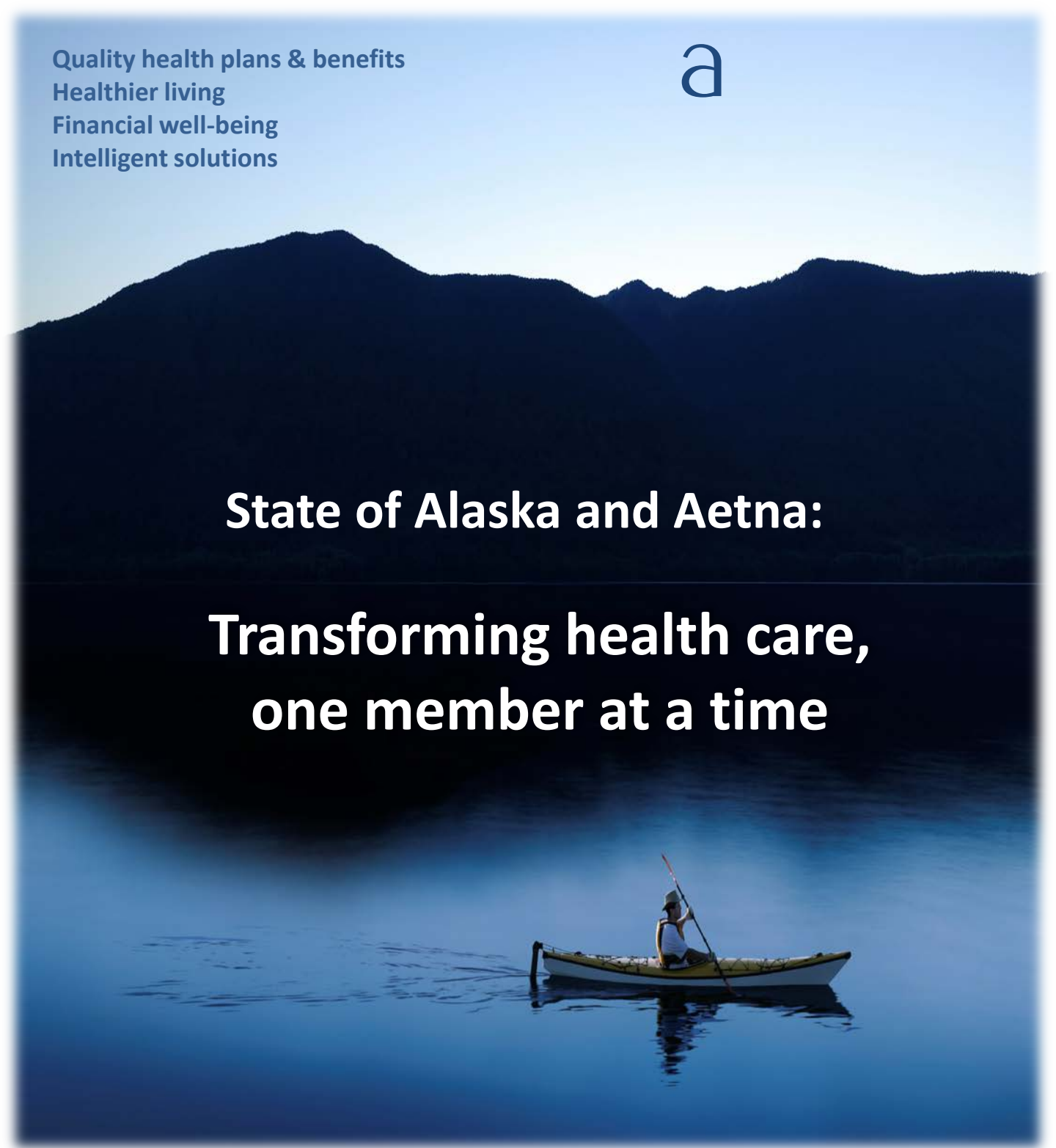


Quality health plans & benefits
Healthier living
Financial well-being
Intelligent solutions

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**State of Alaska and Aetna:
Transforming health care,
one member at a time**

A proposal for the State of Alaska

**Executive Summary
March, 2013**

Thank you for this opportunity



You can achieve your benefit goals with a full service partner who delivers a superior member experience.

As health care becomes more complex, strategies to address member health engagement must meet employees, retirees and their families where ever they are in their health care journey.

Our proposed solution provides you with the critical infrastructure necessary to support your strategic direction, while delivering on the bottom line. We have the experience and ability to truly engage your members and change how they view their health care benefits – one member interaction at a time.

