



**Level & Self-Funded
Health Plans**



**Population Health
Management**



Rx Management



WellNet
HEALTHCARE

**Innovations in
Medical & Rx Cost Management**

Integrated & Turnkey Self Funded Health Plans



Medical Claims Administration:



OR

Reference Based Pricing w/ wrap PPO

Stop Loss Insurance



Population Health Management



Predictive Analytics



Digital and Live Health Coaching



Biometric Screening



Incentive Management



Telemedicine

Pharmacy Solutions



scriptSourcing

Key Differentiators



100% Return of Claim Surplus – Unconditional



Multiple National Carrier Networks



Multiple Stop Loss Options



Customizable Plan Designs



Funding Options



Dedicated Implementation Specialist & Account Manager



Integrated Population Health Management



Framing the Conversation with Employers



Identify Issues with Current Healthcare Economics



Reference Based Pricing: the Pros/Cons



Ideas for Improving Quality and Lowering Cost



WellNet Solutions



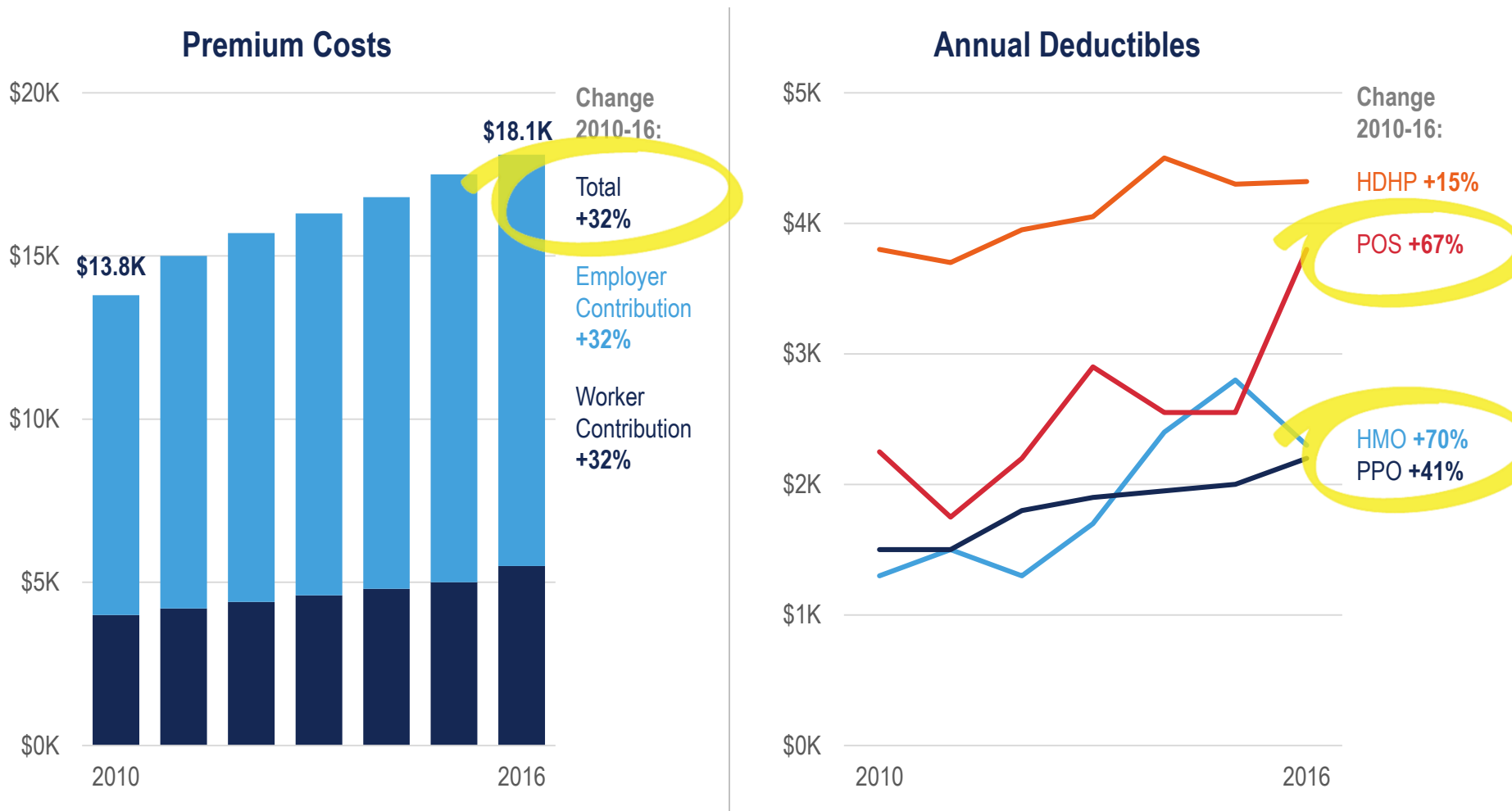
Stories to Utilize to Speak with Customers and Prospects

