

**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 30<sup>th</sup> 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**

<b>Report as of Year-End:</b>	2017
<b>Name of Health Service Corporation (HSC):</b>	Horizon Healthcare Services, Inc. dba Horizon Blue Cross Blue Shield of New Jersey
<b>Principle Address:</b>	3 Penn Plz E Ste PP-15D, Newark, NJ US 07105-2248
<b>Primary Location of Books and Records:</b>	3 Penn Plz E Ste PP-15D, Newark, NJ US 07105-2248
<b>Contact Person for Filing:</b>	Catherine Merlino, Controller Tel: 973-466-5607, Fax: 973-466-4632 catherine_merlino@horizonblue.com
<b>Location/Date of Formation:</b>	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):**

<b>Name of Subsidiary/Affiliate</b>	<b>Description of Activities &amp; HSC Services Provided</b>
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. As of December 31, 2017, the Board of Directors was a 17 member board (6 public and 11 private) and are noted 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 2017, 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.**

**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	\$ 1,390,431,116	\$ 1,236,241,460	89%	\$0
Small Employer	\$ 1,425,737,621	\$ 1,131,495,344	79%	TBD

Note:  
The above information is preliminary and is subject to change upon the filing of the actual reports in August 2018.

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Per N.J.A.C. 11:20-7.4 and N.J.A.C. 11:21-7A, the Individual and Small Group loss ratio filing requires a 6 month run-out of claims data which is not reflected. Additionally, this submission does not account for any final risk adjustment impact for the 2017 year or other regulator adjustment. A complete submission will be available on the New Jersey Department of Banking and Insurance's ("DOBI") website at <http://www.nj.us/dobi/> on or after August 1 of each year.

**III) Activities:**

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

**2017 Business Activities and Key Accomplishments**

In 2017, 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 3.75 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.

<b>Customer Type:</b>	<b>Number of Members</b>
Large Group	1,489,194
State Health Benefits Program	642,342
Federal Employee Program	126,622
Small Group	219,920
Individual	229,495
Medicaid	868,990
Medicare	177,114
<b>Total members</b>	<b>3,753,677</b>
<b>Funding Method:</b>	
Fully-insured	2,002,084
Self-insured	1,751,593
<b>Total members</b>	<b>3,753,677</b>

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**Commercial Markets**

Horizon BCBSNJ provided a wide array of commercial health insurance products to its enrollees in 2017 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 municipalities, the State of New Jersey, federal employees, and many others.

At the end of 2017, Horizon BCBSNJ had in excess of 2.70 million insured and self-funded commercial health plan members.

**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 OMNIA<sub>SM</sub> 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 2017, 309,521 consumers in New Jersey had health insurance through the Individual market. Horizon BCBSNJ's total Individual membership at the end of 2017 stood at 226,300, representing 73.22% market share per the DOBI website made available at [http://www.state.nj.us/dobi/division\\_insurance/ihcseh/ihcsehenroll.html](http://www.state.nj.us/dobi/division_insurance/ihcseh/ihcsehenroll.html).

Of Horizon BCBSNJ's members, approximately 86% of the covered lives in the individual market purchased an OMNIA Health Plan in 2017. For Horizon's individual market, on a statutory accounting basis ("STAT"), it incurred \$1,223,178,986 in claims and earned \$1,410,908,727 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 2017, 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 2017, roughly 54,000 small employers offered insurance to their employees, covering a total of 371,544 employees and their eligible dependents in New Jersey's small employer market.. Horizon BCBSNJ's total small employer membership at the end of 2017 stood at 219,131, a decline of over 4481 members from the prior year. Of Horizon BCBSNJ's members, roughly 40% had purchased an OMNIA Health Plan. Horizon BCBSNJ's estimated market share was 60.94% pursuant to the carrier enrollment data made available on the DOBI website at [http://www.state.nj.us/dobi/division\\_insurance/ihcseh/enroll/2017\\_4q\\_seh\\_plansbycarrier.pdf](http://www.state.nj.us/dobi/division_insurance/ihcseh/enroll/2017_4q_seh_plansbycarrier.pdf). For Horizon's small employer market, on a STAT basis, Horizon incurred \$1,130,881,042 in claims and earned \$1,427,831,163 in premiums.

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**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, municipals, and the federal employee health plans.

