



Meaningful Transparency:

**Anthem's commitment to taking
transparency beyond cost**



Consumers are looking for a more personalized healthcare experience, one that leads to better outcomes and lower costs of care. Anthem is addressing their needs — combining empathy, advocacy, and technology to overcome the toughest healthcare challenges.

Meaningful Transparency goes beyond cost to integrate quality, wellness, and consumer reviews into the member journey. At Anthem, it means actively working across the entire spectrum of healthcare on behalf of consumers to reimagine healthcare. Our focus is to provide simple, intuitive, personalized information that enables high-value, timely healthcare decisions.

Consumers need easy access to information

The rising cost of healthcare continues to be a challenge for consumers as well as employers. Despite extensive cost-containment efforts by health plans and employers, consumer dissatisfaction with the total cost of healthcare in the U.S. has remained around 77% over the last two decades.¹

Thanks in part to the ease of online shopping with other goods, consumers have come to expect quick access to cost and quality information. Ninety percent of consumers say they want to know their own payment responsibility up front.² But most of the time, that doesn't happen. When asked about their most recent healthcare service, more than 7 in 10 consumers say they only learned the cost afterward.³ Fewer than half are aware that comparing healthcare costs ahead of time is an option.⁴

There is a significant gap between the consumer healthcare journey and access to the quality and cost-of-care information consumers want.

Being able to afford healthcare costs, prescription drug costs, long-term care services, and unexpected medical bills continues to worry more than half of American consumers — especially in lower-income households.⁵ Roughly the same number of adults report they skipped medical, dental, vision, hearing, or mental health visits or treatment in the last year for cost-related reasons.⁶

1 Gallup, Healthcare System: Are you generally satisfied or dissatisfied with the total cost of healthcare in this country? (accessed April 2022): news.gallup.com.

2 InstaMed, Trends in Healthcare Payments Annual Report (accessed April 2022): instamed.com/white-papers/trends-in-healthcare-payments-annual-report.

3 Gallup, West Health-Gallup 2021 Healthcare in America Report (accessed April 2022): gallup.com.

4 DirectPath, 2021 Consumer Report: All Eyes on Health Care – But Not Enough on Health Care Literacy Initiatives (accessed April 2022): directpathhealth.com.

5 Kaiser Family Foundation, KFF Health Tracking Poll – March 2022: Economic Concerns and Health Policy, The ACA, and Views of Long-term Care Facilities (accessed April 2022): kff.org.

6 Kaiser Family Foundation, KFF Health Tracking Poll – March 2022: Economic Concerns and Health Policy, The ACA, and Views of Long-term Care Facilities (accessed April 2022): kff.org.



Consumers want value for their healthcare dollar

Modern consumers want to make informed decisions about their healthcare. This includes having more information about the cost and quality of care. Particularly with high-deductible plans, they have a lot riding on each decision. It's never solely about cost — consumers also want to know about quality — and they expect high-quality care and the best outcomes. They need to avoid complications, heal quickly, and get back to their regular lives. Likewise, employers need their employees to achieve the best health outcomes and return to work quickly — U.S. employers lose \$36.4 billion each year from employee absences.⁷

Often, shopping for healthcare is less like shopping for a new item — a new car, for example — and more like shopping for a mechanic. In many cases, the consumer is under stress — something is wrong. The consumer must make a purchase or live in fear that the problem will get worse. These high-stakes decisions require a great deal of trust.

Without context, cost comparisons can muddy the waters. One mechanic may be cheaper because they have less overhead or may have negotiated better costs with their suppliers. Another may charge more because of advanced diagnostic systems or because they pay their employees a higher rate. The variations in cost may or may not reflect quality. Consumers may not have the background or time to parse the cost differences to determine the overall value of the service — leading to lack of confidence.

Trust is inherent to confidence

At Anthem, we work every day to build trust by elevating the experience of receiving healthcare. This goes above and beyond access to basic services to enabling high-value healthcare decisions. By leveraging one of the industry's largest data sets, we are working to make healthcare more personalized, responsive, and proactive. Our people, data, and technology enable doctors and healthcare advocates to provide timely whole-person care. We build on that work by providing meaningful information to our members through tools that help them to understand their portion of costs along with the many factors that contribute to a high-quality care experience.

