



**Level & Self-Funded
Health Plans**



**Population Health
Management**



Rx Management



WellNet
HEALTHCARE

**Innovations in
Medical & Rx Cost Management**

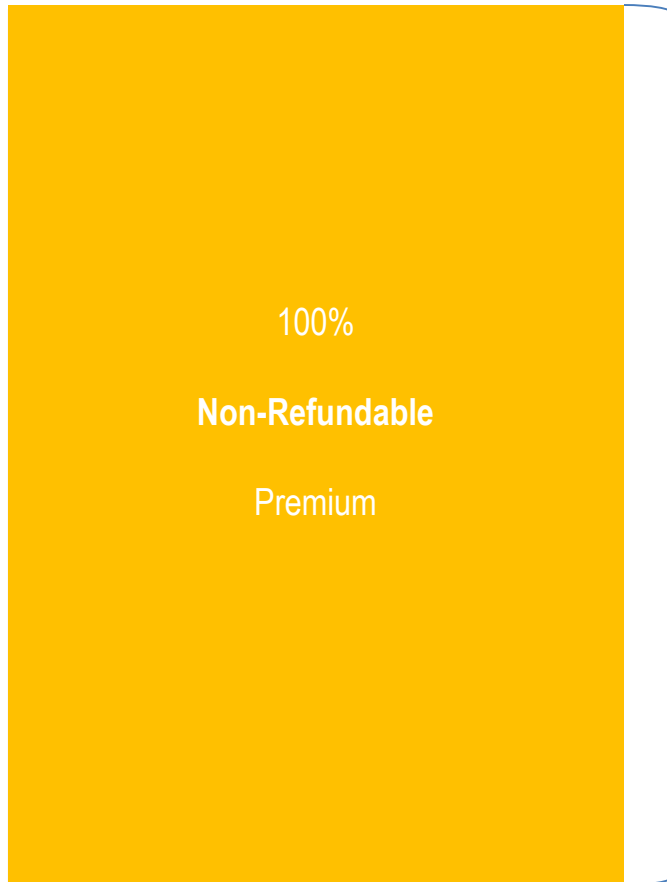
The Healthcare Dollar:



Fully Insured vs. “Level Funding”

