



## Health care costs: the effect on you and your employees...and what we're doing about it

At Anthem Blue Cross, we know that rising health care costs may concern you and your employees. We take a disciplined approach to long-term pricing, and we constantly evaluate the plans and services designed to help reduce the impact of those increasing costs. We've made it a priority to offer a variety of plan designs and contribution options, so you have choices that may help you control costs.

Many factors contribute to the rise in your health care costs. That's because premiums are directly related to various influences that drive the cost of medical care — such as advances in medical technology, aging population and socioeconomic trends. Here are some of the factors that can affect health care premiums:

- The number of the uninsured continues to rise. This increases overall health care costs because the uninsured are less likely to receive timely preventive care and are more likely to be hospitalized for avoidable health problems, which results in more costly treatment and services.
- Prescription drug spending is also rising steadily, along with high consumer demand for brand-name drugs.
- The cost for hospital, physician and network services continues to rise due to advances in technology, the aging population and the costs providers incur when they treat the uninsured.

### What is Anthem Blue Cross doing to help control costs?

As part of the largest health care benefits company in the country, we have the experience and resources needed to monitor changes in the cost of care and then provide the leadership, where possible, to identify and implement solutions. Here are examples of our commitment to containing health care costs for you and your employees:

- As we've identified cost trends, we've developed solutions such as our EmployeeElect and BeneFits portfolios that feature a choice of plan designs to help reduce the impact of those cost trends — and we provide you with several contribution options to give you even more control over your company's health care spending.

- We communicate with our members and providers when we identify lower cost prescription options that may be available to our members at lower out-of-pocket cost to them. To help your employees reduce their out-of-pocket prescription costs, we encourage them to use medications on our formulary and to choose lower-copay generic drugs instead of brand-name medications.
- We proactively reach out to members to educate them about the importance of regular health screenings. This includes mailing well-woman health screening reminders to female members, sending birthday cards with preventive screening reminders to members turning 50, and encouraging members to talk with their doctor about what screenings are right for them.
- All of our health plans include 360° Health®, a comprehensive suite of programs and services to help your employees be as healthy as they can be. With 360° Health, they have access to easy, practical ways to improve and manage their health, such as online resources, interactive health programs, personal guidance through services like our 24/7 NurseLine, discounts on health-related products, and personalized programs designed to help manage and coordinate care for over 40 chronic conditions.
- We have one of California's largest networks of doctors and hospitals to ensure that your employees get our negotiated rates when they use in-network providers, which can keep their out-of-pocket costs lower.

At Anthem Blue Cross, we appreciate your business and value the trust you have placed in us to provide health care coverage for your company. Rest assured that we'll continue in 2008 and beyond to look for ways to help minimize the effect of rising health care costs on you and your employees.