These markets can be insured or self-insured. Horizon issued insured large employer plans covering 506,565 lives, and administered self-funded large employer plans covering 1,109,251 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 2017, Horizon BCBSNJ offered HMO, EPO, including OMNIA, PPO, and Direct Access health plans in these market segments. For insured large employer plans, Horizon incurred \$3,120,529,005 in claims and earned \$ 3,505,802,120 in premiums. For self-funded large employer plans, on a STAT basis, Horizon incurred \$4,841,885,273 in employer-funded claims and earned \$252,216,874 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 carriers 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 2017, we estimate the total size of the SHBP/SEHBP market to be 835,000 employees and their dependents. Horizon BCBSNJ's total membership in the market at year-end 2017 was 700,000 for an estimated market share of 83%. On a STAT basis, Horizon incurred \$3,911,701,701 in self-funded claims for the SHBP/SEHBP and earned \$105,888,792 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.

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**Medicaid Markets**

The Medicaid business, operated by Horizon Healthcare of New Jersey, Inc., a New Jersey HMO doing business as Horizon NJ Health, is New Jersey's largest managed Medicaid health care organization serving 868,990 beneficiaries (as of 12/31/17) through the State's NJ FamilyCare program. Additionally, Horizon NJ Health also manages the company's MLTSS program. On a STAT basis, Horizon NJ Health incurred \$4,403,705,176 in claims for the Medicaid Managed Care and MLTSS population and earned \$4,954,222,661 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, 2017, Horizon NJ Health had a market share of approximately 53%.

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.

**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, Medicare Supplemental and Dual Special Needs (DSNP) plans. For total Medicare market, Horizon together with its affiliates insured 177,114 lives, earned premiums totaling \$1,408,165,928, and incurred claims totaling \$1,255,233,728.

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 BCBSNJ began offering Medicare-eligible retired State Health Benefits Program (SHBP) members Medicare Advantage PPO ("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 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 58,000 members as of year-end 2017 throughout the nation. In 2017, the SHBP MA PPO program earned \$716,174,290 in premiums and incurred claims totaling \$705,084,667.

**Key Accomplishments in 2017**

Horizon BCBSNJ's commitment to its members, and its goal to achieve the *Triple Aim* in health care comprised the core aspects of our 2017 accomplishment.

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**Integrated Behavioral Health**

Horizon BCBSNJ continues to integrate the physical and mental health aspects of care through the launch of several clinical programs. Horizon BCBSNJ applies advanced data analytics to proactively identify members with certain medical episodes who are likely to have an underlying behavioral health condition, which has been undiagnosed and/or untreated. Through the engagement and collaboration with Primary Care Physicians (PCPs), members are referred to the most appropriate behavioral care pathway. Additionally, PCPs are offered telephonic curbside consults with psychiatrists and are notified of the patient's progress throughout the course of treatment.

In addition, Horizon BCBSNJ helps members address the stress and anxiety of chronic health issues and life-changing medical events, by making available telepsychiatry, counseling by licensed behavioral health clinicians and health coaching. Through this program, Horizon BCBSNJ offers ongoing support by phone or video.

Horizon BCBSNJ is also implementing several behavioral health-related value-based arrangements supporting fully-integrated medical and behavioral care. One solution focuses on members with comorbid, complex behavioral and physical health needs. A multidisciplinary care team in a primary care setting helps facilitate treatment for members identified for this program. Horizon BCBSNJ is also introducing its first Episode of Care for Substance Use Disorder ("SUD") treatment with a Certified Community Behavioral Health Clinic, as well as an Episode of Care for individuals with inflammatory bowel disease (IBD) and comorbid anxiety and depression issues. Outcomes tracking tools have been developed to ensure the clinical and financial effectiveness of interventions.

**Patient-Centered Results**

As of 2017, more than 1.5 million Horizon BCBSNJ members currently participate in one of our patient-centered, value-based programs.

Horizon BCBSNJ reviewed claims data for members receiving care from patient-centered practices and compared those findings to members receiving care from traditional primary care practices for services in 2016 to obtain the latest snapshot. The results continue to demonstrate that patient-centered practices are delivering more cost-effective and efficient care, which is helping to ensure members receive care at the right time and appropriate care setting. The results show that members participating in patient-centered practices, as compared to those members in traditional practices, had a:

- 3 percent lower total cost of care
- 3 percent lower rate of Emergency Room (ER) visits
- 4 percent improved control of diabetes costs
- 3 percent lower rate of hospital inpatient admissions
- 5 percent higher rate of colorectal cancer screenings
- 3 percent improved rate of diabetes control
- 3 percent higher rate of breast cancer screenings

Patient-centered practices helped Horizon BCBSNJ members avoid more than 2,000 ER visits and more than 600 inpatient stays. Also, a review of our 2016 claims data found that 67 percent of Horizon BCBSNJ's medical spend was for members who received some or all of their care from a patient-centered doctor or hospital. These health care professionals are helping to improve the quality of care for Horizon BCBSNJ members while controlling costs and improving the patient experience.

