

BLUE SHIELD OF CALIFORNIA ACQUIRED GEMCARE HEALTH PLAN CLIENT TALKING POINTS

Blue Shield of California (Blue Shield) has entered into an agreement to acquire GEMCare Health Plan.

- GEMCare Health Plan operates a mid-size health plan in the Kern County and Central Coast areas with a reputation for high-quality commercial and Medicare Advantage products.
- The acquisition will enable Blue Shield to expand Bakersfield-area programs and services, including accountable care organizations, while broadening membership in Kern, San Luis Obispo, Ventura and Santa Barbara counties.

Acquiring GEMCare Health Plan will aid Blue Shield in fulfilling its affordability mission.

- The healthcare market in California is undergoing significant changes; like any health plan, Blue Shield must be able to adapt.
- Blue Shield remains committed to its mission of increasing access to quality, affordable health care for all Californians.
- By making strategic investments in acquisitions, Blue Shield increases membership, provider network and broker relationships, fueling further improvements in access and affordability throughout the state.

Expanding into new markets will help make Blue Shield a better health plan.

- The planned acquisition of GEMCare Health Plan enables Blue Shield to serve current and future Medicare customers in the Kern, San Luis Obispo and Santa Barbara markets.

Disruption to existing GEMCare members and employees will be minimal, and health coverage for members will stay in place.

- No layoffs at GEMCare Health Plan or third party administrator Managed Care Systems are anticipated at this time.
- GEMCare Health Plan Medicare beneficiaries will continue to receive the same benefit plan at the same price and access to existing doctors and hospitals.
- Pending regulatory approval, GEMCare products will continue to be sold. Following the anticipated approval, GEMCare Health Plan members will retain employer-based coverage at current premiums until their next renewal date.

- New commercial members and employer groups will be written through Blue Shield, and employers with current coverage through GEMCare Health Plan will be offered a Blue Shield product upon renewal.
- All broker agreements and sales relationships with GEMCare Health Plan will remain in place.

Incorporating GEMCare's Medical Group network creates new opportunities for innovative patient-centered medical homes.

- The existing GEMCare Medical Group network, inclusive of its NCQA-certified patient-centered medical home and with its existing relationships with Dignity Health, offers an exciting opportunity to improve on its current level of clinical integration and promote cooperation to improve quality and reduce costs.
- Blue Shield is actively building on the success of GEMCare's patient-centered medical home in other areas of California.
- Blue Shield will form an accountable care organization for commercial members, in collaboration with GEMCare Medical Group and Dignity Health.