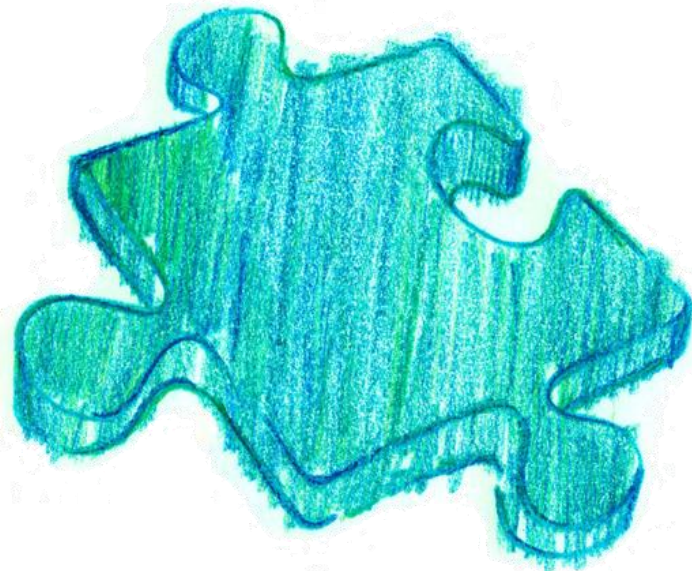


Health Net

State Health Program Initiatives



Dorothy Seleski
September 18, 2018

Agenda

- Health Net – Centene Overview
- Health Net State Health Program Initiatives
 - Growth
 - Providers
 - Incentives
 - Investments
- Questions

Health Net California Market Overview

Health Net operates in all segments

- Medicaid, Medicare, Duals
- Employer Group, Individual
- Military, Corrections
- Specialty

Membership = 3 million+

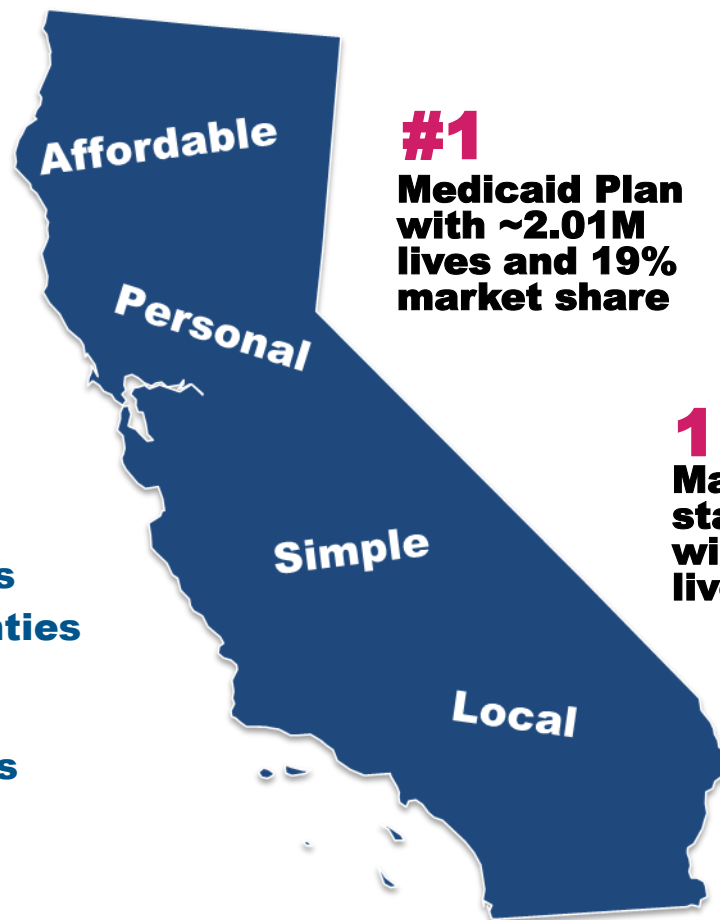
- Medi-Cal: ~2.1 million
- Commercial: ~750,000
- Medicare/Duals: ~190,000

Coverage

- Commercial: All 58 counties
- Covered California: 47 counties (2018)
- Medi-Cal: 31 counties
- Medicare/Duals: 17 counties

Employees

- About 7,000 statewide



#1
Medicaid Plan
with ~2.01M
lives and 19%
market share

11%
Market share
statewide
with ~2.98M
lives

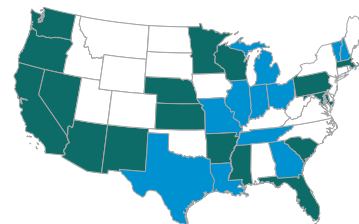
18%
Market
share in Los
Angeles
County with
~1.3M lives

