

ANTHEM INC  
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**November 2003**

**SM**

**Investor Presentation**

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**SAFE HARBOR STATEMENT UNDER THE PRIVATE  
SECURITIES LITIGATION REFORM ACT OF 1995**

*This presentation contains certain forward-looking information about Anthem, Inc. ( Anthem ), WellPoint Health Networks Inc. ( WellPoint ) and the combined company after completion of the transactions that are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, financial projections and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. Such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of Anthem and WellPoint, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include: those discussed and identified in public filings with the U.S. Securities and Exchange Commission ( SEC ) made by Anthem and WellPoint; trends in health care costs and utilization rates; our ability to secure sufficient premium rate increases; competitor pricing below market trends of increasing costs; increased government regulation of health benefits and managed care; significant acquisitions or divestitures by major competitors; introduction and utilization of new prescription drugs and technology; a downgrade in our financial strength ratings; litigation targeted at health benefits companies; our ability to contract with providers consistent with past practice; our ability to consummate Anthem's merger with WellPoint, to achieve expected synergies and operating efficiencies in the merger within the expected time-frames or at all and to successfully integrate our operations; such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the transaction; the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; our ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction and the value of the transaction consideration; future bio-terrorist activity or other potential public health epidemics; and general economic downturns. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Neither Anthem nor WellPoint undertakes any obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers are also urged to carefully review and consider the various disclosures in Anthem's and WellPoint's various SEC reports, including but not limited to Annual Reports on Form 10-K for the year ended December 31, 2002 and Quarterly Reports on Form 10-Q for the reporting periods of 2003.*

## ADDITIONAL INFORMATION AND WHERE TO FIND IT

*This presentation may be deemed to be solicitation material in respect of the proposed merger of Anthem and WellPoint. In connection with the proposed transaction, a registration statement on Form S-4 will be filed with the SEC. SHAREHOLDERS OF ANTHEM AND STOCKHOLDERS OF WELLPOINT ARE ENCOURAGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE JOINT PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. The final joint proxy statement / prospectus will be mailed to shareholders of Anthem and stockholders of WellPoint. Investors and security holders will be able to obtain the documents free of charge at the SEC's web site, [www.sec.gov](http://www.sec.gov), from Anthem Investor Relations at 120 Monument Circle, Indianapolis, IN 46204-4903, or from WellPoint Investor Relations at 1 WellPoint Way, Thousand Oaks, CA 91362.*

## PARTICIPANTS IN SOLICITATION

*Anthem, WellPoint and their directors and executive officers and other members of their management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Anthem's Current Report on Form 8-K, which was filed with the SEC on October 27, 2003, contains information regarding Anthem's participants and their interests in the solicitation. Information concerning WellPoint's participants is set forth in the proxy statement, dated March 31, 2003, for Wellpoint's 2003 annual meeting of stockholders as filed with the SEC on Schedule 14A. Additional information regarding the interests of Anthem's and WellPoint's participants in the solicitation of proxies in respect of the proposed transaction will be included in the registration statement and joint proxy statement/prospectus filed with the SEC.*

**Anthem Profile**

**WellPoint Profile**

**Merger Summary**

**Agenda**

**Nevada**

**Colorado**

**Ohio**

**Indiana**

**Connecticut**

**New Hampshire**

**Maine**

**Anthem Profile**

**Full range of healthcare and  
specialty products**

**Fastest growing public  
healthcare company**

**11.8 million medical members**

**Regional business model**

**National capabilities**

**BCBS licenses in 9 states**

**#1 market share in 8 of 9 states**

**Anthem**

**BCBS Coverage**

**Executing a Simple Strategy**

**Customers Are First**

**Regional Model**

**Disciplined Focus**

**Drivers to Success**

**Grow Profitable Enrollment**

**Reduce Administrative Costs**

**Optimize the Cost of  
Healthcare, While Improving  
the Health of Our Members**

**Provide Distinctive  
Service**

**Strong Cash Management**

**Profitable Enrollment Growth**

**Medical Membership**

8

7

11

2000

2001

2002

2003(E)

(millions)

+7-8%

**3Q03 = 11.8 million**

**3Q03 vs 3Q02 Growth by  
Customer Segment**

6%

1%

17%

Sm.  
Group

Gov t

Indiv.

