

**New Jersey Department of Banking and Insurance
Division of Insurance
Office of Solvency Regulation**

**Health Service Corporation Information Statement
Pursuant to N.J.S.A. 17:48E-3h (P.L. 2017, c. 100)**

INSTRUCTIONS: Pursuant to N.J.S.A. 17:48E-3h, this Health Service Corporation (HSC) Information Statement is required to be filed annually with, and in a form and manner prescribed by, the Department of Banking and Insurance. For the reports for year-end 2016 and year-end 2017, a health service corporation shall on or before April 30, 2018, file an original and two copies of this HSC Information Statement, providing fully completed information for all sections and requests below as of year-end 2016. For all subsequent years, a health service corporation shall annually on or before April 30th file an original and 2 copies of its fully completed HSC Information Statement with the Department providing fully completed information for all sections and requests below as of the end of the preceding calendar year. Please be advised that the Department anticipates that portions of the information requested herein will also be reported in the HSC's Annual Financial Statement. However, to be fully complete, this Information Statement requires submission of the actual information and data requested, and cross-references to the Annual Financial Statement will not be sufficient.

The HSC Information Statements shall be sent to the New Jersey Department of Banking and Insurance, 20 W. State Street, Trenton, NJ 08625, Attn: Assistant Commissioner - Office of Solvency Regulation.

The HSC Information Statement and the information provided herein shall be certified as true and correct by a senior officer of the filing health service corporation. This Information Statement will be evaluated by the Department for its annual report to the Governor and the Legislature on compliance with P.L. 2017, c. 100 beginning on or before June 30, 2019, as required by N.J.S.A. 17:48E-3i.

I) General Information

Report as of Year-End:	2016
Name of Health Service Corporation (HSC):	Horizon Healthcare Services, Inc. dba Horizon Blue Cross Blue Shield of New Jersey
Principle Address:	3 Penn Plz E Ste PP-15D, Newark, NJ US 07105-2248
Primary Location of Books and Records:	3 Penn Plz E Ste PP-15D, Newark, NJ US 07105-2248
Contact Person for Filing:	Catherine Merlino, Controller Tel: 973-466-5607, Fax: 973-466-4632 catherine_merlino@horizonblue.com
Location/Date of Formation:	New Jersey/December 7, 1932

A) Subsidiaries & Affiliates - List all Subsidiaries and Affiliates of the HSC and a brief description of their activities and identifying services that are provided to the HSC (insert rows as needed):

Name of Subsidiary/Affiliate	Description of Activities & HSC Services Provided
Horizon Casualty Services, Inc. (HCS)	A managed care workers' compensation company which offers integrated care and administrative services to insurers employers, and third-party administrators.
Horizon Healthcare Dental, Inc. (HHD)	A New Jersey dental plan organization offering dental products.
Horizon Healthcare of New Jersey, Inc. (HHNJ)	A health maintenance organization ("HMO") operating in New Jersey offering commercial HMO and contracted with the NJ Division of Medical Assistance and Human Services to provide managed Medicaid services.
Horizon Healthcare Plan Holding Company, Inc.	A holding company for several managed health care subsidiaries, which include HHNJ, HHD, HCS, and HIC.
Horizon Insurance Company, Inc. (HIC)	A health insurer operating in New Jersey offering senior and ancillary products, including Medicare Advantage plans, Medicare supplemental plans and managed vision plans.

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B) Management & Governance:

1) Briefly describe the management and governance structure of the HSC below:

Horizon BCBSNJ is a health service corporation organized and operating under the Health Service Corporation Act. N.J.S.A. 17:48E-1 et seq. In 2016, the Board of Directors was a 15 member board (4 public and 11 private). The Board members as of December 31, 2016 are reflected in Exhibit I-B-2. The Board of Directors acts as the ultimate decision-making body of Horizon BCBSNJ and advises and oversees management, who are responsible for the day- to-day operations and management of Horizon BCBSNJ. In fulfilling these roles, each director must act in what he or she reasonably believes to be in the best interests of Horizon BCBSNJ and must exercise his or her business judgment. In 2016, Robert A. Marino was the Chief Executive Officer & President of Horizon BCBSNJ. He also acted as Chairman to the Board of Directors.

2) Attach as Exhibit IB2 a chart of all officers, directors, senior management and trustees, their titles, and a brief description of their responsibilities.

Horizon BCBSNJ submits Exhibit I-B-2 in response to this request. Exhibit I-B-2 provides a chart of all Horizon BCBSNJ Officers and Directors, including a brief description of their responsibilities.

II) Mission:

A) Describe the HSC’s mission and how it fulfills the statutory mission pursuant to N.J.S.A. 17:48E-3a.

Under N.J.S.A. 17:48E-3a, a health service corporation shall not be established as a corporation organized for pecuniary profit. It should operate for the benefit of its subscribers. Specifically, a health service corporation’s mission shall be to: (1) provide affordable and accessible health insurance to its subscribers; and (2) promote the integration of the health care system to meet the needs of its subscribers.

Horizon BCBSNJ’s mission statement is embodied in Our Promise and Our Vision as carried about by our leaders, innovators, and champions who work to bring them to life. Our Promise is to serve with excellence and dedication; to provide peace of mind for those who depend on us; to enrich the lives and health of our members and the communities we serve. Our Vision is that we will continue to lead the transformation of health care by closely collaborating with hospitals and doctors, improving quality, enhancing the patient experience, and lowering the total cost of care.

B) Provide a chart with the group’s New Jersey Medical Loss Ratio Results for the Individual and Small Employer markets pursuant to N.J.A.C. 11:20-6.3, -7.4 and -7.5 and N.J.A.C. 11:21-7A.4, -7A.5 , and -9.3, respectively, for most recent policy year as follows: Premiums; Claims; Loss Ratio; and NJ Refund Liability (net any Federal Liability):

Market	Premiums	Claims	Loss Ratio	NJ Refund Liability (net any Federal Liability)
Individual	\$1,020,451,334	\$889,120,984	87.1%	\$0
Small Employer	\$1,366,117,644	\$1,106,265,844	81.0%	\$0

Source: http://www.state.nj.us/dobi/division_insurance/ihcseh/sehrpts/seh16lossratiortpt.pdf and http://www.state.nj.us/dobi/division_insurance/ihcseh/histrates/lossratio2016.pdf

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III) Activities:

A) Describe in detail the most significant business activities of the HSC and all material subsidiaries and affiliates.

