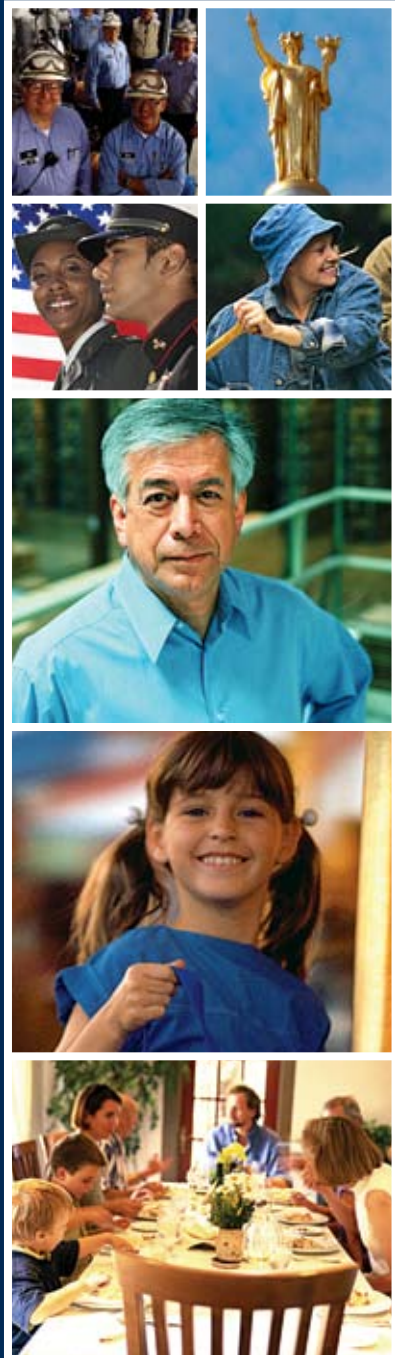




# CORPORATE OVERVIEW

**WPS**  
HEALTH INSURANCE®

# WPS



## *FORWARD*

Wisconsin's state motto, adopted in 1851, reflects the state's progressive thinking, innovative spirit, and drive for excellence.

Throughout more than six decades serving Wisconsin's businesses and residents, WPS Health Insurance has consistently mirrored these qualities and values. One of the state's largest not-for-profit insurance companies, WPS is uniquely qualified to respond to the ever-changing needs of our friends and neighbors right here in Wisconsin.

Many things have changed during the past sixty-plus years — in our state, and at WPS as well. But one thing has stayed the same: our commitment to provide affordable, comprehensive health benefits for Wisconsinites, and to back it up with the personalized member service that is our hallmark.

WPS has been part of our state's rich history and tradition since 1946... and we're here to stay. We look forward to serving you.

THE WPS HEALTH INSURANCE STORY

# SINCE 1946

## RIGHT HERE FOR YOU.

WPS Health Insurance has deep Wisconsin roots grounded in events that transformed health care practices in our country. The Great Depression of the 1930s exposed the financial vulnerability of health care providers throughout the state and nation, encouraging them to turn to health insurance as a solution.

Responding to these concerns, Wisconsin legislators authorized the State Medical Society to establish not-for-profit health insurance plans. In 1946, the Medical Society established Wisconsin Physicians Service (WPS) to market and administer an insurance product known then as the Wisconsin Plan. The plan collected low monthly premiums and reflected the State Medical Society's conviction that Wisconsin residents should have meaningful choices in health care providers.

More than sixty years later, we're still not-for-profit and still call Wisconsin home. We make decisions based on what's right for the businesses and residents of our state, not for Wall Street analysts or large shareholders, and we are not controlled by any physician group or health care provider. So our mission is simple — to be right here for you.