⁷ Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Workplace Health Promotion: How CDC Supports a Healthy, Competitive Workforce (accessed May 2022): [cdc.gov](https://www.cdc.gov).



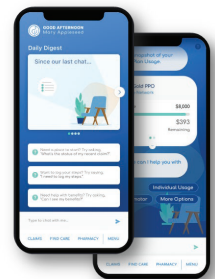
Focusing equally on cost and quality of care

Each consumer has a unique journey defined by their unique healthcare needs. The SydneySM Health app was developed in consultation with physicians to help identify unique journeys and provide connections to the quality care consumers deserve. Whether they use Sydney's symptom checker or directly chat with a doctor, a consumer can receive a possible diagnosis and schedule a virtual visit based on their need – 24/7. If a consumer needs or wants in-person care, Sydney gives them cost and quality tools to choose the best fit. Sydney's "Price a Medicine" tool can also provide the cost of filling prescriptions through various channels if a prescription is needed.

Beyond cost, Sydney helps consumers find quality care by listing providers' recognitions and ratings from consumer reviews. The app matches members with providers who have the most success with similar patients – along with factors like languages spoken, location, and more. This ensures members can access a high level of care based on what is most important to them. Sydney gives them cost and quality tools to choose the best fit. All of these lead to better experiences, better health outcomes, cost savings, and consumer confidence.

Sydney offers a simple and intuitive path to cost transparency and quality care. This important part of our digital platform strategy is moving us quickly toward the healthcare landscape of the future.

Sydney guides millions of members each month to high-quality, affordable providers – making healthcare simpler, and more accessible at every moment of a consumer's healthcare journey.



Transparency legislation

Recent legislation includes a number of provisions that put transparent cost information at the center of the equation. It is designed to arm healthcare consumers with the information they need to make the right healthcare decisions for themselves, based on the factors that are most important to them.

In 2020, the No Surprises Act was signed into law as part of the Consolidated Appropriations Act (CAA). There are numerous requirements under the No Surprises Act aimed at increasing transparency for the consumer. The one garnering the most attention protects consumers from surprise medical bills that arise when they receive treatment from certain out-of-network providers they didn't choose. Surprise medical bills can often result when someone is taken to an out-of-network hospital in an emergency or if they receive treatment at an in-network facility but some care is provided by an out-of-network doctor.⁸

The U.S. Departments of Health and Human Services (HHS), Labor, and Treasury (collectively known as the Tri-Agencies) have issued regulations intended to increase transparency for the healthcare consumer. Some transparency requirements on providers and health plans stem back to the Affordable Care Act (ACA) and others from the recent CAA. While some provisions are pending, new rules and legal requirements include:

- Hospitals must publish consumer-friendly lists of their charges for more than 300 “shoppable” services.
- Hospitals must publish a machine-readable file (MRF) of the rates they've negotiated with all health plans, for all services.
- Health plans and issuers must cover all out-of-network emergency services and care provided by out-of-network providers at in-network facilities at in-network rates.⁹
- For emergency services or out-of-network charges at in-network facilities, consumers can't be billed for anything over their in-network cost-sharing amount.
- Upon request, health plans and issuers must provide written estimates of what member costs will be for planned services.¹⁰
- Health plans and issuers must update provider directories at least every 90 days. If a provider leaves the network, the plan must continue to cover them as in-network for up to 90 days, for certain serious or long-term conditions. If health plans provide incorrect network information, they must cover resulting claims as in-network.
- Health plans and issuers must include any applicable deductibles and out-of-pocket maximums in clear writing on insurance ID cards and must also include a telephone number and website for consumers to obtain assistance.
- Health plans and issuers must disclose broker or consultant compensation to groups as well as people enrolling in Individual plans.
- As of July 1, 2022, health plans and issuers must publish an MRF of negotiated in-network rates and past out-of-network provider payments.¹¹

⁸ Kaiser Family Foundation, Surprise Medical Bills: New Protections for Consumers Take Effect in 2022 (accessed April 2022): kff.org.

⁹ The Congressional Budget Office has established an arbitration process for payment disputes between plans and providers.

¹⁰ Implementation delayed indefinitely.

¹¹ Effective July 1, 2022.