Nat l

2%

12%

Lg.  
Group

**National Accounts**

**Gaining Strength in the Market Place**

**Strong retention of existing accounts**

**24 new account wins for 2004**

**Value Proposition**

**Blue Cross Blue Shield Brand**

**Access to BlueCard networks nationwide**

**Demonstrated evidence of provider discounts  
(ClaimsQuest)**

**Interactive Realtime Information System (IRIS)**

**Dedicated Business Unit Model**



**Specialty Product Opportunities**

**Cross Selling to Existing Customers**

**Membership (mm)**

**Pharmacy**

**5.3**

**Dental**

**2.4**

**Life**

**0.9**

**Behavioral Health**

**3.2**

**Vision**

**0.4**

**New Specialty Products**

**Specialty membership as of September 30, 2003**

**Total Benefit Solutions for Customers**

**24.2%**

**21.2%**

**19.6%**

**19.3%**

**1999**

**2000**

**2001**

**2002**

**Systems  
consolidation**

**Shared service  
platform**

**Investments in  
technology**

**Process  
improvements**

**Administrative Expense Discipline**

**Strategies For  
Improvement**

**1998**

**26.3%**

**3Q03 = 18.7%**

**Asthma**

**Diabetes**

**Coronary disease**

**Heart failure**

**High risk pregnancy**

**Renal disease**

**Quality Care Through Physician Collaboration**

**Diabetes**

**Coronary Disease**

**General Population**

**Program Members**

**PMPM Cost Savings**

**Optimize the Cost of Care**

**Disease Management  
Programs**

**Priorities for Cash Flow**

- 1. Invest in businesses**
- 2. Acquisitions**
- 3. Share repurchase**
- 4. Debt reduction**

**Net Income**

**Cash Flow**

**Operating Cash Flow**

**(\$ in millions)**

**2000**

**2001**

**2002**

**\$226**

**\$685**

**\$342**

**\$655**

**\$549**

**\$991**

**Strong Cash Management**

**Long Term Earnings Growth**

**Profitable  
Membership  
Growth**

**Continuous  
Administrative  
Expense Ratio  
Improvement**

**Stable Benefit  
Expense Ratio**

**Enrollment growth  
in every region**

**Expand  
market share**

**Specialty  
penetration**

**Systems  
consolidation**

**Contain costs in  
non-customer  
touch point areas**

**Disciplined  
underwriting and  
pricing**

**Medical  
management  
initiatives**

**15% + Earnings Growth Model**

(\$ in billions)

**Operating Revenue**

**Diluted EPS**

**Strong Financial Momentum**

**\$5.30-\$5.35**

**\$4.51**

**\$3.30**

**\$2.18**

**2001**

**2002**

**2003(E)**

**2000**

**3Q03 = \$1.38**

**\$10.1**

**\$13.0**

**~\$16.5**

**\$8.5**

**2001**

**2002**

**2003(E)**

**2000**

**3Q03 = \$4.2 billion**

**Anthem Profile**

**WellPoint Profile**

**Merger Summary**

**Agenda**

**This presentation contains non-GAAP financial measures, as defined in the rules of the Securities and Exchange Commission. As required by the rules, a reconciliation of those measures to the most directly comparable GAAP measures is available at the WellPoint website, which can be found at [www.wellpoint.com](http://www.wellpoint.com)**