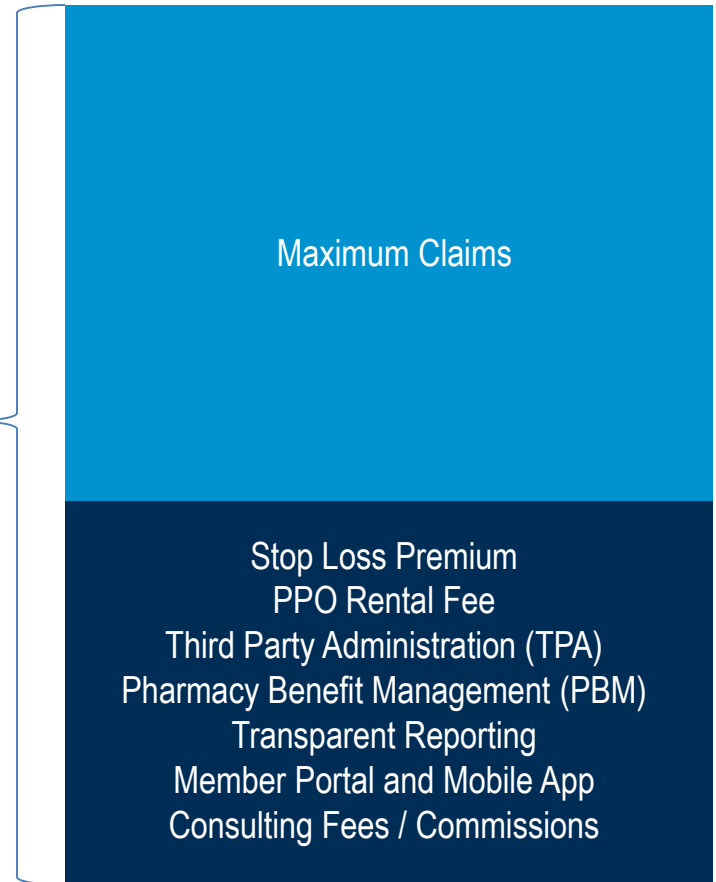


Fully Insured



Budget
flat payments

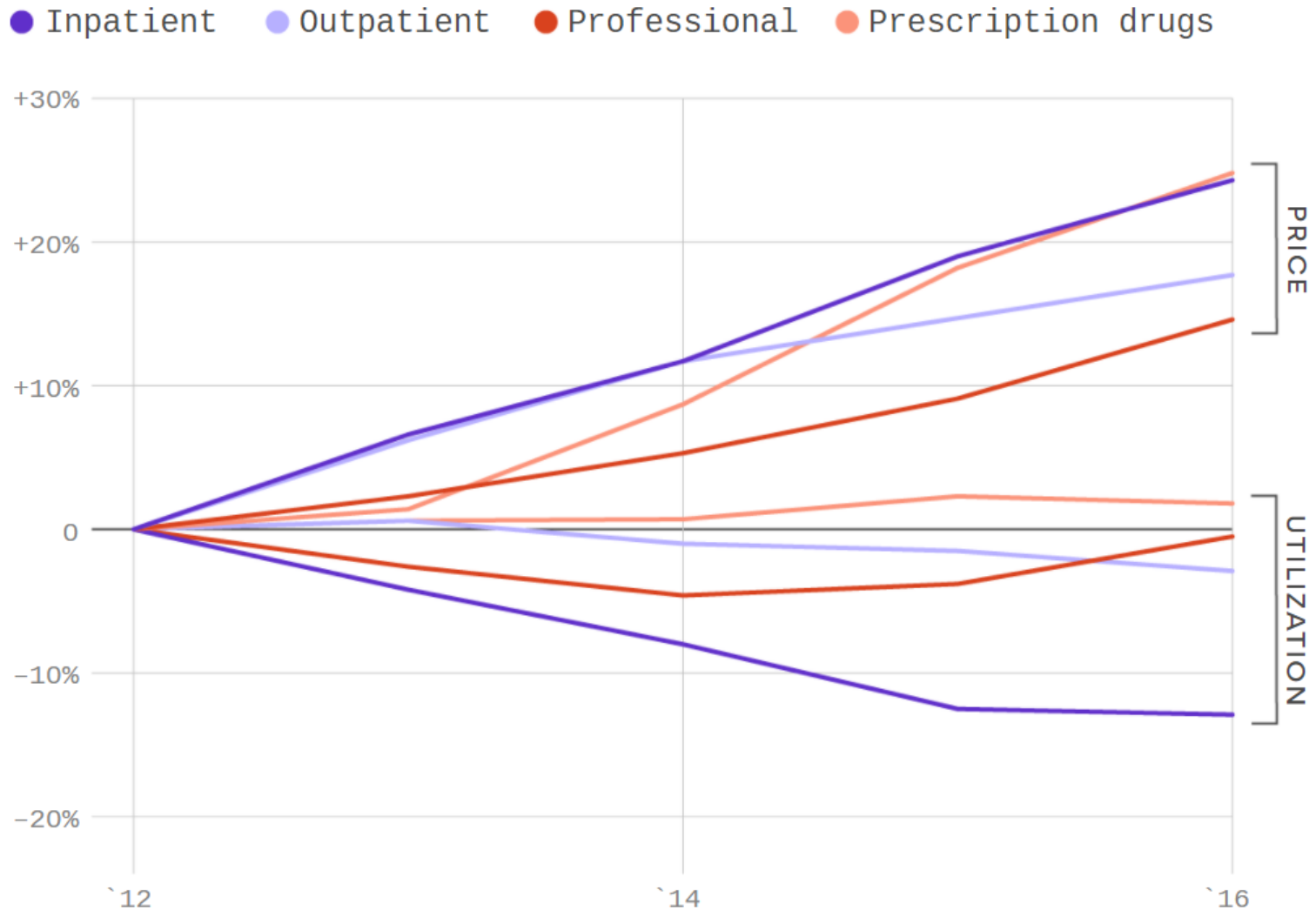
Level Funding



The Problem is the Prices

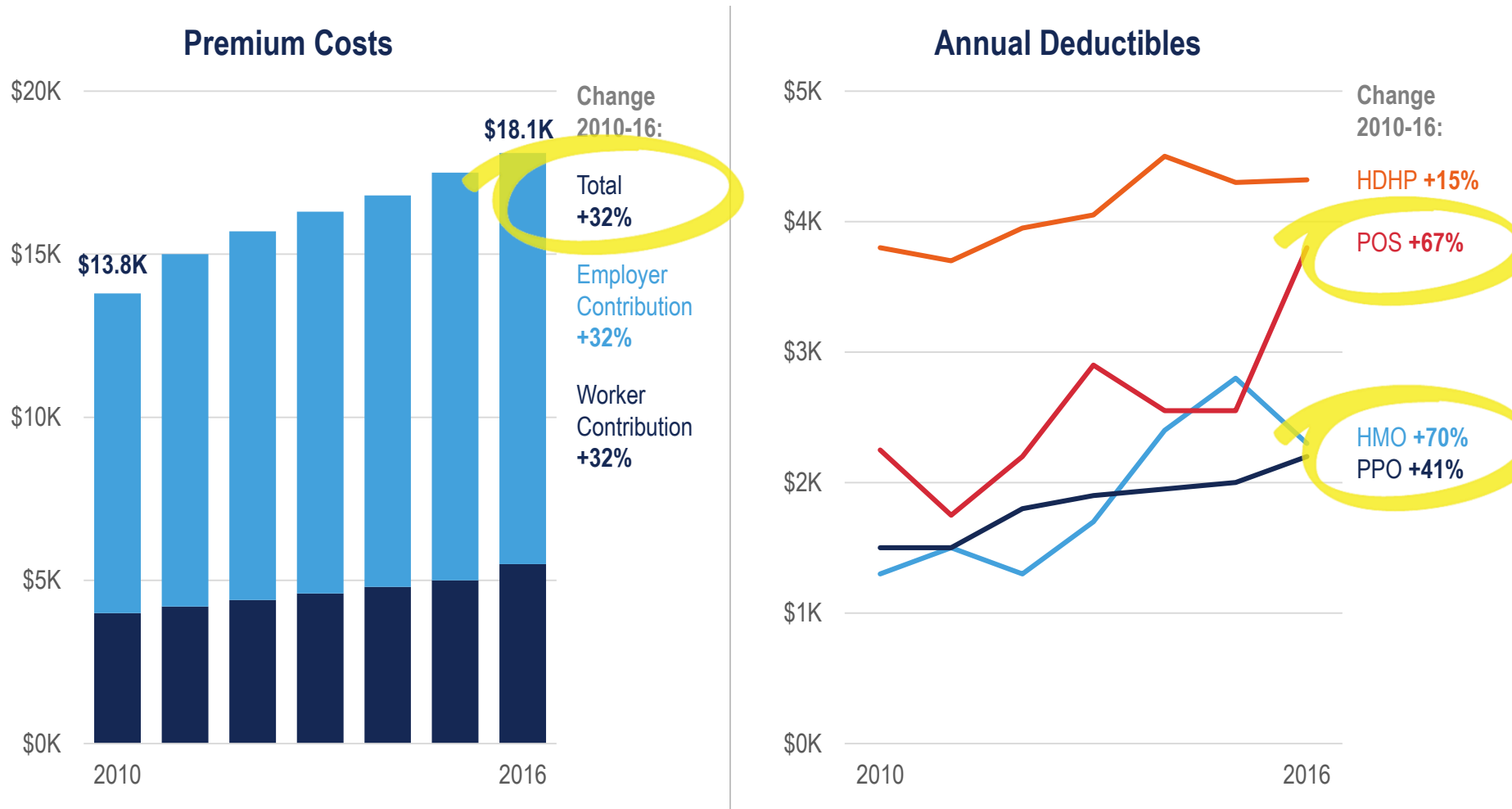


Change in U.S. health care price and utilization, 2012-16

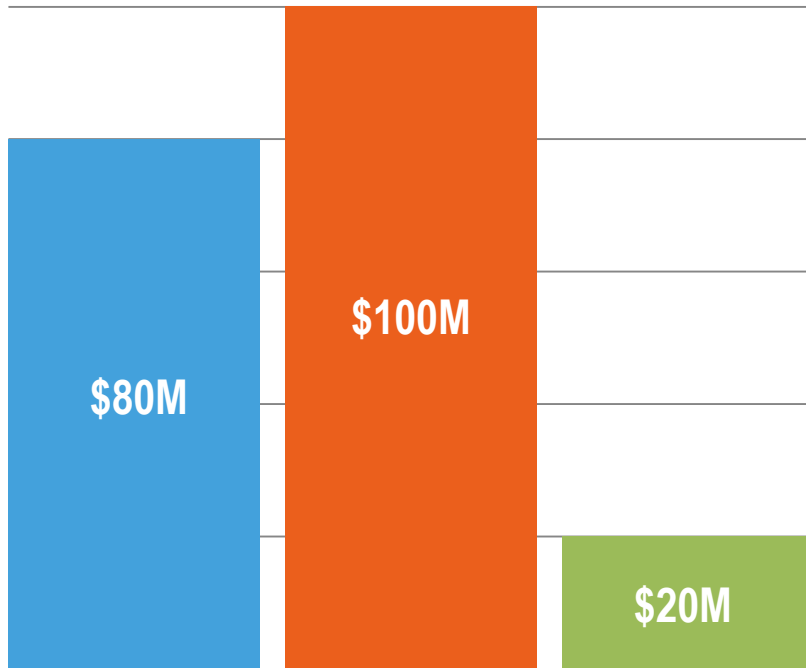


Employer-Based Health Coverage

Average costs and deductibles for family coverage



Health Insurance Company With High Claims



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

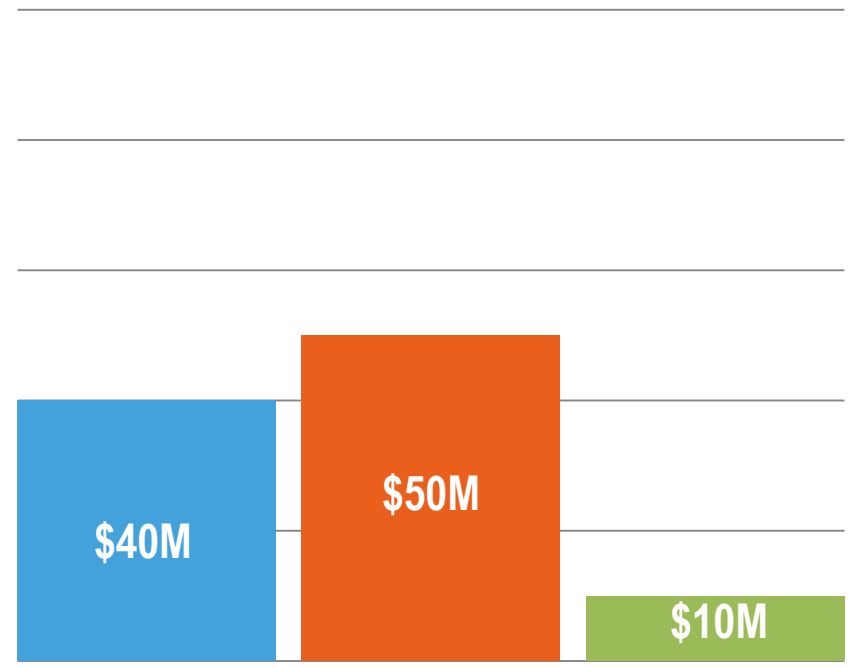


They are allowed to charge their customers **\$100M** in premiums...



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

