FREQUENTLY ASKED QUESTIONS FOR AGENTS: PACIFICSOURCE AND LEGACY HEALTH VENTURE

Q1: WHAT IS THE REASON FOR THIS NEW VENTURE BETWEEN PACIFICSOURCE AND LEGACY HEALTH?

The decision to pursue this venture was driven in large part by the opportunity to strategically align PacificSource with Legacy’s strong hospital and provider networks and to create a strong, well-capitalized health plan. But ultimately, it was driven by both organizations’ commitment to serve both members and patients.

PacificSource and Legacy have a shared vision of the healthcare Triple Aim:

1. Improving the experience of care
2. Reducing the costs of healthcare
3. Improving the health of communities

Partnerships between health insurers and healthcare providers have proven instrumental in helping to achieve these goals for members and patients.

As there continues to be significant challenges and disruption in the market, PacificSource’s deliberate, strategic, and conservative approach has positioned the company well to take advantage of an opportunity such as this one with Legacy Health, while providing Legacy with a health plan partner to facilitate healthcare transformation throughout the region.

Q2: HOW WILL THIS NEW VENTURE BE GOVERNED?

The Legacy PacificSource joint venture will be governed by a board of directors to include six PacificSource appointees, six Legacy appointees, and three community members. The PacificSource name, brand, employees, and management structure will remain the same.

Q3: WHAT DOES THE NEW VENTURE MEAN TO EMPLOYEES OF PACIFICSOURCE HEALTH PLANS AND LEGACY HEALTH?

For the 700+ employees of PacificSource and 10,000 members of the Legacy Health team, there will be little or no significant changes to current roles and responsibilities. Because Legacy Health does not currently offer health plan products and PacificSource is not a healthcare provider, there is no duplication of effort created by the new venture and therefore no overlapping roles.
Legacy’s complementary services will allow PacificSource to serve a broader member base and create new product offerings for members and the marketplace. We believe the partnership will mean more employment opportunities at PacificSource.

Similarly, PacificSource’s complementary services and strong member base will broaden and enhance the work Legacy already does.

**Q4: WILL THIS PUT PACIFICSOURCE IN A BETTER POSITION IN THE MARKETPLACE?**
Yes. While other health insurers are struggling with the challenges associated with lower than expected reimbursements—or disappearing from the marketplace altogether—we believe our deliberate, strategic, and conservative approach has positioned us well to take advantage of opportunities such as this one with Legacy Health.

**Q5: WHAT DOES THIS VENTURE MEAN FOR PACIFICSOURCE GROUPS AND MEMBERS?**
Existing PacificSource members throughout Oregon, Idaho, and Montana, including more than 280,000 members, 3,900 employer clients, and Medicare clients, will continue to receive the same outstanding benefits and unmatched customer service that have been hallmarks of PacificSource since 1933.

In Oregon, we anticipate that the new insurer-provider venture created by this effort will result in increased access to member care through the Legacy provider network, the creation of new health plan offerings, better integration of care management and industry-leading stability in a volatile marketplace. In addition, while the PacificSource name and brand will not change, we will look for opportunities to co-brand with Legacy Health.

**Q6: HOW WILL THIS AFFECT EXISTING OR FUTURE PACIFICSOURCE PROVIDER PARTNER RELATIONSHIPS?**
Because the PacificSource-Legacy Health venture is not mutually exclusive, PacificSource will continue to work with their existing provider partners throughout Oregon, Idaho, and Montana. Nor will it affect the ability for PacificSource to pursue future relationships with other providers. Likewise, it does not affect Legacy’s ability to pursue relationships with payers other than PacificSource. While this venture represents PacificSource’s most significant provider partnership to date, the company has a long history of partnering with physicians and other healthcare providers.

**Q7: HOW ARE YOU COMMUNICATING THE CHANGE TO MEMBERS AND EMPLOYERS?**
We’ve developed and are implementing a communication plan for all our constituents, which includes email and mail notices, web content, and FAQs. Additional information will be shared as it becomes available.
Q8: WILL THIS AFFECT COMMISSIONS?
At this time, there will be no change to the commission structure.

As more information becomes available, we will share it with you through our normal communication channels. In the meantime, if you have a question that isn’t answered here, please feel free to contact your PacificSource Sales Representative.