Centene Overview



St. Louis

based company founded in Milwaukee in 1984



29 states

with government sponsored healthcare programs

31,500 employees

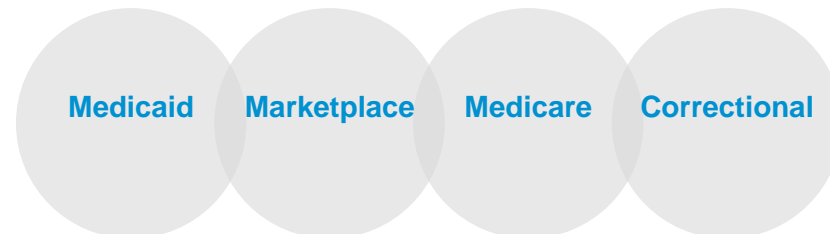
#66
on the
Fortune 500 list

#244
on the
Fortune Global 500
list

\$40.6B
revenue for
2016

\$46.4 - 47.2B
expected revenue for
2017

\$10.0 billion in cash and investments



2 international markets

12.2 million members

includes 2.8 million TRICARE eligibles

~300 Product / Market Solutions

Health Net State Health Program -- Creating a Formula for Growth

PROVIDER ENGAGEMENT

- Identification of new partnerships with new locally based staff
- Joint marketing opportunities
- Joint member engagement opportunities with providers, CBOs
- Strategic giving partnerships

MEMBER ENGAGEMENT

- Member Connections Staff
- Community Solutions Center
- Welcome and PCP navigation help
- Incentives for preventive care

PROVIDER PARTNERSHIPS

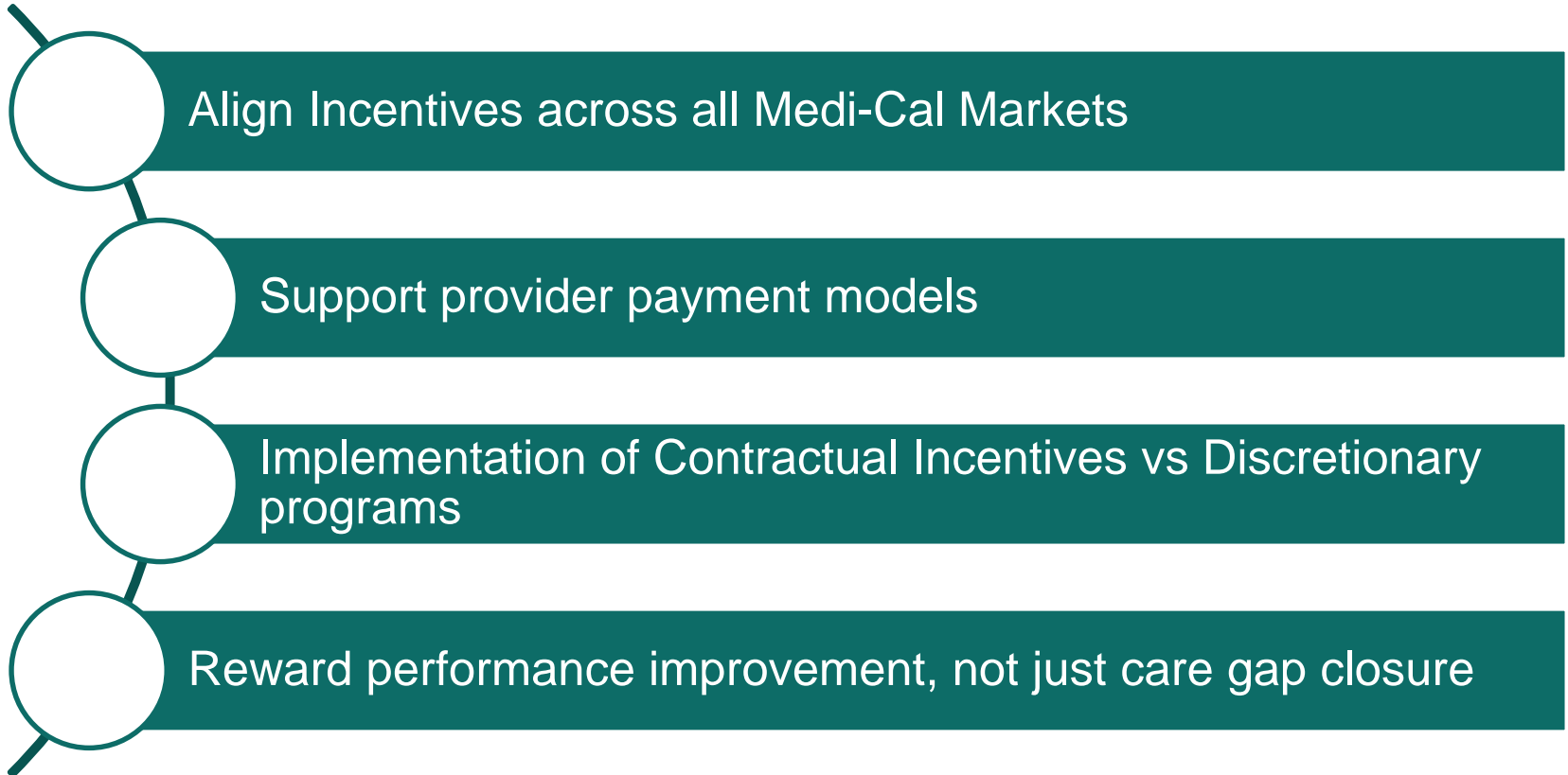
- Creation of a county provider forum
- What are we doing right or wrong? How can we help?
- What aren't we doing that we should be focused on?

