



Horizon Blue Cross Blue Shield of New Jersey

Making Healthcare Work®

Horizon Blue Cross Blue Shield of New Jersey Newark, New Jersey

VICE PRESIDENT, SPECIALTY PRODUCTS AND SERVICES Position Description

March 2014

Prepared by:
Ryan Hubbs
Michael Meyer



Meyer Consulting
www.meyerconsultinginc.com
5900 North Granite Reef Road
Suite 100
Scottsdale, AZ 85250
347.284.0160
horizonspecialty@meyerconsultinginc.com

Table of Contents

	<i>Page</i>
I. Horizon BCBSNJ Overview	3
<ul style="list-style-type: none">• Organizational Summary• Market Business Units Overview	
II. Position Summary	5
III. Duties and Responsibilities	6
IV. Candidate Qualifications	7
V. Procedure for Candidacy	8
 Appendix A: Additional Organizational Information	 9
<ul style="list-style-type: none">• Promise and Vision Statements• Horizon BCBSNJ History• Key Milestones• Community Description	

I. HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY OVERVIEW

Organizational Summary

Horizon Blue Cross Blue Shield of New Jersey (Horizon BCBSNJ) is New Jersey's leading health insurance provider, serving approximately 3.8 million members and holding a 49% share of the market. It is one of the top five Blue Cross Blue Shield organizations in the country. Horizon BCBSNJ is a not-for-profit company and a licensee of the Blue Cross and Blue Shield Association. Horizon BCBSNJ has annual revenues of \$11 billion and nearly 5,000 employees. The Company offers a full variety of Medical plans as well as an emerging suite of Specialty products, including dental, vision and behavioral health coverage and manages workers' compensation claims. Horizon BCBSNJ is led by Chairman, President and CEO, Robert A. Marino.

Horizon BCBSNJ continually seeks to improve quality, control cost, and implement forward-thinking healthcare solutions. In recent years, the Company has moved to take a leadership position in NJ to develop new and innovative models/partnerships with providers for patient care, population health, accountable care and value-based contracting.

Market Business Units Overview

The Company's sales, account management and marketing activities are managed by the Market Business Units (MBU), a Division run by the Senior Vice President, MBU. The Company's business covers all consumer and commercial market segments, including large (500 or more members), midsize (51-499), small (2-50), and Taft-Hartley Health & Welfare groups, Federal employees, State of New Jersey and local public employees and commercial and consumer policyholders. The lines of business are organized by several distinct market business units (Divisions) to ensure the Company maintains an appropriate focus on meeting the specific needs of the markets it serves.

The Company's market business units include: Commercial and Major Accounts; Consumer and Small Group; State Health Benefits Program. Dental Business and Horizon Casualty Services are currently managed by leadership from the Commercial and Major Account division, but will migrate to the Specialty Products and Services division in 2015. These markets are supported by a Marketing and Product Development Division which provides advertising, product development and marketing strategy to the markets and the Enterprise. Additionally, there is a Chief Underwriting, Forecasting, Broker Administration Division reporting into the SVP of the MBU. Division specific information is provided below:

(A.) The Commercial & Major Accounts Division sells and manages customer relationships and provides products and services in the following market segments:

- Commercial (Midsize Groups 101-499)
- Jumbo (500+)
- Public Sector (non-SHBP)
- Taft-Hartley Trust (Labor) funds
- National Accounts

(B.) The State Health Benefits Program (SHBP) Division is responsible for one of the largest public sector group health plans in the country. In 2007, the SHBP was separated into two programs which cover the following:

State Health Benefits Program (SHBP)

- All New Jersey State active workers, employees of state colleges and universities, and retirees, as well as their eligible dependents, and local government groups that elect to participate in the SHBP and, to the extent the employer so decides, retirees and eligible dependents.

School Employees Health Benefits Program (SEHBP)

- Employees of local boards of education and community colleges that elect to participate in the SEHBP and retirees and eligible dependents.

(C.) The Consumer and Small Group Markets Division develops markets and provides related administrative services for insured healthcare products in the following New Jersey market segments:

- Under age 65 individuals (the "Individual Market")
- Small Employers (currently 2-50; 2-100 in 2016)
- NJ residents who are covered by the Federal Employees Health Benefit Program (FEP)

(D.) The Marketing & Product Development Division provides advertising, product development and marketing strategy to the markets and the Enterprise.