The Different Ways Healthcare Costs Are Going Up



Employer-Based Health Coverage

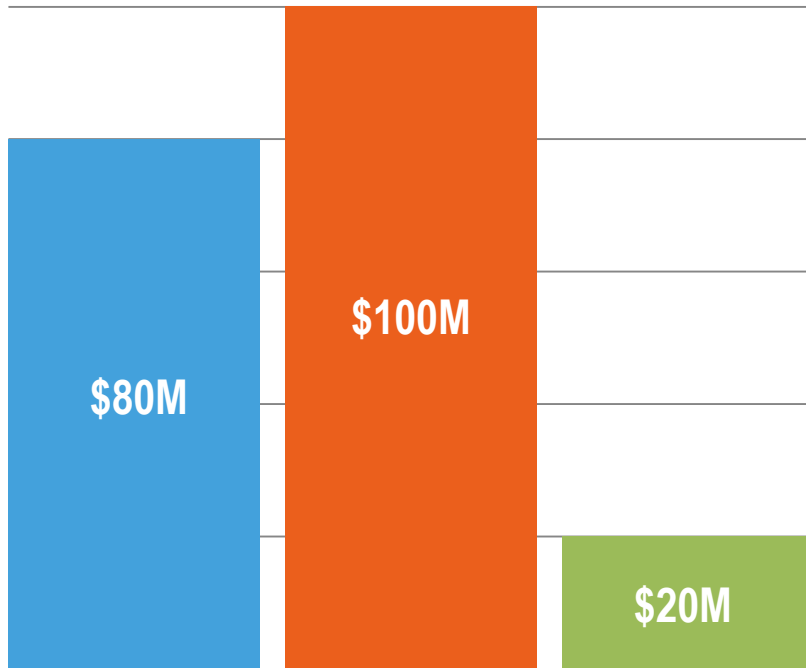
Average costs and deductibles for family coverage



Why the Carriers Don't Want to Reduce Your Medical Costs...80/20 rule



Health Insurance Company With High Claims



When an insurance company receives **\$80M** in medical claims...

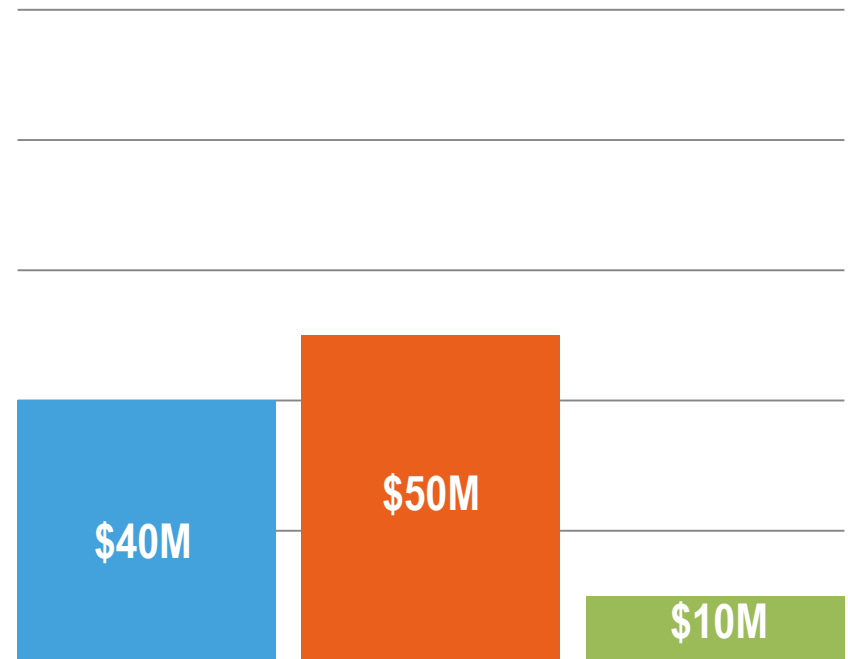


They are allowed to charge their customers **\$100M** in premiums...



And they are allowed to keep **\$20M** for overhead, administration, and profit.

