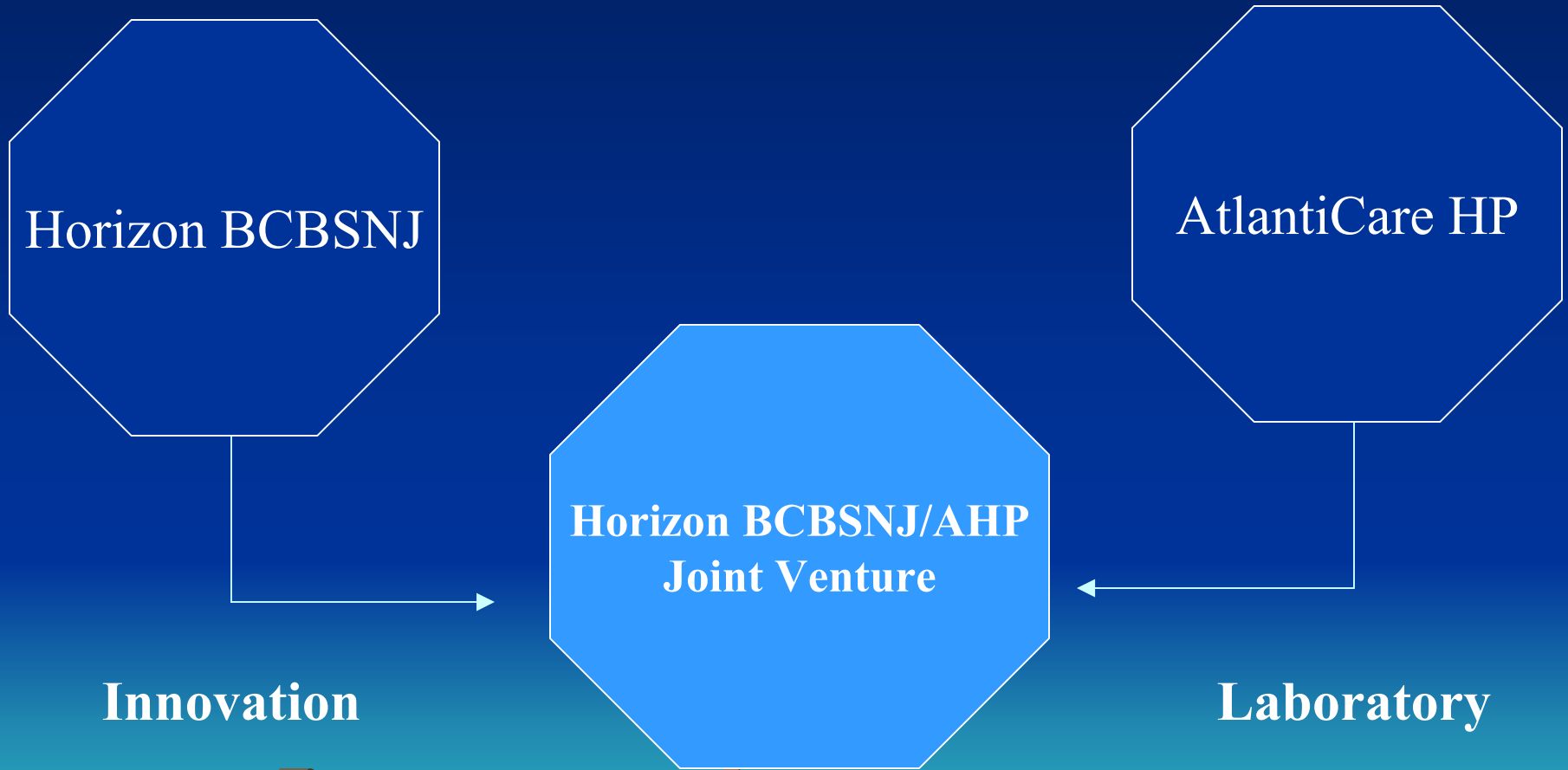
Horizon Blue Cross Blue Shield of New Jersey AtlantiCare Joint Venture

Value Statement Continued

- Improved access to high quality, cost effective health care through the most comprehensive local, regional and national physician and hospital networks available.
- Increased choice by offering consumers the widest selection of premier health care products available.
- Cost Effectiveness through excellent pricing, low administrative costs and effective medical management.
- Enhanced quality of care through a unique collaboration of payers and health care providers who agree to deliver superior care in the most appropriate, patient-friendly setting, and focus on superior medical outcomes and overall improvement of health status.
- “World class” customer service by offering both members and providers local customer service, delivered by neighborhood people who understand and share the same concerns about quality service and responsiveness.
- Stability and customer loyalty through management’s support of customer advocacy and a balanced approach to health care that strives to keep all parties focused on the same mission and goals.



Joint Venture Post-Conversion



Description of JV

- Governed by a separate Board 50% Horizon and 50% AtlantiCare Executives.
- Each company performs certain services for employers domiciled in the three counties (employees can reside anywhere).
 - Claims processing
 - Medical Management / Case Management
 - Provider Services
 - Membership Services



Critical Success Factors

- Collaboration on new ideas/processes with Cross Functional Teams
- Engagement and Active Discussion
- Profit!
- Elimination of “us and them mentality” → we
- “Failure not an Option”



Who is the customer?

