



WellNet
HEALTHCARE

WellNet's 'Pragmatic Brevity' Series

800-808-4014 | www.wellnet.com | partner@wellnet.com

INTRODUCING

WELLNET HEALTHCARE'S 'PRAGMATIC BREVITY' SERIES

IF YOU THINK ABOUT YOUR EVOLVING HABITS FOR CONSUMING INFORMATION, YOU HAVE LESS TIME, AND A SHORTER ATTENTION SPAN. OUR CONTENT IS DESIGNED SPECIFICALLY TO ADJUST TO THESE NEW HABITS AND DEMANDS. WE AIM TO MAKE YOUR EXPERIENCE MORE SUBSTANTIVE AND MEANINGFUL – AND THEREFORE MORE VALUABLE. OUR GOAL IS TO MAKE SMART PEOPLE SMARTER AS FAST AS POSSIBLE.



PRAGMATIC BREVITY

1.1

BIGGEST ISSUE WITH HEALTHCARE

PREMIUMS ARE DERIVED FROM CLAIMS AND PER UNIT COST. CONTROL THESE TWO ITEMS AND YOU FINALLY CONTROL THE HEALTHCARE EXPENSE.



PRAGMATIC BREVITY

1.2

WHAT'S THE PROBLEM WITH THE PRICE OF HEALTHCARE?

NOBODY WANTS TO TALK ABOUT THE PRICE. THEY ONLY WANT TO TALK ABOUT THE PREMIUMS. HOW CAN WE CONTROL THE PREMIUMS IF WE DON'T TALK ABOUT THE PRICE OF CARE?



PRAGMATIC BREVITY

1.3

A DIFFERENT LENS

MANAGE THE SUPPLY CHAIN OF YOUR HEALTHCARE PLAN LIKE YOU MANAGE THE REST OF YOUR BUSINESS.



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PRAGMATIC BREVITY

1.4

FULLY INSURED PLANS

PAYING A MONTHLY PREMIUM FOR HEALTH INSURANCE OFFERS NO INCENTIVE FOR THE INSURANCE COMPANIES TO LOWER CLAIM'S COSTS. AS PART OF A LARGER POOL, REDUCING CLAIMS HAS LITTLE TO NO EFFECT ON MONTHLY PREMIUM COSTS.



PRAGMATIC BREVITY

1.5

SELF-FUNDING

ANY REDUCTION IN YOUR CLAIMS EXPENSE IS A DIRECT SAVINGS TO YOUR BOTTOM-LINE.



PRAGMATIC BREVITY

1.6

WHAT IS LEVEL-FUNDING?

SELF-FUNDING WITH TRAINING WHEELS. ANNUAL HEALTHCARE CLAIMS, WITH STOP-LOSS BUILT IN, THEN DIVIDED INTO 12 EQUAL MONTHLY INSTALLMENTS, FOR A BUDGETABLE PREMIUM.



PRAGMATIC BREVITY

1.7

ONE THING IS CERTAIN.

HEALTH INSURANCE ISN'T GETTING ANY LESS EXPENSIVE TODAY, OR FOR THE FORESEEABLE FUTURE.



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PRAGMATIC BREVITY

1.8

DO HEALTH INSURANCE COMPANIES LOWER COSTS?

HEALTH INSURANCE COMPANIES HAVE EVERY
REASON TO LET THE COST OF CLAIMS RISE.
THEY CAN'T RAISE PREMIUMS OTHERWISE.



PRAGMATIC BREVITY

2.0

CONTAIN MEDICAL COSTS OR LOWER THE DEDUCTIBLE?

THE POPULAR APPROACH OF HAVING EMPLOYEES
SHOULDER MORE OF THE RISING COSTS
THROUGH HIGH DEDUCTIBLE PLANS
DISCOURAGES PEOPLE TO SEEK MEDICAL HELP
WHICH IS COSTLIER IN THE LONG-RUN.



PRAGMATIC BREVITY

2.1

WHY ARE HEALTHCARE COSTS SKYROCKETING?

COMPLETE LACK OF TRANSPARENCY.



PRAGMATIC BREVITY

2.2

COMPANIES ARE PAYING MORE THAN THEY EVER HAVE FOR HEALTHCARE

ASIDE FROM BEING INCREASINGLY UNHAPPY,
EMPLOYEES ARE SADDLED WITH ESCALATING
OUT-OF-POCKET COSTS AND A CONFUSING MAZE.
WITH LIMITED RESULTS, NO ONE EXCEPT THOSE
SURROUNDING THE PLAN ARE WELL SERVED.