2016 Business Activities and Key Accomplishments

In 2016, Horizon BCBSNJ continued to provide its members with access to affordable, high quality health coverage in all market segments. Horizon BCBSNJ provided health insurance coverage to roughly 3.8 million members through commercial and governmental health plans. See below chart for details on our enrollment by customer type and funding method. Additionally, Horizon BCBSNJ successfully launched a variety of value-based and community programs to positively impact the lives of the members and communities it serves.

Customer Type:	Number of Members In Thousands
Large Group	1,556,000
State Health Benefits Program	712,000
Federal Employee Program	127,000
Small Group	225,000
Individual	196,000
Medicaid	892,000
Medicare	116,000
Total members	3,824,000
Funding Method:	
Fully-insured	1,936,000
Self-insured	1,888,000
Total members	3,824,000

Commercial Markets:

Horizon BCBSNJ provided a wide array of commercial health insurance products to its enrollees in 2016 with leading market shares in both the individual and group markets. Horizon BCBSNJ was one of two carriers on the Health Insurance Marketplace and played a significant role in the individual market. It also provided quality health insurance solutions to many employers, ranging from small to large private employers, local municipals, the State of New Jersey, federal employees, and many others.

At the end of 2016, Horizon BCBSNJ had in excess of 2.7 million insured and self-funded commercial health plan members.

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Individual Market

The Individual market consists of New Jersey residents who do not have health insurance benefits through their employer or otherwise not enrolled in Medicare, Medicaid, or other governmental health plans. Individual health plans in New Jersey are available through the federally-facilitated Health Insurance Marketplace (healthcare.gov), or directly from the carriers.

Plans in the individual market are offered pursuant to the requirements applicable to all carriers under the New Jersey Individual Health Coverage Program (“IHC”). Horizon BCBSNJ offered two EPO plan design options, the Horizon EPO Advantage broad network plans and the Horizon OMNIASM tiered network plans. All plans were marketed and sold on and off the Marketplace and in compliance with the ACA’s market reform rules.

At the end of 2016, 308,821 consumers in New Jersey had health insurance through the Individual market. Horizon BCBSNJ’s total Individual membership at the end of 2016 stood at 196,274, representing 62.58% market share per the Department of Banking and Insurance (“DOBI”) website made available at http://www.state.nj.us/dobi/division_insurance/ihcseh/ihcsehenroll.html.

Of Horizon BCBSNJ’s members, more than 75% of the covered lives in the individual market purchased an OMNIA Health Plan in just its first year of availability. For Horizon’s individual market, on a statutory accounting basis (STAT), it incurred \$931,646,530 in claims and earned \$1,067,850,210 in premiums.

Small Employer Market

The Small Employer market consists of companies with up to 50 employees who provide an employer-sponsored health plan. Plans in this market segment comply with the NJ Small Employer Health Coverage Program (“SEH”) rules.

In 2016, Horizon BCBSNJ offered a range of ACA compliant plans on and off the federally-facilitated Small Employer Health Options Program (“FF-SHOP”). Plan designs included closed panel HMO and EPO plans such as the Horizon HMO, Horizon Advantage EPO and Horizon OMNIA plans as well as out-of-network plans such as the Horizon Direct Access. Horizon BCBSNJ also allowed for the renewal of “grandmothered” transitional policy plans issued prior to the ACA market reform rules pursuant to the federal transitional policy rules and the NJ DOBI Bulletin No. 16-03.

As of the end of 2016, roughly 60,000 small employers offered insurance to their employees, covering a total of 430,861 employees and their eligible dependents in New Jersey’s small employer market. Of that, Horizon BCBSNJ estimates that roughly 17% of the total membership remained in grandmothered pre-ACA health plans with approximately 80% of those grandmothered members with Horizon BCBSNJ. Horizon BCBSNJ’s total small employer membership at the end of 2016 stood at 223,612, a decline of over 10,000 members from the prior year. Of Horizon BCBSNJ’s members, roughly 25% had purchased an OMNIA Health Plan. Horizon BCBSNJ’s estimated market share was 56.52% pursuant to the carrier enrollment data made available on the DOBI website at http://www.state.nj.us/dobi/division_insurance/ihcseh/enroll/4q16sehcarrier.pdf. For Horizon’s small employer market, on a STAT basis, Horizon incurred \$1,129,601,091 in claims and earned \$1,431,413,665 in premiums.

Large Employer Market

A majority of the commercial health plans are through employers with 51+ employees. Large employer customers can range from local employers to multistate national accounts, and includes labor unions, municipalities, and the federal employee health

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plans.

These markets can be insured or self-insured. Horizon issued insured large employer plans covering 506,427 lives, and administered self-funded large employer plans covering 1,176,962 lives. There is greater variability in the plan designs, benefit structures and actuarial values as compared to the IHC and SEH plans. Further, pricing in the large employer market is more variable due to experience rating. As of the end of 2016, Horizon BCBSNJ offered HMO, EPO, including OMNIA, PPO, and Direct Access health plans in these market segments. For insured large employer plans, Horizon incurred \$3,129,835,561 in claims and earned \$3,539,002,959 in premiums. For self-funded large employer plans, on a STAT basis, Horizon incurred \$4,901,694,116 in employer-funded claims and earned \$265,316,799 in administration fees/charges.

State Health Benefits Program and the School Employees' Health Benefits Program

The State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP) together represent one of the largest public sector group health plans in the country. All New Jersey State active employees, employees of state colleges and universities, and retirees, are covered by the SHBP. Additionally, local government groups, such as municipalities and counties, may elect to participate in the SHBP to provide coverage for their active employees, retirees, and eligible dependents. Employees of local boards of education and community colleges may elect to participate in the SEHBP for their active employees, retirees, and eligible dependents.

The SHBP/SEHBP contract was awarded to Horizon BCBSNJ in 2012 for an effective date of January 1, 2013. Horizon BCBSNJ and Aetna are the two health insurers awarded the contract and provides the eligible employees and retirees with PPO, HMO and High Deductible Health Plan (HDHP) options. Plan designs and pricing for health coverage under the SHBP/SEHBP is determined by a Plan Design Committee. In 2015, the SHBP Plan Design Committee approved the addition of a value-based network health plan for the 2016 plan year. Horizon BCBSNJ introduced an OMNIA-based health plan to meet this requirement. In 2016, the Plan Design Committee approved the introduction of Medicare Advantage PPOs for retirees beginning with the 2017 plan year.