(E.) The Chief Underwriter is responsible for ensuring the underwriting practices and policies are being implemented effectively and meet the objectives of the organization's profit goals, thereby impacting its A rating. The Chief Underwriter is also responsible for the development of the Market Business Units (MBU) enrollment and revenue forecasts and the administration of broker commissions and internal sales incentive payments.

Horizon Specialty Products and Services

As Horizon BCBSNJ developed its 5-year strategic plan post the implementation of the Affordable Care Act, it became clear that diversifying revenue and growing the footprint in non-core medical lines of business was a critical priority. The Company made a strategic decision to expand current ancillary businesses and also create a Specialty Products and Services division, inside the MBU, to drive executive dedication and focus on growing current and future Specialty areas.

II. POSITION SUMMARY

Title: **Vice President, Specialty Products and Services**

Reports to: **Senior Vice President, Market Business Units**

The Vice President, Specialty Products and Services is a newly-created position at Horizon BCBSNJ. This role is an officer of the company and will be tasked with providing dedicated, focused leadership for Horizon's businesses and services outside, but in support of, its core medical insurance business. The Vice President will have profit and loss responsibility for Horizon's current and potential new specialty products and services, including but not limited to dental, vision, life and disability, critical illness, stop-loss, temporary disability products, and Horizon Casualty Services (a for-profit subsidiary of Horizon BCBSNJ). The VP will oversee business units currently comprised of approximately 120 FTEs. In 2014, the business units that will report to the Vice President generated \$200M in top-line revenue and \$37M in bottom-line earnings to the company.

The VP, Specialty Products and Services is a key strategic position for Horizon. He/she will provide growth-oriented, innovative, entrepreneurial leadership to Horizon's specialty products and services, in alignment with the company's strategic focus on consumer-centric transformation that responds effectively to changes in the health insurance market. This role will be the leader tasked with effectively strategizing and driving the growth and profitability of Horizon's current and potential new specialty products and services. The key priorities for this role are providing a dedicated executive focus to Horizon's specialty business that drives top- and bottom-line growth, with the goal of increasing top-line revenue from \$200M to \$300M and bottom-line earnings from \$37M to \$62M by 2019 and also providing expertise in product lines that are new to Horizon.

The VP will have full oversight for product strategy, design and development, strategic organizational development, shared oversight and responsibility for sales and marketing through partnerships with other Officers, and P&L for the division. He/she will work closely with shared services within Horizon including claims and service, billing, legal and IT to ensure effective operational support for the specialty division. The VP will work closely with the VP of Marketing, VP of Sales and Chief Underwriter to develop and implement robust marketing/sales strategies for Horizon's specialty products and services.

The primary business units reporting to this position include:

Horizon Casualty Services (90 FTEs)

Horizon Casualty Services (HCS) is a certified NJ Workers' Compensation Managed Care Organization and a State approved personal injury protection precertification vendor. In 2014, HCS delivered over \$34M in revenues and earnings of over \$15M. This Company recently celebrated its 20th year anniversary.

Dental

Horizon administers several Dental programs and products, including EPO and PPO services through the parent company (Horizon BCBSNJ) and a managed dental product, through a wholly owned subsidiary, Horizon Healthcare Dental. Together the Dental business in 2014 delivered over \$150M in revenue and earnings of over \$19M.

Vision

Horizon offered a stand-alone Vision product for the first time in 2014 through an arrangement with Davis Vision. The product is offered currently in specific market segments, with goals to expand to all segments. 2014 revenues were approximately \$400K.

Life and Disability

Horizon has a current arrangement with USABLE, a life and disability agency, which distributes products to Horizon customers.

Other products and services to be included under position

Expanded Stop-Loss services
Health and Wellness offerings
Telehealth
Sleep Programs
Advanced Imaging Programs
Out of Network Claims Negotiation Services
Single Nurse Dedicated Model
Critical Illness (planned)

III. DUTIES AND RESPONSIBILITIES

The Vice President, Specialty Products and Services will have P&L responsibility for Horizon BCBSNJ products and services that are outside Horizon's core medical insurance business, including Horizon Casualty Services, Dental, Vision, Life and Disability and other planned products and services (as listed above).