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PRAGMATIC BREVITY

2.3

ASKING THE RIGHT QUESTIONS.

INSTEAD OF ASKING FOR THE COST OF PREMIUMS,
ASK ABOUT THE COST OF CARE.



PRAGMATIC BREVITY

2.4

NO ONE SHOULD BE REQUIRED TO BE AN EXPERT IN HEALTHCARE

SUPPORT AND ASSIST EMPLOYEES IN MAKING THE
RIGHT DECISIONS FOR THEMSELVES AND THEIR
FAMILIES. EMPLOYEES SHOULD NOT FEEL ALONE,
CONFUSED AND OVERWHELMED WHEN IT COMES
TO UNDERSTANDING THEIR BENEFITS.



PRAGMATIC BREVITY

2.5

INFLATION

MEDICARE RATES INCREASE 1% TO 3% ANNUALLY.
HEALTH INSURANCE COMPANIES INCREASE
THEIR RATES 8% TO 9% ANNUALLY.
WHY? IS THAT EVEN JUSTIFIED?



PRAGMATIC BREVITY

2.6

A FIFTH OF COMPANIES SEE ANNUAL HEALTH INSURANCE COSTS INCREASE BY MORE THAN 10%

SUCCESSFUL COMPANIES BUCKING THIS TREND
HAVE A WILLINGNESS TO TACKLE THESE INCREASES
BY MOVING PAST THE TRADITIONAL INSURER ROUTE
AS A SOURCE FOR INNOVATION. INSTEAD,
HAVE HIRED FIRMS THAT HAVE ASSEMBLED
ENTREPRENEURIAL APPROACHES TO SAVE MONEY.



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PRAGMATIC BREVITY

2.7

HEALTHCARE DISCOUNTS.

IF I COULD SELL YOU A FERRARI AT AN 80% DISCOUNT,
WOULD YOU BUY IT? THINK ABOUT IT,
**A DISCOUNT IS ONLY GOOD
IF YOU KNOW THE STARTING PRICE.**



PRAGMATIC BREVITY

2.8

ON AVERAGE, HOSPITALS MARK UP PRESCRIPTION DRUG COVERAGE BY ALMOST 500%

ONE IN SIX HOSPITALS SET PRICES
THAT ARE AT LEAST SEVEN TIMES
MORE THAN THE HOSPITAL PAID



PRAGMATIC BREVITY

3.0

SURPRISE MEDICAL BILLS

67% OF EMPLOYEES SAY THEY'RE VERY WORRIED ABOUT
BEING ABLE TO PAY A SURPRISE MEDICAL BILL.
53% FEAR THEY WON'T BE ABLE TO PAY THEIR DEDUCTIBLE
AND 45% ARE AFRAID OF THE COST FOR
THEIR PRESCRIPTION DRUGS.



PRAGMATIC BREVITY

3.1

THE C-SUITE'S FOCUS FOR THEIR HEALTH INSURANCE PLAN

REDUCE THE FREQUENCY OF CLAIMS,
REDUCE THE COST OF CLAIMS...IN TURN,
REDUCE THE INSURANCE PREMIUM.



PRAGMATIC BREVITY

3.2

WAGE INCREASE DOLLARS NOW DIVERTED TO PAY FOR EMPLOYER-PROVIDED HEALTH INSURANCE

FOR THE BOTTOM 60% OF U.S. WORKERS, WAGE GAINS HAVE BEEN COMPLETELY WIPED OUT BY CONTRIBUTIONS FOR EMPLOYER-PROVIDED HEALTH INSURANCE



PRAGMATIC BREVITY

3.3

HEALTHCARE COST IMPACT TO EMPLOYEES

2008: 8% OF THEIR TAKE HOME PAY WENT TO HEALTHCARE
2017: 12% OF TAKE HOME PAY WENT TO HEALTHCARE

AMERICANS ARE TAKING HOME LESS MONEY TODAY AS A DIRECT RESULT OF HEALTHCARE COSTS.



PRAGMATIC BREVITY

3.4

FOR MANY EMPLOYEES, RISING HEALTH INSURANCE PREMIUMS EAT UP EVERY LAST CENT OF THEIR PAY INCREASES AND MORE

THIS AFFECTS HOW PEOPLE BUY HOUSES, SAVE FOR RETIREMENT, LAUNCH THEIR CHILDREN INTO ADULthood AND TRY TO GET AHEAD IN LIFE.



PRAGMATIC BREVITY

3.5

REMAIN IN THE DRIVER'S SEAT

MAKE BETTER DECISIONS
ONCE YOU UNDERSTAND THE
ECONOMICS AND THE UNDERLYING
PROBLEMS OF HEALTHCARE.



