WellPoint Query Responses

Topic/Question	WellPoint's Intent
Provider Supply- *Does WellPoint plan to reduce the size of CareFirst's physician or hospital networks?*	• No. WellPoint's Mission statement is: "The WellPoint companies provide health security by offering a choice of quality branded health and related financial services designed to meet the changing expectations of individuals, families and their sponsors throughout a lifelong relationship." As part of offering customer choice, WellPoint has traditionally developed and maintained broad-based physician and hospital networks. WellPoint's experience in California and most recently in Georgia following our merger with Cerulean in March 2001 demonstrates WellPoint's commitment to offering consumers choice in the selection of health care professionals. It is possible that in the future, in order to meet consumer needs for affordable health care coverage, it will be necessary to offer multiple networks in certain locations and to have varying deductibles and coinsurance levels for providers, based on the provider charges. However, such decisions would be made based on the perceived needs and dynamics of the local marketplace.
Medical Management- *Does WellPoint intend to modify medical management policies and processes in a way that would adversely impact availability, accessibility or affordability of health care services?*	• No. As stated in the response to the previous question, WellPoint's goal is to offer consumers choice. WellPoint believes that one of the keys to its past and future success is its ability to introduce products that improve accessibility and affordability, especially for individuals and small employer groups. We do not intend to modify medical management policies and processes in any way that would adversely impact availability, accessibility or affordability of health care services. Of course, WellPoint complies with applicable state laws and regulations regarding medical management. In addition, WellPoint believes that it can provide benefits to affected members through its medical management programs. Certain of WellPoint's disease management programs, such as its congestive heart failure, diabetes and asthma programs, have resulted in documented improvements in member health status and quality of life.

Source: WellPoint

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WellPoint Query Responses (continued)

Topic/Question	WellPoint's Intent
Operations- *Does WellPoint intend to reduce service levels in CareFirst's jurisdictions?*	• No. One of WellPoint's internally set goals is to use innovation and service to increase customer value. WellPoint believes that this is essential to its success because the company operates in a competitive environment in which its customers have many different options about where to purchase health care coverage. WellPoint has been able to successfully differentiate itself from its competitors by constantly striving to improve customer value through the use of innovation and service.
Pricing- *Does WellPoint plan to raise prices in CareFirst's jurisdictions?*	• There will be no increase in premium rates as a result of this merger. Any increases or decreases in premium rates following the merger will be made in the same manner as those occurring prior to the merger- they will be made by local market managers after taking account of all relevant factors including increases in health care costs.
Reserves- *Does WellPoint plan to take reserves out of CareFirst's jurisdictions?*	• Over time, the operating results of CareFirst's various operating subsidiaries may allow for the declaration of dividends to the parent company. However, this will be done in conformance with all applicable laws and regulations. In addition, CareFirst's primary operating subsidiaries will need to remain in compliance with the Blue Cross Blue Shield Association's capital standards, which are in many instances more stringent than state insurance company requirements.

Source: WellPoint

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A-IV Impacts on Availability, Accessibility & Affordability

A. [illegible]

B. [illegible]

C. [illegible]

D. [illegible]

E. [illegible]

F. [illegible]

G. [illegible]

H. [illegible]

I. **Regulation- *No Additional Slides***

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A-I Company Background

A-II Financial Information

A-III Health Care Industry Context

A-IV Impacts on Availability, Accessibility & Affordability

A-V Data Sources, Assumptions and Methodologies

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Appendix A-V. Data Sources, Assumptions and Methodologies

Purpose of this Section

This appendix section provides additional data for the Findings Section from the Community Impact Analysis (V. Impacts on Availability, Accessibility and Affordability). It includes:

- **Sources** – Sources for data, quotes, and other facts are cited.
- **Assumptions** – Any assumptions used when gathering or processing data.
- **Methodologies** – The approach used when processing data and driving findings.

Organization of this Section

This appendix is organized in the following sections:

A. Business Purpose and Foundations
B. Competition
C. Availability and Accessibility of Doctors and Hospitals
D. Medical Management Policies and Practices
E. Operations
F. Products
G. Pricing
H. Governance
I. Regulation

Linking this section with section V. of the Community Impact Analysis

The reader can cross reference the Community Impact Analysis by noting the superscript indices. For example this sentence from the community Impact Analysis:

> "On a per capita basis, the PBO foundations, considered together across Maryland, Delaware and Washington, D.C. would be the largest ever created, based on the conversion of a Blues plan, in any state[A.7]"...
>
> ...references item A.7 in this Appendix.

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