

Collaborate Innovate Co-Create



CEO'S PERSPECTIVE

We are not a vendor. We are a partner

You probably think that you know NASCO. Most people have some idea of what they think NASCO is — or was. But what you may not know is that NASCO has been hard at work transforming our organization into a modern and agile healthcare technology company. Of course, some things haven't changed — we are still owned by and exclusively serve Blue Cross and Blue Shield health plans, and we are still committed to ensuring that the Blues are primed for the future of healthcare.

[READ MORE FROM JOHN](#)

COLLABORATE



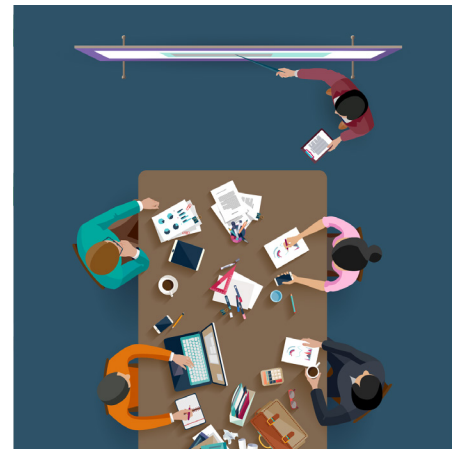
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CEO'S PERSPECTIVE



We are not a vendor. We are a partner — a partner whose sole purpose is to ensure your success. Nobody wants to go it alone, and we're not going to let you. We're all in this together. Collaborating. Innovating. Co-creating.

Over the years, we have partnered with the Blues to build shared solutions and leverage shared investments, which saves you time and money and connects you to companies just like yours. This concept was one of the key drivers behind Blue Cross and Blue Shield of Vermont's (BCBSVT) total system migration to NASCO. This migration was an immense undertaking for the health plan, and it was the epitome of collaboration. We worked closely with the health plan throughout this multiyear migration effort, and together, we celebrated the successful completion this multiyear migration effort at the end of 2018.

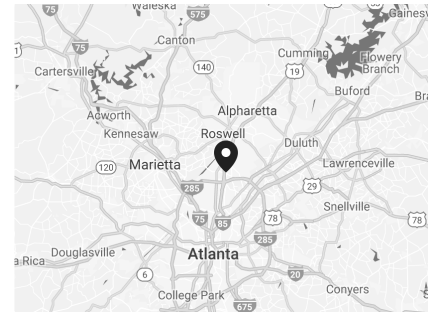
NASCO has re-emerged as a leading technology innovator. We have partnered with technology incubators, like Georgia Tech's Advanced Technology Development Center, to create a new initiative for entrepreneurs in healthcare-focused technology. We have developed our Digital Connector platform to enable health plans to transform their consumer-centric services. And we have formed a consortium of health plans that is focused on delivering breakthrough technologies, like blockchain, to the healthcare industry.

We are co-creating products that meet the growing needs of healthcare consumers. We're changing the way we work by engaging in Agile-based projects and offering flexible delivery models to support our plan partners' delivery practices. We are enabling concierge servicing to help our plan partners deliver better experiences for consumers, and we're also working with our plan partners to co-create a set of comprehensive capabilities to help grow their ancillary product business to meet the increasing requests for voluntary, specialized, boutique and custom benefits in a streamlined manner.

Whether we are collaborating, innovating or co-creating, NASCO is dedicated to developing superior technologies that enable Blue Cross and Blue Shield companies to deliver great service and win in the market.

ABOUT US

NASCO is a purpose-built community dedicated to co-creating digital health technologies for Blue Cross and Blue Shield health plans. With solutions developed for the Blues, by the Blues, the company has expanded its digital health portfolio to include solutions ranging from operational enablement services to new innovations in healthcare technology. NASCO seeks visionary health plans, partners and talent to co-develop breakthrough solutions for healthtech.



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COLLABORATE



Candid Conversations: The NASCO Experience

Looking out of her office window, over the mountains and the hillsides, Dawn Schneiderman, Vice President and Chief Administrative Officer for Blue Cross and Blue Shield of Vermont (BCBSVT), noted that snow was covering the ground.

“It’s very snowy,” she said. “It’s beautiful.”

When I asked Ruth Greene, Vice President and Chief Financial Officer for BCBSVT, about how many feet of snow were on the ground, she instinctively responded that there was a lot, but she mentioned that they were currently experiencing a warm spell. It was a balmy, 45-degree day when I had the pleasure of speaking with two of Vermont’s finest – Dawn Schneiderman and Ruth Greene.