### WPS TODAY

*One of the state's largest health insurers, WPS serves more than a quarter million members in Wisconsin. The WPS Medicare division administers Medicare Part A and B benefits for nearly 10 million seniors throughout the nation, and the WPS TRICARE division serves more than 4.5 million members of the U.S. military and their families worldwide. In addition, our subsidiary, The EPIC Life Insurance Company, insures more than 76,000 group members.*

**1946:** In its first year of operation, WPS has 9 employees.

**1947:** Total WPS enrollment tops 1,000.

**1950:** WPS moves its corporate headquarters from Milwaukee to Madison.



Soldiers returning from World War II nearly triple University of Wisconsin enrollment in 1946 from the previous year's total.



Wisconsin's first television station begins broadcasting in 1947. Television soon becomes an important part of everyday life throughout the state.

# SINCE 1946

## RESPONDING TO THE NEEDS OF OUR CUSTOMERS.

### WPS TODAY

*WPS offers a full complement of consumer-driven health plans designed to help control costs. Individuals have greater say in the care they receive and gain a financial stake in cost-benefit decision-making. Our plans also encourage appropriate health care utilization and healthier lifestyles. We back this up with the services and decision support tools necessary for success.*

When our customers talk, we listen. For more than six decades, employers and individuals throughout the state have told us what they need in health insurance coverage — and what they want in terms of flexibility, choice, and service. And we've listened, responding with health plan options tailored for the local marketplace.

We understand the business landscape of Wisconsin because we're part of it, and our years of experience have taught us that one size does not fit all when it comes to health insurance. We go to great lengths to ensure that our entire portfolio of group health offerings — from traditional PPO plans to innovative consumer-driven options to self-funded administration — address the unique needs and financial requirements of Wisconsin employers.

### FINDING THE PROPER FIT FOR EMPLOYERS.

Our strong, long-time relationships with health care providers throughout the state enable us to create networks that match employees' need for provider access with employers' need to

**1952:** WPS installs its first computer equipment to process claims and perform statistical functions.

**1956:** U.S. Department of Defense names WPS as Wisconsin administrator of Military Medicare, later known as CHAMPUS and now TRICARE.

**1957:** WPS establishes a sales force, signing its first agency contract.



Pitcher Warren Spahn and Milwaukee Brave teammates begin playing at County Stadium in 1953.



The badger is named as the official state animal in 1957.



control costs. Since the needs of businesses and other groups vary greatly, WPS offers a broad array of network options, from regional networks to statewide coverage and beyond.

Our attention to proper fit doesn't stop with health benefit and network design. Carefully chosen specialty products — dental, life, and disability — complement core WPS group health offerings, providing one-stop shopping and efficient billing.

## SERVING MILLIONS OF MILITARY FAMILIES AND SENIORS.

WPS administers health benefits with a level of efficiency and cost-effectiveness that has led to major, long-standing contracts with the federal government. The health benefits of two key constituencies — U.S. military families and Medicare beneficiaries — have been entrusted to WPS. The WPS TRICARE division provides claims administration, customer service, and other related activities for the U.S. Department of Defense, serving more than 4.5 million people worldwide. We administer Medicare Part A benefits

in 49 states and Medicare Part B benefits in eight states, making our company one of the largest fiscal intermediaries for the Centers for Medicare & Medicaid Services (CMS), the world's largest health care financing entity. With recent developments and additions to our Medicare line of business, we anticipate processing 157 million claims a year with benefit payments of nearly \$50 billion. Both our TRICARE and Medicare divisions recently received ISO 9000-2001 certification in recognition of their adherence to international standards of quality management.

## OFFERING HEALTH PLANS FOR EVERY STAGE OF LIFE.

When WPS was founded in 1946, the focus was on providing affordable health insurance for families and individuals. True to that mission, WPS offers health plans designed to meet Wisconsinites' changing needs, from college graduation through retirement. Individual plan offerings include Medicare supplement plans, Medicare prescription drug coverage, traditional and temporary plans, and consumer-driven HSA-qualified plans.

**1962:** WPS opens an office in Milwaukee. Three years later, WPS expands its statewide presence by opening an office in Wausau.