Reimagining healthcare through cost transparency

Transparency is about connecting consumers to the information needed to make decisions that drive better health outcomes — and lower cost of care. This is at the core of what Anthem delivers. We are building confidence by reimagining what is possible for every moment of health. We do this through three key pillars:



Transformative impact. Through our investments in people, tools, and innovation, we increase and improve health outcomes. This is done by connecting consumers, care providers, and the entire health ecosystem to reinvent care delivery, operations, and interactions. For consumers, the platform creates an empathetic, personalized experience that includes cost and quality information, help with decision-making, and connections to resources to help manage their overall health.



Meaningful connections. Anthem strives to connect individuals to care with empathy — offering simpler, more effective, and more affordable results. Transparency is an essential part of our commitment to increase value and improve outcomes. This means helping consumers and employers gain deeper understanding and context around expanded cost transparency information that leads to an optimized experience where consumers navigate the healthcare system with confidence.



Collaborative expertise. We are bringing innovation together with the local depth and expertise of Blue Cross and Blue Shield plans to solve the toughest challenges. This enables us to partner with clients and providers in new ways to reimagine every moment of health. Transparency will play a critical role in enabling consumers to make confident, higher-value decisions about their health.



Lifetime, trusted health partner

At Anthem we are focused on accelerating the transformation of healthcare. As a trusted health partner serving more than 45 million members, we are uniquely positioned to help consumers and employers understand bottom-line cost information while adding the critical context of quality. Greater transparency enables consumers, providers, and employers to make high-level healthcare decisions that can make consumers feel covered, protected, and confident.

Join us as our digital platform and digital-first solutions guide members to the resources and tools most relevant to them — precisely, proactively, and personally. With confidence, anything is possible. Employees who are physically healthy, financially secure, and emotionally balanced are more engaged, productive, and overall healthier.¹²

Let's create a better future, together.

12 Willis Towers Watson: Enhancing physical, financial, emotional and social wellbeing (accessed April 2021); willistowerswatson.com.

Anthem Blue Cross and Blue Shield is the trade name of: In Colorado: Rocky Mountain Hospital and Medical Service, Inc. HMO products underwritten by HMO Colorado, Inc. In Connecticut: Anthem Health Plans, Inc. In Indiana: Anthem Insurance Companies, Inc. In Georgia: Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. and Community Care Health Plan of Georgia, Inc. In Kentucky: Anthem Health Plans of Kentucky, Inc. In Maine: Anthem Health Plans of Maine, Inc. In Missouri (excluding 30 counties in the Kansas City area): RightCHOICE® Managed Care, Inc. (RIT), Healthy Alliance® Life Insurance Company (HALIC), and HMO Missouri, Inc. RIT and certain affiliates administer non-HMO benefits underwritten by HALIC and HMO benefits underwritten by HMO Missouri, Inc. RIT and certain affiliates only provide administrative services for self-funded plans and do not underwrite benefits. In Nevada: Rocky Mountain Hospital and Medical Service, Inc. HMO products underwritten by HMO Colorado, Inc., dba HMO Nevada. In New Hampshire: Anthem Health Plans of New Hampshire, Inc. HMO plans are administered by Anthem Health Plans of New Hampshire, Inc. and underwritten by Matthew Thornton Health Plan, Inc. In 17 southeastern counties of New York: Anthem HealthChoice Assurance, Inc., and Anthem HealthChoice HMO, Inc. In these same counties Anthem Blue Cross and Blue Shield HP is the trade name of Anthem HP, LLC. In Ohio: Community Insurance Company. In Virginia: Anthem Health Plans of Virginia, Inc. trades as Anthem Blue Cross and Blue Shield, and its affiliate HealthKeepers, Inc. trades as Anthem HealthKeepers providing HMO coverage, and their service area is all of Virginia except for the City of Fairfax, the Town of Vienna, and the area east of State Route 123. In Wisconsin: Blue Cross Blue Shield of Wisconsin (BCBSWI) underwrites or administers PPO and indemnity policies and underwrites the out-of-network benefits in POS policies offered by CompCare Health Services Insurance Corporation (CompCare) or Wisconsin Collaborative Insurance Corporation (WCIC). CompCare underwrites or administers HMO or POS policies; WCIC underwrites or administers Well Priority HMO or POS policies. Independent licensees of the Blue Cross and Blue Shield Association. Anthem is a registered trademark of Anthem Insurance Companies, Inc.