As of the end of 2016, we estimate the total size of the SHBP/SEHBP market to be 836,705 employees and their dependents. Horizon BCBSNJ's total membership in the market at year-end 2016 was 711,630, for an estimated market share of 85.1%. On a STAT basis, Horizon incurred \$4,015,257,981 in self-funded claims for the SHBP/SEHBP and earned \$119,146,701 in administration fees/charges.

Federal and State Governmental Health Programs (Medicare, Medicaid, etc.)

The Government Programs division of Horizon BCBSNJ manages all lines of government business; serving more than one million members across both Medicare and Medicaid lines of business, with special attention to Aged, Blind & Disabled (ABD), Managed Long-Term Services & Supports (MLTSS), Dual-Eligible, and other specialized populations.

Government Programs supports the Horizon BCBSNJ enterprise by bringing all government lines of business under one universal platform that provides an integrated marketing and sales focus that not only serves the best needs of its Medicaid and Medicare members, but also allows for the establishment of one single united brand presence in the marketplace.

Medicaid Markets

The Medicaid business, operated by Horizon Healthcare of New Jersey, Inc., a New Jersey HMO doing business as Horizon

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NJ Health, is New Jersey's largest managed Medicaid health care organization serving 892,000 beneficiaries (as of 12/31/16) through the State's NJ FamilyCare program. Additionally, Horizon NJ Health also manages the company's MLTSS program. On a STAT basis, Horizon incurred \$4,192,169,197 in claims for the Medicaid Managed Care and MLTSS population and earned \$4,827,035,633 in premium/fees for service.

Horizon NJ Health has developed targeted member-centered services, innovative programs and community outreach to serve the diverse needs of its members. Horizon NJ Health holds an Accreditation status from the National Committee for Quality Assurance (NCQA). As of December 31, 2016, Horizon NJ Health had a market share of 54%.

One of the primary missions of Horizon NJ Health is to reduce the persistent gaps in health care access and quality that disproportionately affects Americans from diverse racial and ethnic backgrounds. Many who experience disparate care live in neighborhoods lacking high-quality health services and providers. To address these persistent gaps, members of Horizon NJ Health's staff interact extensively with community members on a daily basis, offering health education to adults and children, providing health screenings, and taking steps to assure that community members receive all health benefits that are available to them.

In 2016, Horizon NJ Health conducted close to 1,000 grassroots/outreach events through the use of mobile health units, medical and health education professionals and representatives participating in community events and health fairs, providing health screenings, health education and offering enrollment information.

Horizon NJ Health has achieved:

- Award winning platform of technology-based support systems for Managed Long Term Services and Supports (MLTSS) program
- Strong member outreach to support the use of well visits and preventive services
- Care Management for individuals whose complex/chronic medical conditions require specialized health care services
- Comprehensive Disease Management Programs that allow members to learn how to manage their chronic conditions and help improve their quality of life
- Extensive Provider and Hospital Network

Medicare Markets

The Government Programs division markets and sells a competitive and wide-ranging line of senior market products that serves New Jersey beneficiaries that are Medicare eligible for reasons of age or disability. Horizon BCBSNJ's Medicare plans include Medicare Advantage, Medicare Part D, Medigap and Dual Special Needs (DSNP) plans. For total Medicare market, Horizon insured 116,000 lives, earned premiums totaling \$614,416,640, and incurred claims totaling \$533,567,001.

As of January 1, 2017, Horizon BCBSNJ started offering its DSNP Medicare Advantage plan to eligible beneficiaries. This program was previously unavailable in 2016. The reentry into the Dual Special Needs market permits Horizon BCBSNJ to offer a full complement of Medicare and Medicaid benefits for its senior membership such as a hybrid of benefits and services from the Medicare Part D, Medicare Supplemental, and MLTSS product lines.

Also as of January 1, 2017, Horizon Blue Cross Blue Shield of New Jersey began offering Medicare-eligible retired State Health Benefits Program (SHBP) members Medicare Advantage (MA) PPO plans. With the Horizon Medicare Advantage NJ DIRECT (PPO) plans, eligible SHBP retirees will have access to doctors and other health care professionals who participate

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in Horizon's Medicare Managed Care Network, as well as all doctors and other health care professionals who are eligible to receive Medicare payments. The SHBP MA PPO program serves nearly 60,000 members throughout the nation. In 2016, this program was unavailable from Horizon.

Key Accomplishments in 2016:

Horizon BCBSNJ's commitment to its members to champion access to affordable, quality healthcare was at the heart of several key accomplishments and milestones in 2016. Horizon BCBSNJ highlights some of the work below:

OMNIA Health Alliance

In the fall of 2015, Horizon BCBSNJ announced the formation of the OMNIA Health Alliance – a first-of-its-kind collaboration between Horizon BCBSNJ, some of the state's leading hospitals, and a major multi-specialty physician group, all of which share our vision to transform the way health care is financed and delivered in New Jersey. The Alliance members' involvement is instrumental to our efforts to build and nurture a value-based health care system due to the large populations of patients they treat, as well as their abilities to leverage their significant resources and technological capabilities to deliver more effective and efficient care to patients.

In 2016, the OMNIA Health Alliance made great strides to bring our vision to life as we established Joint Executive Committees to guide clinical transformation activities that integrate care coordination and develop population health goals. Through these collaborations, our members will get access to better coordinated high-quality care.

While the OMNIA Health Alliance is a prominent feature of Horizon BCBSNJ's strategy to provide our members options for access to quality care at a lower cost, equally important was the introduction of our OMNIA Health Plans. The plans were developed in response to consumer and employer demands to change the status quo and provide them with access to affordable, high-quality health care options. OMNIA Health Plans offer significantly lower premiums, access to the largest network in New Jersey¹, and the option to save more money on out-of-pocket costs when seeking care from certain doctors and hospitals. The OMNIA Health Plans, on average, cost 15 percent less than our comparable broad network plans.