The SAME Health Insurance Company After Reducing Total Claims by 50%



When that insurance company only receives **\$40M** in medical claims...



They are only allowed to charge their customers **\$50M** in premiums...



And they are only allowed to keep **\$10M** for overhead, administration, and profit

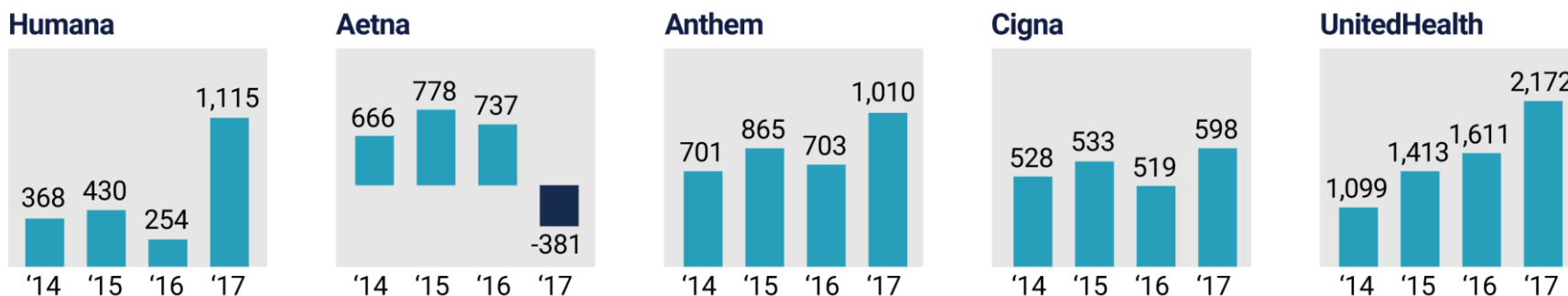
Growing Profits From America's Largest Health Insurers

Still counting on the carriers to save you money?

Aetna, Anthem, Cigna, Humana, and UnitedHealth Group – the five for-profit insurers – cumulatively collected \$4.5 billion in net earnings in the first three months of 2017. Despite all the noise that they were losing money in ACA marketplaces, there was by far the biggest first-quarter haul for the group since the exchanges went live in 2014.

Q1 Profits at Health Insurance Companies

2014-2017 in millions of dollars



Source: Company Financial Filings: Charts & Axios

THE WALL STREET JOURNAL.

