Health Net Changing with Market

Business increasingly government driven
Movement to budget-driven model from FFS
Growing cost containment pressures
The Past

- Affordability an imperative
- The California HMO a viable solution
- A PPO centric individual market (IFP)

The Future

- Essential benefits, individual mandate and deductible limits create an HMO opportunity in IFP
- Risk adjusters and reinsurance require improved data capture and transparency
- Guaranteed Coverage and Premium Rating rules level the playing field
- Uninsured become insured through Medicaid Expansion and the Exchange
<table>
<thead>
<tr>
<th>Affordable</th>
<th>Offer an exchange tailored HMO network solution: CommunityCare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simple</td>
<td>Easy to understand materials</td>
</tr>
<tr>
<td></td>
<td>Proactive education to avoid service mishaps</td>
</tr>
<tr>
<td>Local</td>
<td>Local primary care physicians</td>
</tr>
<tr>
<td></td>
<td>Local Certified Enrollment Counselors awareness program</td>
</tr>
<tr>
<td></td>
<td>Grassroots events and community outreach</td>
</tr>
<tr>
<td></td>
<td>Neighborhood storefronts</td>
</tr>
<tr>
<td>Personal</td>
<td>Processes designed to address unique needs of populations</td>
</tr>
<tr>
<td></td>
<td>Our understanding and support of low income and culturally</td>
</tr>
<tr>
<td></td>
<td>diverse households</td>
</tr>
<tr>
<td></td>
<td>Clear and simple materials both in English and Spanish</td>
</tr>
</tbody>
</table>
60% of subsidy eligible individuals reside in 5 Southern California counties

- LA–North; LA–South
- Orange County
- San Bernardino
- Riverside
- San Diego
California: Exchange Strategy

**CommunityCare HMO**
- Positioned for success with lowest cost Silver tier HMO plan for subsidy-eligible individuals and families in Southern California

**PPO**
- Competitively priced PPO plans for individuals and small groups seeking the greatest choice in providers (PPO network) and benefits

**Our results to date:**
- CommunityCare HMO has 31% market share in So Cal counties
  - 86% of these enrolled with a Silver plan
- 71% of our on exchange membership is new to Health Net
- Our early survey results show that 50% of our new Health Net Exchange members did not have health coverage in 2013
Developing CommunityCare HMO Network

- Identified affordable, quality hospitals within target geographies
  - Selected physicians who had an existing Direct Network contract with Health Net and were affiliated with CommunityCare hospitals
  - Approached key medical groups associated with these doctors to participate

Where we landed:
- Some Direct Network physicians are participating separate from their medical group/IPA
- Some Direct Network physicians are participating as part of their medical group/IPA

Health Net supports the delegated medical group model, and is piloting new approaches to provider compensation
Over 11,600 physicians throughout the Southern California

- Medical Groups/IPAs participating:
  - Access IPA - Los Angeles
  - Accountable Health Care IPA – Los Angeles
  - All Care Medical Group – Los Angeles
  - Allied Physicians of California - Los Angeles
  - Altamed Health Services – Los Angeles/Orange County
  - Associated Hispanic Physicians of SoCal – Los Angeles
  - Beaver – Inland Empire
  - Community Family Care IPA – Los Angeles
  - Greater Tri-Cities – San Diego
  - HealthCare LA – Los Angeles
  - Heritage Provider Network – Multiple counties
  - Hispanic Phys IPA/Medico Hispano IPA – Los Angeles
  - LaSalle – Los Angeles
  - Omnicare Medical Group - Los Angeles
  - Pacific IPA – Los Angeles
  - Prospect – Los Angeles and Orange
  - PrimeCare – Multiple counties
  - Redlands-Yucaipa Medical Group – San Bernardino
  - Seoul Medical Group, IPA – Los Angeles

Other providers:
- Individually contracted PCPs and Specialists
- 65 CommunityCare hospitals
- Over 100 Essential Community Providers sites
PCP Access and Collaboration

- Health Risk Assessments available to members through Health Net online
- Seek support of PCPs to encourage members visit for an Annual Wellness Exam
- PCPs can help to identify care gaps; develop plan for members to obtain care and medicine required to keep chronic conditions under control
- Health Net has tools to view claims history, ancillary and Rx claims to help identify members with potential care gaps
- Comprehensive diagnoses coding and medical record documentation
- Health Net plans PCP outreach – education, identification of members with potential care gaps
What’s important for your practice to know?

Claims Payment
Depending upon physicians’ affiliation, providers may need to bill HN instead of their medical group.