The results of our 2016 enrollment represented the consumers' and businesses' reactions to the OMNIA Health Plans. The OMNIA product line was successfully launched across all of our Commercial market segments. In total, nearly 290,000 people enrolled in an OMNIA Health Plan in 2016, including 163,000 Individual health care consumers, 41,000 of whom were previously uninsured. Additionally, we were proud to have been recognized by the U.S. Department of Health and Human Services (HHS) as one of the nation's ACA success stories, particularly among previously uninsured consumers. Our success was cited in the context of the individual Marketplace as being "a laboratory for innovations and strategies that are helping us build a better health care system."

Expansion into DSNP

Medicaid expansion under the ACA increased the number of New Jersey residents covered under Medicaid by nearly 500,000 over the last three years, for a total of 1.7 million Medicaid members. This helped to reduce the uninsured rate in the state by 35 percent in that same timeframe. Throughout 2016, we focused our efforts on restructuring and enhancing how to better integrate, coordinate and deliver benefits to members eligible for both Medicaid and Medicare. We re-entered the Dual Eligible Special Needs Plan (DSNP) market last fall with our Horizon NJ TotalCare (HMO SNP) product for 2017. A Dual

¹ Based on physician data as of January 21, 2017.

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Eligible Special Needs Plan is a Medicare Advantage coordinated care plan for members who are entitled to both Medicare and Medicaid.

Patient-Centered, Value-Based Care

Horizon BCBSNJ continues to collaborate with physicians and hospitals across the state to transform our health care system to one that is consistent with the Triple Aim – to improve quality of care, lower the total cost of care and enhance the patient experience.

A key driver of our strategy is the continued growth and development of our patient-centered programs, including the OMNIA Health Alliance, Patient-Centered Medical Home, Accountable Care Organization and Episodes of Care programs. Our patient-centered programs take a holistic approach to ensure that our members get the right care, at the right time, to manage their overall health and well-being. Some of these programs also offer shared savings to incent physicians and hospitals to achieve better care coordination and improved quality of care while reducing costs.

By the end of 2016, approximately 1.4 million Horizon BCBSNJ members were participating in patient-centered programs. In 2015, patient-centered practices and hospitals received \$58.9 million in care coordination and shared savings payments for achieving quality and savings goals. These value-based payments were in addition to what the providers were paid through traditional fee-for-service reimbursements.

A review of our 2015 claims data showed that patient-centered care is having the intended effect, as members receiving care from patient-centered practices, compared to those members receiving care from traditional practices, had a:

- 12% lower cost of care for members with diabetes
- 2% higher rate in breast cancer screenings
- 5% lower rate of emergency room (ER) visits
- 2% lower rate of hospital admissions

Overall, patient-centered practices helped patients avoid more than 3,500 Emergency Room visits in 2015, resulting in a projected savings of more than \$2.6 million. And the success of our patient-centered programs continues to attract more members of the medical community, with approximately 60 percent of all Horizon BCBSNJ medical claims spending in New Jersey during 2015 going to patient-centered network physicians and hospitals.

Horizon BCBSNJ launched other value-based initiatives in 2016 designed to help deliver on the Triple Aim.

In June 2016, Horizon BCBSNJ launched a pilot program that offers eligible members a Personal Health Assistant. The Personal Health Assistant provides eligible members with care coordination services to address primarily non-clinical barriers they are experiencing. These barriers can negatively impact their health, the care they receive and/or their ability to reach treatment goals. The Personal Health Assistant is a Horizon BCBSNJ employee who works telephonically, one-on-one with eligible members to help make it easier and simpler to use the health care system and get the care they need.

As part of this pilot program, Horizon BCBSNJ engaged 2,900 members as of December 2016, with the following results:

- We reached 19 percent of members on the telephone.
- Of the members reached, 45 percent participated.

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- Of the members participating, 45 percent had at least one barrier to receiving health care, 51 percent needed help understanding their plan, and 29 percent needed help finding a provider or scheduling an appointment.

These early results indicate that many of the participating members benefited from speaking with their Personal Health Assistant.

Episodes of Care (EOC) Programs

While the success of all of our patient-centered programs is encouraging, the success of our 18 Episodes of Care programs has led to Horizon BCBSNJ being recognized as an industry leader throughout the nation. Since our introduction of programs for five episodes of care in 2014, our members in EOC practices have consistently had lower hospital readmission rates and experienced other high-quality outcomes, compared to members receiving the same services from non-EOC practices.

These high-quality outcomes include:

- No hospital readmissions for knee arthroscopy
- 37% fewer hospital readmissions for hip replacement
- 22% fewer hospital readmissions for knee replacement
- 32% reduction in unnecessary cesarean sections

The EOC programs grew significantly over the last several years, with our projections indicating that we exceeded 15,000 episodes in 2016, with total savings of \$20 million.

In 2016, we launched the following five new EOC programs:

- Coronary artery bypass grafting (CABG)
- Hysterectomy
- Prostate cancer
- Prostatectomy
- Crohn's Disease (with fully integrated behavioral health)

Tackling the Opioid Crisis

With over 5,000 lives lost to opioid misuse and addiction in New Jersey over the last decade¹, Horizon BCBSNJ has long been committed to helping our members and providers combat this growing problem. We have integrated several programs and key initiatives throughout the continuum of care to help ensure that our members receive the right care at the right time without relying on opioids. They range from free prevention programs in New Jersey schools to public awareness campaigns in our communities. We have also created predictive tools for prescribing doctors to help them identify members who are at risk for substance abuse and referral programs for behavioral health services, as appropriate.

Pharmacy Initiatives

Horizon BCBSNJ provides resources and information to assist in improving the quality of care patients receive. Physicians receive comprehensive, fact-based and actionable risk reports created by Horizon BCBSNJ. Our pharmacy team uses tools to predict future probabilities and trends to educate health care professionals about their own prescribing behaviors and their patients' risk behaviors.

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The Horizon Pharmacy program has several initiatives that integrate pharmacy and medical claims. They identify prescribing and dispensing patterns and outliers that can assist in preventing abuse, addiction and fraud. Our programs also help members and prescribers take action and make informed decisions.