THE WALL STREET JOURNAL.

OPINION | COMMENTARY

The Deception Behind Those In-Network Health ‘Discounts’

ObamaCare’s medical loss ratio creates incentives for insurers and providers to hoodwink customers.



PHOTO: ISTOCK/GETTY IMAGES

By Keith Lemer

Oct. 31, 2017 6:00 p.m. ET

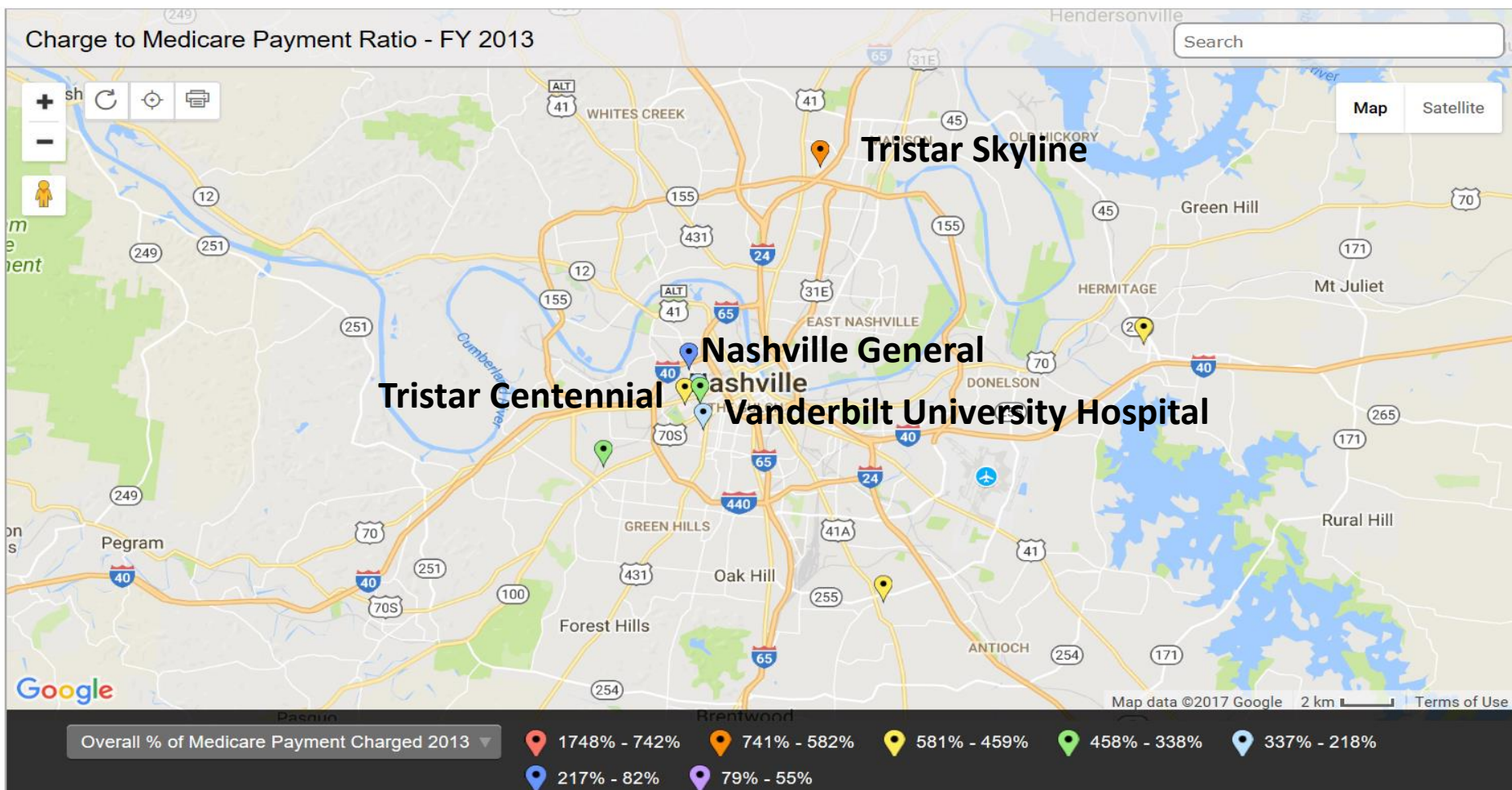
76 COMMENTS

Here’s a strange paradox: Health-care costs have increased by an unsustainable rate of about 8.5% each year over the past decade, [according to PwC’s Health Research Institute](#). Already, the average employer-based family health insurance plans costs more than \$18,000 annually.