Maybe it was the excitement in the air that made a snow-covered, 45-degrees feel warm, or maybe it was just the fact that these native Vermonters are accustomed to bone-chilling temperatures so 45-degrees is warm for their blood. Nonetheless, there was much to be excited about. The go-live date for the final migration of BCBSVT business onto the NASCO platform was quickly approaching, and hundreds of NASCO and BCBSVT employees had been working tirelessly on the successful migrations of this business over the past few years. This was no small feat. In December of 2014, BCBSVT began planning for the transition of its entire book of business to NASCO. It was the largest project in BCBSVT’s history, but the healthcare plan was eager to partner with NASCO to ensure that it could serve its members well into the future of healthcare with scalable and agile products and services.

While the two companies were mid-migration, BCBSVT made the decision to further its partnership with NASCO by investing in the company to become an owner.

“The more we learned about NASCO, the more we wanted to be part of NASCO,” said Greene. “It was NASCO’s business model of serving Blue Plans and reinvesting back into the system that made it easy for BCBSVT to make the decision to invest in NASCO.”

“In my day job as the CFO, I developed the business case as to why becoming an owner of NASCO made sense, and I really felt like that was a great story, and I felt good about it,” continued Greene. “And here we are on the eve of our final big push of implementation, and I’m still feeling good about it and like we’re all in this together!”

What separated NASCO from the pack?

“We really care about our employees – it a real feeling of family here,” professed Schneiderman. “We’re a small state, and we really care about our customers. We try to do our best by them. We care about our community. People matter, and we put a high premium on how we interact with each other, how we work together, how we have fun together, how we find common ground and creative solutions working collaboratively together. That’s a lot of what drew us to NASCO. We didn’t feel like we would be just a number or a nameless client. Honestly, working with the NASCO people as we now have been for four years. It feels like you’re us and we’re you. It doesn’t feel like a client/vendor relationship. We all treat each other like we’re all on the same team. It’s very comfortable to us. That’s how we feel and that’s how we operate.”

“One thing that sticks out in my mind is the finalist presentation meeting,” remarked Greene. “I remember clearly the meeting with NASCO. Don George (President and CEO of BCBSVT) was in our board room, and he always takes his seat at the head of the table. John Ladaga (President and CEO of NASCO) was there, and I was seated to the left of Don George around the corner of the table. There were not a lot of people there – the executive staff was there, but not a ton of people. John was at the table, and we had just met him, but he was already feeling like such a part of the team. Our culture and his way of coming at things lined up really quickly and obviously. It was like wow! We’re having this real conversation with someone. As opposed to the other vendors we met with, where you felt like you were talking with someone who was selling you something – the more traditional, here’s why you need to buy from us. But John spoke our language, and it just seemed like a natural fit for us.”

Now That You’ve Been Working With NASCO For A Few Years, What impresses You Most?

“I am continually amazed by how much time NASCO devotes to our plan,” remarked Greene. “I really feel like we’re a big part of the NASCO picture, even though we’re relatively minute in comparison to the other Blues involved with NASCO. That makes us feel good and gives us a lot of confidence. I’ve often said that our NASCO ownership allows us to punch above our weight. In other words, we invested, and while our share is not huge, we’re counted in a way that feels much larger, and that really helps us in our marketplace. It can be kind of lonely up here, trying to figure out what’s going on with healthcare in Vermont, and to have the quality and scale of NASCO’s organization with us when we need to do something, it’s really a good thing!”

“You can probably tell, I’m definitely a fan,” exclaimed Greene!

“I am also so amazed and impressed that the same NASCO staff has been with us since the beginning,” continued Greene. “I’ve worked with a lot of vendors, and if there’s any project that we were implementing over the course of four years, there’s no way we’d even have continuity of people, let alone involvement at the highest level. That’s hugely a part of what we valued and saw going in and continue to feel great about.”

“Working with NASCO has WAY exceeded my expectations,” said Schneiderman. “When you get started on a project of this size, you know it’s big, but you don’t know how big it really is. You just nebulously think, ‘yeah, this is big.’ But now, having been through it and reflected back on how big and how many interconnected points there are, and we did it! You know there are so many projects that you hear about that never actually get completed or they languish and end up taking 10 or more years before they’re finally completed, and with this project, we kept the momentum going, and here we are, ready to go live!”

It's The Eleventh Hour, What Keeps You Up At Night?