Strategic Provider Focus

- *Increase Provider Network appreciation of Health Net as a business partner through brilliant basics*
- *Engage all Providers to increase member satisfaction*
- *Develop strategic Provider Partners through innovation:*

Strategy	Tactics	Takeaways
Provider Payment	<ul style="list-style-type: none"> • Simplify payment structure • Tie payment to performance 	<ul style="list-style-type: none"> • Rate simplification reduces admin in network, smooths some adverse selection • Must ensure a significant portion of any increase is passed through to providers of service • Pay for value provided to the members and make payment to the providers of service
Incentives	<ul style="list-style-type: none"> • PCP Incentives • PPG Performance • PPG retention 	<ul style="list-style-type: none"> • Jointly develop next generation incentives: <ul style="list-style-type: none"> • Availability – increased appointment availability either through more recruitment or open access • Member satisfaction improvement • Retention of existing membership • Increase choice of PPG, Health Net
Marketing/Retention	<ul style="list-style-type: none"> • Member Satisfaction Pilots • Retention assistance • Access improvement 	<ul style="list-style-type: none"> • Increased appointment availability either through more recruitment or open access • Simplify referrals to Health Net, provider community based partners that support members • Assistance for retention <ul style="list-style-type: none"> • How can we assist beyond pended member team • Member data improvements
Community Presence	<ul style="list-style-type: none"> • Community Resource Center • CBO partnerships 	<ul style="list-style-type: none"> • Three way marketing/awareness campaign with PPG/PCP's favorite CBOs • Align community presence with targeted zip codes in HN marketing campaign

Medi-Cal Provider Incentives – Top Priorities in 2018



Community & Infrastructure Investments- DMHC Undertakings 29

- Merger contingent on fulfilling a set of Undertakings
- Undertaking 29 focuses on Community & Infrastructure Investment (CII)
- Advisory Committees established for both sets of Undertakings



Undertaking 29	Purpose	Target Region(s)
Community Investments \$65M	a) Locally-based consumer assistance programs (\$5M over 5 years)	Statewide
	b) Improved health outcomes in rural and/or underserved communities (\$10M over 5 years)	Statewide with focus on Central Valley: Kern, Kings, Fresno, Madera, Merced, Tulare, Stanislaus, San Joaquin
	c) Improved completeness & accuracy of encounter data (\$50M over 5 years)	Statewide
Infrastructure Investments \$75M	g) Capital investments for health care infrastructure and care delivery improvements	Statewide

2018 Plan- Community Investments

Our Approach

2018 Grant Cycle will build on 2017 accomplishments

- Leverage learnings and insights from 2017 Grant Cycle
- Align investment opportunities to the health care community's needs and market landscape

Our Target

- Total target grant funding amount for 2018 is \$13.5M*

Quarter	Activity	Focus	Undertaking Addressed
Spring 2018	Encounter Data Improvements Target Funding: \$10M-\$12M*	• Phase I, Assessment for Provider Organizations	29 (c) Improve Encounter Data Completeness & Accuracy
Fall 2018	Enhanced Access Target Funding \$1M	• Enrollment, Retention & Education	29 (a) Consumer Assistance
	Culture of Quality Target Funding \$500K	• QI TA, Implementation Phase Support	29 (b) Improve Health Outcomes

*Subject to adjustment based on consultation with Community Advisory Committee and Centene budget approval and allocation.

Infrastructure Investments- Overview

\$75M fully vested by the 7th anniversary of the merger (2023)

- Infrastructure Investments must be consistent with DMHC financial standards
 - ❖ Must demonstrate a Rate of Return on Investments
- Infrastructure Investments are subject to Centene investment management policies and guidelines
- Independent Investment Advisor Required: McDonnell Investment Management selected by Centene

Infrastructure Investments can be used for the following:

Undertaking	Description
29 (g) (i)	• Expand and upgrade physical and technological infrastructure for safety net and low income providers
29 (g) (ii)	• Improve health status of low-income urban and rural underserved Californians and strengthen their access to health care resources
29 (g) (iii)	• Improve electronic health care technology
29 (g) (iv)	• Support the Coordinated Care Model
29 (g) (v)	• Implement value-based payment programs
29 (g) (vi)	• Promote systems changes for quality improvement activities to improve health outcomes
29 (g) (vii)	• Leverage other investment opportunities

Questions?