- Our customers are the 150,000 individuals covered by benefits offered by AtlantiCare Health Plans or offered by Horizon Blue Cross Blue Shield of New Jersey via the Joint Venture agreement



Who is the customer?

- They are mothers, fathers, sisters, brothers, grandparents. They are old or they are young. They are sick, they are healthy, rich or poor. They are from various ethnic and religious backgrounds.

- 31% are under age 20*

- 27% are between 21 – 40*

- 20% are between 41 – 50*

- 22% are over age 51*

- 52% are Female – 71% of whom are adult “Decision Makers”*

- 81% live in the tri-county area, with the majority in Atlantic County

The one unifying affiliation is they hold an AtlantiCare or Horizon Insurance Identification Card.

*Data source: Hammonton Service Center database

Consumers (in general) are shifting...

- From Isolated to Connected
- From Unaware to Informed
- From Passive to Active

TREND: Consumers challenge healthcare providers more aggressively and participate more fully in treatment modalities.



Horizon BCBSNJ'S Strategic Plan



- As part of our strategic plan, Horizon BCBSNJ developed and launched the World Class Clinical Quality initiatives (WCCQ) in 2002

WCCQ Strategy

- Preventive Health
- **Disease Management**
- Quality Metrics
- Information Sharing
- Health Policy
- Research
- Quality Partnerships
- Awards/Speakers



Health Policy

- Identify the key issues that affect the health and wellbeing of all residents in our geographic region
- Develop a strategy to address these issues and design programs whose results are:
 - ℞ Quantifiable
 - ℞ Reproducible
 - ℞ Sustainable



Creation of

Epidemic of Health

Tipping Point

Innovation

JV Laboratory



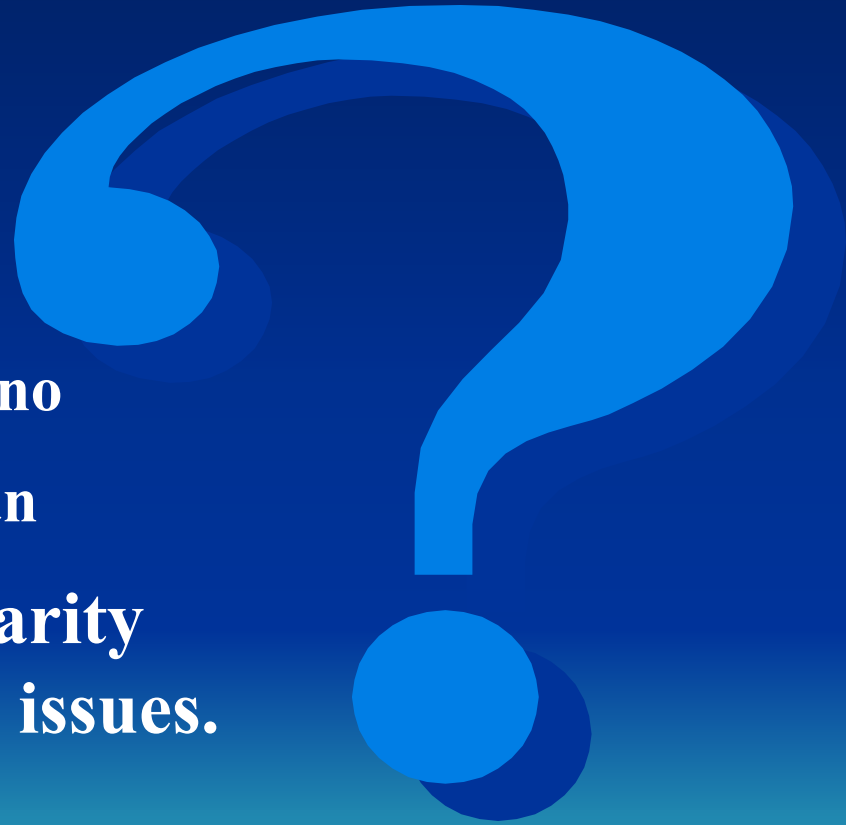
Create an epidemic of health...

- By helping patients understand their disease and empowering them to better manage their condition and behaviors, we can create clinical changes to improve patient health.
- By using an integrated and co-ordinated process, using science, technology, research, data and partners (such as Pfizer and Dr. Tango), we will effect a more robust approach, focused on management of the health continuum in our community.



Why

- **Rising Healthcare Costs with no sustaining solution.**
- **Diversity Issues**
 - **New Jersey**
 - 1990 - 2000 35% ↑ Latino**
 - 74% ↑ Asian**
- **Published reports of Disparity related to minority health issues.**



- Increase in chronic disease, especially in minority population.

*Note: * 45% of Healthcare expenditures related to obesity, diabetes, cardiac disease and depression.*

** 10% of population accounts for half of the nation's healthcare cost. ¹*

- Consumerism - will become more engaged in their healthcare.