- Triple Therapy Alert Program
 - Identifies members who are receiving a combination of a narcotic, a benzodiazepine and a muscle relaxant from two or more prescribers
- Concurrent Drug Utilization review
 - Screens prescriptions at point of service
 - Compares dosage on a claim to the recommended dosage for a member's age group
 - Determines effects of using a combination of medicines
 - Helps prevent duplicate refills or therapy
 - Provides opportunities to improve patient safety and quality of care
- Controlled Substance Alert Program
 - Identifies members with claim histories suggesting patterns of misuse or abuse, and notifies prescribers
 - Tracks and evaluates outcomes
 - Reduces overuse of controlled substances
- Opioid Outlier Program
 - Identifies members who are on high doses of opioids as outliers based on morphine-equivalent dose (MED)
- Pharmacy Lock-in Program
 - Identifies members who are at risk for substance use disorder based on their usage, and has them evaluated by a pharmacist for pharmacy lock-in
 - Requires members to fill all of their prescriptions at one pharmacy, if appropriate

Horizon BCBSNJ also offers coverage of Medication-Assisted Treatment (MAT) such as Suboxone and Vivitrol for substance use disorder recovery.

Through these programs and other utilization management and operational initiatives, the Horizon Pharmacy program helps ensure treatment of underlying psychiatric problems and helps refer members to behavioral health services, as appropriate. Horizon BCBSNJ also supports the New Jersey Prescription Monitoring Program, which aims to reduce member drug-seeking behaviors and promote appropriate provider prescribing behaviors.

Support through Episodes of Care (EOC) Programs

Horizon BCBSNJ's EOC programs are quality-based and use standard quality measures unique to the procedure or disease state. Prolonged use of pain medication is tracked as one quality measure for orthopedic EOC programs (hip replacement, knee replacement and knee arthroscopy) and the pregnancy (cesarean section delivery) EOC program. Measures track opioid use within 90 days of the end of the episode.

Behavioral Health Integration

Horizon BCBSNJ is committed to providing patient-centered coordination of medical and behavioral care. Through the Horizon Behavioral Health program, we integrate medical, behavioral health and substance use disorder services. This integration helps ensure the treatment of underlying issues. We support the full continuum of care for mental health and addiction care.

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Community Engagement

Our team engages the community through the Blue To You Van, our Care-A-Vans and select pharmacies to help educate members and the public on how to correctly dispose of medicines through the New Jersey Project Medicine Drop.

In addition, The Horizon Foundation for New Jersey supports Partnership for a Drug-Free New Jersey (PDFNJ), a multimedia substance misuse and abuse prevention public health campaign that was created in 1992 to provide free prevention programs and initiatives to New Jersey schools and communities, as well as parent education training and drug-free workplace assistance. Additionally, Horizon BCBSNJ's Chairman, CEO and President Bob Marino is on the Executive and Steering Committees of PDFNJ.

Since 2004, The Foundation has given over \$180,000 through 12 grants to support the Fifth Grade Parent Alert, a brochure provided to all fifth-grade classes in New Jersey that encourages parents and guardians to discuss the dangers of substance abuse with their children.

In 2017, The Foundation is proud to sponsor the PDFNJ Knock Out Opioid Abuse Town Hall Series. These meetings are being held throughout the state through November 2018, and will help shed light on opioid abuse, prevention and awareness. The programs are based on the Surgeon General's recommendation to galvanize the public, policymakers and communities to raise awareness, educate, reduce stigma and change attitudes on addiction, and to ultimately reduce and prevent opioid abuse.

Horizon BCBSNJ is also working with 35 independent Blue Cross and Blue Shield Plans in a national commission convened by the Blue Cross and Blue Shield Association to reduce the devastating consequences of the opioid crisis. We continue to collaborate with thought leaders in New Jersey to combat the state's opioid issue, while helping to improve the quality of care, lower its cost and enhance the patient experience for our members.

An Evolving Marketplace – Expansion into New Jersey's Hispanic Market

In addition to re-entering the D-SNP market, we made great strides in 2016 in increasing our presence in other traditionally underserved communities.

Recognizing the tremendous growth opportunity in New Jersey's Hispanic market and to expand our reach in central New Jersey, we opened our second exclusive brokerage service center for Spanish-speaking consumers. This new service location helps Spanish-speaking consumers find affordable health care coverage and assists them with all their benefits needs. The new HolaDoctor® Insurance Services in Perth Amboy is the second installment of our brick-and-mortar approach to reaching Hispanic consumers. Visitors to either of our HolaDoctor Centers are offered one-on-one assistance with trained bilingual agents who help them with enrollment services, health risk assessments, member online services, and help guide them through a variety of tools necessary to navigate their health care needs.

Through digital, grassroots, marketing and education efforts over the last two years to engage Hispanic consumers, Horizon BCBSNJ recorded a nearly 400 percent increase among Hispanic membership.

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Enhancement of Specialty Products and Services

In addition to targeting new membership in emerging markets, we also continue to promote and sell additional products and services beyond our core medical business to meet the entire spectrum of health needs of our members.

We created a dedicated Specialty Products and Services (SPS) management team in 2016, with a clear alignment to our sales and account management teams to ensure we are meeting our customers' needs, while growing and diversifying our revenue. Initially focused on growing our Dental and Vision business and expanding partner Life and Disability offerings, SPS also includes: (a) International Coverage (GeoBlue); (b) Stop-Loss; (c) Telemedicine; (d) Wellness; and (e) Worksite/Critical Illness.

Community Initiatives Led by the Horizon Foundation for New Jersey

At Horizon BCBSNJ, our goal is to make New Jersey a healthier place for our members. In addition to offering affordable, high-quality health coverage to our members, Horizon BCBSNJ, through the Horizon Foundation for New Jersey, engages the community to improve the health and quality of life of our members and the State's residents.

The Horizon Foundation for New Jersey, the philanthropic arm of Horizon BCBSNJ, is committed to working alongside organizations that can help us improve our neighbors' health, inform their health decisions and inspire them to lead healthier, more fulfilling lives. In 2016, The Foundation awarded 94 grants totaling over \$4.2 million. Since its inception in 2004, The Foundation has awarded 1,319 grants totaling more than \$47.8 million.

In addition to awarding grants to New Jersey nonprofit organizations focusing on health and arts programs, The Foundation develops its own signature initiatives to place a greater emphasis on specific health issues impacting people throughout our state and important to our members.

Kids' Oral Health Program

In 2016, The Foundation invested \$500,000 to launch the Kids' Oral Health Program (KOHP), a two-year, pilot signature initiative to improve oral health-related awareness, education, prevention and treatment for young people up to the age of 18 years. Grants issued through the KOHP provide support for professional development and promote best practices in the nine New Jersey counties where dental needs among children are acute.

