



HEALTH CARE REIMAGINED

WISCONSIN'S FIRST HIGH-PERFORMANCE HEALTH PLAN SOLUTION

BHCG MISSION-DRIVEN STRATEGY

- WI – high quality, but high costs – health care status quo is unsustainable
 - Unaffordable for employers, employees and their families; can't continue to push costs to employees
 - Significant differences in cost-effectiveness not linked to measurable differences in quality
- We must
 - Reward value, not volume
 - Have a direct employer voice with providers and better alignment/accountability
 - Reduce “medical homelessness”



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BHCG-CENTIVO PARTNERSHIP



- Why Centivo?
 - Rigorous selection process
 - Proven track record of building high-performance, primary care-centered network solutions
 - No Medicare, Medicaid or fully insured products to protect
- Strong alignment with BHCG's mission and strategy
 - Provides full administrative services and network contracting
 - Highly competitive and fully transparent fees



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AGENDA

- **9:05 – 9:45 BHCG-Centivo Partnership and Product Offering**
Ashok Subramanian, Founder & CEO, Centivo
- **9:45 – 10:20 Panel Discussion #1**
Having a trusted primary care relationship: The benefit and how to achieve it
- **10:20 – 10:55 Panel Discussion #2**
High-Performance solution: Opportunities for employers, health care providers and the community
- **10:55 – 11:00 Closing Comments**