Open Call for Innovation 9/20/17

-Seema Verma

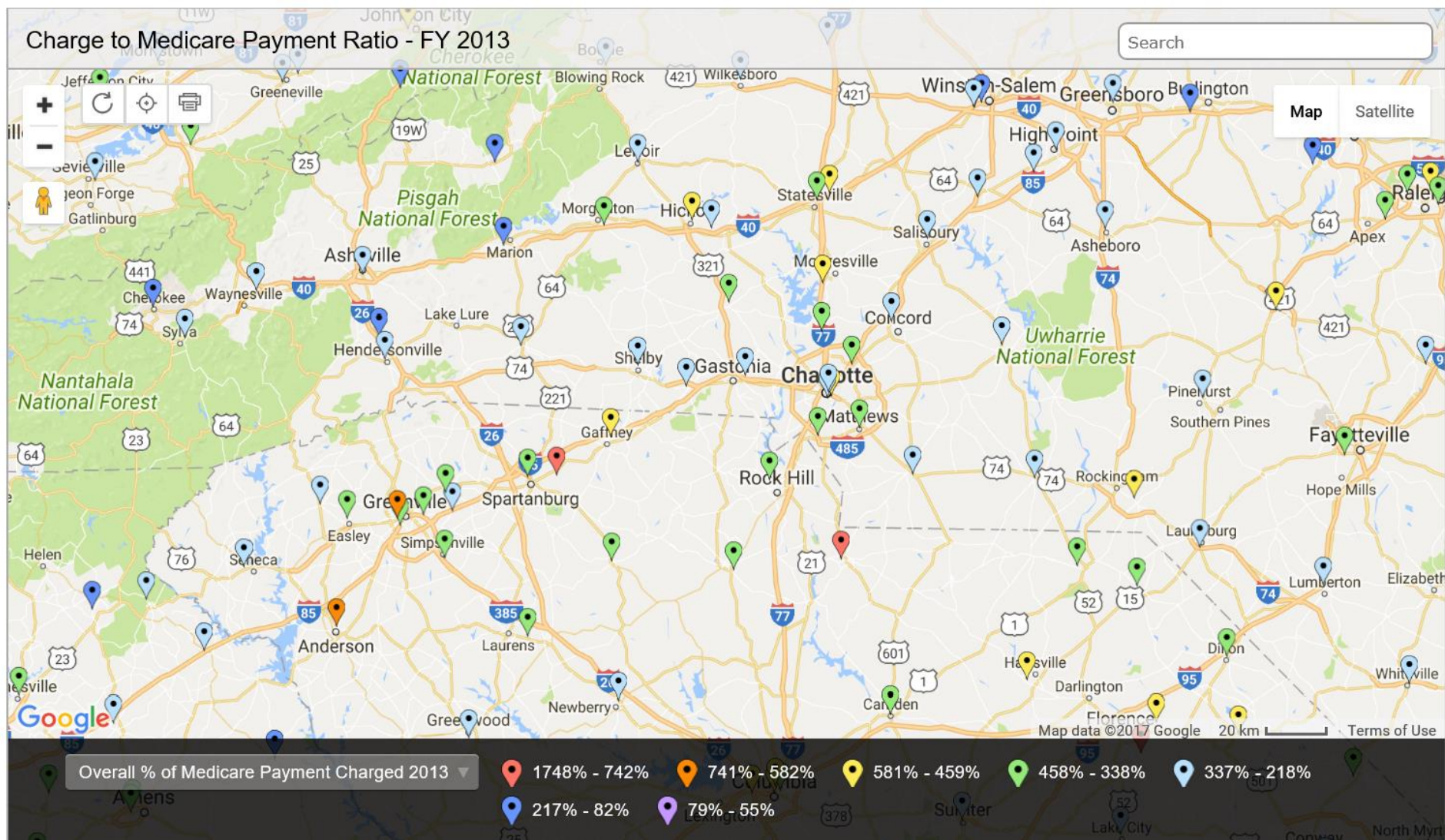
Top Administrator for CMS

Broker/Carrier Story

Price Map: Make Cost Part of the Conversation



Huge Price Variance Between Facilities



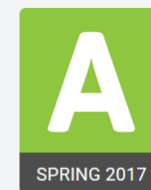
Huge Quality Variance Between Facilities

Carolinas Healthcare System - Lincoln

443 McAlister Rd
Lincolnton, NC 28092

[View the full Score](#)

This Hospital's Grade



Carolinas Healthcare System- Kings Mountain

706 West King St
Kings Mountain, NC 28086-2708

[View the full Score](#)

This Hospital's Grade

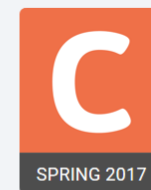


Springs Memorial Hospital

800 W. Meeting Street
Lancaster, SC 29720-2298

[View the full Score](#)

This Hospital's Grade

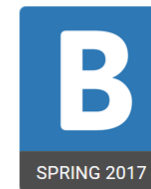


Novant Health Rowan Medical Center

612 Mocksville Avenue
Salisbury, NC 28144-2799

[View the full Score](#)

This Hospital's Grade





Health **insurance** costs are directly related to the **actual cost of care**



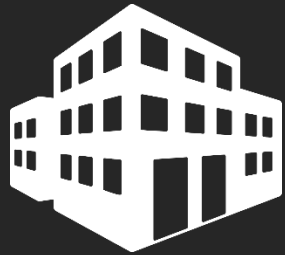
Cost of care based on our ability to pay



PPO's pay providers more than Medicare AND cash paying customers



Cash price / Medicare claim inflation typically 1-3%



In an opaque black box, combine one large publicly traded company with equal parts:



Artificially high billed charges...unknown, in advance



PPO discounts applied to that artificially high billed charge



An inability to audit claims



Let simmer for 1 year

Why pay a network access fee AND pay higher claim costs?



The idea of basing provider payments on a point of *reference*. Medicare payment rates are most commonly used as this reference point.



Paying providers in this manner is considered **rational** since the payments are based on a real number.

This results in predictable claim costs



Most PPO payments to providers are based on pre-negotiated rates, often calculated by taking the *billed charge* from the provider then applying a PPO *discount*.



This is considered an **irrational** pricing system since virtually every provider has a different *billed charge* for the same procedure.

This results in wildly unpredictable claim costs.

Why Consider Reference Based Pricing?



