Next Strategic Opportunity

CareFirst

The Process

- Initially considered 4 potential options, two options have been tabled:
  - →Highmark – has yet to engage investment banker to continue discussions
  - →Anthem – investment bankers met, CSFB recommended they be tabled
- Now considering 2 options
  - →Trigon
  - →Wellpoint

Six Critical Issues

CareFirst

- The Deal Points
- The Technical Legal Issues
- Verbal Commitments in Writing
- Operational/Integration/Cultural Issues
- Compensation
- Post Merger Commitments

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Balancing Critical Deal Points

CareFirst

	Wellpoint	Trigon
Job Retention	+	
Geographic Presence	+	
Expansion Capability	+	
Disruption Minimized	+	
Reputation of the Partner – Neutral	+	+
Economies of Scale		+
Foundation Obligation/Closes Service Gaps	+	+
Doability	+	

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Key Stakeholder Analysis

CareFirst

	Wellpoint	Trigon
Providers	+	+
Consumer Organizations	-	-
Broker Community	++	++
Regulators & Legislators	++	+
Subscribers	+	+
Associates	++	+

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