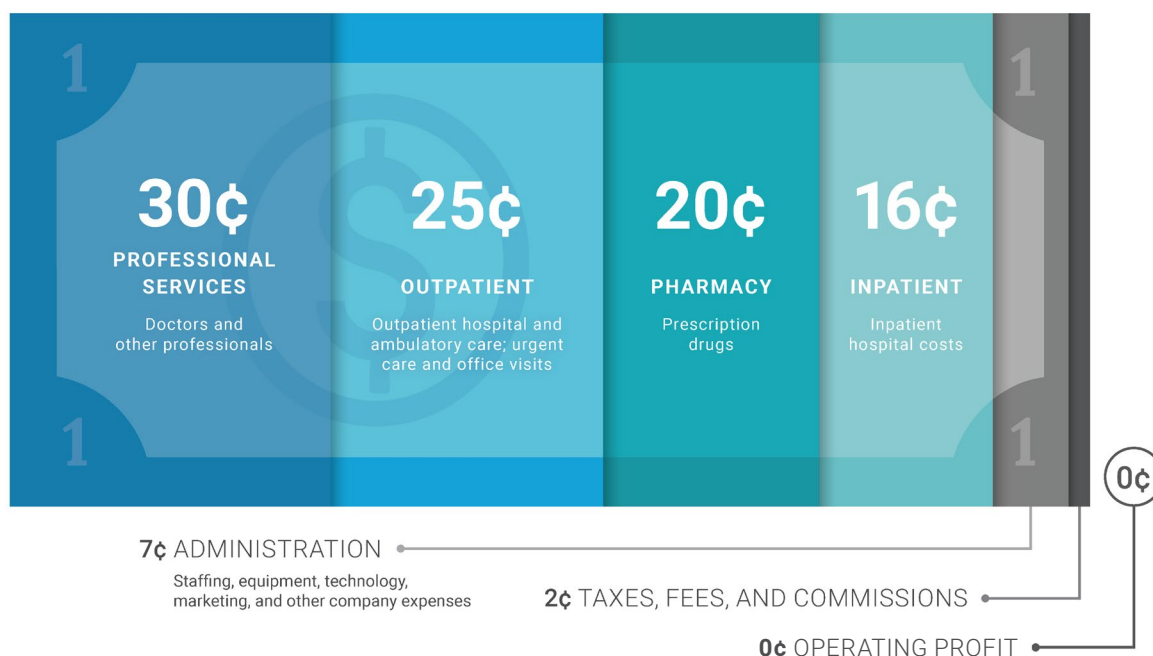


Making Every Dollar Count

At Premera Blue Cross, every decision starts with our members. As a not-for-profit health plan, we don't answer to shareholders. We reinvest every dollar into improving care, controlling costs, and strengthening the communities we serve. Healthcare is expensive, and we take seriously our responsibility to make each dollar work harder, ensuring access to quality care at a fair price.



HOW PREMERA PREMIUM DOLLARS ARE SPENT

For every dollar you spend toward your health insurance premium, 91 cents goes to medical care, including prescriptions, hospital visits, doctor appointments, labs, and more. The other 9 cents covers operating costs and taxes. That means 0 cents goes to profit.

HOW WE'RE LOWERING COSTS

At Premera, affordability is at the heart of everything we do. Costs rise because of drug pricing, workforce shortages, systemic waste, and not having access to affordable care. Here's how we're tackling each challenge.



High Drug Prices

The Challenge

Brand-name and specialty drugs are a top cost driver.

Our Approach

Promote safe, lower-cost alternatives like generics and biosimilars—**often 40% cheaper**, while delivering the same medical benefit. We also supply members with tools to spot savings.



Provider Shortages & Growing Demand

The Challenge

Primary care and mental health shortages make care harder to get and more expensive, while aging populations and increased demand drive further strain.

Our Approach

\$30 million invested to expand the primary care workforce in WA and AK. Partnerships with Kinwell primary care clinics in WA improve access and are expected to **reduce total costs by 4%**.



Systemic Waste

The Challenge

Up to 25% of healthcare spending is wasted on duplicative tests, low-value care, and red tape.

Our Approach

Cut waste by **preventing billing errors, fighting fraud**, and using **prior authorization** to avoid unnecessary or duplicative treatments.



Right Care, Right Time, Right Place

The Challenge

Affordability is the top reason people postpone care, leading to worse outcomes and higher costs down the line.

Our Approach

Provide one-on-one clinical support, connect members to Centers of Excellence providers that have proven results, and provide options to high-quality, lower-cost settings, such as ambulatory surgery centers. This **helps reduce costs while improving health outcomes**.

OUR COMMITMENT

For more than 90 years, Premera Blue Cross has reinvested every premium dollar into our members and communities. As a not-for-profit health plan, we remain committed to making healthcare work better; putting people, not profit, at the center.