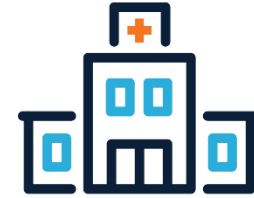
Client

- Reduce Claim Spend by 15-50%
- More Predictable Outcomes for Members



Member

- Lower Out-of-Pocket Costs
- Better Experience
- Increased Satisfaction with Health Plan



Provider

- Fair & Quick Payment
- Improved Patient Interaction

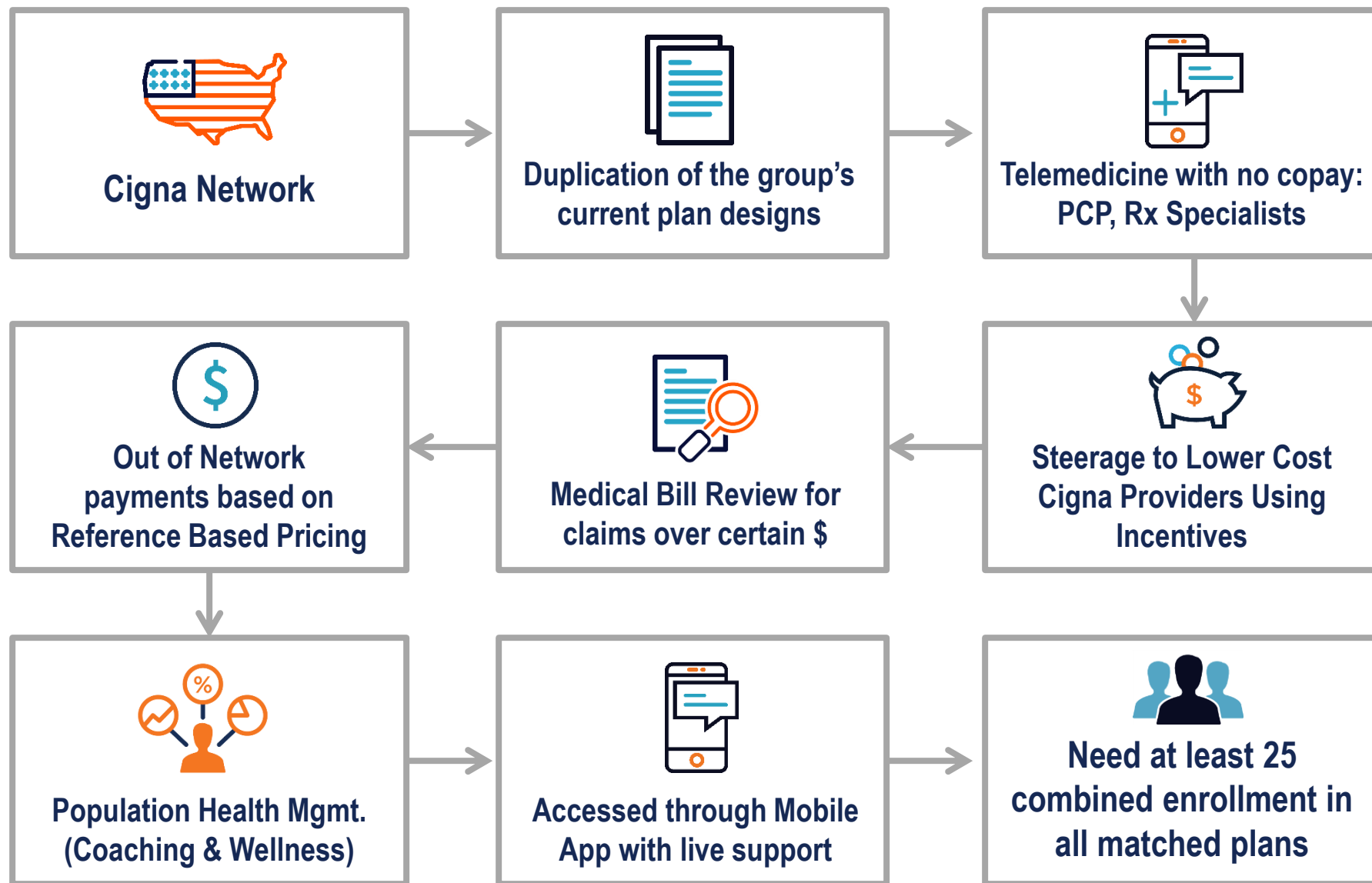
What if the provider doesn't accept the Reference Based Reimbursement?

- Negotiate with the provider in advance and come to an agreement / “direct contract”
- Ask member to pay the difference
- Decide not to work with that facility if facility won't come to agreement
- Pay the provider based on RBP and defend the members against balance billing

What if members receive a balance bill?