“Very little keeps me up at night,” said Schneiderman. “Between NASCO and BCBSVT, we have such a strong team. There isn’t anything that we collectively can’t tackle or can’t make happen. You’re very proactive, we’re very proactive. And in being proactive and anticipating what’s coming down the road, we’ve really done a good job of avoiding the last-minute, pull-your-hair-out, what-are-we-going-to-do kinds of things. For the minor issues that have come up, we’ve worked the problem, kept calm and made it happen.”

“We have really high standards in our company for member experience and first call resolution,” said Greene. “We have sort of a cultural allergy to high inventories of transactions, and I don’t believe that there’s any way to implement something this big and not have some of that happen. So what’s keeps me up at night is our organization’s ability to not take it all personally. I know that we’ll have some difficult moments, and we just need to get through those. I do think that everything that we’ve been managing in the last few weeks as we come up to the go-live is, in my view, completely manageable. But it kind of chips away at our pride of workmanship. We’re accustomed to having things come off the production line perfect, and there might be a scratch on one or two, and that’s going to be ok. We are going to be fine.”

Are You Excited About The Final Go-Live?

“I’m quite excited,” exclaimed Schneiderman! “I’m feeling very optimistic about the go-live. I know that everything won’t be perfect, but we’ve been through our Waves 1 and 2, and when things came up, we – all of us collectively – quickly put them to bed and moved onto the next thing. I don’t think there’s anything that we could have done better than we have to prepare ourselves to this point.”

“One of the beautiful things about being small and being in Vermont is that we provide really good service to our members, and I’m totally confident that once we get through all of the change we will be able to exceed our current high levels of customer engagement and satisfaction,” said Greene. “So when we think about changing or doing something new and different in the future for the benefit of our members, our opportunity to be able to pull that off is greatly enhanced by our partnership with NASCO.”

After This Go-Live, What’s Next?

“Once we reach a state of maturity on the NASCO system, I’m looking forward to actively participating in some of the cool new things that NASCO and the other Blue owners are co-creating together,” said Schneiderman. “I think it’ll be fun! It’s going to be the next phase of why we bought into NASCO. The software that we had was just stagnant and stale for years, and it’s very exciting to be moving into the future with a company that’s continuing to innovate and bring new ideas forward. Also, having the opportunity to bring our own ideas forward and to collaborate with other Blues to bring the Blues system forward, it’s just nice to be building for the future of healthcare together.”



Helping You Win is Our #1 Job

NASCO is a purpose-driven company. That purpose is to help the Blues remain competitive and win in their markets.

Just five short years ago, CareFirst BlueCross BlueShield (CareFirst) ranked toward the bottom of the list for Blue Plan IPP scores, and the health plan was at risk for losing some rather large accounts due to its less-than-stellar performance. The health plan made improving its performance a priority, and the hard work has paid off. CareFirst rocketed to the Top 10 for Blue Plan IPP scores, and — due to the significant performance enhancements — CareFirst is now in a position to not only retain critical business, but is also being considered for opportunities in the market that would not have been offered previously.

“This has been an incredible turnaround for us,” said Sally Miller, Vice President of Large Group Operations for CareFirst. “Because of the improved quality, accuracy and efficiency with which we are conducting our business, we are now positioned to be at the table for some of the larger opportunities in the market.”

This night-and-day transformation did not happen overnight, but it can be attributed to the Plan’s implementation of several products and processes, including the introduction of **BeneFACT**SM, NASCO’s suite of applications that supports group benefit implementation functions. Since CareFirst began using BeneFACT and

introducing organizational processes around the product, the Plan has experienced significant increases in benefit coding efficiency, accuracy and timeliness of delivery.

The introduction of BeneFACT alone helped the Plan to decrease the number of claims on stop by more than 85 percent. In addition, the health plan’s adjustment rates have significantly decreased, and CareFirst received its highest-ever First Pass Rate in 2018.

“Working with NASCO has helped us to improve our performance, provide a better group experience and ultimately provide a better member experience,” continued Miller. “I am so proud of the work that we’ve been able to accomplish together, and the position that it’s put us in to be able to grow our business.”

Aside from performance, we all know that healthcare data security is also a top concern for groups and consumers. Following industry breaches, NASCO invested nearly \$6 million to accelerate our SOC2 and HITRUST certifications, and we continue to invest more than \$7 million annually to maintain security compliance. We retained our HITRUST certification against version 8.1 of the common security framework in 2018, and we will recertify HITRUST against version 9.1 in 2019. Also in 2018, we received our SOC2 Type II certification and issued a SOC3 — an executive summary of our SOC2 with confidential information redacted — to ensure that our plan partners could demonstrate our security profile to prospective customers.