**WellPoint Profile**

**Non-Blue**

**Brands**

**Second largest health plan in U.S.**

**Broad range of medical and specialty products**

**Organized by customer segment with a diverse customer base**

**Regional geographic focus**

**One Company, multiple brands**



**CHOICE = VALUE**

**Pharmacy**

**Dental**

**Behavioral Health**

**Life/Long Term Care**

**Disability**

**Medical Management**

**Network Access**

**Broad Product Choice**

**Market Segment**

**Size**

**Individual**

**1**

**Senior**

**1**

**Small Group**

**2 50**

**Key Accounts**

**51 250**

**Major Accounts**

**251 2,000**

**Special Accounts**

**2,001+**

**Public Entities\***

**varies**

**State Sponsored Programs\*\***

**varies**

**Organized by  
Customer Segment . . .**

**\* Employees of schools, municipalities, Federal Employees Program**

**\*\* Beneficiaries of Medicaid, State Children Health Insurance Program and similar programs**

**to better understand and meet the  
unique needs of these customers**

**Diverse Customer Base**

***September 30, 2003 Enrollment***

**461,000 Seniors**

**1,471,000**

**Individual**

**1,396,000 Small Group**

**4,132,000 Large Group Insured**

**5,020,000 Large Group ASO\***

**713,000 Other State  
Sponsored Programs**

**840,000**

**Medi-Cal**

**\* Includes 1.4 million network access members**

**Regional Concentration**

**Health care is locally delivered**

**and locally consumed**

**Better network leverage**

**Greater actuarial precision**

**More efficient marketing/operations**

UNICARE regions

HealthLink states (also includes  
Missouri, Indiana & Illinois)

Blue Cross license service areas

**Membership Growth**

**10,528**

**2,797**

**4,485**

**6,638**

**6,892**

**7,515**

**8,201**

**California**

**Membership**

**Growth:**

**17%**

**7%**

**15%**

**8%**

**27%**

**6%**

**7%**

**Total Medical Membership**

**(in thousands)**

**13,223**

**11%**

**14,033**

**3%\***

**\*Reflects growth from September 30, 2002**

***Top Ten Health Plans\****

**1995**

*Source: Bear Stearns, Centers for Medicare & Medicaid Services, Office of Actuary, U.S. Census Bureau, and SEC filings of  
publicly traded companies*

**Total Insured 223.7 Million**

**Top 10 = 61.1 Million**

**Top 10 = 100.4 Million**

**2003\***

**Total Insured 245.4 Million**

***Medical Members***

***Medical Members***

\* Top 10 Health Plans as of 6/30/03: UNH, WLP, AET,CI, ATH, Kaiser Foundation, Health Care Services Corp., HUM, HNT, WC