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KEYNOTE PRESENTER



Ashok Subramanian
Founder & CEO, Centivo



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DISCUSSION 1 PANELISTS

Moderator

Dave Osterndorf

Wayne Jenkins, MD

Chief Medical Officer, Centivo

Gregory Brusko, DO

Chief Clinical Officer, Ascension Wisconsin



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DISCUSSION 2

PANELISTS

Moderator

Dave Osterndorf

Janet Lucas-Taylor

Senior Director Employee Benefits
Northwestern Mutual

Lisa Mrozinski

Director of Total Rewards
Baird

James Sheeran

Senior Director, Total Rewards
Molson Coors Beverage
Company

Daniel Velicer

Vice President – Global Benefits
Kohler Co., Inc



HEALTH CARE REIMAGINED

June 2021

Reimagining the health plan



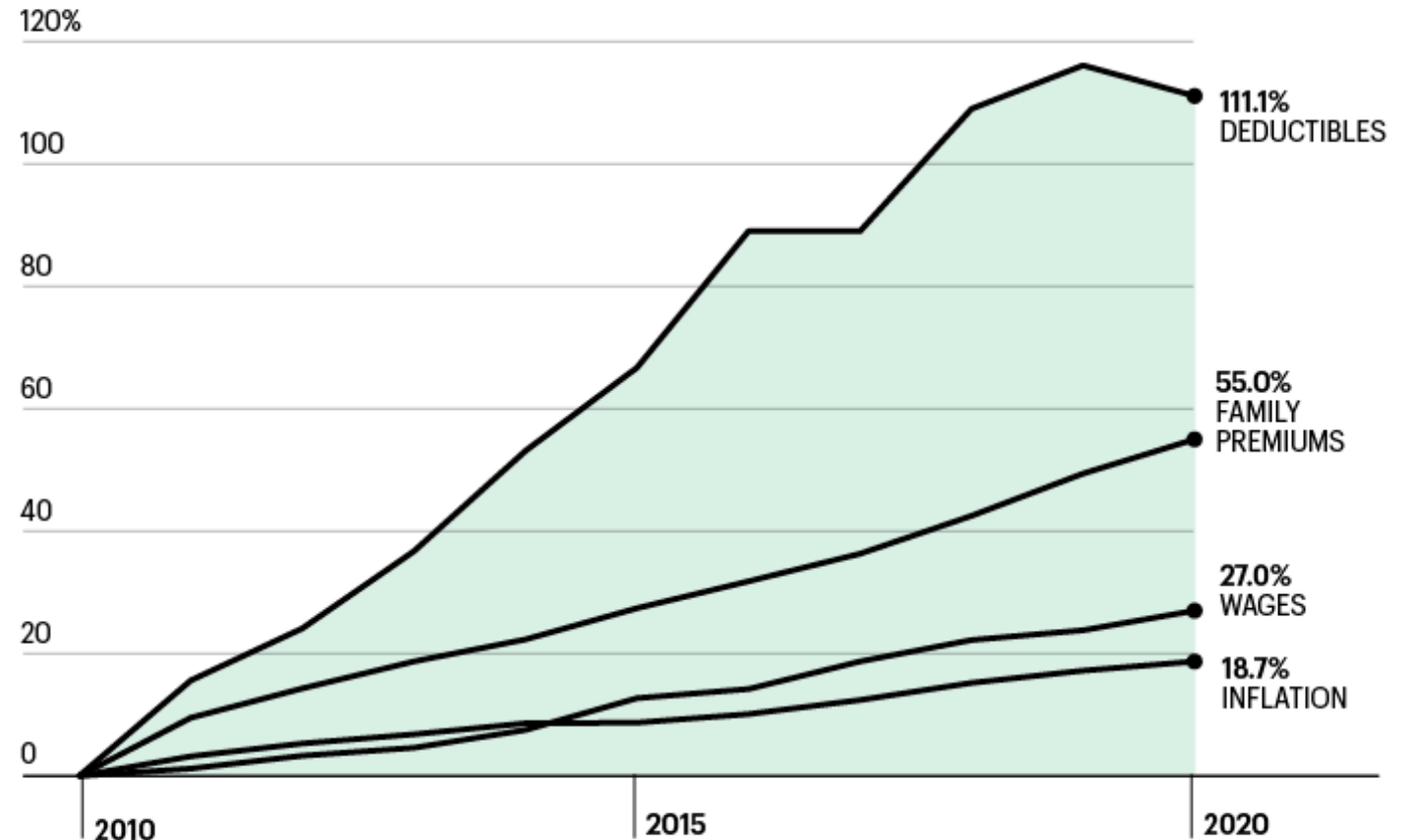
Overview

- What you are going to hear about today is the next step in the BHCG's multi-year commitment to sustainable, cost-effective healthcare
- Our shared goals are simple yet powerful
 - Affordable healthcare for employees and their families
 - High-quality
 - Cost sustainable for the business community
 - Compensation tied to value
- Centivo serves as a catalyst for change on behalf of the business community and BHCG – and to create alignment with high-value providers
- We commit to absolute transparency with no revenue aside from what's paid directly by employers

The problem & path forward

We all know
health
insurance is
expensive

CHANGE IN INSURANCE PREMIUMS AND DEDUCTIBLES SINCE 2010



SOURCES: KAISER FAMILY FOUNDATION; BUREAU OF LABOR STATISTICS

To the point that America is 'cutting corners' to make ends meet

#1

rated urgent health problem facing the U.S. today:

COST¹

43%

of privately-insured adults said it was difficult to impossible to afford their health insurance deductible³

51%

of adults with employer health coverage skipped or delayed medical care or a prescription drug due to cost²

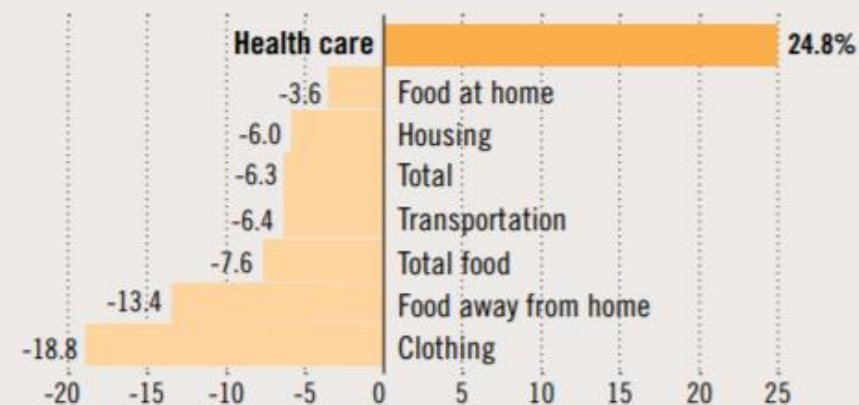


Average U.S. household spends **2.5** times as much on healthcare than on food⁴

A Bigger Bite

Middle-class families' spending on health care has increased 25% since 2007. Other basic needs, such as clothing and food have decreased.