There are more than 4,500 PCPs and thousands of specialists in Horizon BCBSNJ's patient-centered programs. For 2016, participating patient-centered providers received a total of \$94.9 million in value-based payments from Horizon BCBSNJ. Since 2013, Horizon BCBSNJ has made approximately \$228 million in value-based payments to patient-centered providers.

Horizon BCBSNJ's patient-centered programs deliver members coordinated and personalized care. Practices may include a care

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coordinator who provides additional patient support, information and outreach. Patient-centered practices actively coordinate the work of specialists and other health care professionals and provide an increased focus on wellness and preventive care. This active monitoring, engagement and communication helps patients get and stay healthy and avoid more costly, complicated and serious health conditions.

**Episodes of Care**

The Episode Of Care program is a shared-savings program where doctors, in an ever-increasing number of specialties, earn additional payments by achieving quality, cost efficiency and patient satisfaction goals. In collaboration with the physicians, these programs compare the actual outcomes and cost of the episode of treatment for a specific patient to a target established in advance. If metrics are met, the savings are shared with the physicians.

Horizon BCBSNJ reviewed claims data for members receiving care from an “episodes” practice and those receiving the same procedure from a “non-episodes” practice in 2016 to obtain a latest snap shot for 2017. Preliminary data for Horizon BCBSNJ members in episode practices had much lower hospital readmission rates and emergency room visits and experienced other high-quality outcomes compared to members receiving the same services from non-episode practices, including:

- 37% fewer hospital readmissions for Hip Replacement
- 32% fewer hospital readmission for Colonoscopy procedures
- 27% fewer emergency room visits for Pregnancy
- 49% fewer hospital readmissions for Knee Replacement
- 9% fewer emergency room visits for Knee Replacement

These results initiated a significant expansion of the program throughout 2015 and 2016. Episodes have been implemented with specialty practices comprised of more than 1,000 physicians throughout New Jersey. Current projections estimate Horizon BCBSNJ sharing with those practices saving in excess of \$10 million in 2017 related to episodes for more than 18,000 Horizon BCBSNJ members. We anticipate having further information on the 2017 savings later in 2018.

Horizon BCBSNJ’s current Episode of Care programs include:

- Breast Cancer
- Colonoscopy
- Coronary Artery Bypass Graft
- IBD with Behavioral Health Integration
- Diverticulitis
- Gastroesophageal Reflux Disease
- Heart Failure
- Hip Replacement
- Hysterectomy
- Knee Arthroscopy
- Knee Replacement
- Low Back Pain
- Pregnancy
- Prostate Cancer
- Prostatectomy
- Shoulder Replacement



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In 2018, new Episode of Care programs will include:

- Substance Use Disorder
- Bariatric Surgery
- Acute Myocardial Infarction

**Oncology Medical Home**

In 2017, Horizon BCBSNJ launched an oncology medical home program. In collaboration with Regional Cancer Care Associates (“RCCA”), Horizon BCBSNJ designed this model of care that incorporates many of the Patient-Centered Medical Home guiding principles including enhanced care coordination, expanded access, quality improvement and improved patient experience. The Oncology Medical Home deepens the collaboration between Horizon BCBSNJ and a major cancer care provider, RCCA.

**Horizon HealthSphere**

Horizon Blue Cross Blue Shield of New Jersey’s new innovative platform, HealthSphere, empowers providers to improve the quality of care, patient experience and lower costs. This data services platform tool provides a 360-degree view of a patient’s record.

HealthSphere can help improve patient outcomes by electronically collecting clinical patient information from different health care information sources and systems. Information, across many data points are merged to aggregate including member claims, pharmacy benefit management information, lab results, risk scoring, hospitalization, medical reviews, historical data recorded in the patient’s electronic health record and other important information.