Specific functional responsibilities of the Vice President will include:

- Provide strategic, entrepreneurial leadership to Horizon's New Specialty Products and Services Division; successfully maintaining and growing the division into a \$300M business with \$62M in bottom-line earnings by 2019
- Provide dedicated, focused leadership to Horizon's new specialty businesses that proactively identifies and responds to changing requirements and emerging opportunities in the market;
- Create robust sales and marketing strategies for specialty businesses and work closely with the sales, account management, distribution functions and marketing functions to ensure productive implementation;
- Maintain and build Horizon's Specialty Products and Services Division in a manner that supports Horizon's 3 and 5 Year Strategy with a commitment to value-driven care and enables innovative risk and gain-sharing models.
- Develop strong competitive intelligence; build and implement a best-in-class strategy for Horizon's specialty business that makes specialty a competitive advantage for Horizon BCBSNJ;
- Lead new product innovation, development, design, and branding strategy for Horizon's specialty businesses, and explore and identify opportunities for productive alliances with outside health providers and others;
- Provide more robust organization around Horizon's specialty products; identify product opportunities and distribution gaps and create profitable products and solutions to address the gaps;

DUTIES AND RESPONSIBILITIES (continued)

- Provide metrics-driven strategic insight and guidance to Horizon's senior leadership team around product design (e.g., voluntary or embedded); Branded or White Label; etc.
- Analyze and strengthen clinical integration with medical and provider network for Horizon's specialty products;
- Work closely with shared services within Horizon to ensure effective operational support for Horizon's specialty business operations (claims, billing, legal, IT);
- Develop and maintain strong, positive relationships across Horizon; establish him/herself as a trusted member of Horizon's leadership team;
- Work closely with Provider Network Management and Analytics to provide analytic-driven contracting guidance;
- Support quick scale up of new products and services;
- Provide insight and guidance to the SVP, MBU and other leaders regarding stop-loss business model alternatives
- Must support the maintenance and growth of medical business customer in all market segments

IV. CANDIDATE QUALIFICATIONS

The Vice President, Specialty Products and Services will be an accomplished business leader who can conceptualize and implement a consolidated strategy for businesses and services inside and outside Horizon's core medical insurance business, to provide a long-term competitive advantage for Horizon BCBSNJ. He/she will have substantial leadership experience in a health plan or consulting firm. The successful candidate will have led, or substantially participated in, successfully growing specialty/ancillary products and services.

The VP will have a deep knowledge of specialty products (Dental, Vision, Life & Disability and Stop Loss) and experience leading the opportunities and challenges involved in growing these businesses within a corporate matrix structure. He/she will understand how to grow a business and possess demonstrated skills and abilities in marketing, consumer and customer relationships, advertising, product development and compliance. In addition, the successful candidate will understand trends in health care, i.e., consumerism and how to utilize information and analytics to effectively enable and support Horizon BCBSNJ's aggressive approach to implementing Accountable Care Organizations, Patient Centered Medical Homes, Episodes of Care and value-based/risk-sharing pricing models.

The successful candidate will be effective in a matrix environment, with the ability to manage and affect change in a large, diverse organization. He/she will be a smart, very focused, and passionate executive with cultural competence and the ability to work effectively with a diverse range of stakeholders, as well as the demonstrated capability to effectively recruit and manage top talent. In addition, the Vice President, Specialty Products and Services will possess excellent communication skills and the capability to effectively present opportunities to diverse stakeholders including consumers, employer groups, brokers, consultants, senior management, legislators, regulators and other internal staff. Additionally, he/she will possess:

IV. CANDIDATE QUALIFICATIONS (continued)

- Proven leadership skills – the ability to inspire diverse range of stakeholders to quickly achieve results in a matrix environment; ability to gain confidence and trust of the leadership team, peers and their teams;
- Ability to effectively persuade others to listen, commit, and act on a new approach;
- Ability to explain specialty products and services to senior management, function leaders, and other stakeholders;
- Strong organizational skills in addition to project leadership and management skills.