- Members educated to hand-off all balance bills to their claim advocate
- Members are indemnified against balance billing, but must notify us within 15 days
- Paying providers a fair rate, higher than Medicare, significantly reduces balance billing
- Incentivizing and guiding members to providers that have already agreed to RBP significantly reduces balance billing

Plan Design(s) 1 From WellNet



Plan Design(s) 2 From WellNet (RBP)



National PPO Network for PCP, Specialists, Labs



Telemedicine with no copay for members: PCP, Specialists, Rx



Reference Based Pricing (RBP) *for Services that Require Precertification*

- RBP can be offered as dual option alongside a traditional PPO or as full replacement



Member Advocacy Program – RN's coordinate / schedule care for members at high value facilities



Balance Bill Protection – members are protected contractually from balance bills

- Population Health Management (Health Coaching / Wellness Programs)
- All Accessed through Mobile App with Live Support

How WellNet Saves You Money



RBP for Services that Require Precertification

Medicare vs. Discount Off Billed Charges



- Medicare Claim = \$10k
- PPO billed claim = \$80k (800% of Medicare)
- If 50% PPO discount, Claim Cost = \$40K

WellNet suggested Payment level



- 150% of Medicare
- Most providers accept
- Claim cost = \$15K

Member Advocacy for Surgical/Hospital Care



- Member calls Registered Nurse (RN) Advocate
- RN provides member w/ quality report for high-value options
- Member chooses:
 - ✓ High-value = no cost sharing or balance bill
 - ✓ Low-Value = deductible / coinsurance and possibility of bill balance

Suggested Plan Design



- Lower employee contribution to drive participation
- Waive Deductible and Coinsurance when member chooses high-value provider

Member-centric, Not Provider-centric



- Ability to identify high-quality, high-value providers
- Lower out of pocket expenses

Integrated & Turn-Key Solutions



AMPS

- Direct provider contracting
- Facility / Surgeon price negotiation
- Claim repricing based on Medicare
- Medical Bill review
- Facility claim auditing
- Member balance bill protection



MAP

- Medical Advocate Program
- Members always speak with a Registered Nurse
- Facility / Surgeon quality research for members
- Member steerage to high value providers
- Comprehensive member support for Medical / Rx related questions



Telemedicine

- Video / Telephonic
- Access to PCP's & Specialists
- Ability to prescribe medications
- Primary Care & Specialist FREE to Member
- Available 24/7/365



Rx Management

- Identify risk
- Predict future cost
- Actionable Recommendations



ScriptSourcing/ US Rx Care

- International Mail Order for Brand & Specialty Medications
- Sourced from Tier 1 International Pharmacy's
- \$0 Copay for members
- 50+% savings for certain drugs
- Improved Specialty Medication Prior Authorization Process



Population Health

- Health Risk Assessment
- Incentive Management
- RN advisory line
- Predictive Modeling
- Clinical Coaching
- Client Portal & Active Reporting
- Online Member Portal & Mobile Application
- Bi-Lingual



System of Record

- Organize
- Access
- Manage all plan information in one place

What if the provider doesn't accept the Reference Based Reimbursement?

- Virtually All Providers will Accept Due to Fair Reimbursement and No Employee Cost Sharing

What if members receive a balance bill?

- Incentivizing members to choose high value providers significantly reduces volume of balance bills
- Paying providers a fair rate, higher than Medicare, significantly reduces chance of balance billing
- Members educated to hand-off all balance bills to their claim advocate
 - Members indemnified of responsibility if they notify the plan within 60 days of receiving bill