Make Price Part of the Conversation



Huge Price Variance Between Facilities



This map shows the ratios—overall, and for inpatient and outpatient services—of charges to actual Medicare payment for all Medicare-certified hospitals. The map is based on data CMS released in May 2015 regarding the the top 100 MS-DRGs and top 30 APCs for FY13. <http://www.payercompass.com>

Huge Quality Variance Between Facilities

Nashville General Hospital

1818 Albion Street
Nashville, TN 37208-2918

[View the full Score](#)

This Hospital's Grade

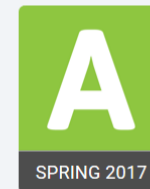


Tristar Centennial Medical Center

2300 Patterson Street
Nashville, TN 37203-1528

[View the full Score](#)

This Hospital's Grade



Tristar Skyline Medical Center

3441 Dickerson Pike
Nashville, TN 37207-2539

[View the full Score](#)

This Hospital's Grade



Vanderbilt University Hospital

1210 Medical Center Dr.
Nashville, TN 37232-2102

[View the full Score](#)

This Hospital's Grade



Waive Deductibles When Using the High Performance Network*



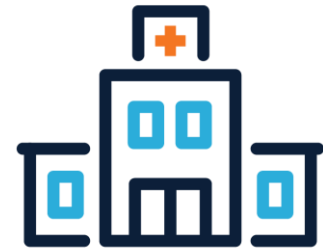
Volume/ Quality Platform

- Powerful data engine
 - National & state data
 - Inpatient & outpatient
- 36 data bank collection points
- 1 billion claims
- 815,000 physician profiles



Paid Claims Data Platform

- National & employer claims
- Lots of companies offer cost transparency but few also incorporate quality / volume



High-Performance Network

Highest quality, most
cost-effective providers



A Registered Nurse – the most trusted medical professional



Trained to listen and interpret



Utilizes triage (decision analysis)

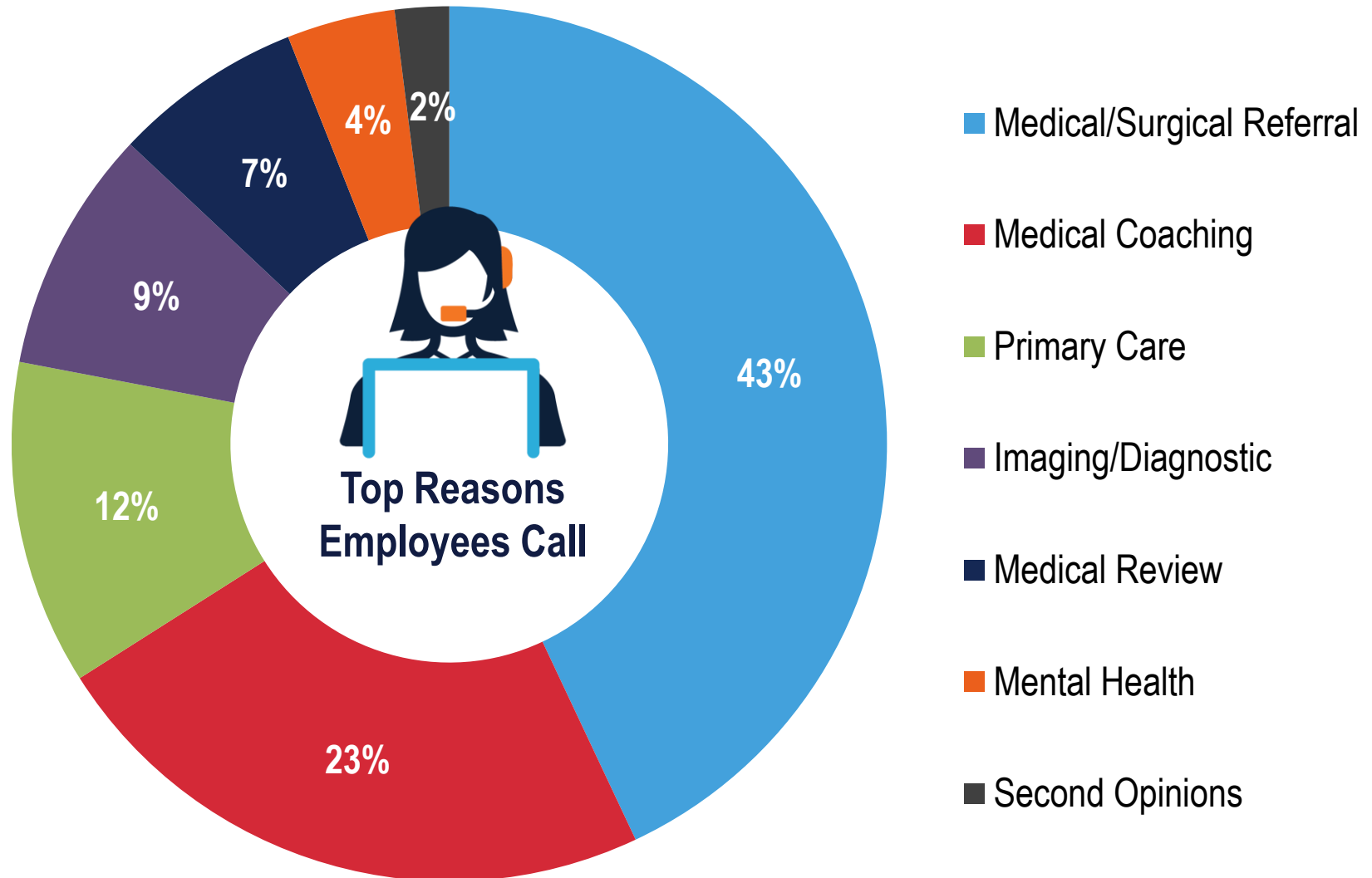
- Conservative steps to take before seeing a specialist
-








Best at explaining:

- Medical issues
- Medical alternatives
- Planning activities following medical care

Improved Member Experience – Why are People Calling?