Referrals
Physicians with medical group affiliation should contact medical group for specific directions. Otherwise, physicians must refer patients to CommunityCare participating specialists.

Authorizations
Depending upon the physicians’ medical group affiliation, either Health Net or the Medical Group will manage the authorization process.

PCP Selection
Members must select a primary care physician consistent with standard HMO practices. Our communication materials encourage members to establish relationship with PCP and seek an Annual Wellness Visit.
Specialist visits, excluding self-referrals for OB-GYN services, and consultations require a referral from the member’s PCP in accordance with standard medical management protocols.

The following services must be referred to designated ancillary providers:
- Home Infusion - Coram
- Lab - Quest and LabCorp
- Medical Supplies – Byram
- Orthotic & Prosthetic – Linkia
- Non-Emergency Ambulance - LogistiCare

For all other ancillary services, use the Provider Search on the Health Net website at provider.healthnet.com to find participating providers.

Certain services, such as DME, outpatient surgery, inpatient care, referrals to non-participating providers, require prior authorization. Find more information at provider.healthnet.com.
<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Member selects Health Net through Covered California or by purchasing directly</td>
</tr>
<tr>
<td>2</td>
<td>Health Net sends acceptance letter and notice advising member to submit premium payment and select a Primary Care Physician (PCP)</td>
</tr>
<tr>
<td>3</td>
<td>Member submits first premium payment to Health Net</td>
</tr>
<tr>
<td>4</td>
<td>Member makes Primary Care Physician * (PCP) and Preferred Provider Group (PPG) selection from our network of contracted providers. *If none selected, a PCP/PPG assignment will automatically be made</td>
</tr>
<tr>
<td>5</td>
<td>Member receives confirmation letter from Health Net as well as eligibility card displaying physician assignment</td>
</tr>
</tbody>
</table>
Eligibility

Providers must verify member eligibility prior to each member appointment through any of the following methods:

- Eligibility information provided by affiliated medical group
- Health Net provider website at provider.healthnet.com
- Health Net Provider Services Center, as listed on the member’s Health Net identification card
- Health Net Interactive Voice Response (IVR) system, as listed on the member’s Health Net identification card

If the enrollee is determined ineligible through any of these methods, providers should direct the enrollee to contact the Health Net Member Services Department at (888) 926-4988.

Providers may choose to render services to the enrollee as they would for any potentially ineligible individual. Health Net will work directly with an affected enrollee for reimbursement of services he or she has paid for at the time of service (excluding applicable deductibles or coinsurance). Enrollees must contact the Health Net Member Services Department at (888) 926-4988 to request reimbursement.
Advanced Premium Tax Credit (APTC)

Members that are eligible for an APTC are allowed up to 90 days to submit premium. Health Net will cover and pay for services for one (1) month following missed premium payment.

Per Department of Managed Health Care (DMHC), after 1 month of non-payment, members are considered “non-covered”. Unless further arrangements are made, providers aren't obligated to provide services to or seek authorization for delinquent members. If authorizations were issued, important to check eligibility prior to rendering care – inform member if they're in a "suspended status" and that services are considered "non-covered" during this non-payment period.

If the member pays the premium before the end of the grace period (90 days), coverage will be reinstated retroactively.
• Provider Operations Manual
  – Relevant sections of the Health Net HMO provider operations manual have been revised to reflect information specific for CommunityCare HMO, as needed
  – Provider operations manuals are available electronically in the Provider Library, located at provider.healthnet.com

• Provider Authorization Requests
  – Telephone requests: (800) 977-7282
  – Fax requests: (800) 793-4473 or (800) 672-2135
  – Fax line to submit additional clinical information: (800) 440-4425

• Provider Services Center
  – Call Health Net’s Provider Services Center listed on the member's identification card
  – Available Monday through Friday, 8:00 a.m. to 6:00 p.m.
To access the Provider Portal:
1) Go to www.healthnet.com
2) Under Brokers and Providers, click on the Go To Provider.Healtnet.com link
The next screen will give you the option to Log In or Register
If you do not already have a Log In ID and Password, you will need to register
Click “Register” and follow the instructions. A valid Tax ID number will be needed to complete the process.
If you do not already have a Log In ID and Password, you will need to register.
Follow the registration process online.
A Log In ID and Password are not automatically provided.
All registration requests are routed to the appropriate Health Net department, which verifies user data as provided through the registration process and provides accessibility accordingly.
QUESTIONS?

Terri.Guzy@HealthNet.com