And best of all, we will deliver this experience while supporting the State of Alaska's cost goals. Our proposed performance incentives are aligned to your objectives and ensure you don't pay if we don't deliver. We are committed to your success because it is our success, too.

The Aetna Difference for State of Alaska:

- 1 Simplify** through an integrated solutions partner
- 2 Personalize** the member experience
- 3 Deliver** results to lower net costs

1 Simplify through an integrated solutions partner



We will provide the State of Alaska with an integrated, best-in-class solution for medical, pharmacy, health care management and dental. Unlike our competitors, we have systems that actually talk to each other and tools and personnel that help members connect the health care dots.

This solution addresses every aspect essential to the success of the State's health care vision, including:

- Consumer engagement — Using highly skilled benefits experts to serve as single-points-of-contact to streamline the member experience and provide guided support for programs and online tools.
- Evidence-based medicine — Using the strength of medical evidence to assess the risks and benefits of treatments and diagnostic tests to help clinicians prescribe the right care at the right time, using the best method.
- Provider solutions — Using our relationships with providers to increase the adoption of technology solutions and shift provider payment methods currently focused on volume of services rendered to the value of services delivered.
- Operational excellence — Using our infrastructure, systems and processes to provide you with quality strategy, service and reporting capabilities.

True integration means we find members earlier to reduce downstream costs

- Our evidenced-based claims sentinel system works 24/7 to transform patient data into actionable intelligence, with **98% accuracy**.¹
- Multiple clinical policies work together to help drive appropriate utilization of services. Technology-driven automated claims review saves employers an average of \$10.42 per member per month.²

1 Wei H, et al. Clinical Validity of Alerts Generated by the CareEngine Claims-Driven Decision Support Engine. AMIA Annu Symp Proc. 2008 Nov 6:1171.

2 Aetna Informatics, 2011.

The proof? Our many satisfied Public Sector and National Account customers. **Ninety-five percent of customers said they were satisfied or highly satisfied with Aetna.**

Integrated means life-saving *and* cost-saving.

We monitor 100% of your population for a wide range of clinical risks, 100% of the time.

At the core of our programs is a life-saving claims sentinel system called the CareEngine.® This sophisticated, patented technology powers our health management solutions. It provides data aggregation, clinical analysis, and identification of a broad range of health risks using medical claims, pharmacy claims, and lab data, as well as self-reported member information. The system is capable of communicating in real time to the entire care team.



Our Chief Medical Officer Lonny Reisman was the architect behind the CareEngine system. Dr. Reisman is the founder of ActiveHealth Management®, which Aetna purchased in 2005. Both Aetna and ActiveHealth® develop intelligent solutions to better find and engage people to lead healthier lives while protecting them from errors and omissions in care.

We will combine our medical, pharmacy and ActiveHealth management services to offer the State of Alaska a unique opportunity to leverage and integrate the best from each discipline with a focus on real-time access to patient information.

We connect doctors and patients at the point of care.

Our systems connect and inform doctors and patients of potentially adverse medical conditions. The CareEngine system provides real-time functionality to our clinical decision support. The system easily integrates with personal health records, electronic medical records and with centralized patient health databases. This puts an enhanced data set and superior clinical information at doctors' fingertips when it matters most — when patients are meeting with them. This innovation squarely positions us for continued growth as an industry leader and builds upon our goal to **lower costs for our customers by improving the quality of care that our members receive.**

A study in the peer-reviewed Journal of Health Economics demonstrated that medical best practices were followed at a greater rate, quality of care improved, and **costs were 6% percent lower when CareEngine alerts were issued.**

Study source: Javitt JC, Rebitzer JB, Reisman L. "Information Technology and Medical Missteps: Evidence from a Randomized Trial." J Health Econ. 2008; 27(3): 585–602.

2

Personalize the member experience

We all recognize good customer service when we get it. Sadly, many members are still trapped in endless loops of phone prompts with little or no personal support. Several years ago, Aetna decided to revolutionize the member experience. The result was a model that JD Power has certified as **“an outstanding customer service experience.”** Our proposed My AlaskaCare Single Point of Contact model is built on this success.



My AlaskaCare will eliminate the standard transactional view of health care. It will provide your employees, retirees and their families with a personalized member experience that is customized to their needs, not ours.

But how *exactly* does the My AlaskaCare single point of contact transform the member experience?

Well first of all, the Aetna contact is not under pressure to take the next call in queue. We have removed any call metrics that reward volume over value. In addition, deep member advocacy is created by our training on your plan of benefits and our computer technology that allows the single point of contact to make connections across the delivery system. We answer your members' unasked questions. This highly integrated approach will increase engagement and plan satisfaction. And when members are engaged, they are more likely to take healthier actions. These lead to better health outcomes and lower total costs.