No/Low Employee Cost Sharing for Using High Performance Network**

| Total Knee Replacement: Criteria* | | | # of Physicians Meeting Criteria |
|-----------------------------------|---|---------------------------|----------------------------------|
| 1 |  | Market Area | 60 |
| 2 |  | Adequate Procedure Volume | 14 |
| 3 |  | Quality | 8 |
| 4 |  | Costs/Implants | 6 |
| 5 |  | High Performance Network | 4 |

*Other key criteria for preferred providers:

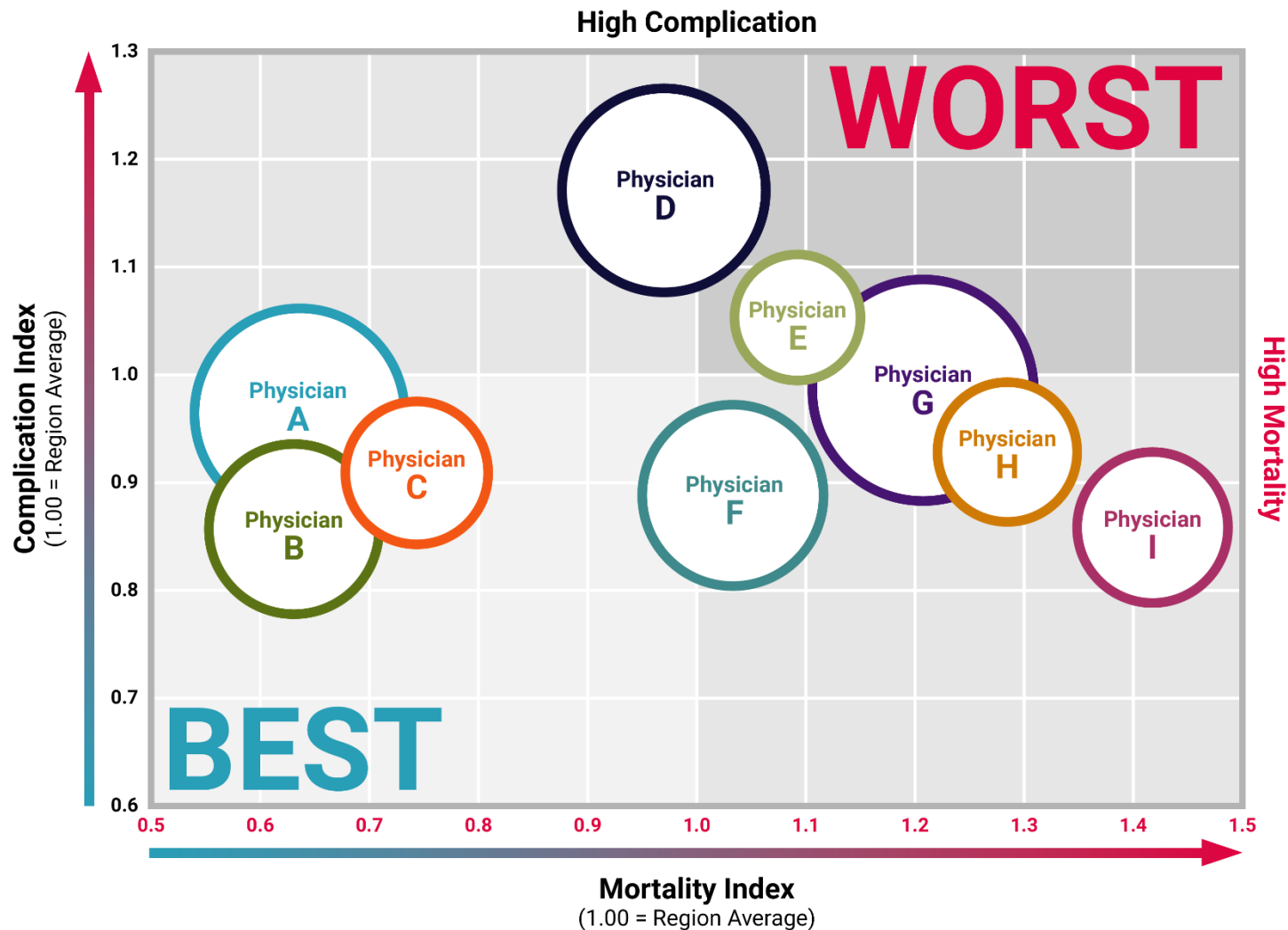
- Medical experience
- Education & training
- Fellowships
- Board certification
- Surgical complications
- Disciplinary actions
- Malpractice issues
- Readmission rates
- Mortality
- Outliers
- Facility affiliations
- Hospital ratings