**Big Plans Will Get Larger**

**Fragmented Industry**

*Many smaller, regional players in key geographies*

*Georgia*

*Missouri*

*Texas*

*Illinois*

**Alameda Alliance for Health**

**Care 1<sup>st</sup> Health Plan**

**Chinese Community Health Plan**

**Community Health Group**

**Community Health Plan**

**Contra Costa Health Plan**

**Health Plan of San Joaquin**

**Inland Empire Health Plan**

**Interplan Corp**

**One Health Plan of CA**

**Primecare Medical Network**

**ProMed Health Care Administrators**

**Safeguard Health Plans**

**San Francisco Health Plan**

**Santa Clara Family Health Plan**

**Scripps Clinic Health Plan**

**Sharp Health Plan**

**Sistemas Medicos Nacionales**

**Universal Care**

**Western Health Advantage**

**Athens Area Health Plan**

**Columbus Physician Organization**

**Healthcare, Inc.**

**HealthOne**

**Medical Resource Network**

**One Health Plan of GA**

**Phoebe Health Partners, Inc.**

**Represents more than 18 million lives in these states**

*California*

**Harmony Health Plan of Ill.**

**Health Alliance Medical Plans, Inc.**

**Health Marketing, Inc.**

**Healthcare's Finest Network**

**One Health Plan of Ill., Inc.**

**OSF HealthPlans, Inc.**

**Quincy Health Care Management**

**RCare PPO**

**Rockford Health Plans**

**The Preferred Plan, Inc.**

**Trinity PHO, Ltd.**

**Union Health Service, Inc.**

**Community Care Plus**

**Community Health Plan**

**Cox Health System, Inc.**

**Family Health Partners**



**FirstGuard Health Plan**

**Group Health Plan**

**Health Care USA, Missouri, LLC**

**Mercy Health Plans of Mo. Inc.**

**One Health Plan of  
Kansas/Missouri, Inc.**

**Access Direct-A preferred Provider Network**

**Advantage Care Network, Inc.**

**Alliance Regional Health Network**

**Brazos Valley Health Network**

**Galaxy Health Network**

**IntegraHome**

**Preferred Care**

**ProAmerica**

**SETON Healthcare Network**

**TexCare Partnership**

**The MEGS Life & Health Ins. Co.**

**USA Managed Care Organization**

*Sources: InterStudy PPO Directory and Performance Report 3.0;*

*The InterStudy Competitive Edge, Part I: HMO Directory, July 1, 2002*

*Source: NIHCM Foundation, 2002, RWJF-sponsored project. Based on 2001 data.*

## **Uninsured Opportunity**

**14 million**

**9 million**

**18 million**

**Eligible for public  
programs but not  
enrolled**

**Earn <100% FPL**

**Low income, not eligible  
for public programs**

**Earn 100-199% FPL**

**Moderate to high income**

**11.4 million earn >300%  
FPL**

**6.4 million earn  
200-299% FPL**

**Uninsured**

**Existing Medicaid  
and SCHIP  
Programs**

**Expanded  
government  
programs ?**

**Existing  
commercial  
programs**

**Potential Solutions**

**Enrollment programs**

**Education**

**Community outreach**

**Demonstrate value**

**Potential tax subsidies**

**Increased State  
funding ?**

**Federal assistance?**

**Agent support**

**Community**

**programs**

**Media relations**

**Partnership**

**activities**

**Example: HealthyCheck Program in California**

**Experience higher incidence of preventable and  
manageable chronic diseases**

**Limited access to health care services**

**Affordable and convenient preventive health screenings**

**Partner with hospitals**

**Ethnic Outreach Programs**

**WellPoint**

**Membership**

**Asthma**

**Congestive**

**Heart Failure**

**ESRD**

**Diabetes**

**Depression**

**Oncology**

**High risk  
pregnancy**

**Etc.**

**20%**

**80%**

**Members with**

**chronic conditions**

**WellPoint**

**Membership**

**WellPoint**

**Medical Costs**

**8%**

**24%**

**68%**

**7%**

**23%**

**70%**

**Targeted Medical Management**

**Cost Variations**

September 19, 2000

**The operation you get often depends  
on where you live.**

**Total Abdominal**

**Hysterectomy**

**Cholecystectomy**

**Total Knee**

**Replacement**

**CA Hospital A**

**\$25,100**

**\$27,000**

**\$ 28,700**

**CA Hospital B**

**\$ 2,200**

**\$ 1,700**

**\$**

**3,000**

**GA Hospital A**

**\$11,400**

**\$12,500**

**\$ 21,100**

**GA Hospital B**

**\$ 2,800**

**\$ 2,800**

\$

8,700

**MO Hospital A**

\$26,200

\$18,200

\$119,400

**MO Hospital B**

\$ 3,100

\$ 9,600

\$ 24,900

**TX Hospital A**

\$37,700

\$18,600

\$ 41,000

**TX Hospital B**

\$14,700

\$ 2,100

\$ 24,700



**Constraints on physician time and resources do not allow for the in-depth counseling and assistance necessary for the effective treatment of chronic illnesses**

**RN Directed**

**RN gives didactic telephonic education without assessing member motivation or underlying barriers to change**

**Multi Disciplinary**

**Health Coaching**

**Health Coaching is a multi-disciplinary, facilitative approach to enhance members ability to self-manage conditions**

**Physician Centric**

**Health Coaching Model**

**Fourth largest PBM with approximately 31 million members**

**Offers full spectrum of PBM services**

**WellPoint Pharmacy Management**

**Provide innovative programs to manage drug trend**

**Clinical programs are outcomes-focused and patient-centric**

**Clinical / Medical Management**

**Clinical Business Plan    Intervention Programs**

**Therapy Management    Disease Management**