Specific Talking Points with a CEO/CFO

How do you get a CEO/CFOs attention? *Statements to use when prospecting.*

- The medical benefit industry is broken.
- Companies that pay medical benefits should have the ability to measure and manage the data to identify the cost problem and find solutions, but they don't.
- (For fully insured groups) The large health insurance companies are keeping their customers in the dark by not releasing interpreted and analyzed claims data as the carrier's #1 requirement is to protect their profits.
- Since carriers are restricted by the new medical loss ratio (MLR) rules, it is not in the carriers' best interest to actually lower the money spent on claims as the higher the cost of claims, the higher their administrative expense/profit margin can be. The new MLR rules state that carriers must pay out 85 cents of every dollar on claims. That means if they can keep the claims costs high, they are charging more premium dollars, more premium dollars mean more profit as the other 15 cents of every dollar is going to the carrier as profit and to pay administrative expenses. Their 15 cents has to pay for a lot of items and they are not going to minimize their profit, but they will minimize truly effect cost savings programs...refer to Bullet #1.
- So, how do you implement a solution if you cannot recognize the problem?
- The status quo of placing a few carriers on a spreadsheet is no longer working.
- Businesses desperately need to find alternative health plan solutions that help them identify sustainable programs to lower healthcare costs today and offer insight and control for tomorrow.
- The problem is that there is a need/requirement to keep the employee(s) healthy. WellNet's health plans have only one true objective: helping clients and their consultants understand where problems are and offering our turn-key solutions to address those problems and reduce the underlying risk within our plans. If we can save you money and make your employees healthier, you will be a WellNet client for life.
- But if you, as the employer, do not have the ability to identify the problem now, how are you going to be able to offer the right solutions tomorrow. The solution is to identify this problem as soon as possible.
- (As a broker working with WellNet) WellNet changes the game and places me, the broker in the role of strategic advisor.
- As you are well aware, much of the healthcare system is broken due to insurance companies hiding utilization data from their clients and not providing them with the ability to manage and measure this information.
- The carriers are only interested in putting low administrative expense Band-Aids on the problem (leaving more of their 15 cents of every dollar for profit), which may temporarily lower expenses by either shifting costs to employees or reducing the level of benefits, just as long as their revenue stream remains intact.
- The carriers prevent businesses from making the most basic comparisons with regard to their healthcare costs by not providing data or information in a format that is understandable or usable. The business community becomes more frustrated, and confused.
- Ask yourself a question: Would I tolerate any other vendor submitting invoices to me without providing me with the ability to measure, manage and make informed decisions on my own?

Specific Talking Points with a CEO/CFO

How does WellNet assist a prospect/client? *Statements to use when prospecting.*

- WellNet offers alternative health plans to large health insurance companies.
- Breakthrough transparent technology fixes broken medical benefit industry.
- This alternative provides a transparent health plan that identifies the root of the problem.
- WellNet is a lower cost solution for those who buy healthcare- *the employers.*
- WellNet now makes it possible to proactively identify risks and forecast future medical expenses, providing employers and their employees with specific actionable strategies to save money and improve their health. WellNet's turn-key care management/member engagement solutions begin to address these risks, and we provide real-time feedback on the status of our risk management programs.
- WellNet's health plans which are woven together with their technology and provide the best in network access and design, foster shared accountability, delivers complete transparency of costs, and provides the ability to proactively, and continuously, monitor and engage, to prevent or postpone the elevation of risk to influence member behavior. This lowers your health plan's expenses today and minimizes increases tomorrow.

Summary of WellNet's products/solutions? *Statements to use when prospecting.*

- With a 20 year history, WellNet's primary goal has been providing businesses with the ability to take ownership of and better manage the cost of their health benefits. We are about integration of best in class services. Networks, Wellness & Care Management, cost containment, Pharmacy Management (PBM).
- WellNet has taken these items along with best of breed technology and bundled them to now offer **affordable and innovative self-funded health plans** to groups with as few as 10 employees. We provide access to premier national PPO networks (Cigna and Aetna,) 65,000+ pharmacies, cost containment programs, population health management and white glove member and account services.
- Everything we do is anchored to the core belief of measure, manage, engage and automate- the foundation of Healthcare Performance Management.
- **Know What You Pay For:** Our plans offer 100 percent visibility into each and every cost; enabling companies to project, plan for and manage their healthcare spend.
- **Pay For What You Use:** Unlike other health plans, with WellNet, employers only pay for the healthcare their group consumes, no more lining insurance carrier pockets.
- **Get Real-Time Insight:** Access to all plan data, and more importantly insightful analysis, in real-time via our easy-to-use WellNet 4.0 management dashboard.
- **By combining a high-tech, high-touch engagement model with our data-driven approach**, WellNet identifies the root of the problem and prioritizes the most promising areas of cost-reduction and primary health risks to manage, enabling your company and employees to realize significant savings in the short- and long-term.
- For instance, when we recognize that someone has diabetes, we need to find out why his diabetes has appeared. Is the person being overweight the problem? Is the member eating too many carbs etc.? Sure, the employee visits the doctor once a year and the doctor tells that the blood sugar is elevated and recommends insulin to treat diabetes. Though, this may not be the best solution. Instead, why not treat why the diabetes occurred, why is this employee unhealthy in the first place?