**Through use of an HRA

Know the Facts Before Making Your Provider Decision



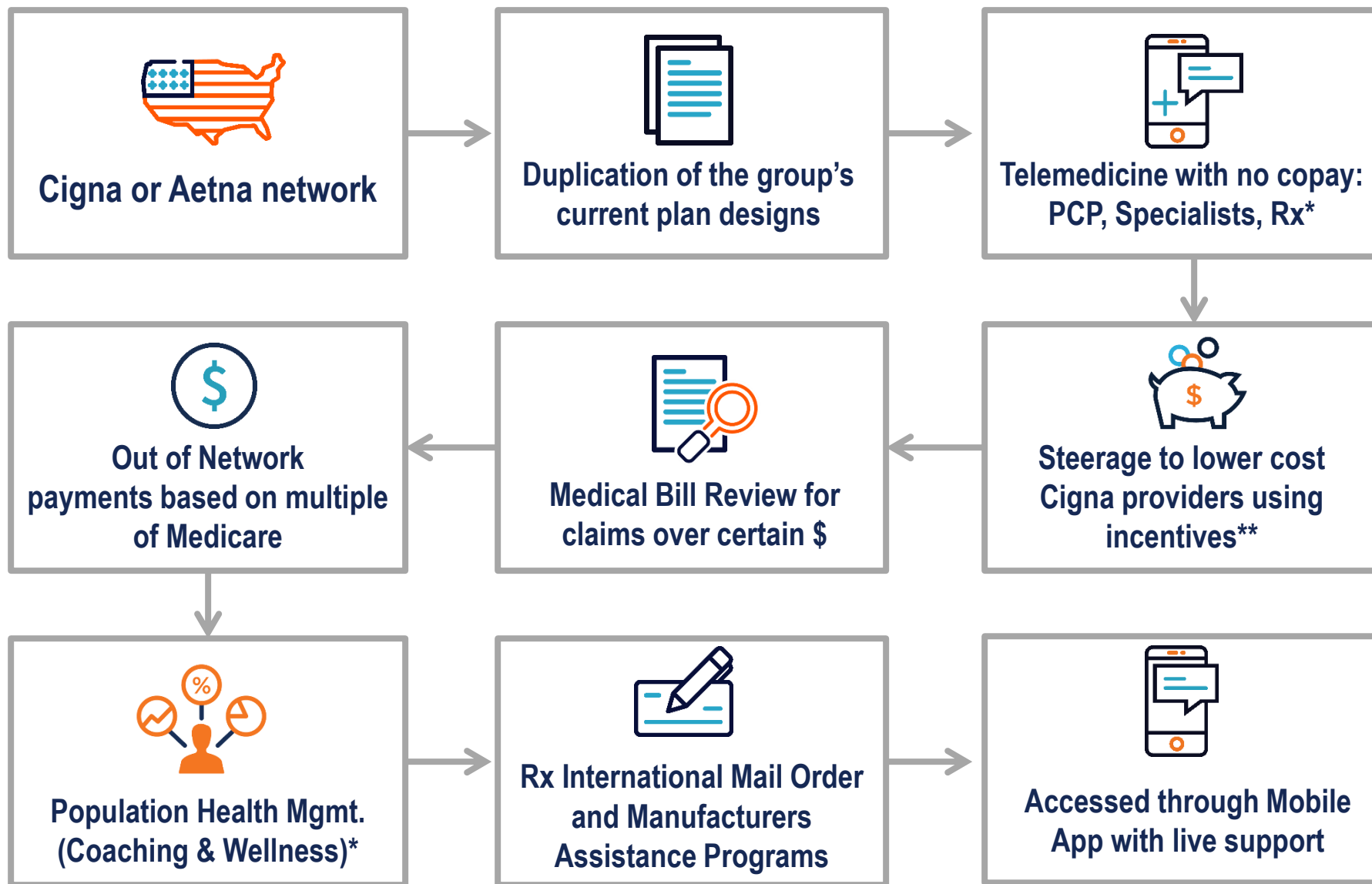
Example Physician: Open Heart Surgery



Who would you want as your physician knowing these statistics?

Severity adjusted bubble diameter based on cases

PPO Plan Design(s)

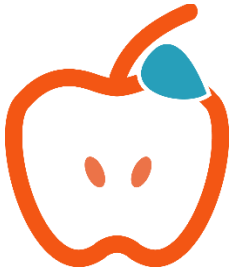


*Optional Service

**Through use of an HRA



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



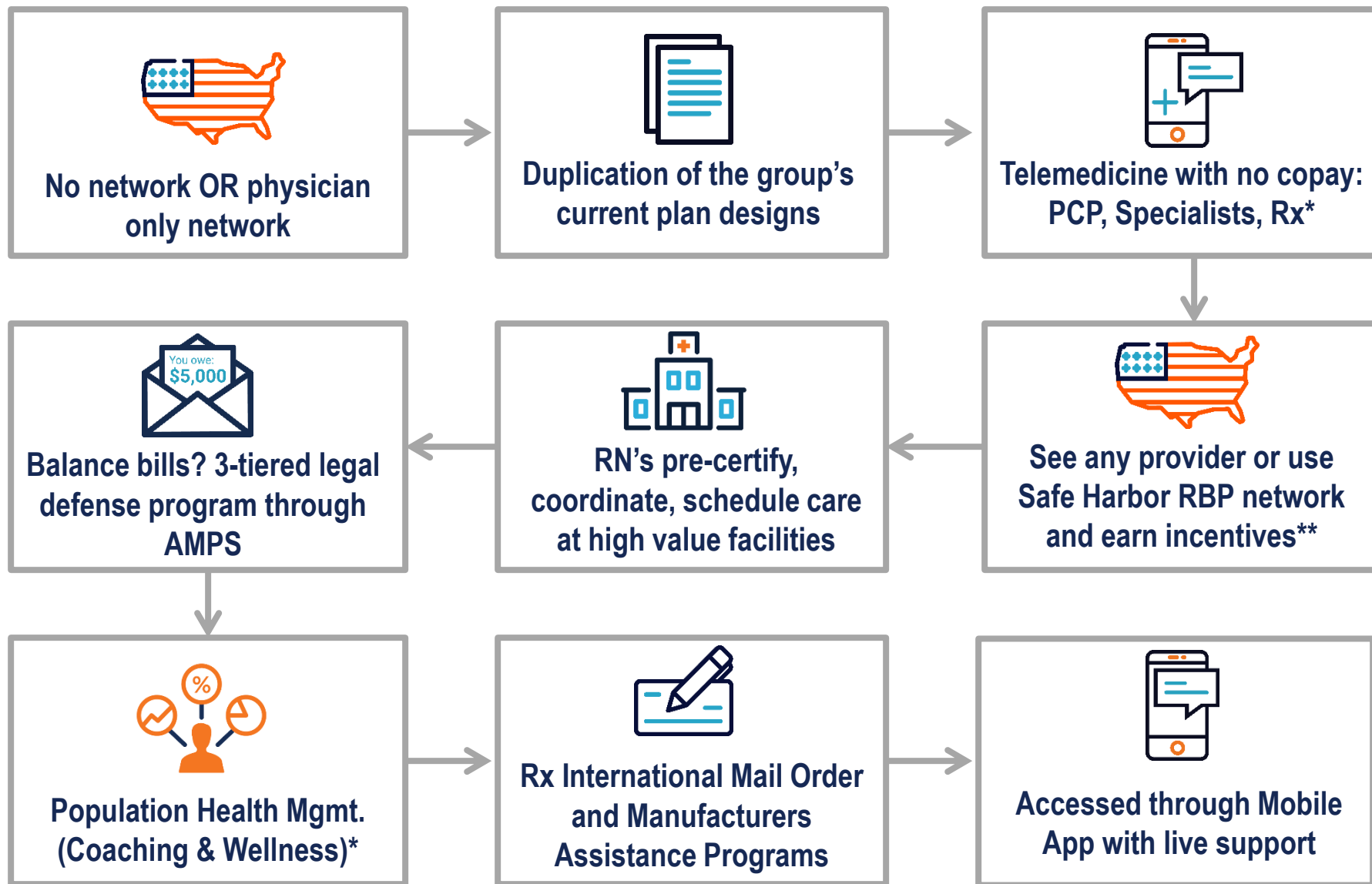
Most PPO payments to providers are based on pre-negotiated rates, often calculated by taking the *billed charge* from the provider then applying a PPO *discount*.