Blue Cross Blue Shield of Michigan Keeps It Simple with MembersEdge

It's a mantra: keep it simple. But do health plans really walk that walk? Blue Cross Blue Shield of Michigan (BCBSM) does!

Several years ago, BCBSM moved a large portion of its membership to MembersEdge® because it needed an integrated membership and billing system that would position it for a more consumer-centric healthcare market and support multiple lines of business, including individual, group, self-funded and ancillary. Once on MembersEdge, BCBSM experienced improvements in the overall efficiency of enrollment, membership and billing, and – with the automation available through the product – the Plan's costs to perform self-funded billing functions decreased significantly. As the positive results rolled in, it was an easy decision for BCBSM to move all of its membership to MembersEdge.



MembersEdge is NASCO's enrollment, membership, billing and rating product that is helping health plans meet members where they are. You no longer have to wait for a claim to come in before you connect with your members. MembersEdge can help you engage with members in real time before they even know they need you. And with flexible set up and automation, your members will have a seamless experience from enrollment to payment. That's what we all want, isn't it?

"The demand for Amazon-like experiences is continuing to grow with our members and group decision makers," said Chris Maier, Vice President of Claims, Enrollment and Program Management for BCBSM. "We decided that we needed to enable these experiences through a single membership and billing solution, versus building redundant capabilities across multiple solutions."

By migrating all of its business onto the MembersEdge platform, BCBSM will reduce costs by alleviating the need to maintain multiple platforms and redundant capabilities. In addition, the Plan is growing its self-funded business through expansions in small and mid-sized markets. As this business grows, MembersEdge will not only scale to effectively handle the growth, but the product will also increase efficiencies through automation.

"MembersEdge offers much more automation than other membership and billing solutions," said Maier. "In fact, with MembersEdge's automation capabilities, we can increase our self-funded business without increasing staff."

Beyond the automation that enables efficient membership and billing operations, MembersEdge provides real-time processing and plug-and-play integration with other solutions. BCBSM has integrated MembersEdge with a number of its quoting and enrollment solutions in a way that enables a rapid (most occurring in less than two business days) new and renewing group enrollment, which is critical to the renewal cycle.

BCBSM's decision was all about keeping it simple: simplifying administration, reducing costs, refining processes, enabling growth and improving the consumer experience. Don't you think it's time to make your life simple?

INNOVATE



Supporting HealthTech Startups – That’s How You Advance Digital Health

NASCO is a community of forward-thinking health plans, leading technology providers and expert talent, and together, we’re advancing the future of healthtech. In fact, in July of 2018, we bolstered our innovation community. NASCO made a significant commitment to support Georgia Tech’s Advanced Technology Development Center (ATDC) to create a new initiative for entrepreneurs in healthcare-focused technology: the ATDC Health Technology (HealthTech) Program.

“We are extremely excited about the partnership with NASCO,” said Kirk Barnes, HealthTech Catalyst for the ATDC. “The company embraces innovation and technology to improve the way that healthcare is delivered.”

As the founding corporate sponsor of the program, NASCO is supporting the current and future HealthTech startups in the ATDC’s portfolio. Through this partnership, NASCO, our plan partners and the ATDC benefit from a bidirectional flow of ideas and innovation — the ATDC start-up companies get the opportunity to connect with established healthcare technology organizations, while NASCO and our plan partners have the ability to leverage ATDC and Georgia Tech educational assets, exchange ideas with innovative thought leaders, and gain access to emerging new technologies in healthcare.

“Our partnership with the ATDC HealthTech Program is critical to our mission to deliver innovative health services and to support the Georgia healthcare and technology communities,” said David Weeks, Chief Technology Officer for NASCO. “The HealthTech vertical is already proving to be a key incubator of new ideas that will enable changes in healthcare.”

As part of the vertical’s activities, NASCO joined the ATDC in presenting its Healthcare Innovation Summit, which featured the U.S. Department of Health and Human Services (HHS). This event, held in Atlanta, provided a forum where leaders from the federal government collaborated with ATDC startup companies in an initiative to foster and generate new technology breakthroughs in both government and commercial healthcare.

Most recently, NASCO hosted Blue Cross Blue Shield of Michigan’s IT and Digital teams at the ATDC for an Innovation Day that resulted in the brainstorming of ideas, several of which have concrete potential to make an impact.



