



POPULATION MANAGEMENT AND REDUCTION OF AGGREGATE SPEND

US Manufacturer Improves Population Health and Reduces Aggregate Spend by Selective Investment in Primary Care

The employer is an international automotive supplier with multiple locations and a population of >3,000 employees in 3 states.

THE PROBLEM

The employer's benefits management team had exhausted all traditional options for controlling healthcare spending including Consumer Driven Health Plans, Annual Cost-Shifting Premiums to Employees, On-site Clinics and a wide array of Wellness Programs.

Although their efforts had helped maintained healthcare costs of 20.3% below the national average on a Per Employee Per Month

IMPLEMENTATION

Employer Advantage took steps to engage the employer's adult population with a "hand-selected" group of high performing, accountable Primary Care Providers ("select PCP's").

- Select PCP's were established in 2 locations as on-site clinics and in 3 locations as near-site PCP's.
- Employees and their families were eligible to use these select PCP's at no out-of-pocket cost.
- Implementation of Employer Advantage's proprietary Annual Biometric Screening and Lifestyle Assessment with select PCP's.
- Premium incentives were offered to employees for participation in the Annual Biometric Screening and Lifestyle Assessment.
- Ongoing engagement with select PCP's was encouraged but not mandated.
- Utilization of effective and efficient specialists and facilities was enhanced through coordination with select PCP's.

How Do We Do It?

Actionable
Biometric
Screenings &
Risk
Assessments

Biometric Screenings and Risk Assessments conducted by "hand-selected" primary care (based upon employer need, claims analysis, and practice interview) to ensure identified medical issues are immediately addressed with medical professionals.

Increased ROI
for Premium
Incentives

ROI for wellness program premium incentives is increased by connecting employees with select primary care creating opportunity for long-term health stabilization and improvement.

Comprehensive
Primary Care

Use of select primary care practices and onsite clinics capable of meeting >96% of patient needs including chronic disease management, preventive care, sick care, and wellness coaching.

Efficient
Specialty Care

Creation of collaborative relationships between select primary care and high performing specialists and facilities.

Targeting Cost
Drivers

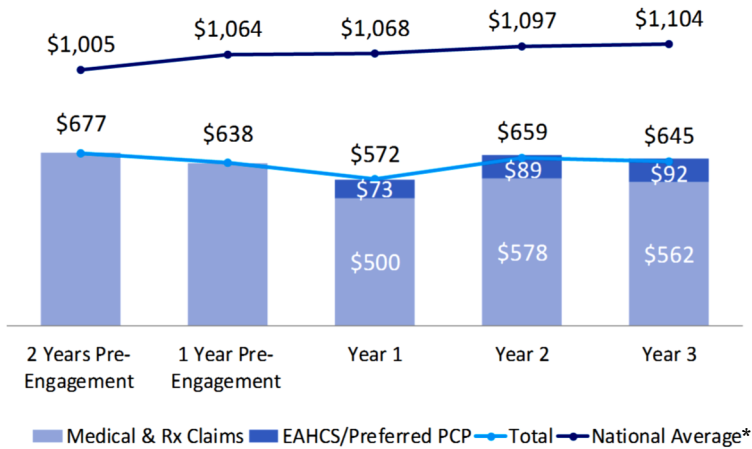
Continuous review of cost drivers (individuals, specialty care, utilization and unit cost) to identify specific areas which require improved processes or collaboration (select primary care and specialists) to reduce overall cost.

Alignment of
Wellness
Programs

Assess all employer wellness programs (tools, incentives and activities) to ensure coordinated, intentional and tangible results.

RESULTS

5 Year Cost Trend —PEPM

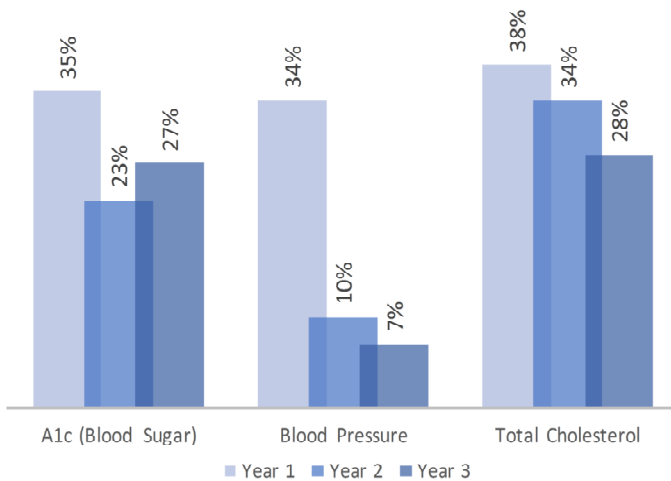


* National average for 5 Year Cost Trend chart is taken from Mercer's National Survey of Employer-Sponsored Health Plans.