**1966:** The federal Medicare program is implemented, and WPS wins its first Medicare contract to administer Part B in Wisconsin.



Wisconsin's first expressway, a seven-mile stretch of Interstate Highway 94, is dedicated in Waukesha County on September 4, 1958.



Home of the Green Bay Packers since 1957, City Stadium is renamed Lambeau Field in 1965.

# SINCE 1946

## GOING THE EXTRA MILE FOR MEMBERS.

### WPS TODAY

*The WPS Web site ([www.wpsic.com](http://www.wpsic.com)) helps members make better, more cost-effective health care decisions, providing instant access to a comprehensive suite of tools and information. Members can research health questions using an accredited online health encyclopedia, learn how to choose the most appropriate care, and even look up quality and safety data for health care facilities in their area.*

Service has always been an important part of our mission. In today's increasingly complicated world, that commitment to serving our members is more important than ever. That's why WPS offers a comprehensive range of support services and tools designed to remove the "hassle factor" from the delivery of health care benefits, helping our members get what they need when they need it.

We believe that using health insurance should be a seamless experience — from presenting your card to a provider, to receiving necessary care or prescription drugs, to having your claims processed promptly and accurately. WPS goes the extra mile to make that happen.

**1966:** WPS begins providing Medicare supplement coverage with rollout of the Medicare-PLUS plan.

**1970:** Installation of line-on-computer terminals permits faster processing of members' claims.

**1973:** WPS implements Health Services Review operations to review and monitor utilization of health care services.



The Green Bay Packers win Super Bowl I in January 1967 under Coach Vince Lombardi. Fans pay \$10 per ticket to watch the game, played at Los Angeles Memorial Coliseum.



In 1971, Wisconsin takes a lead role in protecting the environment, becoming the first state in the country to ban the use of DDT, a pesticide that had severely reduced eagle populations.



## EFFICIENCY WITH A HUMAN TOUCH.

All WPS health plans are supported by state-of-the-art technology and highly trained staff. When members call WPS, they reach people who care — and they reach them quickly, with an average 25-second speed of answer.<sup>1</sup> A call abandonment rate of only 1.5 percent<sup>2</sup> also outperforms industry standards, demonstrating our commitment to provide easy access to friendly and knowledgeable WPS representatives.

Our experienced Member Service representatives assist thousands of callers a day, handling a wide range of questions with a caring and personal approach. Whether your employees are calling to inquire about benefits or to check the status of a claim, they'll receive prompt and professional answers.

Formal, on-going evaluation ensures that Member Services representatives exceed expectations when assisting members. Quality monitoring is conducted through an advanced recording platform, which also can be used to spot trends or identify customers' needs.

## CLAIMS PROCESSING THAT SAVES TIME AND MONEY.

Our sophisticated claims processing system enables providers to file more than 90 percent<sup>3</sup> of claims electronically. Consequently, most claims are processed automatically, enhancing cost-effectiveness and accuracy. This streamlined process helps hold down costs. It also makes the WPS ID card a welcome sight at providers and pharmacies across the state.

Timely and accurate claims processing also means that once they have met their financial responsibility, your employees will rarely receive bills in the mail for health care services they've received. No bill means no hassle — and satisfied employees.

Our extensive claims processing experience and advanced infrastructure also assure efficient, cost-effective administration of self-funded plans. A claim accuracy rate of 99.8 percent<sup>4</sup> demonstrates our careful stewardship of employers' money.

<sup>1</sup> Internal WPS audit, 2007

<sup>2</sup> Internal WPS audit, 2007

<sup>3</sup> Post-payment audit conducted by Corporate Audit Service, 2007

<sup>4</sup> Post-payment audit conducted by Corporate Audit Service, 2007

**1977:** WPS installs an IBM 370/148 CPU with a 2-megabyte memory, increasing computer capacity fourfold.

**1979:** WPS develops and implements a paperless claims processing system for the Medicare program.

**1984:** To administer life and disability insurance, WPS creates the EPIC Life Insurance Company.



Seymour Cray of Chippewa Falls introduces the world's first supercomputer in 1976, boasting an 8-megabyte main memory and price tag of \$8.8 million.