Oral health plays a critical role in overall health, and dental disease is the most common childhood disease in America, although largely preventable. KOHP will improve access to dental visits and services – such as fluoride treatments, sealants, fillings and extractions – while enhancing awareness of good dental hygiene, all of which are critical factors for healthier children.

Breathe Easier With Asthma Management

Breathe Easier with Asthma Management (BEAM) is a signature initiative of The Foundation in collaboration with the Boys & Girls Clubs in New Jersey (BGCNJ), with training and curricula provided by the American Lung Association in New Jersey. BEAM was created to raise awareness about asthma and to educate children and their parents or caregivers about the disorder and how best to manage it. Since 2014, The Foundation has invested \$1.7 million in the BEAM program.

For the first two phases of BEAM, The Foundation awarded grants totaling \$1.1 million to BGCNJ to implement the

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initiative. With this funding, the program impacted over 5,000 youth, ages 5 to 18 years, at 16 Boys & Girls Clubs in 40 locations and 12 counties where childhood asthma is most prevalent. Evaluations have been consistently strong, demonstrating a substantial and sustained increase of participant knowledge about asthma and its management. The program was well received, and most participants rated it as a fun experience.

Given the success of BEAM, The Foundation invested an additional \$600,000 in 2016 to implement Phase 3. This will expand the program's reach to an additional 2,800 youth at 20 Boys & Girls Clubs in 57 locations and 14 counties by 2018.

Knock Out Opioid Abuse

In 2016, the Foundation worked alongside community leaders to launch initiatives targeted at combating the opioid crisis in New Jersey. The Foundation launched its Partnership for a Drug-Free New Jersey Knock Out Opioid Abuse Town Hall Series in 2017. The effort, funded by a \$250,000 grant from the Horizon Foundation for New Jersey to the Partnership for a Drug-Free New Jersey, features a series of 17 "Knock Out Opioid Abuse" town halls that are taking place over the next 18 months in communities heavily impacted by opioid crisis.

The goals of the town hall meetings are to provide residents an opportunity to more fully understand the impact this national epidemic is having on their own communities; the local, county and state resources and initiatives available to them; as well as an opportunity to highlight exemplary local programs that can be replicated throughout the state. The town halls are being planned in those counties most heavily impacted by the epidemic with special attention given to 45 towns with the most reported abuse cases. The first town hall was held in April at Stockton University in Galloway Township, and was co-sponsored by the university, the Atlantic County Opiate Task Force and Join Together Atlantic County.

A dedicated website, <http://knockoutopioidabuse.drugfreenj.org/> has been created to provide a full schedule of countywide town hall meetings and registration information.

Since 2015, Horizon BCBSNJ has paid over \$315 million in claims related to substance abuse. In 2016, alone, Horizon BCBSNJ paid \$150.6 million in claims, \$54.2 million of which was used to treat opioid addiction. For nearly 20 years, the Company has partnered with the doctors, social workers, hospitals, pharmacists, educational institutions and community organizations on fighting opioid addiction in diverse, integrated and comprehensive ways.

IV) Assets, Liabilities, Revenue, Expenses:

A) Provide a separate and distinct summary of the financial information from the HSC's most recent Annual Statement filing on the following:

1) Assets; - See below

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ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,809,647,890	0	1,809,647,890	1,769,471,046
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	840,000	0	840,000	848,000
2.2 Common stocks.....	1,357,040,409	0	1,357,040,409	1,182,242,638
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$..... encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$..... encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$..... encumbrances).....	0	0	0	0
5. Cash (\$...../313,583,203) , Schedule E-Part 1), cash equivalents (\$....., Schedule E-Part 2) and short-term investments (\$.....10,710,217 , Schedule DA).....	(302,872,985)	0	(302,872,985)	(237,676,726)
6. Contract loans (including \$..... premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA).....	194,806,980	0	194,806,980	187,933,089
9. Receivables for securities.....	1,566,430	0	1,566,430	13,823,710
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0	0
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	3,061,028,724	0	3,061,028,724	2,936,641,757
13. Title plants less \$....., charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued.....	15,793,205	0	15,793,205	16,881,290
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	245,917,781	15,361,033	230,556,748	230,306,678
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$..... earned but unbilled premiums).....	0	0	0	0
15.3 Accrued retrospective premiums (\$.....) and contracts subject to redetermination (\$.....)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	59,989,502	0	59,989,502	66,470,000
16.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts.....	20,233,543	0	20,233,543	29,575,183
17. Amounts receivable relating to uninsured plans.....	419,170,040	21,361,007	397,809,033	388,730,609
18.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	52,475,831
18.2 Net deferred tax asset.....	138,775,920	88,875,412	49,900,508	61,604,235
19. Guaranty funds receivable or on deposit.....	5,775,089	0	5,775,089	0
20. Electronic data processing equipment and software.....	307,946,801	270,798,825	37,147,976	36,574,156
21. Furniture and equipment, including health care delivery assets (\$.....)	130,543,800	130,543,800	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates.....	106,385,179	0	106,385,179	67,576,686
24. Health care (\$.....140,439,953) and other amounts receivable.....	247,576,265	2,538,812	245,037,453	191,729,693
25. Aggregate write-ins for other-than-invested assets.....	178,761,375	150,811,106	27,950,269	20,637,170
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	4,937,897,224	680,289,994	4,257,607,230	4,089,203,288
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 20 and 27).....	4,937,897,224	680,289,994	4,257,607,230	4,089,203,288
DETAILS OF WRITE-INS				
1101.....	0	0	0	0
1102.....	0	0	0	0
1103.....	0	0	0	0
1108. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1109. Totals (Lines 1101 through 1103 plus 1108) (Line 11 above).....	0	0	0	0
2501. Prepaid Expenses.....	150,116,350	150,116,350	0	0
2502. Non-Bankable checks.....	694,756	694,756	0	0
2503. State Income Tax Recoverable.....	2,562	0	2,562	2,200
2508. Summary of remaining write-ins for Line 25 from overflow page.....	27,947,707	0	27,947,707	20,634,970
2509. Totals (Lines 2501 through 2503 plus 2508) (Line 25 above).....	178,761,375	150,811,106	27,950,269	20,637,170

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2) Liabilities;