In 2017, Horizon BCBSNJ took additional steps to integrate hundreds of Patient Centered Medical Home providers and practice groups into this data environment. Health Sphere is able to offer the following provider tools to those integrated providers:

- Easy access to near real-time patient information
- Enhanced communications with care team members and notifications of workflow deficiencies
- Comprehensive, reliable information allowing for timely interventions, improved health outcomes and proactive monitoring of chronic disease management across the continuum of care
- Electronic Medical Record information at point of care
- Ability to identify diagnostic and treatment opportunities
- Care coordination and transition of care improvement opportunities
- Capability to help eliminate duplicate or unnecessary testing

**Opioid Initiatives**

In response to a critical and growing public health crisis, Horizon BCBSNJ has developed a comprehensive approach to combating the opioid crisis, which includes member and prescriber education and prevention initiatives, recovery support, access to Medication-Assisted Treatment (MAT) and promotion and support of public policy that can drive legislative change.

**Newark Initiative**

The Newark Coalition initiative is a prime example of how Horizon’s value-based transformation efforts have enabled us to develop innovative approaches for improving the health of our Newark residents. Horizon BCBSNJ, RWJ Barnabas Health and community resources within Newark have begun to serve the health care needs of the community holistically.

The initiative works to:

- Breaks down the traditional silos of care management to coordinate across the continuum;

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- Get the community and its resources involved in a deliberate and active manner;
- Provide caregivers and community resources access to information relevant to their care goals; and
- Provide actionable insights into the critical needs of the patients through added analytics.

The initiative is currently focused on high-risk members in the community facing chronic conditions such as diabetes, hypertension and obesity. Many of these members have multiple comorbidities including behavioral health issues that are being addressed through Horizon's integrated behavioral health program.

Despite their clinical challenges, almost half of these members do not have a regular primary care relationship and use the emergency room for their care needs. Further, we want to support these members with a multi-disciplinary group to improve the coordination. Resources include:

- Nursing that solve the various clinical needs of the members
- Social workers that understand and resolve socioeconomic challenges that often serve as barriers to achieving change
- Community health workers that support the patient and his family with linkages to relevant community resources including faith based needs; and
- A personal health assistant that addresses various plan benefits questions to provide them added peace of mind and also helps with access and care scheduling issues

These social workers and personal health assistants will navigate patients to needed resources, including behavioral health.

For the members engaged in the Newark Initiative program in 2017, we were able to achieve an 18% reduction in total cost of care, 57% reduction in inpatient admits, a 30% reduction in emergency room visits, and a 13% reduction in readmission rates. In the same time period, we saw a 115% increase in behavioral health access.

#### **Innovative Technological Updates**

Horizon Blue Cross Blue Shield of New Jersey is making major enhancements to revolutionize the way members interact with us, and to simplify their health care experience.

In 2017, Horizon launched a new version of Member Online Services (MOS).

The latest version of MOS includes key enhancements like:

- An authenticated Online Doctor & Hospital Finder. With a new look and feel, Online Doctor & Hospital Finder now delivers a more personal experience by automatically defaulting to the member's specific plan and home location. Having that data embedded directly in the MOS experience provides improved efficiency, and makes this popular search tool a quick and easy way to find health care professionals and facilities.
- A new Document Center. Now featuring a central repository for documents available on the site, MOS makes finding important information effortless by storing essentials in one location. Over time, the Document Center will continue to grow.

#### **Corporate Social Responsibility**

With deep roots in our state and a commitment to enrich the lives and health of our members, we work toward creating a healthier New Jersey. We do this in many ways – including through the social responsibility activities of The Horizon Foundation for New Jersey and Horizon BCBSNJ's Community Affairs Division. Collectively, Horizon BCBSNJ's various programs help create partnerships and opportunities that improve the health and well-being of people throughout New Jersey.

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**2017 Giving**

Matching Gifts	\$ 475,148
Community Affairs Sponsorships	\$ 2,576,120
Foundation Grants	\$ 4,149,500
Neighborhood Revitalization Tax Credit	\$ 233,411
Total Giving	\$ 7,434,179

**The Horizon Foundation for New Jersey**

The Horizon Foundation for New Jersey strategically makes grant investments in projects that are closely aligned with the Company's charitable giving interests. Through its work over the past 13 years, The Foundation has invested more than \$51 million in grants that support the health and well-being of New Jersey residents. Attesting to its commitment to the community, The Foundation was selected as "Best Corporate Foundation" in the first NJBIZ Magazine Reader Rankings survey in September 2017.