Specific Talking Points with a CEO/CFO

What if I have a broker/consultant already? *Statements to use when prospecting.*

- You may have a broker or consultant already, but does your broker/consultant have the ability to work in conjunction with you to identify alternatives to save on medical benefit spend? Are they able to use your current information to find out the right incentive programs to put in place so that campaigns for certain segments of your population may be implemented in order to influence your employees to help reduce the overall cost? Likely not as your broker/consultant gets data after the fact (retrospectively,) and by that time, it is too late to fix what is already broken.

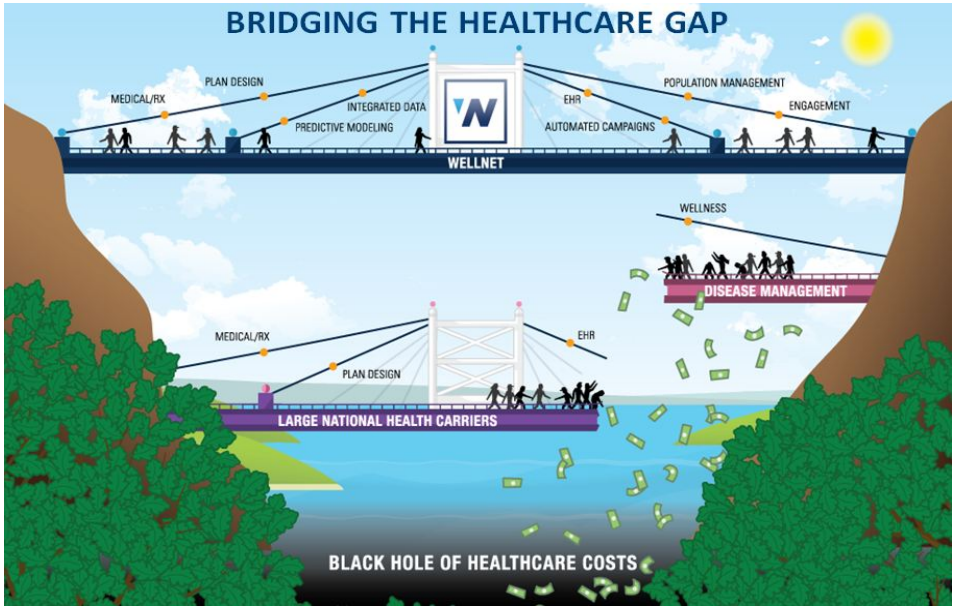
- How can your brokers or consultant, provide better information than you about what's going on in your medical benefit plan when in most cases they also do not have comprehensive information to measure and manage healthcare expenses? It appears from all of the studies that their remedy is:
    - Beat-up the vendors to get the best price
    - Find another carrier, TPA and vendor that will appear to offer better services
    - Offer suggestions to change plan design, basically shifting expenses over to employees or reducing benefits

What about competitors? (My carrier, my disease manager)

The large national health insurance carriers say they have it all and one would think they are best positioned to coordinate and manage the health of the plan and its members. However, carriers are motivated by premium protection, not the health of member. Their disease management programs fall short. The proof is that programs are an after-thought, with services mostly band-aided on, combined with lackluster results. Disease management & wellness companies are hampered by their inability to obtain timely data and overall lack of connectivity. They have the model but lack the ability to aggregate all the data which leaves no 'teeth" to achieve optimal outcomes.

How does WellNet fit in?

As a full-service alternative to the health insurance carrier and stand-alone vendor market, WellNet recognizes what we do best and where we need to partner. Offering off-the-shelf and custom plan designs, with integrated data and predictive modeling, WellNet monitors member risks that enable real-time management with automated and targeted member-specific campaigns to drive the most appropriate population health management programs. Our approach reduces the redundancy and overlap, increases coordination from end to end that continue to demonstrate documented results that cost less money. Now, that's transparent.



General Talking Points

Issues Companies Deal with When Trying to Provide Affordable Employee Healthcare

- **Knowledge of Healthcare –** Insurers make medical benefits unnecessarily complicated. WellNet makes healthcare "simple" specifically for the company who is paying the bills, so that they can manage their plan with equal attention paid to the member as well.

- **Market Inefficiencies & Lack of Competition –** Employers are not always aware of how the healthcare system works. Employers also have limited means to find alternatives that address the real problems, thus this loop of inefficiency is continuous. Insurers often impose rules requiring companies to utilize them for a full suite of services, not allowing for additional service providers to be carved out or utilized thus further reducing competition.

- **Timeliness of Information –** Information and reporting to companies by insurers and other vendors regarding their member population health and spend is very lagged, resulting in companies having to use stale information to make plan change decisions, benefit change decisions and service offering decisions. Little to no real-time reporting and proactive management is offered in healthcare.

- **Aggregation of Data –** Companies' claim and member health data is spread across too many unrelated entities (e.g. Drs., Hospitals, PBMs, Labs, TPAs and Insurers). Furthermore, HIPAA has made the exchange and centralization of data more cumbersome and resource intensive with vendors and insurers hiding behind HIPAA to prevent companies from seeing their claims data on a timely basis — a necessity to manage their benefit and spend effectively.

- **Lack of Solutions –** Many companies don't have a sense of urgency to insist on data – real-time data – because they don't have the tools or system to enable them to capture, store, aggregate, normalize, analyze and act on their data. There are MANY siloed solutions to aspects of healthcare servicing but little to no solutions that allow for a complete picture to be seen and a single "truth" to be understood by the company regarding its spend and member health.