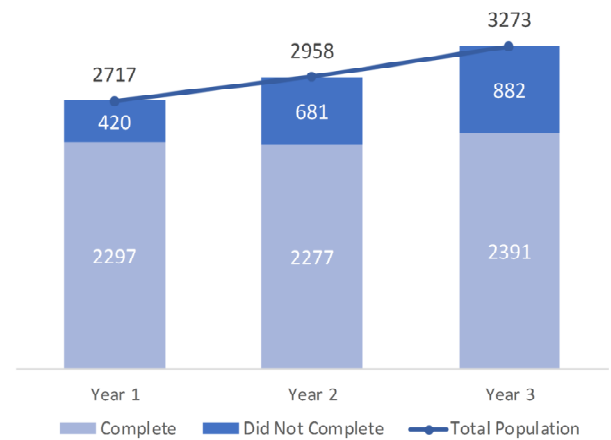
Employer Advantage Health Care Solutions ("Employer Advantage") worked with the employer to achieve the following:

- 70-85% annual participation in Employer Advantage's proprietary Annual Biometric Screening and Lifestyle Assessment.
- Stabilization and reduction of abnormal Blood Pressure, Cholesterol and Blood Sugar.
- >65% of all primary care visits are provided by the select PCP's. Out of 21,578 total visits, 14,221 were carried out at the select PCP's.
- Medical & Pharmacy claims cost achieved negative growth from a high value of \$677 PEPM to \$645 PEPM.
- Stabilization in overall spending trends. Growth occurred far slower than documented needs of the population suggested. New enrollments formed the bulk of added spend.

Key Biometric Changes Abnormal/Pre-abnormal Results



Annual Biometric Screening and Lifestyle Assessment Participation





ENHANCED PRIMARY CARE REDUCES COST AMONG ENGAGED EMPLOYEES

Community-based Hospital Lowers Employee Health Care Cost with Enhanced Primary Care Model

THE PROBLEM

A regional hospital in the mid-west found themselves with two unique dilemmas: First, as a healthcare provider, they were searching for cutting edge business models which expanded market capture and increased revenue while still serving as a trusted healthcare partner in their community. Second, as a self-insured employer, they desired to reduce their overall healthcare spend, reduce leakage and improve employee access to quality care. The hospital leadership recognized that whatever they implemented they must test and prove the process with their own employee population. Employer Advantage's turnkey solution for creating an Enhanced Primary Care Program was a perfect match for both of the hospital's key challenges.

IMPLEMENTATION

The following key components of Employer Advantage's Enhanced Primary Care Program were implemented:

1. Comprehensive healthcare data study was conducted to identify current and expected spend, Primary Care usage, population health risk scores as well as any improvement opportunities.
2. Enhanced Primary Care business model which:
 - a. Established fees for enhancing Primary Care for Cooperation.
 - b. Offered legally approved premium incentives for program enrollment by employees and their spouses.
 - c. Created an environment which rewarded collaboration with Primary Care and other ancillary hospital services like Medication Therapy Management, Nutrition Counseling and Behavioral Health.
 - d. Conducted open enrollment style meetings for employees to facilitate enrollment in the program.
 - e. Established reporting metrics for measurement of program success.
 - f. Facilitated change within the hospital system promoting collaboration between primary care specialists and hospital services.

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RESULTS



Overall Cost 32% ↓

Spend among Enrolled Members compared to Non-Enrolled



Hospital 63% ↓

Spend among Enrolled Members vs. 32% decrease among Non-Enrolled



Medication 22% ↓

Spend among Enrolled Members vs. 18% increase among Non-Enrolled

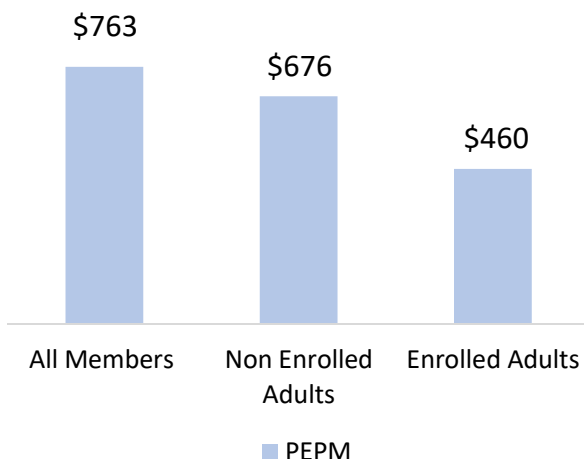


Facility 11% ↓

Spend among Enrolled Members vs. 14% increase among Non-Enrolled

PEPM Spend

264 Enrolled Members vs. 729 Non-Enrolled



1. Approximately 25% of the adult population enrolled in the Enhanced Primary Care Program.
2. Cost of the enrolled population was 32% lower than the non-enrolled population, while costs for participants enrolled for more than 1 year were 66% less than the non-enrolled population; thereby demonstrating longer enrollment created greater savings.
3. Results in the highest three areas of healthcare cost:
 - a. Medication cost decreased by 22% in the enrolled population compared to an increase of 18% in the non-enrolled. The decrease in the enrolled population was driven by a 21% decrease in the average unit cost of medications.
 - b. Inpatient Hospital cost decreased by 63% in the enrolled population driven by a 32% decrease in frequency of use. The non-enrolled population decreased by 10% in the same time period.
 - c. Facility cost decreased by 11% in the enrolled population compared to an increase of 14% in the non-enrolled. The less increase in the enrolled population was driven by a 29% drop in frequency of use.
4. Risk scores for the enrolled were 23% lower than the non-enrolled population while those enrolled for more than one year were 38% lower than the non-enrolled population.