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Anthem Blue Cross and Individual Practice Association Medical Group of Santa Clara County to Form First ACO for PPO Members in Northern California

Agreement includes direct contract with an IPA for Anthem Prudent Buyer member population

WOODLAND HILLS, Calif., and FOSTER CITY, Calif. —August 10, 2011— Anthem Blue Cross and Individual Practice Association Medical Group of Santa Clara County (SCCIPA) today announced they are launching an Accountable Care Organization (ACO) program to provide coordinated, seamless medical care to Anthem PPO members in the Silicon Valley. The ACO is the first of its kind in Northern California, and includes a direct contract agreement between Anthem and the IPA.

Anthem Blue Cross expects that initially tens of thousands of PPO members whose physicians participate in the SCCIPA network will benefit from the care coordination, chronic disease management, increased provider accountability, and improved availability of medical information for patient decision-making that are hallmarks of the ACO model. SCCIPA's network includes 284 primary care physicians, 550 specialists and ten acute care facilities throughout Santa Clara County. Members will be included in the program if they have received the majority of their medical care from these same treating physicians in the past and where there is already a strong physician/patient relationship.

"We are pleased to expand our relationship with SCCIPA to include both a direct provider group contract and the launch of an ACO model," said Pam Kehaly, president of Anthem Blue Cross. "Individuals who receive coordinated, patient-centered care through a collaborative partnership with their physicians can better navigate their options and more effectively manage their health care needs. SCCIPA's investment in its innovative coordinated care IT platform and demonstrated quality clinical and administrative management performance across its electronically integrated network, make them an ideal partner to offer our first ACO model in northern California."

J. Kersten Kraft, MD, a practicing urologist and president of SCCIPA notes, "We continue to refine our coordinated care model to deliver a better-quality member experience through enhanced communication, better compliance, optimal utilization of in-network providers and generic medications, and reduction of unnecessary procedures, hospital admissions and readmissions. We're looking forward to the opportunity to serve the needs of Anthem Blue Cross Prudent Buyer members through our new ACO structure."

About Anthem Blue Cross

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About SCCIPA

With its roots in the heart of the Silicon Valley, the Individual Practice Association Medical Group of Santa Clara County Inc., (SCCIPA) integrates a network of more than 800 physicians and ten hospitals throughout Santa Clara County. SCCIPA cares for more than 65,000 health plan members who can choose from 284 primary care physicians (family practice, internal medicine and pediatrics) and 550 specialists. SCCIPA operates like a clinic without walls, linking patients and health plans electronically with an established network of physicians, hospitals, lab, x-ray, physical therapy and other providers.

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