WellNet's Population Health & Incentive Management



Manage Risk



Reduce Costs

Integrated Technology, Algorithms and Service Delivery

Analytics



- Risk Stratification
- Predictive Modeling
- Comprehensive Reporting

Wellness



- Lifestyle
- Behavior
- Education

Health Coaching



- Clinical/DM
- Readiness to Change
- Digital/On-site /Telephonic



Incentives



Behavioral Change

Lasting Change

Integrate



- Biometric Screening
- Rx / Medical Claims
- EMR

Automate



- Identify and Engage At-Risk Members
- Deploy Wellness for All Members

Connect

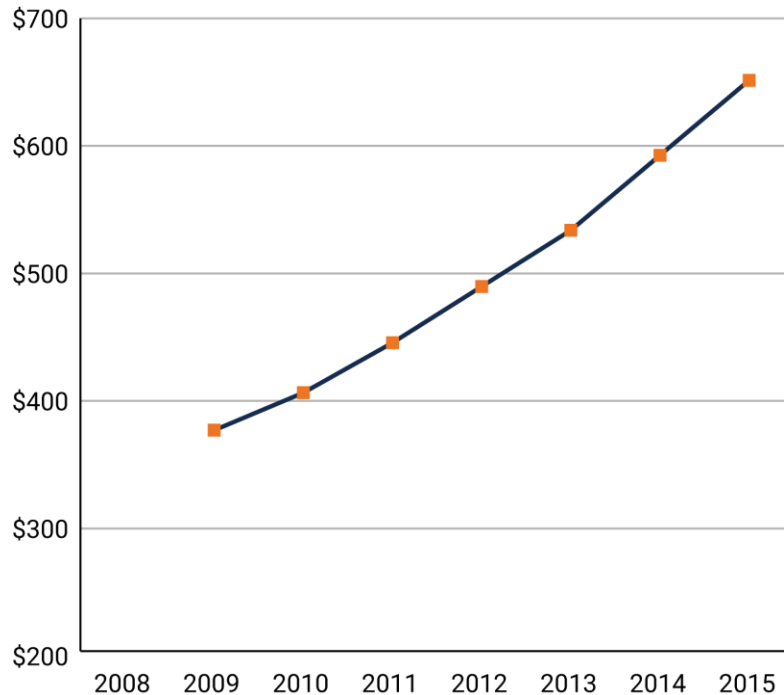


- Member Engagement
- Provider Performance

Which Consultant Wins / Keeps the Case?



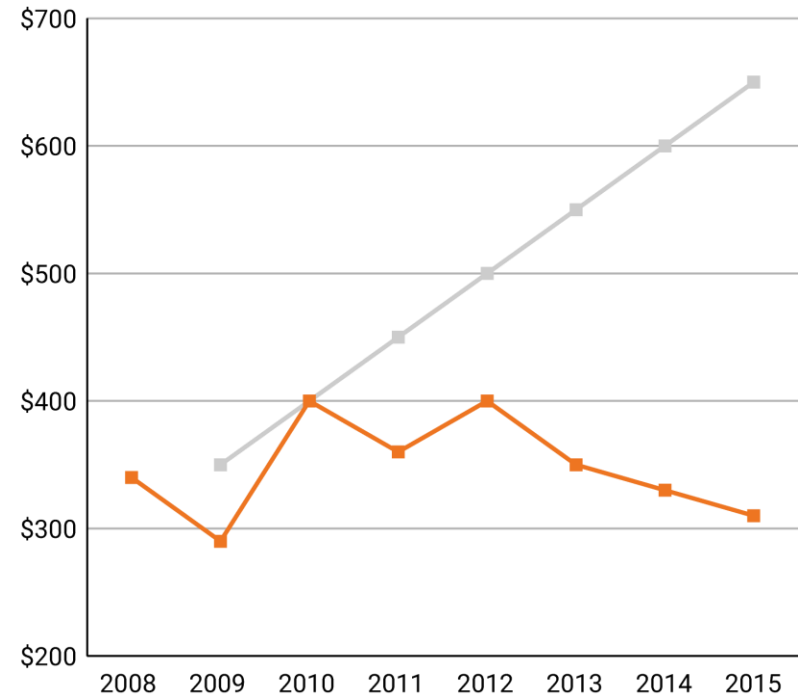
Consultant A's PPO PEPM Trend



Consultant A

“GOOD NEWS. It looks like your health plan is only increasing by about 6% this year. We can minimize this increase as we have in the past by increasing co-pays, deductibles and co-insurance amounts that your employees have to pay along with a reduction in benefits.”

Consultant B's RBP PEPM Trend



Consultant B

“GREAT NEWS! Your new health plan reimburses providers fair market value for services rendered. With these savings you will be able to offer the same or greater level of medical benefits in the upcoming years and will also have a significant impact on your net medical spend. Those dollars saved will fall right to your bottom line.”

The Keys to a Successful Program



Member education, early and often!



Incentives encourage members to make better decisions



Early notification of impending services by the member or designated utilization management company



Identify quality provider(s)



Negotiate “cash” rates using referenced based pricing



Plan language that supports the process

5 Reasons Why Your Clients are Going to Start Asking about RBP



1. Progressive agents are spreading the word



2. RBP makes outcomes more predictable



3. RBP will reduce, eliminate, and / or even reverse cost trends



4. Shop healthcare like any other good or service



5. Your clients are smart and they like ideas that are rational, make sense, lower cost, and improve employee morale

Tools to Retain & Grow Your Book of Business



HOW TO SHARE WELLNET'S CONTENT ON FACEBOOK

We've created a simple "how to" guide outlining how to easily share our educational content on your Facebook page to help you engage your clients and start conversations.