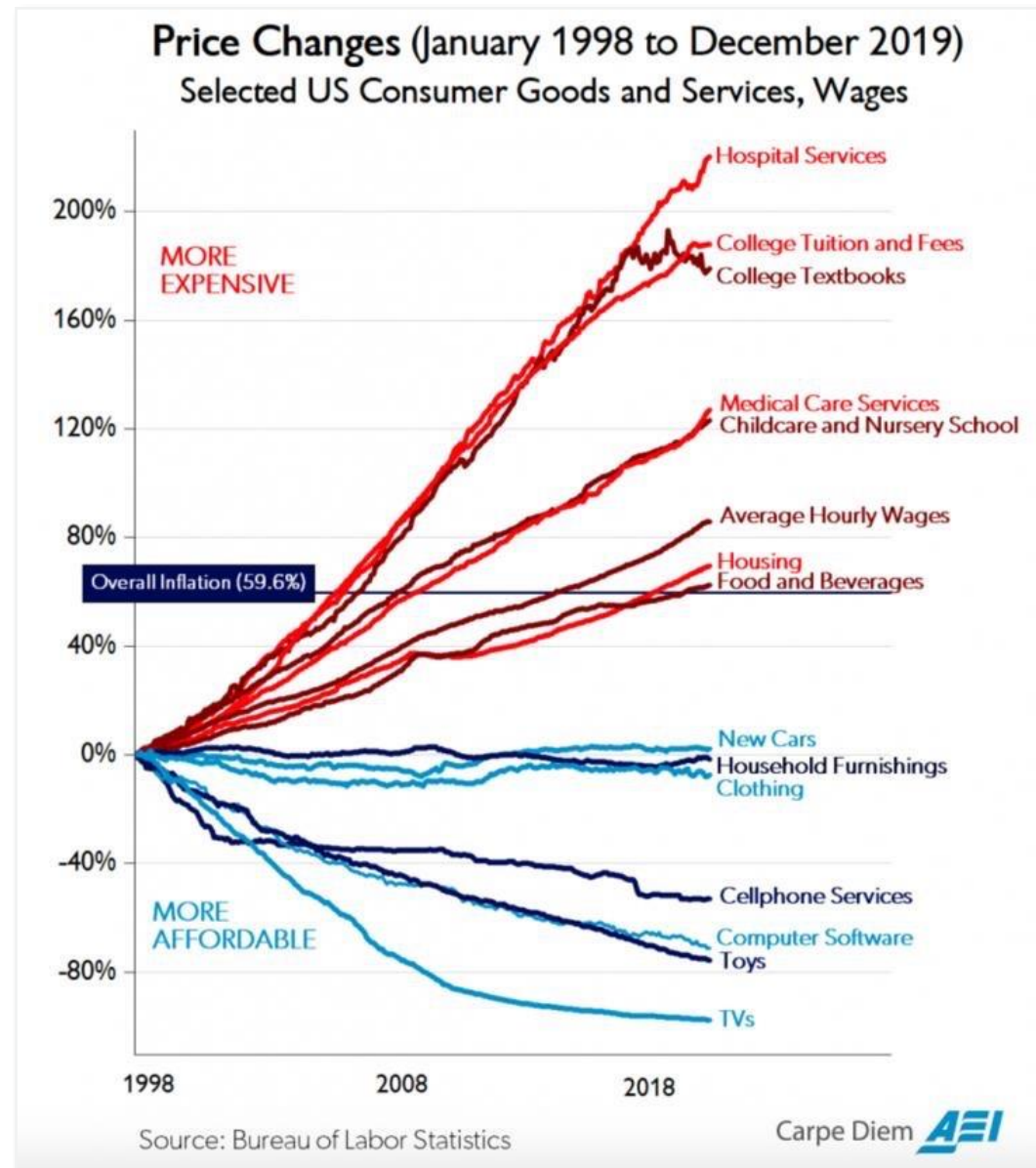
Percent change in middle-income households' spending on basic needs (2007 to 2014)