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.

RBP Plan Design(s)



*Optional Service

**Through use of an HRA

Employer, Member, and Consultant Portals Makes it Easy to Manage



Aug - Oct 2015: Prevention & Wellness

Earning Period: 8/1/2015 - 10/31/2015

Points Earned: **75**
Points Remaining: 125

Incentive Program Information

Type
Earn up to \$500 in deductible credits.

Rules to Qualify
You can only earn points during the earning period.

Total Points Needed
You need 200 points to earn the incentive.

View Health Goals

| Goals | Status | Points Earned |
|---|---------------------------|--------------------|
| + Wellness Check-Up (once per incentive year) | Completed as of 6/25/2015 | 150 of 150 earned! |

My Incentives

Below is a summary of the incentives offered to you. Please refer to the document describing your incentive program for full details. If this document has been made available electronically, you may access it by selecting **Benefits** on the toolbar at the left, then selecting **Forms, Documents, Links**.

The incentives listed below help you earn rewards and/or discounts for your wellness program. Please note that your **participation in this program is completely voluntary**. Your eligibility for health plan coverage and your employment status are not affected whether you choose to participate or not. If you have any questions, please contact a Navigator at the number at the bottom of the page.

Yearly Incentive Report

Take advantage of these goals

Wellness Points Balance: **8**

You need 2 points to reach your goal

View Health Goals

Home Contact Us FAQ My Health

My Dashboard
My Messages
Benefits
Medicines
My Medical Info
Health Services
Friends
My Wellness
My Badges
Standings
Challenges
Account
Communications

Standings

TRIVIA CHALLENGE STANDINGS **GROUP WELLNESS CHALLENGE STANDINGS**

| Challenge Name | Win | Loss | Tie | Completed |
|---|-----|------|-----|-----------|
| Total | 3 | 6 | 2 | 12 |
| Blood Pressure Trivia Challenge | 0 | 2 | 1 | 3 |
| Diabetes Trivia Challenge | 1 | 3 | 0 | 6 |
| Exercise and Nutrition Trivia Challenge | 1 | 0 | 0 | 1 |

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My Benefits

Enroll and Manage Benefits
Click here to:
• See your current benefits

Food & Fitness Summary

Net Calories Burned: April 2016
Daily Average: N/A
Monthly Total: N/A

| Summary | | High Risk | Medium Risk | Low Risk |
|---|--------------|-------------|--------------|--------------|
| Total Employee Lives | 605 | | | |
| Total Members in Employer Group | 1,393 | | | |
| Total Members in Risk Groups | 1,393 | 30 | 251 | 1,112 |
| Average # of Conditions per Member | 1.7 | 8.3 | 4.5 | 0.9 |
| Percentage of Members in Specific Risk Groups | | 2.2% | 18.0% | 79.8% |
| Percentage of Members at High & Medium Risk | 20.2% | | | |
| Average Age | 36.1 | 49.7 | 51.7 | 32.2 |
| Male | 749 | 18 | 107 | 624 |
| Female | 644 | 12 | 144 | 488 |
| Employee | 605 | 16 | 126 | 463 |
| Spouse | 0 | 0 | 0 | 0 |
| Child | 788 | 14 | 125 | 649 |
| Healthcare Costs | | | | |
| Potential Costs of High + Medium Groups | \$18,426,818 | | | |
| Potential Costs By Specific Risk Group | | \$3,341,829 | \$15,084,989 | \$13,136,232 |
| Predicted Probability of High Cost Claims | | 53.3% | 10.9% | 2.4% |
| Predicted Costs Due to High Cost Claims | \$3,734,904 | \$1,782,309 | \$1,641,319 | \$311,277 |
| Average Predicted Costs Per Member | | \$59,410 | \$6,539 | \$280 |

Client Case Study: Auto Dealer



Case Study Summary

- 620 Employees
- Privately-held company
- Prior Carrier: Blue Cross

Challenges

- 26% Premium Increase in 2016
- 15% Premium Increase in 2017
- Cost-containment
- Limited data
- No insight into annual increases