The Foundation has three thematic pillars that guide our funding:

*Caring* – Health Promotion and Disease Prevention in the Areas of Diabetes, Obesity and Opioid  
*Connecting* – Community Health Workers and Patient Navigators  
*Creating* – Arts and Culture

**Foundation Initiatives**

In addition to awarding grants to New Jersey nonprofit organizations, The Foundation develops its own branded signature initiatives to place a greater focus on specific health issues impacting people throughout our state. Two initiatives are highlighted below.

**Knock Out Opioid Abuse Town Hall Series**

In 2017, The Foundation provided a \$250,000 grant to the Partnership for a Drug-Free New Jersey to create the Knock Out Opioid Abuse Town Hall series, an education and prevention initiative focused on the opioid epidemic. The two-year initiative features 21 town hall meetings in every region of New Jersey, with special attention to areas most affected by the epidemic.

With town hall meetings scheduled through June 2018, the series includes collaboration from hundreds of local prevention and treatment organizations, as well as local and county law enforcement, nonprofits, government and medical community leaders. It is designed to help residents better understand the impact this national epidemic is having in their own communities and to provide information about local, county and state resources and initiatives available to them.

As part of the initiative, a new website ([Knockoutopioidabuse.drugfreenj.org](http://Knockoutopioidabuse.drugfreenj.org)) was created to promote the series and provide substance abuse resources. A statewide town hall at the conclusion of the series, which will be aired on NJTV, will share local best practices and highlight exemplary programs that can be replicated throughout the state.

**Healthy U**

Healthy U, a 10-year signature initiative in partnership with the New Jersey YMCA State Alliance, is aimed at preventing childhood obesity in children ages 3 to 13. Healthy U uses the nationally recognized and evidence-based CATCH (Coordinated Approach to Child Health) curriculum, which combines physical activity, nutrition education and parental involvement in an

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environment that's fun, cost-effective and easy to sustain.

In 2017, Healthy U received the CATCH® Award for Excellence in State Health from the CATCH Global Foundation. The award recognizes exemplary efforts to promote and support health and wellness locally through the use of CATCH. With more than 10,000 CATCH sites in school districts across the country, Healthy U is one of only three programs to earn this national distinction.

The Foundation has invested \$4.7 million in the Healthy U program to date. In total, Healthy U will impact more than 90,000 children and their families at 480 YMCA sites, and engage 90 elementary school partners.

**Community Affairs**

In supporting nonprofits and community-based organizations that make New Jersey a better place to live, we engage with many community stakeholders and provide opportunities to educate and inform them. Activities include sponsoring health and cause-related events throughout the state, and we also support our employees' workplace giving, charitable interests, and volunteer service through our *Horizon Cares* program where our 5,500 employees can give their time, talent, and financial resources for charitable causes. In 2017, 488 employees volunteered with matching gifts in excess of \$473,000.

**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)	2,193,622,054	0	2,193,622,054	1,809,647,890
2. Stocks (Schedule D):				
2.1 Preferred stocks	936,230	0	936,230	840,000
2.2 Common stocks	1,432,172,307	0	1,432,172,307	1,557,040,409
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 (\$ _____ (309,230,743) , Schedule E-Part 1), cash equivalents (\$ _____ 7,230,413 , Schedule E-Part 2) and short-term investments (\$ _____ 11,157,672 , Schedule DA)	(230,856,659)	0	(230,856,659)	(302,872,983)
6. Contract loans (including \$ _____ premium notes)	0	0	0	0
7. Derivatives (Schedule DB)	0	0	0	0
8. Other invested assets (Schedule BA)	233,810,147	0	233,810,147	194,806,980
9. Receivables for securities	4,183,735	0	4,183,735	1,500,430
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)	3,513,887,745	0	3,513,887,745	3,061,028,724
13. Title plants less \$ _____ charged off (for Title Insurers only)	0	0	0	0
14. Investment income due and accrued	17,499,402	0	17,499,402	15,739,205
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	203,146,827	9,240,439	258,906,368	250,556,743
15.2 Deferred premiums, agents' balances and instalments 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	8,464,445	0	8,464,445	59,989,502
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	110,195,372	0	110,195,372	20,233,543
17. Amounts receivable relating to uninsured plans	678,422,460	39,650,487	638,771,972	397,809,033
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	708,934,302	344,252,872	954,331,630	49,900,908
19. Guaranty funds receivable or on deposit	38,514,836	0	38,514,836	5,773,069
20. Electronic data processing equipment and software	301,722,732	254,009,443	47,717,304	37,147,376
21. Furniture and equipment, including health care delivery assets (\$ _____)	132,037,344	132,657,544	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	293,275,329	0	293,275,329	100,383,179
24. Health care (\$ _____ 129,549,022 ) and other amounts receivable	318,394,349	9,146,640	319,247,709	245,057,453
25. Aggregate write-ins for other-than-invested assets	284,499,982	243,577,405	41,122,517	27,950,209
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	6,464,245,775	1,026,510,913	5,437,934,860	4,257,607,230
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	6,464,245,775	1,026,510,913	5,437,934,860	4,257,607,230
<b>DETAILS OF WRITE-INS</b>				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Expenses	342,712,119	342,712,119	0	0
2502. Non-Bankable checks	605,346	605,346	0	0
2503. State Income Tax Recoverable	4,112	0	4,112	2,562
2598. Summary of remaining write-ins for Line 25 from overflow page	41,118,405	0	41,118,405	27,947,707
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	284,499,982	243,577,405	41,122,517	27,950,209