Sources: Brookings Institution analysis of Consumer Expenditure Survey, Labor Department

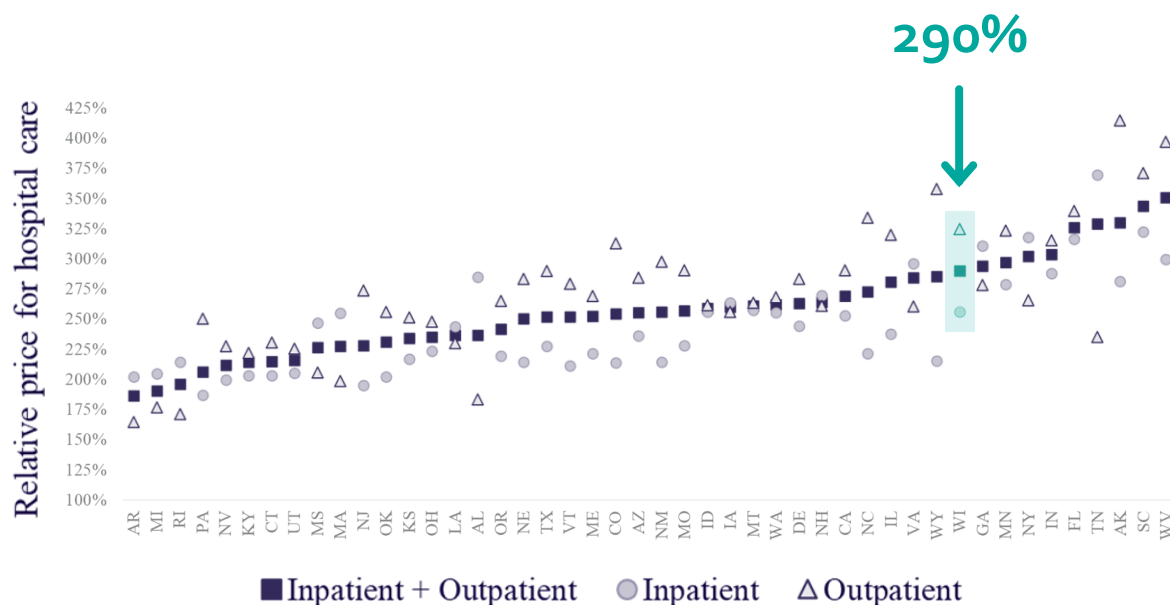
Sources: 1. Gallup Inc. Healthcare system. <http://www.gallup.com/poll/4708/healthcare-system.aspx>. Accessed September 17, 2017. 2. Kaiser Family Foundation / LA Times Survey of Adults with Employer-Sponsored Insurance, May 2, 2019. 3. Commonwealth Fund Health Care Affordability Tracking Survey, July–August 2015 4. US Bureau of Labor and Statistics. Table 1300: age of reference person: annual expenditure means, shares, standard errors, and coefficients of variation, Consumer Expenditure Survey, 2015. <https://www.bls.gov/cex/2015/combined/age.pdf>. Accessed September 12, 2017.