Wisconsin native Eric Heiden wins five gold medals in speed-skating at the 1980 Winter Olympics held in Lake Placid, New York.

# SINCE 1946

## SUPPORTING THE BEST CARE AT AN AFFORDABLE COST.

### *WPS TODAY*

*WPS continues to explore ways to cut paperwork and control costs using integrated systems and technology. Providers can now make online preauthorizations for outpatient procedures using a new Web-based tool developed by WPS. This innovative use of technology dramatically streamlines the process from several days to mere minutes — saving both time and money and improving member satisfaction.*

WPS was founded by physicians committed to providing affordable, compassionate care. Today, the WPS Medical Affairs staff continues that mission, working closely with providers to help members access high-quality, efficient, and appropriate health care.

Our extensive provider networks cover the state, encompassing more than 15,400 health care professionals, more than 150 hospitals, and an extensive array of clinics and specialty care centers. Since WPS network options can be highly customized, we're able to cost-effectively connect employees and individual policyholders with the providers they need and want to see.

We work closely with these providers to find innovative ways to further contain costs and improve patient care, from reducing administrative overhead to streamlining the delivery of services.

**1985:** WPS Board of Directors terminates affiliation between WPS and the Blue Cross and Blue Shield Association.

**1986:** Named in honor of its first president, WPS establishes the Ray Koenig Charitable Foundation.

**1990:** WPS receives a \$20 million U.S. Department of Defense contract which results in 500 new jobs.

Wisconsin legislators officially dub milk as the official state beverage in 1987, honoring the dairy industry's important role in the state's economy and culture.





## COMPASSION THAT WORKS.

WPS offers a suite of health care support services designed to optimize the health of members and drive down overall costs. Our programs address all states of health, from catastrophic illness to health and wellness.

Our URAC-accredited utilization management program monitors patient care to ensure consumers receive appropriate services. WPS case management nurses act as patient advocates, working with patients, families, and providers to personalize care plans for members with complex, long-term, or catastrophic health conditions. We also use predictive modeling software to identify members who will benefit from disease management services. Early identification allows nurses and physicians on our health care support team to monitor and coordinate the care of high-risk members, resulting in improved outcomes and reduced costs.



## PROMOTING HEALTHY LIFESTYLES AND A HEALTHY BOTTOM LINE.

WPS is committed to providing members with the tools they need to achieve good health and maintain healthy lifestyles. That means fewer sick days, improved productivity, reduced health plan expenses and, most important, a higher quality of life for employees. Members enrolled in our comprehensive wellness program\* can receive additional coaching, education, and support to help them develop and maintain healthy habits. At the same time, our wellness program helps employers contain long-term health care costs and build a healthier, more productive workforce. In addition, all members have access to comprehensive wellness resources, available on the WPS Web site.

\*Available to 100+ groups

**1992:** WPS introduces health care support services featuring utilization and individual case management designed to improve outcomes and control costs.

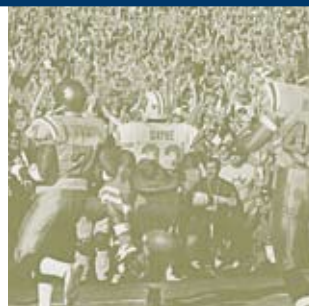
**1996:** WPS partners with Delta Dental Plan of Wisconsin to offer a full range of group dental products.

**1998:** WPS takes on Medicare Part B administration for Michigan and Illinois.

The Wisconsin Heritage Tourism Program is established in 1990 to increase awareness and help local areas develop and promote their historical resources.



University of Wisconsin initiates email accounts for students in 1993.