- Healthcare - Delivery and Insurance is considered a commodity
 - Commodity Hell
 - Buying decisions based on price
 - No information to differentiate choices
 - Poor value add
 - External pressures towards commoditization
- AtlantiCare has “wall to wall” clinical capabilities for intervention, including community coalitions.
- Horizon BCBSNJ has volume of members in JV area and an established DSM program.



Attention Areas

- Increase in community awareness increases the demand for community liaisons and services
- Those who are uninsured or underinsured will seek greater access to services
- Internal knowledge deficits about cultural nuances will perpetuate the problem



Important concepts

- Cultural competency is a required skill for providing safe and effective patient care
- Recruitment and retention of minority healthcare workers
- Language, communication and clinical research are fundamental elements of the patient care experience
- Support community health workers and multicultural health teams



Deliveries

- Workforce
 - Health and wellness
 - Recruitment and retention
 - Career advancement
- Patient Care
 - Patient assessment/plan
 - Patient education (communication)
 - Discharge plan (education)
- Community
 - Healthcare without walls
 - Common language



Customer Partnerships as a Two Lane Highway in DSM



- Lane 1
 - Customer wants and needs in real time
- Lane 2
 - Health relationship
(Participation in Epidemic of Health)

In order to Build the Two-Lane Highway

We Must Move From

Zones of Comfort

To

Zones of Opportunity



Focus - Initial Phase

A. Obesity

B. Heart Disease

C. Diabetes



1. Horizon's Health & Wellness Education Program (aka Disease Management)

with

2. AtlantiCare's Weight Management Program

Focus - cont.

Key Points

- Clinical and Outcome Measurements
- Community Outreach using
 - AtlantiCare Service Lines
 - AtlantiCare Foundation
 - Established Community Coalitions
 - Congregational Health Coordinator
- Partnerships (Doctor Tango and Pfizer)

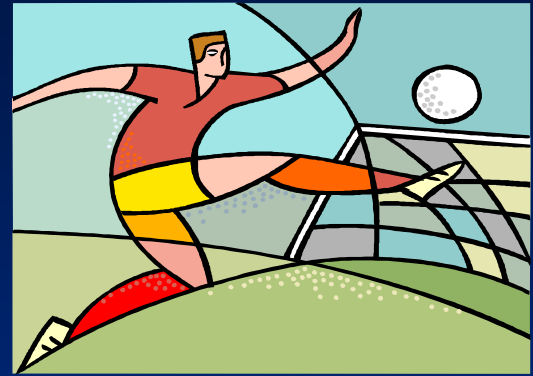


Progress

- Discussions with at least 30 internal and external stakeholders
- Two Mayors have committed to a leadership role in improving health and wellness in their communities
- Pilot to begin in Pleasantville
- Diabetes stakeholder group under construction
- Discussion with American Healthways regarding outreach for “non adoption” solutions
- Contracts with Pfizer and Dr. Tango



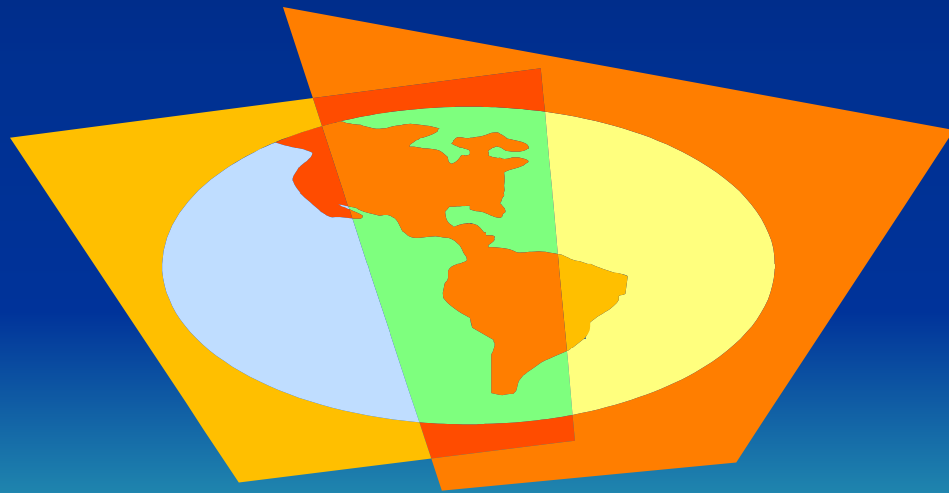
GOALS



1. Create a positive intimate member experience.
2. Create winning strategy for customer loyalty.
3. Create a healthier community and optimal intervention with metrics.
4. Create collaborative learning to redesign activities for better outcomes.
5. Better management of healthcare costs.

Ideal World

The successful collaborative efforts of Horizon and AtlantiCare to produce overall improvement in the JV community's healthcare status will be rewarded with improved retention and increased market share.



*Tomorrow will not look like
yesterday and yesterday's
success is not a predictor of
future success.*