"I have questions about my new prescription."



Meet Donna, a new My AlaskaCare member. Her doctor has just prescribed her an injectable medicine to reduce joint inflammation caused by rheumatoid arthritis. When she gets home, she calls the number on the back of her ID card to speak to a health care concierge.



Meet Jill, a My AlaskaCare health care concierge. Jill sees it is Donna's first call and welcomes her to the program. Following Donna's cues, Jill gives her an overview of what her plan covers. Jill has online access to member contact history, detailed benefit descriptions, claim history, eligibility data, as well as to the patient management system and provider files. She also has access to information specific to Alaska, including geographical coverage challenges, travel considerations and local provider options. These will be customized for each borough.

❖ Find the member's true needs

Jill confirms that Donna's new medicine is covered under her plan through Aetna Specialty Pharmacy. But she doesn't stop there. She also asks if Donna needs any special delivery arrangements. Donna says no one will be home over the weekend. She asks if it can be delivered to her office instead. Jill tells Donna it will be no problem and then asks her if she had a chance to fully discuss the new medication with her doctor. Donna says the doctor was rushed and she still has a few questions, like whether the medicine needs to be refrigerated.

❖ Make the right connections

Jill tells Donna she'd be happy to connect her to the specialty pharmacy and stay on the line to let them know her special delivery needs. Donna is happy she doesn't have to repeat herself, but even more pleased that her My AlaskaCare single point of contact is able to fully communicate her needs to the pharmacist.

❖ Personalize the solution

When Donna is done with specialty pharmacy, Jill confirms that Donna has everything she needs. Jill and Donna agree to reconnect by phone to make sure Donna receives her medicine. In three days, Jill calls Donna and confirms she has received – and is taking – her medicine. Donna says she feels more positive about getting support to help manage her condition. Jill thanks Donna and encourages her to call with any more questions or for support.



You connect me . . .

Your members want on-the-go speed, ease and convenience. And Aetna mobile gives them that and more. They can:

- Look up a condition
- Find a local doctor that treats a specific condition
- Tap on the doctor's phone number to dial directly
- Use the doctor's appointment scheduler (if available) to make an appointment
- Locate local urgent care centers
- Map directions to the doctor's office

. . . with tools to help manage my health

True member engagement occurs when your employees, retirees and their families have many ways to stay connected with their plan and health care goals. Aetna mobile extends your program's reach and enhances communication. We will provide State of Alaska members with a plan sponsor site that puts everything at their fingertips, including plan information, forms and links provided by the State and vendor partners.

We have other tools your employees can use to better understand both costs and quality of health care services. The **Member Payment Estimator** gives your employees an idea of what they'll actually pay out of pocket before they get care. **The tool's real-time technology uses their plan information: their actual deductible, coinsurance and plan limits, as well as current provider rates.** It provides network and out-of-network estimates, so they can see their savings for using network doctors. And it lets them compare costs for up to 10 doctors or health care facilities at a time.

Members can also go online to find prescription costs if they have an Aetna prescription drug plan as part of their benefits. They can see how much a prescription drug will cost at a participating pharmacy in their area, and estimate their cost. And they can find out how much that same drug would cost if they used our home delivery service.

You can try some of our online tools at www.aetna.com/showcase. See for yourself how your employees, retirees and their families can stay on top of their health with our complete suite of innovative, easy-to-use tools.

Our commitment to you:

3 Deliver results to lower net costs



We want to be your partner as you embark on this effort to drive down health care costs in Alaska. The State is in the best position to drive this change through its membership and presence in key locations. Aetna is in the best position to support your goals and objectives through our infrastructure, people and tools. As we noted, our proposed performance incentives are aligned to your objectives and ensure you don't pay if we don't deliver — so **your success is our success**, too.

We have the solutions to engage members and support the right care at the right time and in the right way. Our experienced personnel and disciplined approach to cost management will help develop the optimal delivery system in Alaska. This will result in year-over-year lower net cost. Our ongoing investments and innovations will ensure sustained trend management.

You have our commitment that we will deliver on the promises made and the customized solutions proposed in this response. We extend this commitment on behalf of all our employees who will put the State of Alaska at the center of all we do each and every day.

Thank you again for this opportunity to build an extraordinary partnership to transform health care for the State of Alaska — one member at a time.

Tim Lieb
Vice President
Client Management
Aetna National Accounts
LiebT@Aetna.com

Matt McCormick
Regional Vice President
West Region
Aetna Public & Labor
MccormickME@Aetna.com

Norman Seabrooks
President,
Northwest Market
Aetna
Norm.Seabrooks@Aetna.com