UW Badgers are 1998 Big Ten football champions and upset UCLA to win the Rose Bowl 38-31.

# SINCE 1946

## COMMITTED TO THE COMMUNITIES WE SERVE.

### WPS COMMUNITY PARTNERS

<i>Alzheimer's Association</i>	<i>Ray Koenig Charitable Foundation of WPS, Inc.</i>
<i>American Cancer Society</i>	<i>The Salvation Army</i>
<i>American Diabetes Association</i>	<i>Urban League</i>
<i>American Heart Association</i>	<i>VSA arts of Wisconsin</i>
<i>American Red Cross</i>	<i>Wausau Health Foundation</i>
<i>Aspirus Hospice</i>	<i>Wisconsin Historical Foundation</i>
<i>Centro Hispano</i>	<i>Wisconsin Medical Society Foundation</i>
<i>HospiceCare Foundation, Inc.</i>	<i>Wisconsin Public Television</i>
<i>Komen Madison Race for the Cure</i>	<i>Wisconsin Safety Patrol</i>
<i>Juvenile Diabetes Research Foundation</i>	<i>Wisconsin Women's Health Foundation, Inc.</i>
<i>March of Dimes</i>	<i>WisconsinEye Public Affairs Network</i>
<i>MATC Foundation</i>	
<i>Project Lead The Way</i>	

WPS is committed to taking an active role in promoting the health and well-being of the communities our customers and employees call home. We support organizations throughout the state through a variety of long-standing partnerships, some going back decades. Community partners include the Wausau Health Foundation, VSA arts of Wisconsin, the Juvenile Diabetes Research Foundation, and many others.

WPS employees embrace opportunities to support charities by participating in fundraising drives; it's not uncommon to see a team of exuberant "WPSers" walking or running for a good cause. In fact, for four consecutive years (2003-2007), we have received the 1st Place Corporate Team Award at the Komen Madison Race for the Cure in honor of our high employee turn-out at this annual event. In addition, WPS employees frequently show their compassion for those in need through payroll deductions to the United Way, supporting the good work of countless groups throughout the state.

In these, and many other ways, WPS demonstrates a deep sense of corporate stewardship, actively collaborating with community partners who share our forward-thinking vision and commitment to serving people here in Wisconsin.

**2001:** WPS begins processing claims for the new Department of Defense TRICARE for Life program.

**2006:** WPS enrolls more than 40,000 Wisconsin seniors in its Medicare prescription drug plan as part of the new Medicare Part D program.

**2008:** WPS begins administering Medicare Part A in 49 states, making WPS one of the largest fiscal intermediaries for CMS, the world's largest health care financing entity.



The Wisconsin State Capitol is named a National Historic Landmark in 2001, following a major restoration project. It features the only granite dome in the U.S. and is the largest by volume.



Cyclist Lance Armstrong wins his seventh Tour de France road race in 2005 riding a Wisconsin-built bicycle.



## STRENGTH AND STABILITY CLOSE TO HOME.

Today, the health insurance industry is in a state of rapid transformation. Mergers and acquisitions dominate the headlines as national insurance companies scramble to grow ever larger in pursuit of improved quarterly earnings.

Amid this whirlwind of change, WPS stands more than 60 years strong. Still not-for-profit. Still focused on the values of "Main Street."

And still committed to our original mission of serving the people of Wisconsin.

Everything we offer customers, from benefit designs, to provider networks, to member services, ascends from this heritage as a Wisconsin-based health insurance company.

We invite you to learn how the strength and experience of WPS Health Insurance can be put to work for you.

For more information, please call us toll-free at 1-866-297-4977, visit [www.wpsic.com](http://www.wpsic.com), or contact your local agent.

**WPS**  
HEALTH INSURANCE®

## WPS MISSION STATEMENT

To provide health and life insurance  
and benefit plan administration  
to private and government customers  
with service and value considered by  
our customers to be the very best.



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