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ _____ reinsurance ceded)	604,457,213	0	604,457,213	953,379,089
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	9,570,500	0	9,570,500	7,666,500
4. Aggregate health policy reserves, including the liability of \$ _____ for medical loss ratio rebate per the Public Health Service Act	111,553,943	0	111,553,943	189,596,750
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	99,984,233	0	99,984,233	84,444,512
9. General expenses due or accrued	246,149,516	0	246,149,516	210,139,052
10.1 Current federal and foreign income tax payable and interest thereon (including \$ _____ on realized capital gains (losses))	2,632,179	0	2,632,179	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	222,281	0	222,281	738,677
13. Refinances and items not allocated	0	0	0	0
14. Borrowed money (including \$ _____ current) and interest thereon \$ _____ (including \$ _____ current)	110,182,636	0	110,182,636	132,175,065
15. Amounts due to parent, subsidiaries and affiliates	39,509,134	0	39,509,134	32,617,501
16. Derivatives	0	0	0	0
17. Payable for securities	19,540,018	0	19,540,018	12,785,391
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$ _____ authorized reinsurers, \$ _____ unauthorized reinsurers and \$ _____ certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$ _____) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	9,038,000	0	9,038,000	11,204,000
23. Aggregate write-ins for other liabilities (including \$ _____ current)	326,630,940	0	326,630,940	248,351,371
24. Total liabilities (Lines 1 to 23)	1,871,670,633	0	1,871,670,633	1,783,293,928
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	159,900,000
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	0	0
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	2,585,936,594	2,146,009,361
31. Unassigned funds (surplus)	XXX	XXX	0	0
32. Less treasury stock, at cost:				
32.1 _____ shares common (value included in Line 26 \$ _____)	XXX	XXX	0	0
32.2 _____ shares preferred (value included in Line 27 \$ _____)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	2,585,936,594	2,305,909,361
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	4,257,607,227	4,089,203,289
DETAILS OF WRITE-INS				
2301. Deposits from other organizations	139,739,818	0	139,739,818	126,004,993
2302. Liability for post-retirement benefits	116,798,122	0	116,798,122	122,346,778
2303. Risk Adjustment Payable	70,093,000	0	70,093,000	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	326,630,940	0	326,630,940	248,351,371
2501. 2015 data year ACA tax	XXX	XXX	0	159,900,000
2502. _____	XXX	XXX	0	0
2503. _____	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	159,900,000
3001. Special contingent surplus-individual contracts	XXX	XXX	457,016,146	436,529,803
3002. Special contingent surplus-other	XXX	XXX	1,918,920,448	1,709,479,558
3003. _____	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	2,385,936,594	2,146,009,361

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3) Revenues;

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	15,739,625	16,692,940
2. Net premium income (including \$ _____ 0 non-health premium income)	XXX	6,722,127,972	6,172,302,699
3. Change in unearned premium reserves and reserve for rate credits	XXX	(29,396,149)	(48,680,738)
4. Fee-for-service (net of \$ _____ medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	6,692,731,823	6,123,621,921
Hospital and Medical:			
9. Hospital/medical benefits	0	\$ 664,203,144	\$ 3,916,900,003
10. Other professional services	0	128,747,191	191,794,630
11. Outside referrals	0	278,647,278	964,839,380
12. Emergency room and out-of-area	0	45,849,089	40,201,929
13. Prescription drugs	0	946,293,836	960,944,670
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0
16. Subtotal (Lines 9 to 15)	0	5,263,740,538	5,034,726,644
Less:			
17. Net reinsurance recoveries	0	(410,516,781)	(40,676,218)
18. Total hospital and medical (Lines 16 minus 17)	0	5,674,227,319	5,073,402,862
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$ _____ 81,204,788 cost containment expenses	0	(69,613,366)	(81,315,962)
21. General administrative expenses	0	987,311,417	912,527,621
22. Increase in reserves for life and accident and health contracts (including \$ _____ increase in reserves for life only)	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	6,831,181,802	6,169,246,433
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(138,449,979)	(48,624,514)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	79,787,738	80,705,269
26. Net realized capital gains (losses) less capital gains tax of \$ _____ (1,410,916)	0	(9,663,662)	17,435,091
27. Net investment gains (losses) (Lines 25 plus 26)	0	70,124,096	98,140,330
28. Net gain or (loss) from agents or premium balances charged off (amount recovered \$ _____) (amount charged off \$ _____)	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(68,329,885)	92,515,806
31. Federal and foreign income taxes incurred	XXX	14,634,865	31,900,811
32. Net income (loss) (Lines 30 minus 31)	XXX	(82,960,745)	20,614,995
DETAILS OF WRITE-INS			
0601.	XXX	0	0
0602.	XXX	0	0
0603.	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX	0	0
0702.	XXX	0	0
0703.	XXX	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.	0	0	0
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.	0	0	0
2902.	0	0	0
2903.	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

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STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	2,905,909,360	2,290,234,344
34. Net income or (loss) from Line 32	(82,980,748)	20,614,995
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 11,327,503	202,569,057	34,565,767
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	4,418,179	3,027,423
39. Change in nonadmitted assets	(47,405,315)	10,493,737
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles	0	0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0
44.3 Transferred to surplus	0	0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus	3,626,061	6,968,094
48. Net change in capital and surplus (Lines 34 to 47)	80,027,235	79,675,016
49. Capital and surplus end of reporting year (Line 33 plus 48)	2,985,936,595	2,905,909,360
DETAILS OF WRITE-INS		
4701. Correction of prior year contribution of HNJH to HPHC	(1,011,300)	0
4702. Transfer of OCI related to investment to NIS	4,588,032	0
4703. Change in Pension/OPER	49,334	6,968,094
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Total (Lines 4701 through 4703 plus 4798) (Line 47 above)	3,626,061	6,968,094

4) Expenses; - See above.

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V) Compensation Data:

- A) Provide the total compensation paid during the reporting year to each of the HSC's current and former officers, directors, trustees, and the five other highest compensated employees who are not an officer, director or trustee by completing the following table (add rows as needed):**

Horizon BCBSNJ submits the total compensation paid to Officers and Directors, and the five other highest compensated employees who were employed, appointed, or elected in 2016.