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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)	1,011,719,996	0	1,011,719,996	604,437,213
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	11,074,715	0	11,074,715	9,370,500
4. Aggregate health policy reserves, including the liability of \$ _____ for medical loss ratio rebate per the Public Health Service Act	180,572,087	0	180,572,087	111,553,943
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	95,740,085	0	95,740,085	95,984,293
9. General expenses due or accrued	789,593,205	0	789,593,205	940,149,510
10.1 Current federal and foreign income tax payable and interest thereon (including \$ _____ on realized capital gains (losses))	322,190	0	322,190	2,632,179
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	583,997	0	583,997	222,281
13. Reimbursements and items not allocated	0	0	0	0
14. Borrowed money (including \$ _____ current) and interest thereon \$ _____ (including \$ _____ current)	340,950,429	0	340,950,429	110,182,620
15. Amounts due to parent, subsidiaries and affiliates	50,542,332	0	50,542,332	99,309,194
16. Derivatives	0	0	0	0
17. Payable for securities	19,589,801	0	19,589,801	19,540,018
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	8,419,000	0	8,419,000	9,038,000
23. Aggregate write-ins for other liabilities (including \$ _____ current)	237,010,731	0	237,010,731	328,690,940
24. Total liabilities (Lines 1 to 23)	3,005,725,428	0	3,005,725,428	1,871,670,633
25. Aggregate write-ins for special surplus funds	X000	X000	208,701,885	0
26. Common capital stock	X000	X000	0	0
27. Preferred capital stock	X000	X000	0	0
28. Gross paid in and contributed surplus	X000	X000	0	0
29. Surplus notes	X000	X000	0	0
30. Aggregate write-ins for other than special surplus funds	X000	X000	2,905,907,548	2,385,930,594
31. Unassigned funds (surplus)	X000	X000	0	0
32. Less treasury stock, at cost:				
32.1 _____ shares common (value included in Line 25 \$ _____)	X000	X000	0	0
32.2 _____ shares preferred (value included in Line 27 \$ _____)	X000	X000	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	X000	X000	2,772,209,433	2,385,930,594
34. Total liabilities, capital and surplus (Lines 24 and 33)	X000	X000	5,437,934,861	4,257,607,227
<b>DETAILS OF WRITE-INS</b>				
2301. Deposits from other organizations	141,905,204	0	141,905,204	139,739,818
2302. Liability for post-retirement benefits	15,905,927	0	15,905,927	10,798,122
2303. Risk Adjustment Payable	0	0	0	70,089,000
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)	237,010,731	0	237,010,731	328,690,940
2501. 2018 Insurer Fee	X000	X000	208,701,885	0
2502. _____	X000	X000	0	0
2503. _____	X000	X000	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	X000	X000	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	X000	X000	208,701,885	0
3001. Special contingent surplus-individual contracts	X000	X000	921,858,096	467,010,160
3002. Special contingent surplus-other	X000	X000	2,043,068,832	1,918,920,448
3003. _____	X000	X000	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	X000	X000	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	X000	X000	2,905,907,548	2,385,930,594

