



**Training Proposal for:**  
**The Anthem Companies, Inc.**  
**Agreement Number: ET16-0337**

**Panel Meeting of:** January 22, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Reeves

**PROJECT PROFILE**

Contract Attributes:	Retrainee SET	Industry Sector(s):	Insurance  Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Los Angeles, Orange, San Diego, Sacramento, Ventura	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 8,053	U.S.: 51,900	Worldwide: 52,000
<u>Turnover Rate:</u>	9%		
<u>Managers/Supervisors:</u> (% of total trainees)	3%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$495,000		\$0	\$0		\$495,000

<b>In-Kind Contribution:</b>	<b>100% of Total ETP Funding Required</b>	<b>\$1,145,610</b>
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**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	375	8-200	0	\$900	\$15.60
				Weighted Avg: 60			
2	Retrainee SET	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	175	8-200	0	\$900	\$28.37
				Weighted Avg: 60			

**Minimum Wage by County:** Job Number 1: \$16.51 per hour for Orange County; \$16.48 per hour for Los Angeles County; \$16.46 per hour for San Diego County; \$16.10 per hour for Sacramento County; \$15.60 per hour for Ventura County. Job Number 2 (SET): \$28.37 per hour.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$2.63 per hour (Job Number 1 and 2) may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Claims/Customer Service Staff		100
Sr. Claims/Customer Service Staff		60
Information Technology Staff		45
Sr. Information Technology Staff		17
Marketing/Sales Staff		37
Medical/Disease Management Staff		33
Sr. Medical/Disease Management Staff		10
Support Staff		41
Sr. Support Staff		15
Supervisor/Manager		10
Sr. Supervisor/Manager		7
<b>Job Number 2</b>		
Claims/Customer Service Staff		90
Information Technology Staff		7
Marketing/Sales Staff		40
Medical/Disease Management Staff		8
Support Staff		30

## **INTRODUCTION**

The Anthem Companies, Inc. (Anthem) is an independent licensee of the Blue Cross and Blue Shield Association (BCBSA) with multiple locations in California and in 13 other states ([www.anthem.com](http://www.anthem.com)). In California, the Company operates only as Anthem Blue Cross, and insurance carriers for Blue Shield are actually among its competitors. Anthem offers a spectrum of managed care plans including Preferred Provider Organizations, Health Maintenance Organizations, Point-of-Service and Blue Cross Covered California. Anthem offers these and other plans to large and small businesses, including a workers' compensation package; and, to individual consumers, including the growing "senior" market. The full product line includes traditional indemnity insurance; Medicare/MediCal Supplement; Flexible Spending Accounts; and hybrid or specialty coverage for dental/vision, behavioral health, and life/disability.

Anthem seeks funding to train 375 of its own employees, and 175 employees of its close affiliate The Anthem Companies of California, Inc. (Anthem of CA). Both Anthem and its affiliate are owned by the same parent, and operate from the same facility locations. Both companies offer the same product line, but Anthem of CA only handles sales, service and support in California. [Note: Anthem was formerly known as WellPoint, Inc. and held a successful ETP Agreement under that name in 2009. Anthem changed its name in 2014 to reflect that of its parent Anthem, Inc.]

Anthem underwrites all insurance products in its line, although some underwriting is partial in which case it acts more like a Third Party Administrator. As noted above, Anthem faces competition from Blue Shield licensees; it also competes for customers located outside of California. However, Anthem of CA only reaches a California customer base, and for this reason, its trainees will be funded under Special Employment Training (SET) in Job Number 2. It should be noted that the SET wage requirement is higher, as reflected in the Wage Range by Occupation Table. In other words, Job Number 2 has the same occupational titles as Job Number 1, but it only includes trainees with a higher wage rate based on seniority or advanced skills.

Anthem and Anthem of CA are co-located statewide. Training will take place at the following locations: Costa Mesa, Glendale, Los Angeles, Newbury Park, Rancho Cordova, San Diego, Thousand Oaks and Woodland Hills.

Anthem reports that health care reform has brought about fundamental changes to the industry. These changes include the transition from "paying for volume" to "paying for value" as well as growing trends in consumerism and public exchange. Health plan providers, delivery systems, and payers must adapt to new levels of consumer engagement in the evolving health care marketplace. Anthem will also be boosting its use of mobile applications, given the growing consumer bias in favor of Internet applications for sales/service.