Our cost problem
is – in large part –
due to the
growth of unit
prices in
healthcare



Prices are particularly high in Wisconsin

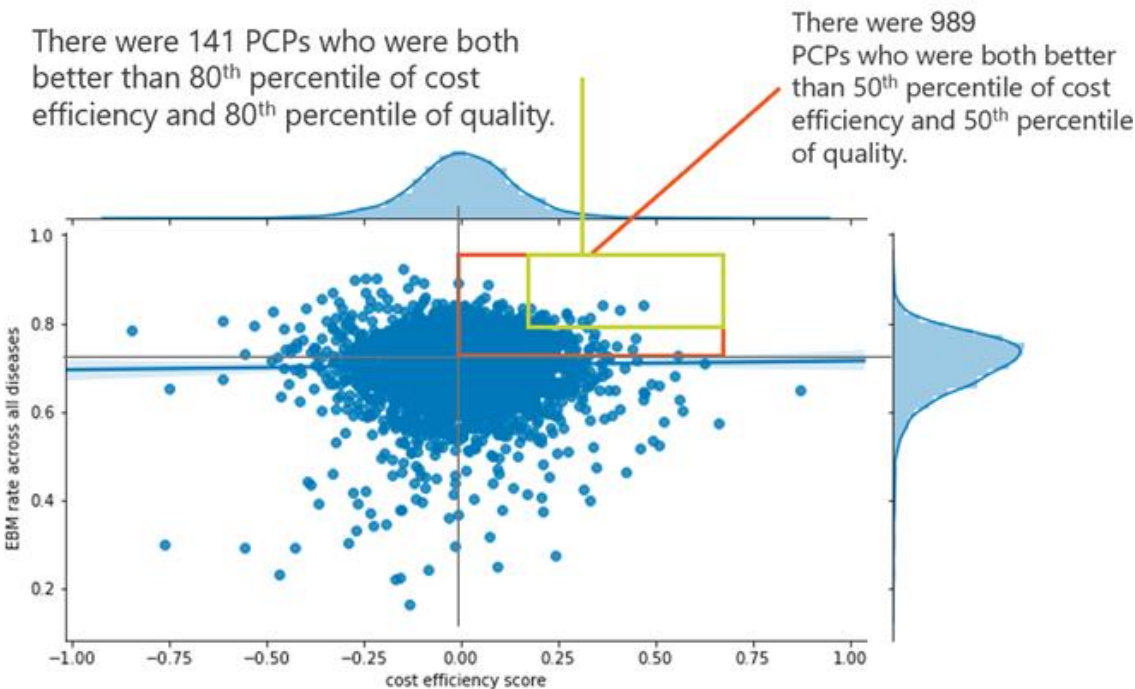
Health care prices in WI are both high and highly variable – for example, hospital costs relative to what Medicare pays*:



Wisconsin has high professional & facility costs



And price differences don't explain cost-effectiveness or quality



This shift  can yield these savings >>

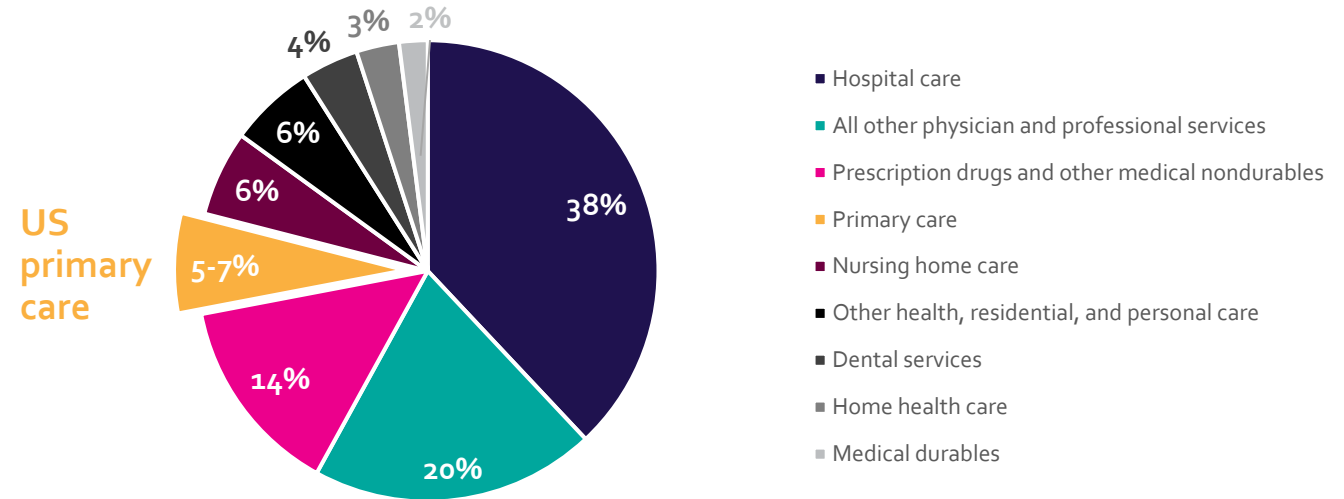
| Savings opportunity | PCPs | 4 Specialist Procedures |
|--|----------------|-------------------------|
| Total cost of episodes of care in study group | \$1.37B | \$687M |
| Savings by Improving Performance above 50 th percentile or Steering Patients to providers above 50 th percentile | \$394.5M (30%) | \$100M (16%) |