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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	16,547,934	15,739,625
2. Net premium income (including \$ _____ 0 non-health premium income)	XXX	12,236,502,319	\$ 722,127,972
3. Change in unearned premium reserves and reserve for rate credits	XXX	(12,716,622)	(29,298,149)
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	12,222,785,696	\$ 692,731,823
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits	0	4,117,193,207	2,864,203,144
10. Other professional services	0	957,540,617	128,747,191
11. Outside referrals	0	250,200,203	278,647,278
12. Emergency room and out-of-area	0	50,859,822	45,849,089
13. Prescription drugs	0	985,301,043	946,292,836
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	5,571,094,892	\$ 263,740,538
<b>Less:</b>			
17. Net reinsurance recoveries	0	(5,120,008,856)	(410,516,781)
18. Total hospital and medical (Lines 16 minus 17)	0	30,691,103,749	5,674,257,319
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$ _____ 196,050,544 cost containment expenses	0	294,123,728	169,613,266
21. General administrative expenses	0	1,269,261,202	987,311,117
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	12,254,498,678	\$ 831,181,802
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(31,712,982)	(128,449,979)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	78,868,029	75,787,758
26. Net realized capital gains (losses) less capital gains tax of \$ _____ 1,415,916	0	25,207,140	(5,663,662)
27. Net investment gains (losses) (Lines 25 plus 26)	0	104,075,169	70,124,096
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	72,362,187	(63,325,883)
31. Federal and foreign income taxes incurred	XXX	15,695,000	14,654,865
32. Net income (loss) (Lines 30 minus 31)	XXX	56,667,187	(82,980,748)
<b>DETAILS OF WRITE-INS</b>			
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
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year	2,285,938,695	2,205,909,360
34. Net income or (loss) from Line 32	56,667,187	(92,980,748)
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 \$	99,396,751	202,389,067
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	574,674,368	4,418,179
39. Change in nonadmitted assets	(346,020,921)	(47,406,315)
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	1,538,432	3,626,061
48. Net change in capital and surplus (Lines 34 to 47)	285,272,837	80,027,235
49. Capital and surplus end of reporting year (Line 33 plus 48)	2,772,209,422	2,385,936,595
<b>DETAILS OF WRITE-INS</b>		
4701. Correction of prior year contribution of HNJH to HPHC	0	(1,011,505)
4702. Transfer of OCI related to investment to MISL	0	4,568,032
4703. Change in Pension VOPEL	1,538,432	89,524
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	1,538,432	3,626,061

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):**

Name & Title	TOTAL COMPENSATION
<b>Officers</b>	
Robert A. Marino, Chairman, President & Chief Executive Officer	\$5,070,783
Kevin P. Conlin, Executive Vice President & Chief Operating Officer	\$2,891,261
Christopher M. Lepre, Senior Vice President, Market Business Units	\$1,990,064
Erhardt H.L. Preitauer, Senior Vice President, Government Programs	\$1,703,192
Allen J. Karp, Senior Vice President, Health Care management	\$1,692,844
Mark L. Barnard, Senior Vice President, Service	\$1,690,331
Linda A. Willett, Senior Vice President, General Counsel & Secretary	\$1,600,167
David R. Huber, Senior Vice President, Chief Financial Officer	\$1,546,258
William J. Castner, Jr., Senior Vice President, Corporate & Regulatory Affairs	\$1,439,695
Minalkumar A. Patel, Senior Vice President & Chief Strategy Officer <sup>1</sup>	\$1,374,136
Margaret M. Coons Senior Vice President, Human Resources	\$1,246,834
Douglas E. Blackwell Senior Vice President & Chief Information Officer	\$1,115,859
<b>Five Next Highly Compensated Employees</b>	
Jason Cooper, Vice President, Chief Analytics Officer <sup>2</sup>	\$1,018,684
Gary Lin, Vice President & Chief Actuary	\$982,777
David Gambino, Vice President & Chief Pharmacy Officer	\$942,544
Robert Franzoi, Vice President, Healthcare Delivery	\$874,745
David J. Rosenberg, Vice President, Finance	\$843,615

<sup>1</sup> Separated on May 19, 2017.

<sup>2</sup> Separated on June 2, 2017.