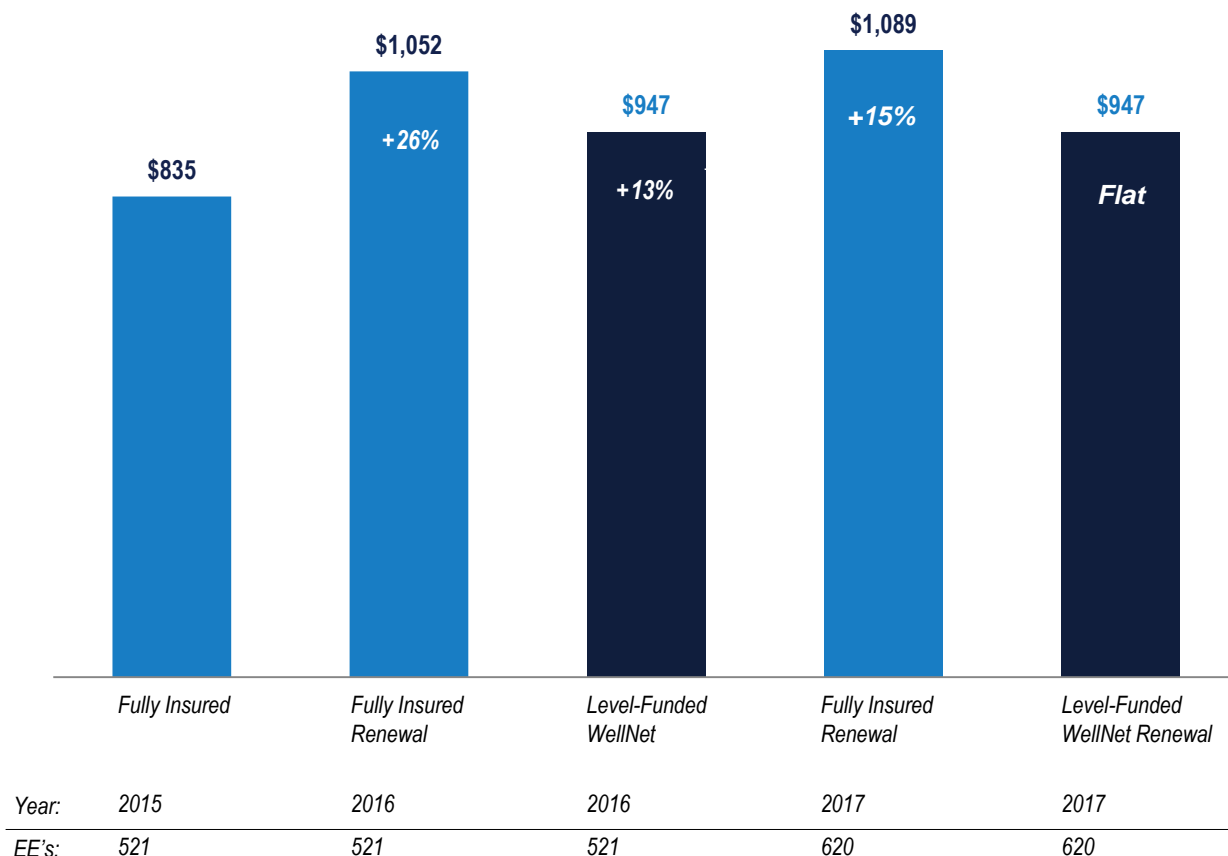
WellNet Solution

- Reduced Annual Premiums for Company and Employees
- Mining claim data to drive savings and improved outcomes
- Integrated Wellness Administration

Fully Insured Cost Increase with Blue Cross

VS.

Level-Funded Savings with WellNet



24 Month Savings
\$4,100,000

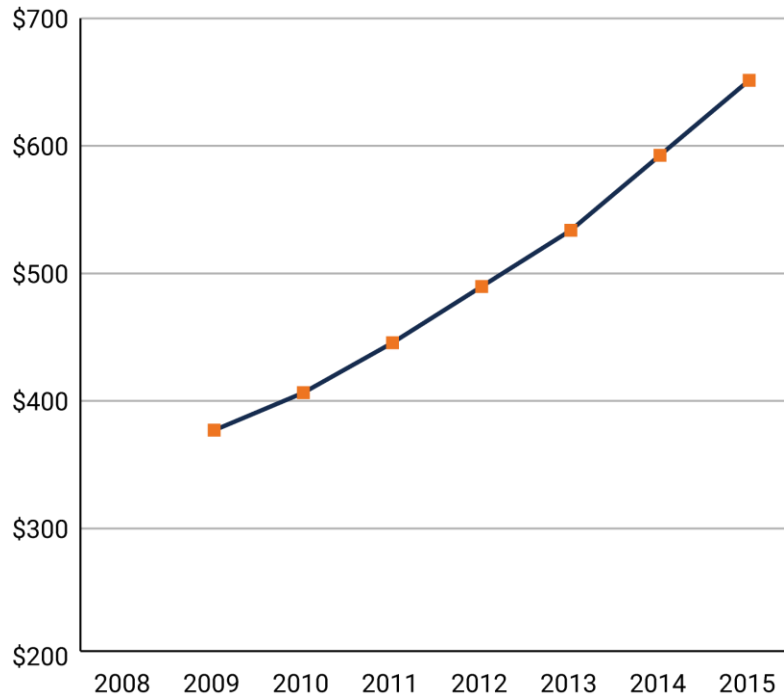
At \$1000 profit per Car, that's like selling another



Which Client Has the Competitive Advantage?



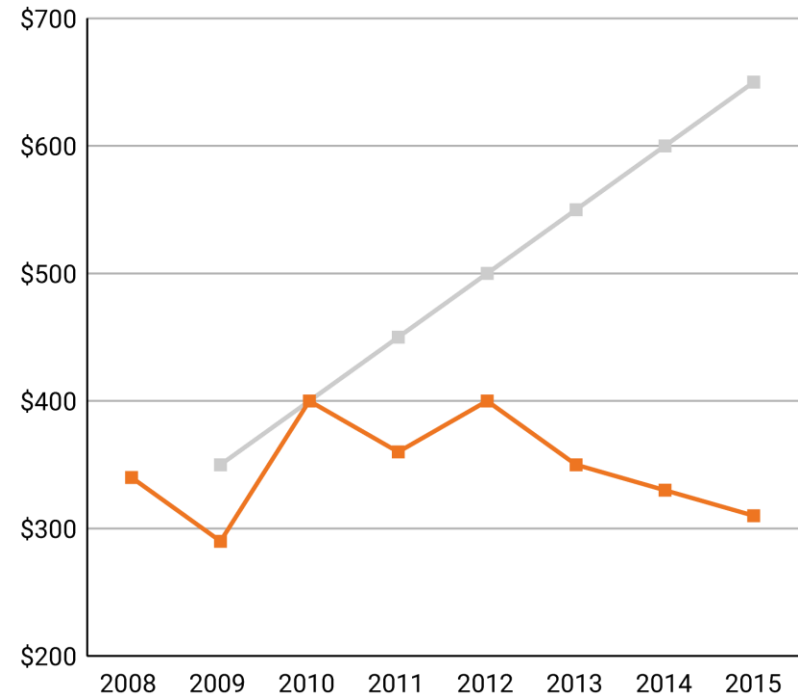
Client A's PPO PEPM Trend



Status Quo Consultant Says:

“GOOD NEWS. It looks like your health plan is only increasing by about 6% this year. We can further minimize this increase as we have in the past by increasing co-pays, deductibles and co-insurance amounts that your employees have to pay in addition to increasing their premium contribution.

Client B's PPO PEPM Trend



Futurist / Progressive Consultant Says:

“GREAT NEWS! Your employees are using their health plan more efficiently, simultaneously lowering cost while improving outcomes. With these savings you will be able to offer the same or greater level of medical benefits in the upcoming years. The dollars saved will fall right to your bottom line.”

Employers:

- Call Your Broker/Consultant and Request a WellNet Proposal.

Brokers and Consultants:

- Request a WellNet Proposal
- Learn About our Marketing Engine



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

Contact:

John Augustine: 610-348-6804 / jaugustine@wellnet.com

Jill Fallon: 713-303-5657 / jfallon@wellnet.com

www.wellnet.com



**Level & Self-Funded
Health Plans**



**Population Health
Management**



Rx Management



WellNet
HEALTHCARE

As a national healthcare management firm, WellNet creates less costly level-funded and self-funded health insurance plans for companies offering employee benefits. With less margin, more technology and a frictionless member experience, our PPO Plans, Reference Based Pricing options, and Hybrid Plans lower healthcare expenses today and limit increases tomorrow. WellNet finally helps businesses and their members take back the profits from traditional health insurance companies.