Blockchain: An Industry Disruptor? NASCO Consents.

In 2018, blockchain bubbled to the top of most organizations' lists of technologies and innovations that would have an impact on business models and technology landscapes. NASCO, like most organizations with an innovation program, conducted research, evaluated platforms and even performed simple tests to better understand this new technology.

Blockchain is a distributed ledger used for the benefit of a network of participants who have agreed to an operating model and security model that eliminates transactional friction and enables trust between the parties. Unlike most transactional environments today, in a blockchain solution, no one party owns centralized control of the data; therefore, participants must agree on formats and protocols to participate.

Blockchain as a technology is not a solution for a single organization — its value increases with the size of its integrated network. So, we began working with our Blue partners to examine how blockchain could help transform our already strong collective business network into an efficient, real-time, secure, trustable ecosystem that would benefit us all. We completed an intensive exercise to establish that ecosystem and pressure test a number of potentially valuable business opportunities as a blockchain solution.

In the summer of 2018, NASCO collaborated with Blue Cross and Blue Shield of Massachusetts (BCBSMA), Blue Cross Blue Shield of Michigan (BCBSM), Horizon Healthcare Services, Inc. (Horizon) and CareFirst BlueCross BlueShield (CareFirst) to form a consortium focused on delivering breakthrough technologies for the healthcare industry. The consortium, aptly named Coalesce Health Alliance (Coalesce), is initially focused on applying

blockchain to improve the efficiency and accuracy of member healthcare claim accumulations across entities within the Blues ecosystem.

Beyond the automation that enables efficient membership Coalesce has begun executing an Alpha Pilot project to demonstrate a basic distributed accumulators blockchain solution in a private cloud environment. This Alpha Pilot project's goal is to address the challenges we have all experienced in managing member accumulations — not being able to accurately identify members across entities, working with stale or incomplete data, and running into inconsistent integration formats — to ultimately increase operational efficiencies and improve the member experience.

Interest in Coalesce has increased since the introduction of the Alpha Pilot project as Anthem, Inc., Blue Cross and Blue Shield of Vermont, Blue Cross and Blue Shield of North Carolina and HealthNow are also participating in the project to evaluate the potential business value for their health plans. Additionally, BCBSMA was instrumental in bringing Express Scripts to Coalesce, marking the involvement of the first of what will be many integrated benefit manager partners in the consortium.

Once the Alpha Pilot is complete in late Q1 2019, the Coalesce Health Alliance Steering Committee will review the project and determine how the project progresses forward.

We are only at the beginning of our journey of testing traditional notions and transforming healthcare through innovative solutions, but we are excited about the possibilities, and we are grateful to be part of a consortium of partners who are imagining the future of healthcare with us.

You Need to Meet Consumers Where They Are.

It's no secret that today's consumers demand instantaneous results. You and I – we're consumers; we know the deal.

We are so accustomed to obtaining information immediately through outlets like email, text messaging, social media and mobile apps, and we expect this same immediate access to our healthcare information as well. This is the very reason that health plans have consumer-centric strategies in place to meet member expectations for a modern digital experience. So how is NASCO enabling these consumer-centric strategies? How are we helping our health plan customers provide a connected, engaging experience?



When it comes to consumer behaviors and patterns, NASCO understands the critical need for providing timely, accurate and consistent information across all channels and contexts, which is why we developed our Digital Connector – to keep you and your members digitally connected. NASCO's Digital Connector provides immediate access to trusted, secure and actionable events and data contained within our products, systems and data repositories, and it enables health plans to transform their consumer-centric services.

Health plans have used the Digital Connector platform to enable event-based servicing for specific basic member events within MembersEdge®— our enrollment, membership, billing and rating product. Membership management events are paramount in helping health plans further engage with their members and guide better care. For example, NASCO can enable plan-member outreach with an address change event, or we can be the impetus for member wellness with a preauthorization event. These real-time event notification capabilities can help health plans with member retention and ensure that members remain Blue for Life. For example, when a child is aging off their parents' plan or when a member is aging into Medicare, NASCO can provide the data needed for health plans to remove the friction of the enrollment process and help their member select a plan that is perfect for their needs, based on experience and analytics.

NASCO events can trigger a health plan's anti-fraud detection workflows in real time, or they can support provider outreach to avoid things like credential expiration. Digital Connector can also be used for claims-based events or to support and automate health plan workflows. For example, a health plan could use real-time events to identify claims paid within a retro-termination for nonpayment to assist in recoupment efforts or to facilitate automated claims correction to potentially improve first pass rates.