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<b>Directors<sup>3</sup></b>	
John C. Ballantyne <sup>4</sup>	\$25,667
Michele A. Brown <sup>4</sup>	\$25,667
Todd C. Brown	\$113,200
Lawrence R. Codey	\$130,000
Leonard S. Coleman, Jr. <sup>5</sup>	\$12,333
Leonard G. Feld	\$95,600
Aristides W. Georgantas	\$124,000
Vincent J. Giblin <sup>6</sup>	\$124,000
Carlos A. Medina	\$89,000
Joseph M. Muniz <sup>7</sup>	\$25,667
Joanne Pace	\$110,800
Joseph J. Roberts	\$77,000
Joseph M. Kyrillos <sup>8</sup>	\$0

<sup>3</sup> All listed Directors were a member of the Board of Directors as of December 31, 2017. Further, the following Directors were members of the Board in 2017 but were no longer with the Board as of December 31, 2017:

- a) Michael M. Quick resigned on February 24, 2017 and received and returned a Director compensation of \$77,000.
- b) Mary E. O'Dowd resigned on June 1, 2017 and received a Director compensation of \$77,000.
- c) Barbara Bell Coleman retired from the Board of Directors on March 9, 2017. Ms. Bell Coleman received a Director compensation of \$97,000.
- d) Peter G. Stewart retired from the Board of Directors on March 9, 2017. Mr. Stewart received a Director compensation of \$103,000.
- e) Russell L. Hewit separated from the Board of Directors on December 7, 2017. Mr. Hewit received a total Director compensation of \$77,000 in 2017.

<sup>4</sup> John C. Ballantyne and Michelle A. Brown were appointed to the Board of Directors by then Governor Christie, both on July 3, 2017 and received a pro-rated Director compensation for 2017.

<sup>5</sup> Leonard S. Coleman, Jr. was elected to the Board of Directors on July 7, 2017 and received a pro-rated Director compensation for 2017, net of other compensation paid for service on a subsidiary company board.

<sup>6</sup> Vincent J. Giblin resigned from the Board of Directors as of January 31, 2018.

<sup>7</sup> Joseph M. Muniz was appointed to the Board of Directors by then Assembly Speaker Prieto on August 2, 2017 and received a pro-rated Director compensation for 2017.

<sup>8</sup> Joseph M. Kyrillos was appointed to the Board of Directors by then Governor Christie on December 7, 2017, replacing Russell L. Hewit. Mr. Kyrillos was not paid a retainer until 2018, as no meetings were held in 2017 after his appointment.

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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.

5/15/18

Dated

David Huber

Name: David Huber  
Title: SVP TC

Horizon BCBNJ Officers<sup>1</sup> (As of Year-End 2017)

Name	Title	Brief Description of their Responsibilities
Robert A. Marino	Chairman, President & Chief Executive Officer	Responsible for the overall performance of the corporation.
Kevin P. Conlin	Executive Vice President & Chief Operating Officer	Responsible for the operations of the corporation.
Christopher M. Lepre	Senior Vice President, Market Business Units	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, Healthcare Management	Responsible for value-based programs, health affairs, clinical operations, network contracting, pharmacy, behavioral health, provider relations, and analytics.
Erhardt H.L. Preitauer <sup>2</sup>	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.
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. <sup>3</sup>	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.

<sup>1</sup> Minalkumar A. Patel, Senior Vice President and Chief Strategy Officer separated from the Company on May 19, 2017.

<sup>2</sup> Erhardt H.L. Preitauer, Senior Vice President, Government Programs separated from the Company on April 10, 2018.

<sup>3</sup> William J. Castner, Jr., Senior Vice President, Corporate & Regulatory Affairs separated from the Company on May 7, 2018.

**EXHIBIT I.B.2 (continued)****Horizon BCBSNJ Board of Directors (As of Year-End 2017)**

<b>Name</b>	<b>Affiliation</b>
John C. Ballantyne	Executive Secretary-Treasurer, Northeast Regional Council of Carpenters
Michele A. Brown	Former Chief Executive, Choose New Jersey
Todd C. Brown	Retired Vice Chairman of ShoreBank Corporation
Lawrence R. Codey	Retired President and Chief Operating Officer of PSE&G
Leonard S. Coleman, Jr.	Former President of the National League of Professional Baseball Clubs
Leonard G. Feld	President, Physician Enterprise at Pediatric Specialists of America
Aristides W. Georgantas	Retired Executive Vice President of the Chase Manhattan Bank
Vincent J. Giblin	Retired President of the International Union of Operating Engineers
Joseph M. Kyrillos	Former State Assemblyman
Carlos A. Medina	Chairman, Statewide Hispanic Chamber of Commerce; President, Robinson Aerial Surveys, Inc.
Joseph M. Muniz	Board Secretary, Hudson County Schools of Technology
Joanne Pace	Retired Chief Operating Officer and Managing Director of Morgan Stanley Investment Management
Joseph J. Roberts	Former State Assemblyman