STEP 1
VISIT AND "LIKE" WELLNET'S FACEBOOK PAGE.
<https://www.facebook.com/wellnethealthcare>

STEP 2
CLICK ON THE POSTS TAB TO VIEW ALL OF WELLNET'S CONTENT.

STEP 3
VIEW ALL THE POSTS AND SELECT THE ONE YOU WOULD LIKE TO SHARE (OR SHARE ALL!)

STEP 4
CLICK THE SHARE BUTTON BELOW POST; SAY SOMETHING ABOUT IT TO YOUR FOLLOWERS.

\$208K SAVED

With 77 employees and on the heels of Village Copier receiving a 32% premium increase, the ink ran dry for Cigna and Village made the switch to WellNet.

Annual Premium	2015	2015
Cigna Level Funded Cost	\$805K	
WellNet Cost	\$597K	

35% Cost Reduction

Viking Range Corporation

Well Worth It

Viking Range Corporation implemented a strategy that allowed them to analyze its healthcare data and trim over \$1.1 million over a two-year period without sacrificing its benefits.

\$1.1M SAVED

Turns Over Two Years

Cost savings, Viking Range is now able to program for their employees and are using industry employers who are going with appliance experience.

Level-Funded Health Plans

Population Health Management

Rx Management



Level-Funding Misconceptions

April 2017

Outlined below are common misconceptions regarding level funding versus captive arrangements and traditional health insurer offerings:

1. Fixed costs may be too high

Generally speaking, the fewer enrolled employees a group has, the higher their fixed costs are, whether the group is self-funded, traditionally self-funded, or captively insured. Furthermore, Cigna tend to have higher fixed costs than other carriers. Captive administrators tend to offer slightly less expensive options than traditional carriers (or costs) just to get into the market. It is potentially beneficial to a group to move to a self-funded arrangement to more desirable.

Quick Start Guide: Understanding Reference Based Pricing Plans

1. Still Considering on the Carrier to Save You Money?

2. Why Consider an RBP Solution?

3. Three Components to Reference Based Pricing (RBP)

4. Examining the Compensation

5. How WellNet Saves You Money

6. The Keys to a Successful Program

7. Implementation

8. Contact WellNet for a Demo or Quote Today

YOUR LOGO HERE

Self-Funding Simplified

Level & Self-Funded Plans

Reference Based Pricing

PPO

Hybrid



Novello & Associates

Benefit Concepts, Inc.

Brown & Brown Insurance

Wells Fargo Insurance

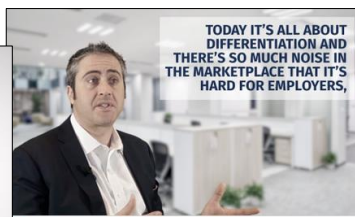
Sokolins

Maple Hill Benefits

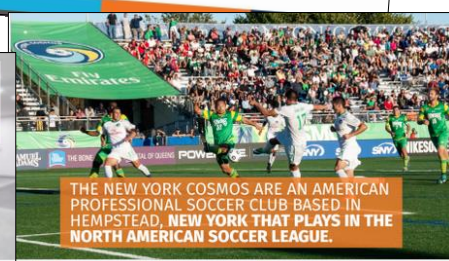
100% Surplus Refunded

(800) 808-4014

WellNet.com



Differentiation: How Does WellNet Help Your Agency?



NY Cosmos Success Story

THE NEW YORK COSMOS ARE AN AMERICAN PROFESSIONAL SOCCER CLUB BASED IN HEMPSTEAD, NEW YORK THAT PLAYS IN THE NORTH AMERICAN SOCCER LEAGUE.



Choose 1 Self Funded Client or Prospect to Make a Joint Presentation on RBP

Allow WellNet the Opportunity to Provide PPO Based Proposal Using:

- Medical Bill Review
- Steerage to High Value PPO Providers
- Out of Network Providers Paid Using Reference Based Pricing

Allow WellNet the Opportunity to Provide RBP or Dual Option Proposal:

- Buy Up Plans Based on PPO Platform
- Buy Down Plans Based on RBP Platform



Level & Self Funded Plans w/ Concierge Services

- Reference Based Pricing Plans
- PPO Plans
- Hybrid



Medical Bill Review



Medical Management



Wellness / Predictive Modeling / Behavioral Change



PBM Management

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610-348-6804 / jaugustine@wellnet.com

www.wellnet.com