In addition to these real-time events, NASCO is collaborating with several of our current plan partners to co-create a developer portal that will enable access to integration components (APIs) for our products. The combination of self-discovery of information and real-time notification of business events is truly a digital enabler. The possibilities are endless.

CO-CREATE

Co-Creating a Better Experience for Consumers

NASCO began co-creating in the servicing space years ago when we partnered with Blue Cross Blue Shield of Michigan (BCBSM) to build *NCompass*SM, our state-of-the-art customer servicing product. The development of this product leveraged the expertise of the plan's Customer Servicing Representatives (CSR), who would ultimately become the product's end users. The CSRs provided real-life scenarios, experience and know-how, which aided in the development of the product and subsequently improved the customer service experience for BCBSM's members, providers, agents and employees.



BCBSM expected that this unique approach to product design – including input from end users up front – would save time and money in the long run, and they were right! To date, *NCompass* has helped facilitate the reduction of BCBSM's average call handle time by approximately 10 percent. In addition, the plan has experienced a significant improvement in email response rates with more than 98 percent of email responses occurring within 24 hours. BCBSM's first call resolution score has greatly increased since the *NCompass* implementation, and the plan has been able to reduce its CSR training time by 10 percent with hopes to reduce that time even further in the near future.

While we will continue to advance *NCompass* and expand its offerings to meet ever-changing industry needs, we have also identified a marketplace need to extend beyond customer service into consumer navigation and engagement. To enable health plans to differentiate themselves in this space, NASCO is launching a new Concierge Enablement portfolio of products.

We have gathered consumer and employer group insights as well as competitive market insights and feedback from our plan partners to develop a platform that will enable the Blues deliver market-leading concierge services and personalized consumer experiences. NASCO's Concierge Enablement portfolio of products features a concierge decisioning engine, an integrated concierge desktop, virtual agent experiences and integrated reporting. The concierge decisioning engine will deliver personalized strategies through Web, mobile, clinical service and call center agent channels based on pre-configured business rules and event data triggers. The integrated concierge desktop will equip agents with an integrated view of customer service and clinical information. The virtual agent experiences will enable consumers to interact with virtual agents to resolve questions in a highly convenient and interactive way. The integrated reporting will provide the ability to measure concierge service performance and to address unique employer group reporting requirements.

While much of the Concierge Enablement portfolio is still being co-created with our plan partners, one component of the suite —*AskBen*SM — is already being used by Anthem, Inc. (Anthem) and BCBSM. *AskBen* offers quick, reliable and consistent answers to benefit- and out-of-pocket-expense-related questions. The solution provides real-time access to member eligibility, benefit information, accumulations and member liability estimates. *AskBen* is intended to provide a specific and accurate response to a very specific request, and Anthem is currently using the solution to identify when a service requires precertification or predetermination. The plan will be extending its use of *AskBen* in Q2 2019 to detail members' benefits for the service. BCBSM is delivering a Member Portal capability through *AskBen*, leveraging the solution's member liability estimates.

As we enter into the future of healthcare technology together, we are excited to be co-creating better experiences for consumers with our plan partners to enable market differentiation for the Blues.



Changing the Way We Work

We're all in this together. If you don't win, we don't win.

So, we're always identifying and cultivating new game-changing initiatives to ensure that our Blue plan partners can adapt and respond quickly to market needs — so you can win!

There has been a lot of buzz around Agile delivery recently, but Agile is more than just a new delivery method — it's a different way of engaging in a project — it is the epitome of co-creation. Agile at its core is characterized by the division of tasks into short phases of work with frequent reassessment and adaptation of tactics. It provides a more intimate integration of minds and allows participants to incrementally refine an idea or solution.

Over the past year, NASCO has engaged in Agile-based projects, including the development of event-based architecture, events and APIs to support those events as part of our Digital Connector platform. The Digital Connector team operates under Agile principles, including iterative design, daily standups, backlog grooming and intimate customer engagement. In addition, we have several plan partners currently using Agile practices to varying degrees, and NASCO's flexible delivery model supports these practices. In fact, we have piloted an Interaction Model with Blue Cross Blue Shield of Michigan to support their Agile efforts.

We have also experienced success using Agile principles to guide more iterative development internally on projects such as the NASCO Enterprise User Experience and User Interface (UX/UI) strategy. The UX/UI project is using Agile to establish a cohesive approach to planning, designing and developing high quality user experiences across all of our products. The Agile delivery model is changing when and how we engage with our plan partners throughout the delivery lifecycle. For example, for MembersEdge® UX/UI, the business and technology teams collaboratively engaged not only with each other, but also with our plan partners during the definition and design phases to ensure that the results would meet end-user expectations.

