

Operating Strengths

WellChoice's operating strengths come from our employees and our processes. As a customer focused company, we are the bridge between our customers' need to manage costs and their employees' desire for choice, simplicity and comprehensive benefits. Our core competencies result from successfully implementing programs and using technology and data to provide superior customer service, improve the health of our members, and help reduce medical costs. Our company adheres to a Strategic Management and Implementation (SMI) process where a senior level operating committee, using strategic and annual plans, sets corporate direction. **Strategic** direction is deployed by divisional leaders and is managed by multi-week system reliability and project implementation meetings, measurement report cards at all levels and diagnosing root causes of all gaps. This continuous quality improvement process is inclusive and open, allowing any employee at any level to participate and allowing the Company to excel in all that we do.

World-Class Customer Service

WellChoice is dedicated to providing our customers with world-class service. Key to achieving this is our ability to process claims quickly and accurately. In 2003, WellChoice processed more than 34 million original claims. And, virtually all, or 99.6%, of clean claims were adjudicated in 30 days or less. Similarly, we responded to 96% of inquiries within seven days, and 97.6% of inquiries were processed accurately the first time.

When customers need to contact WellChoice, prompt, accurate, "hassle free" service is the goal for all customer experiences whether the exchange is by phone, mail, the Internet or face-to-face. To accomplish this, we take a multi-faceted approach to service excellence: a centralized service model, real-time service monitoring, and self-service. Underlying all three initiatives is an information systems infrastructure based on a single claims engine that delivers value.

80,000+
PPO provider sites

88.7%
member satisfaction

Under the centralized service model, members have a single point of contact with the Company. No matter where they are, at home, at work or on vacation, a single toll-free 800 number will help members get the information they need, when they need it. The use of virtual call centers facilitates members' seamlessly reaching a customer service representative quickly and easily.

Real-time service monitoring allows WellChoice to watch service levels at all times. Operating over the Company's Intranet, "dashboards" provide key operations and systems reliability metrics directly to a manager's computer. For example, we can monitor response times at call centers at any time, enabling us to identify—and correct—any potential service problems. Similarly, data on systems operations is available to ensure all systems are operating.

The consolidation of our claims systems has laid the foundation for us to develop a suite of e-business portals that provide members, providers, brokers and employer groups with **self-service** capabilities. Our Web portals offer real-time transactions and online interactive support, key points of differentiation in our industry. During 2003, registration on each of our portals increased significantly: The member portal saw an 18% increase in new users, while new registrations on the physician, broker and employer portals increased 46%, 67% and 16.5%, respectively. Not surprisingly, these sites saw not only new users during 2003 but also dramatic increases in usage: Visits to the member portal increased 44%; the physician site experienced 75% more visits; there was an 80% increase in use by brokers; and over a 200% increase in usage by employer groups.

WellChoice launched a fifth dedicated Web portal, Facility Online Services in 2003. This portal allows 1,500 hospitals and ancillary facilities that contract with us to register and conduct business, including determining patient eligibility, checking claim status, submitting pre-certification requests, viewing last approved day (LAD) and discharge summary reports and submitting HIPAA-compliant batch transactions, online.

The result of this focus on service excellence was an 88.7% member satisfaction rate in 2003, one of the highest rates in the industry. And, as a further testament to our ability to provide world-class customer service, the New York State Department of Insurance (DOI), in its *2003 New York Consumer Guide to Health Insurers*, once again ranked our HMO **#1** in New York with the fewest upheld complaints and the fewest prompt pay complaints. DOI rankings are an important objective measure of health plan performance and are strong indicators of excellent service levels.

innovation