## **PROJECT DETAILS**

Anthem has developed three strategic pillars that define its new business approach: 1) Provider Collaboration, 2) Managing Total Cost of Care, and 3) Customer Centricity. To support these pillars, the Company is making significant investments and launching key initiatives in the following areas:

- Adding new systems and changing processes to improve customer service
- Consolidating legacy system platforms to provide better information at a lower cost
- Focus on customer needs by making better use of data, innovation, and technology

Anthem is installing the following new Information Technology platforms:

- **Alegeus:** This is the new Consumer Directed Health platform for administering Anthem's Health Savings Account, Flexible Savings Account, Health Reimbursement Account, Transit Accounts and Direct Bill services. This platform will support Anthem.com and Anthem's mobile application. Employers will benefit by leveraging new capabilities to meet cost and coverage goals.
- **Pega Consumer Relationship Management:** This is a new enterprise Utilization Management (UM) call center system. This system will replace multiple disparate UM Intake Authorization systems and interfaces. It will continue to support requests/inquiries via phone and FAX for various functional areas. This system will eliminate toggling between systems to obtain information; enhance call traceability and call routing metrics, and eliminate manual processes.
- **Anthem Care Management Platform (ACMP):** This is a new medical management system designed to replace various legacy systems. ACMP will allow for dedicated inpatient and outpatient pre-certification reviews by the Company's clinical staff.

Other consolidation projects are taking place for Claims Processing, Customer Care Center and Billing. In addition, the Company is working to blend its hybrid and specialty insurance line with its managed care medical coverage line to serve the changing needs of customers.

### **Training Plan**

The proposed training is scheduled to begin during the first week of February 2016, at all locations. Training will be delivered by both in-house subject matter experts, and outside vendors to be identified during the contract term. The majority of training will be delivered in a traditional class/lab setting (some training may also be provided via E-learning/virtual classroom).

**Business Skills (15%):** Training will be offered to all occupations. This training will focus on communication, customer service and support, and project/risk management. Trainees will improve customer service and manage overall business processes more effectively.

**Commercial Skills (40%):** Training will be offered to all occupations. Training will consist of industry-specific topics such as claims processing/review, health care transformation, customer-centric business processes and health plan updates. Training will ensure that Anthem's frontline workers possess the requisite skills to develop and support the Company's products and services.

**Computer Skills (20%):** Training will be offered to all occupations. Training will help workers become more proficient at utilizing multiple computer applications (Alegeus, Pega, ACMP, etc.) to document, track, and report member data in various formats. This training will enable Anthem to improve its overall efficiencies through the use of new/consolidated systems.

**Continuous Improvement (25%):** Training will be offered to all occupations. Areas of emphasis will include change management, process reengineering and leadership skills. This training is designed to improve worker productivity by implementing process improvements throughout the organization.

## **Commitment to Training**

Anthem has an estimated training budget of \$2.5 million for its California facilities in 2016. This is for ongoing training in anti-harassment, new hire orientation, motivational interviewing, ethics, basic computer skills, performance management, career path skills, industry regulations, and personal development skills. Anthem also provides undergraduate degree training for associates through an online university at no cost to the employee.

Anthem represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### ➤ Training Infrastructure

Some 25 in-house trainers will utilize Anthem's Learning Management System (LMS) to schedule training, enroll trainees, track training/completion, and document all ETP-funded training. Other key staff will coordinate internal project administration. In addition, Anthem has retained an experienced third party administrator to ensure that all training adheres to ETP requirements.

## **Recordkeeping**

Staff has reviewed and approved the use of a LMS for recordkeeping.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **DEVELOPMENT SERVICES**

Training Funding Partners (TFP) in Fountain Valley assisted with development of this proposal for a flat fee of \$23,500.

## **ADMINISTRATIVE SERVICES**

TFP will also perform administrative services for a fee not to exceed 13% of payment earned.

## **TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab/E-Learning Hours**

8–200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Advanced Sales/Marketing
- Communication/Conflict Resolution
- Customer Service/Support
- Project Management
- Risk Management
- Technical Writing
- Train-the-Trainer

**COMMERCIAL SKILLS**

- Claims Processing/Review
- Clinical Care
- Customer Centric Business Process
- HealthCare Transformation
- ICD-10 Skills (International Classification of Disease)
- New Patient Enrollment
- New and Updated Health Plans
- New and Updated Specialty Plans

**COMPUTER SKILLS**

- ALEGEUS – Consumer Directed Health System
- Claims/Customer Care Center Platform Consolidation
- Commercial Genesys Multi-Channel System
- Intermediate/Advanced Microsoft Office
- Microsoft Project
- Oracle Revenue Management and Billing (RMB platform)
- SharePoint
- WGS System Skills (WellPoint Group System)
- STAR System Skills (System That Achieves Results)
- NASCO System Skills (National Account Service Company)
- Pega Customer Relationship Management System
- Anthem Care Management Platform Medical Management System

**CONTINUOUS IMPROVEMENT**

- Business Process Reengineering
- Change Management
- Leadership/Motivation
- Process/Performance Improvement
- Team Building/Managing a Team

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.