With Agile, we have been able to promote consistency, efficiency and reusability to deliver projects more effectively. Agile has also enabled us to accelerate the design and development process to increase organizational velocity and improve speed to market for application enhancements.

While NASCO's overall delivery timelines continue to improve, we understand that flexibility in our delivery approach is critical to meeting ever-changing market demands. Adopting new ways of working to increase engagement and co-creation opportunities between NASCO and our plan partners is beneficial for all of us and helps us ensure that speed to market and business needs are aligned.

Helping Health Plans Diversify Portfolios AND Consolidate Billing – That’s What We Do!

NASCO’s product strategy and development is the result of some of the highest-performing Blues collaborating to optimize key capabilities to support their strategic business objectives. We listen to our plan partners. We know their pain points, and we foster the collaboration needed to co-create solutions that will help alleviate the friction.

We heard from several of our plan partners who wanted to grow their ancillary product business to meet the increasing requests for voluntary, specialized, boutique and custom benefits with a streamlined member experience. These ancillary products range from health-related benefits like wellness plans or disease management programs to non-health-related products like life insurance or financial savings plans. In addition, the health plans wanted to simplify and align third-party policies and invoicing information across multiple products into one, consolidated invoice.

NASCO sat down with CareFirst BlueCross BlueShield (CareFirst) and Blue Cross and Blue Shield of Massachusetts (BCBSMA) to co-create a set of comprehensive capabilities to support various benefit and service offerings. The health plans wanted to be able to bill multiple types of fees, including volume-based and fee-based, on one bill. They wanted to have the ability to manage payments and the disbursement of those payments, and they wanted to be able to manage the membership and how that drives the calculation of the bill.

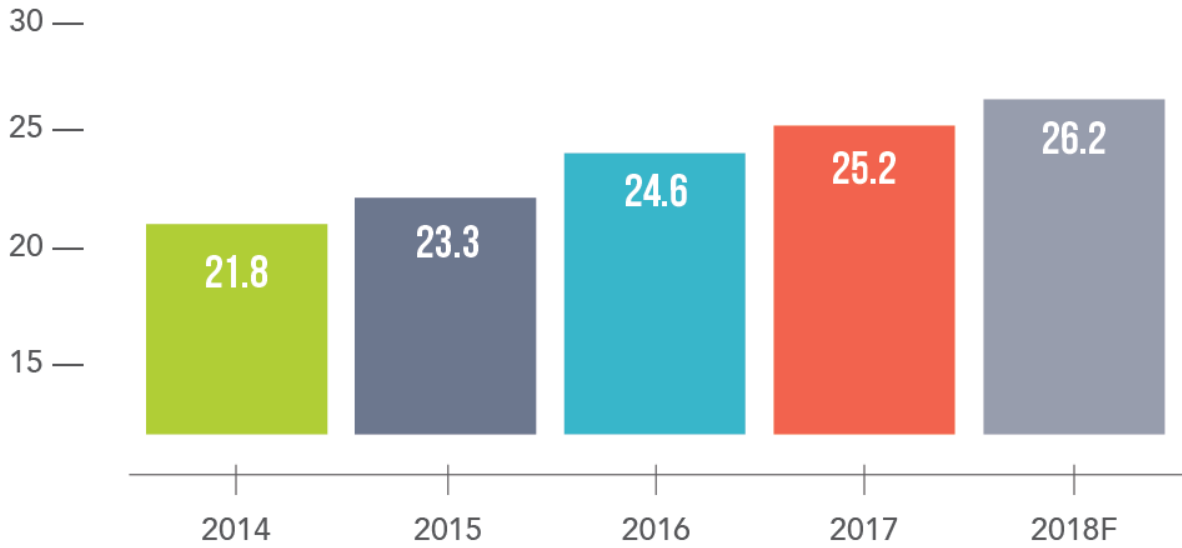
Leveraging and building on existing MembersEdge® functionality, we enhanced the key components of enrollment, membership, billing and rating to support the business rules necessary to enable our plan partners to add an unlimited number of ancillary benefit offerings — with core medical benefits or as stand-alone offerings — in an autonomous way by account, line of business or more broadly as a base offering. This solution for diversifying health plan benefits provides the integration components required to enable ancillary benefit enrollment, reconciliation, payment and settlement processes. We also included the capabilities needed to support more accurate financial reporting, general ledger posting and reconciliation processing for ancillary benefits or fees. And we made available ancillary benefit information for health plan data stores as well as for digital events and services to drive improved customer servicing and a better, more retail-like member experience.