Name & Title	TOTAL COMPENSATION
Officers	
Robert A. Marino, Chairman, President & CEO	\$4,488,647
Kevin P. Conlin, Executive Vice President & COO	\$2,376,965
Christopher M. Lepre, Senior Vice President, MBU	\$1,719,693
Allen J. Karp, Senior Vice President, HCM	\$1,638,905
Erhardt H.L. Preitauer, Senior Vice President, Government Programs	\$1,547,436
Minalkumar A. Patel, Senior Vice President & Chief Strategy Officer	\$1,532,479
Mark L. Barnard, Senior Vice President, Service	\$1,482,621
Linda A. Willett, Senior Vice President, General Counsel & Secretary	\$1,457,282
William J. Castner, Jr., Senior Vice President, Corporate & Regulatory Affairs	\$1,385,091
David R. Huber, Senior Vice President, Chief Financial Officer & Treasurer	\$1,382,857
Margaret M. Coons Senior Vice President, Human Resources	\$1,139,068
Douglas E. Blackwell Senior Vice President & Chief Information Officer	\$1,012,741
Five Next Highly Compensated Employees	
Gary Lin Vice President & Chief Actuary	\$968,190
Jason Cooper Vice President, Chief Analytics Officer	\$896,470
Jai P. Pillai Vice President, Government Programs	\$837,008
David J. Rosenberg Vice President, Finance	\$796,864
Vincent J. Alonge Vice President, Service	\$721,870

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Directors²	
Barbara Bell Coleman	\$94,000
Todd C. Brown	\$94,000
Lawrence R. Codey	\$94,000
Aristides W. Georgantas	\$119,000
Vincent J. Giblin	\$119,000
Leonard G. Feld	\$79,000
Carlos A. Medina ³	\$25,333
Joanne Pace	\$100,000
Peter G. Stewart	\$100,000
Russell L. Hewit	\$76,000
Mary E. O'Dowd ⁴	\$76,000
Michael M. Quick ⁴	\$76,000
Joseph J. Roberts	\$76,000

² All listed Directors were a member of the Board of Directors as of December 31, 2016. Mr. Alfred C. Koeppel passed away on December 6, 2016 and received a total compensation of \$112,500.

³ Mr. Carlos A. Medina was elected on August 10, 2016 and received a pro-rated Director compensation for 2016.

⁴ The noted Directors have since resigned from the Horizon BCBSNJ Board of Directors. Mr. Michael M. Quick resigned on February 24, 2017. Ms. Mary O'Dowd resigned on June 1, 2017.

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CERTIFICATION

I hereby certify on behalf of Horizon Healthcare Services, Inc. dba Horizon Blue Cross Blue Shield of New Jersey that the information submitted in this report pursuant to N.J.S.A. 17:48E-3h is true and correct, and can be relied upon by the Department for the purposes of making its report required by N.J.S.A. 17:48E-3i.

4/25/18
Dated

David Huber
Name: David Huber
Title: SVP-EKO

EXHIBIT I-B-2

Horizon BCBNJ Officers (As of Year-End 2016)

Name	Title	Brief Description of their Responsibilities
Robert A. Marino	Chairman, President & CEO	Responsible for the overall performance of the corporation.
Kevin P. Conlin	Executive Vice President & COO	Responsible for the operations of the corporation.
Christopher M. Lepre	Senior Vice President, MBU	Responsible for medical, pharmacy, dental, vision, life and disability, and stop loss sales and account management across many markets, including consumer, commercial and national accounts, Taft-Hartley Labor, the Federal Employee Program (FEP) and the State Health Benefits Program (SHBP).
Allen J. Karp	Senior Vice President, HCM	Responsible for value-based programs, health affairs, clinical operations, network contracting, pharmacy, behavioral health and provider relations.
Erhardt H.L. Preitauer	Senior Vice President, Government Programs	Responsible for governmental health plans operated by the Company or its affiliates, including Medicare Advantage, Managed Medicaid, Dual Special Needs Plans, Managed Long-Term Services and Support programs, and Medicare supplemental plans.
Minalkumar A. Patel	Senior Vice President & Chief Strategy Officer	Responsible for corporate strategy and development of new business opportunities.
Mark L. Barnard	Senior Vice President, Service	Responsible for developing, implementing, and supporting Enterprise-wide Service initiatives
Linda A. Willett	Senior Vice President, General Counsel & Secretary	Responsible for the legal affairs of the corporation, provides legal advice on company matters and serves as the Secretary of the Board of Directors.
William J. Castner, Jr.	Senior Vice President, Corporate & Regulatory Affairs	Oversees government affairs, public affairs, and enterprise communications.
David R. Huber	Senior Vice President & Chief Financial Officer	Responsible for managing the financial risks of the corporation and financial reporting.
Margaret M. Coons	Senior Vice President, Human Resources	Responsible for human resources strategy and planning, talent acquisition, organizational development, compensation and benefits, employee relations, leadership development, and training.
Douglas E. Blackwell	Senior Vice President & Chief Information Officer	Responsible for all aspects of Information Technology which includes the planning, development, and delivery of all applications and infrastructure, as well as system and technology operations.

Horizon BCBSNJ Board of Directors¹ (As of Year-End 2016)

Name	Affiliation
Barbara Bell Coleman	Retired President of BBC Associates, a consulting firm focusing on business development in urban areas and charitable organizations
Todd C. Brown	Retired Vice Chairman of ShoreBank Corporation
Lawrence R. Codey	Retired President and Chief Operating Officer of PSE&G
Aristides W. Georgantas	Retired Executive Vice President of the Chase Manhattan Bank
Vincent J. Giblin	Retired President of the International Union of Operating Engineers
Leonard G. Feld	President, Physician Enterprise at Pediatric Specialists of America
Carlos A. Medina	Chairman, Statewide Hispanic Chamber of Commerce; President, Robinson Aerial Surveys, Inc.
Joanne Pace	Retired Chief Operating Officer and Managing Director of Morgan Stanley Investment Management
Peter G. Stewart	Retired Partner and shareholder of Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P. C.
Russell L. Hewit	Founder and Senior Partner of Dughi, Hewit & Domalewski, P.C.
Mary E. O'Dowd	Executive Director for Health Systems and Population Health Integration, Rutgers Biomedical and Health Services and Former New Jersey Commissioner of Health
Michael M. Quick	Retired Executive Vice President and Chief Corporate Credit Officer at Susquehanna Bank
Joseph J. Roberts	Former State Assemblyman

¹ All listed Directors were a member of the Board of Directors as of December 31, 2016. Mr. Alfred C.Koeppe passed away on December 6, 2016.