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PRAGMATIC BREVITY

3.6

HEALTHCARE COSTS ARE EVEN HARDER ON LOWER-PAID WORKERS

INSURANCE COVERAGE IS A LARGER
PIECE OF THEIR TOTAL COMPENSATION.
FOR A WORKER MAKING \$50,000,
\$5,000 IS 10% OF THEIR INCOME.
FOR A WORKER MAKING \$100,000,
\$5,000 IS ONLY 5% OF THEIR INCOME.



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3.7

HEALTHCARE AS A BUSINESS UNIT.

ARE YOU MANAGING THE
HEALTH PLAN AS YOU WOULD
ANY OTHER BUSINESS UNIT?



PRAGMATIC BREVITY

3.8

WHAT DOES GREAT HEALTHCARE LOOK LIKE?

BEST OUTCOMES AND LOWER COST
OR THE BIGGEST NETWORK?



PRAGMATIC BREVITY

3.9

TRADITIONAL BROKERS

SINCE MOST HEALTH INSURANCE BROKERS
GET PAID A COMMISSION BASED ON THE
PERCENTAGE OF YOUR PREMIUM PAID,
THE BROKER HAS A FINANCIAL INCENTIVE
TO ALLOW THE PREMIUM TO GO UP.
THERE IS GENERALLY A DISINCENTIVE
TO CONTROL THE PREMIUMS OR
RECOMMEND ALTERNATIVE SOLUTIONS.



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PRAGMATIC BREVITY

4.0

WHY DON'T THE INSURANCE COMPANIES LOWER YOUR PREMIUMS?

IF THE CARRIERS MANAGE AND LOWER
YOUR CLAIM COSTS, THEY MUST LOWER
THEIR PREMIUMS NEXT YEAR. THIS UPSETS
SHAREHOLDERS, WHOSE MAIN JOB IS
TO DRIVE PREMIUM GROWTH.



PRAGMATIC BREVITY

4.1

INCENTIVIZE EMPLOYEES

ACCESSING RANDOM DOCTORS WITH
ALL DIFFERENT PRICES, RESULTS IN
RANDOM CHARGES, DRIVING UP
INSURANCE PREMIUMS CONSIDERABLY.



PRAGMATIC BREVITY

4.2

CHANGE EMPLOYEE BEHAVIOR; INCREASE PROFITABILITY

IF EMPLOYEES ARE ARMED WITH EDUCATION AND INFORMATION,
COMBINED WITH THE INCENTIVES TO DRIVE ACTION,
THE REWARDS ARE LOWER HEALTHCARE COSTS,
LOWER EMPLOYEE CONTRIBUTIONS AND
INCREASED PROFITABILITY FOR EMPLOYERS.



PRAGMATIC BREVITY

4.3

COMPETITIVE FORCES ARE OUT OF WHACK IN HEALTHCARE

THEY OFTEN INCREASE PRICES
TO MEET PROFIT TARGETS.



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PRAGMATIC BREVITY

4.4

YOUR TRAVEL & ENTERTAINMENT POLICY DOESN'T LOOK LIKE THIS

PATIENTS, ESPECIALLY THOSE WITH
INSURANCE, OFTEN DON'T KNOW
THE PRICE OF A PROCEDURE
AND RARELY SHOP AROUND.



PRAGMATIC BREVITY

4.5

COMPETITION IN HEALTHCARE

THE RISE IN HOSPITAL PRICES HAS OUTPACED
ECONOMY-WIDE INFLATION FOR DECADES.
WHEN PRICE ISN'T TIGHTLY LINKED TO COST,
THAT IS A SIGN THAT THE MARKET ISN'T COMPETITIVE.



PRAGMATIC BREVITY

4.6

WHO'S MINDING THE STORE?

HOSPITAL LIST PRICES ARE A STARTING POINT FOR
NEGOTIATIONS WITH INSURANCE COMPANIES
OVER WHAT THEY WILL ACTUALLY PAY,
AND THOSE DEALS ARE CONFIDENTIAL.



PRAGMATIC BREVITY

4.7

A STUDY FROM HARVARD ON HEALTHCARE COSTS

ON KNEE-REPLACEMENT SURGERY,
HIGHER-COST HOSPITALS SPENT
ALMOST TWICE THE AMOUNT
LOWER-COST HOSPITALS SPENT,
DESPITE LARGELY SIMILAR QUALITY
AND ROUGHLY COMPARABLE PATIENTS.



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