These enhancements to MembersEdge enabled CareFirst to add new lines of business for life, accidental death and dismemberment, long-term disability and short-term disability for its 2019 open enrollment as voluntary benefit additions for its group business. BCBSMA is planning to use these enhanced capabilities as part of its MembersEdge migration to support all of its Personal Spending account products as well as a larger portfolio of voluntary and boutique products. Other health plans are poised to take advantage of these MembersEdge enhancements to increase the diversity of product offerings within their portfolios.

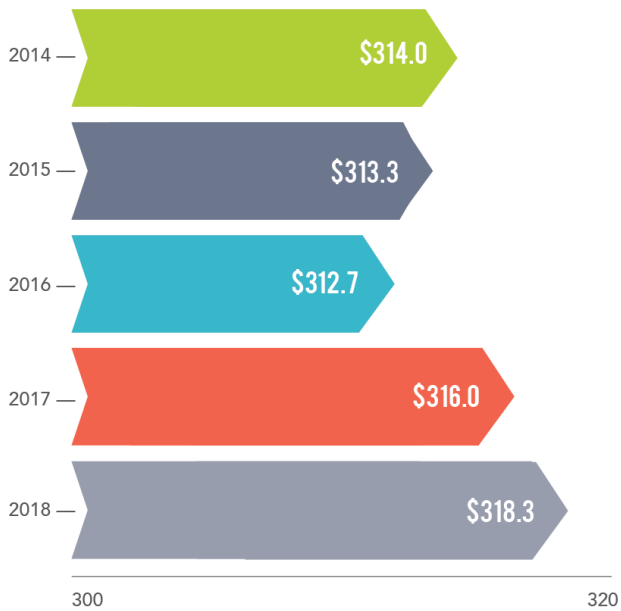


FINANCIALS

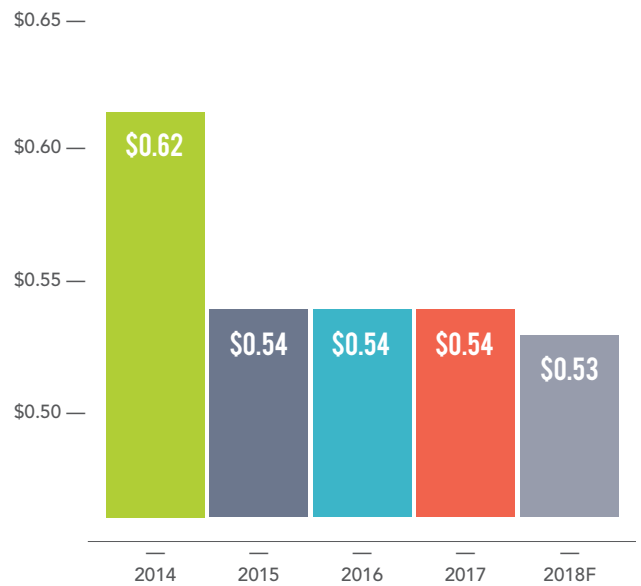
Year End Member



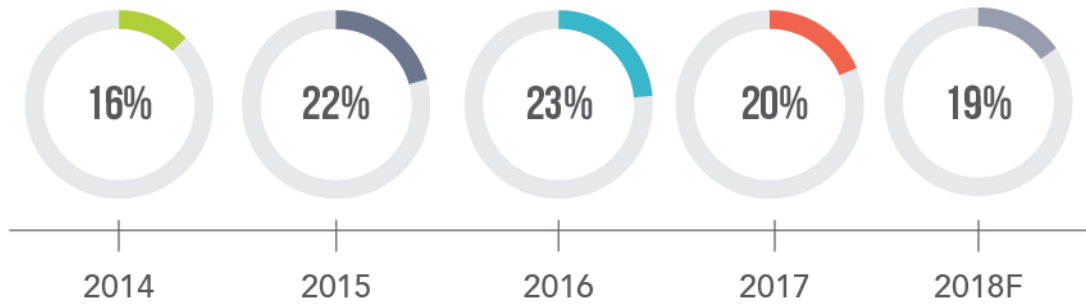
Total Revenue



Per Member Per Month



% of Revenue



Year End Member Enrolled - MembersEdge