Specific requirements include:

- Bachelor's Degree in Business, Marketing, or related field required; Advanced degree in business or in a health-related field preferred;
- Minimum 15 years in progressive leadership roles in Sales and Marketing, preferably in the Healthcare and/or Insurance Industry.
- Minimum of 7 years experience in a position of leadership over specialty products and services as listed in the below bullets; understanding of stop loss and health/wellness a plus;
- Proven ability to manage large teams and experience managing a large P&L (top-line revenue from \$200M to \$300M and bottom-line earnings from \$37M to \$62M by 2019; SG&A from \$46M to \$55M and Underwriting income from \$38M to \$62M by 2019.)
- Deep knowledge of specialty products and services with a proven track record of developing and growing specialty lines of business which must include at least two, but preferably all, of the following - Dental, Vision, Life & Disability, and Stop Loss.
- Minimum of 7 years experience in product design, sales and marketing in at least two, but preferably all, of the following - Dental, Vision, Life & Disability, and Stop Loss.
- Experience working in a complex, highly regulated health plan environment preferred;
- Strong understanding of pricing methodologies in specialty products and services and the competitive environment for specialty / ancillary services;
- Strong written and verbal communication skills;
- Proven ability to interact and establish exceptional working relationships with executives and leaders of an organization;
- Innovative, forward thinker with a demonstrated competency in strategic thinking and leadership, as well as strong abilities in relationship management.
- Ability to collaborate effectively in a highly matrix environment.
-

VI. PROCEDURE FOR CANDIDACY

Meyer Consulting has been exclusively retained by Horizon Blue Cross Blue Shield of New Jersey to conduct this search. Referrals, requests for information, and expressions of interest can be sent via email to the company's search consultants, Ryan Hubbs and Mike Meyer, at horizonspecialty@meyerconsultinginc.com. We can be reached via phone at 347.284.0160 (Hubbs). All communication will be treated with full professional confidentiality.

Appendix: Additional Organizational Information

Promise and Vision Statements

Horizon's Promise

- To serve with excellence and dedication.
- To provide peace of mind for those who depend on us.
- To enrich the lives and health of our members and the communities we serve.

Horizon's Vision

- We will continue to lead the transformation of health care in New Jersey by closely collaborating with hospitals and physicians, improving quality and enhancing patient experience, and lowering the total cost of care.

Horizon's 5 Year Strategy

1. *Implement Healthcare Value*
2. *Grow and diversify our income*
 - *Expand Ancillary*
3. *Transform our Operating Model*

Horizon BCBSNJ History

Founded as the First Hospital Service Plan, Horizon Blue Cross Blue Shield of New Jersey began operations in New Jersey in 1932. In 1936, the Plan went statewide as the Hospital Service Plan of New Jersey. The Medical-Surgical Plan of New Jersey was incorporated in 1942, and in 1986, the Hospital Service Plan of New Jersey and the Medical-Surgical Plan of New Jersey merged to become Blue Cross Blue Shield of New Jersey, Inc. Since that time, the organization has expanded its footprint, creating subsidiaries in dental, workers' compensation, and its HMO plan.

Key Milestones

2014 – Horizon Casualty Services (HCS) celebrates its 20th year anniversary in New Jersey.

2013 – Horizon BCBSNJ's membership in innovative clinical partnerships (PMCHs, ACOs, EOCs) exceeds 500,000 members.

2011 – Horizon BCBSNJ opened its first retail center in Moorestown to provide easier access to health care for its members.



2010 – Horizon BCBSNJ invests in the creation of a subsidiary to focus on medical home/accountable care partnerships with leading providers statewide.

2008 – Horizon BCBSNJ invests in a ground breaking pilot program demonstrating the effectiveness of the Patient-Centered Medical Home concept of care. As a result of the program, patients dramatically

increased adherence to their prescribed medical protocols, improving member health and lowering health care costs. Horizon BCBSNJ announces it is exploring the possibility of converting to a for-profit company.

2007 – Horizon BCBSNJ was awarded \$6 million in payments to 60 network hospitals as recognition for high quality and patient safety measures in the company's inaugural year of its Hospital Recognition Program, a collaboration between Horizon BCBSNJ and the Leapfrog Group focused on encouraging improved quality of care in New Jersey hospitals. The National Committee for Quality Assurance (NCQA) upgraded Horizon BCBSNJ's HMO accreditation to "Excellent with Distinction" for its early adoption of the Physician and Hospital Quality Plus Program that provides members with important information about physicians and hospitals in the Horizon BCBSNJ network.

2005 – During 2005, enrollment grew by 106,000 members, raising the company's total to over 3.2 million members. In addition, Horizon BCBSNJ made a major commitment to the Medicare Part D program, building the necessary infrastructure to support the program and taking a leadership role in helping seniors understand their health care choices. When the program went live in January 2006, Horizon BCBSNJ covered over 132,000 seniors.

2004 – Horizon BCBSNJ continued to solidify its position as New Jersey's largest health insurer and a premier regional health care company, with projected year-end enrollment in excess of 3 million members and nearly \$1 billion of accumulated surplus. Over 1 million dental members were enrolled as of September 30, 2004.



2003 – The Company's Health Care Dollars and Sense campaign, a multiyear, multimedia initiative, was launched to provide education to the public on the nature of the crisis in rising health care costs and its impact on all health care constituents. The Company established and provided substantial initial funding for the Horizon Foundation for New Jersey, a charitable organization dedicated to promoting health, well being and quality of life in New Jersey's communities.

2002 – Horizon BCBSNJ introduced the "World Class Clinical Quality" health care initiative in an effort to improve the overall health of residents in the region by providing access to care, making information available to providers and consumers and promoting evidence-based medicine through effective preventive health and disease management programs.

1999 – Horizon BCBSNJ announced a corporate realignment and implemented initiatives for the Company to achieve world-class status. Horizon Mercy pursued acquisitions that make it the largest provider of Medicaid HMO services in New Jersey and one of the largest providers in the United States.

1998 – The Company began doing business as Horizon Blue Cross Blue Shield of New Jersey and its operating subsidiaries adopted similar names. Horizon BCBSNJ's membership exceeded 2 million in New Jersey.

Awards and Recognition

- Standard & Poor's designated Horizon BCBSNJ with an "A" rating for financial strength.

- Horizon BCBSNJ was named to the prestigious Information Week Elite 100 list (#73), the only insurance company on the list. For the past 15 years, Horizon BCBSNJ has earned a place on InformationWeek's Masters of Technology 500 list, and was named among the Top 250 Innovators the last two years.
- Horizon BCBSNJ is the recipient of many Diversity and Employer of Choice awards.

Find further information on Horizon Blue Cross Blue Shield of New Jersey on its website:

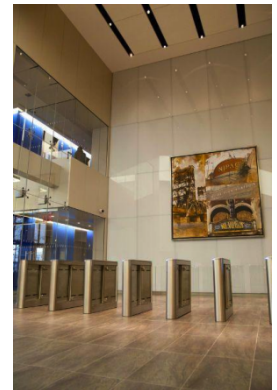
www.horizonblue.com



COMMUNITY DESCRIPTION

New Jersey is the eleventh most populous state in the US with over eight million residents. Horizon Blue Cross Blue Shield of New Jersey offices are located in Newark, the largest city in New Jersey. Newark is the commercial, financial, and transportation nucleus of the Garden State. The Horizon BCBSNJ offices are located near Newark Penn Station which allows for easy access to New York City (20 minutes) and beautiful New Jersey communities to the South and West.

Horizon BCBS of New Jersey employees can choose to live in a variety of communities such as Mountain Lakes, the Morristown area, Millburn/Summit, the Princeton area, the Caldwell's, Far Hills/Chester and New York City.



The State is home to some of the finest public and private schools in the country (Millburn and Mountain Lakes, for example). Princeton University is about 45 minutes by train from Newark. The State is also home to New Jersey Institute of Technology, Rutgers University, Seton Hall and the University of Medicine and Dentistry of New Jersey. Numerous Fortune 500 companies call the State home including Merck, Novartis, Johnson & Johnson and Prudential Financial.

Residents of New Jersey enjoy a variety of top entertainment, sports (Giants, Nets), fine dining and shopping locally, as well as the amenities of New York City. The State is home to numerous museums, cultural centers, and examples of historic architecture.

New Jersey offers a wide variety of activities for outdoor enthusiasts and ocean lovers such as water sports, fishing, golfing, hiking and camping. Numerous resort towns are located on the Jersey Shore as well as on the New Jersey-Pennsylvania border. From sophisticated urban settings to rural environments, from small towns to suburban living, few States offer the quality, variety and diversity of lifestyle options to suit a person or family's interests and needs.

For more information, see the following websites:

www.visitnj.org

www.chambersnj.com

www.nj.gov