While we
over-spend on
healthcare –
we under-
invest in
primary care

Primary care as a percent of total healthcare spend:

- U.S.: 5-7%
- Average for OECD countries: 14%

U.S. healthcare spending:




Source: U.S. Spending Less than Other Countries on Primary Care, BenefitsPRO, July 26, 2019. Primary Care Spending: high stakes, low investment. Primary Care Collaborative, December 2020.

Leaving many Americans “Medically Homeless”

Too many Americans are “medically homeless”

 1 out of 4 people don't have a PCP¹

 Among 30-yr-olds, 1 out of 3 people don't have a PCP¹

Recent report from the National Academies of Sciences, Engineering, and Medicine² recommends:

“Everyone should have access to the ‘sustained relationships’ primary care offers”



Insurance providers should ask all members to declare a PCP or assign one to them

Recent focus area for BHCG:
“The Medically Homeless Campaign”

1. “Characteristics of Americans with Primary Care and Changes Over Time, 2002-2015” JAMA Internal Medicine, December 2019. 2. National Academies of Sciences, Engineering, and Medicine. 2021. Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care. Washington, DC: The National Academies Press. <https://doi.org/10.17226/25983>.

And going broke



1/3

of all GoFundMe
money raised is for
medical expenses

Largest
single
category

90%

of fund requests fail
to meet their goal
(including medical)



Medical bankruptcies represent **66.5%**
of all personal bankruptcies

By J. Frank Wharam, Fang Zhang, Bruce E. Landon, Stephen B. Soumerai, and Dennis Ross-Degnan

Low-Socioeconomic-Status Enrollees In High-Deductible Plans Reduced High-Severity Emergency Care

ABSTRACT One-third of US workers now have high-deductible health plans, and those numbers are expected to grow in 2014 as implementation of the Affordable Care Act continues. There is concern that high-deductible health plans might cause enrollees of low socioeconomic status to forgo emergency care as a result of burdensome out-of-pocket costs. We analyzed emergency department (ED) visits and

Primary care
centered
programs are
proven to
reduce cost &
advance
quality



Primary Care & Coordinated Care



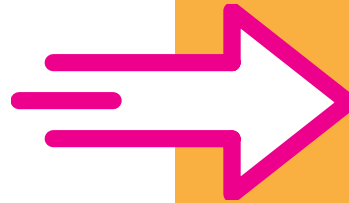
- 9% decrease in total cost of care in a commercial population¹
- Increase in high-value services^{2,3}
- Better access and experience³
- Increase in both patient and physician satisfaction⁴
- Increase in preventive care screenings⁴



Sources: 1. "The impact of a regional patient-centered medical home initiative on cost of care among commercially insured population in the US," DovePress, May 2016. 2. "Quality and Experience of Outpatient Care in the United States for Adults With or Without Primary Care", JAMA Internal Medicine, January 28, 2019. 3. "Quality and Experience of Outpatient Care in the United States for Adults With or Without Primary Care," JAMA, Jan 28, 2019. 4. "The Patient-Centered Medical Home's Impact on Cost and Quality: An Annual Update on the Evidence 2012-2013, Jan 2014.

What about the insurance carriers?

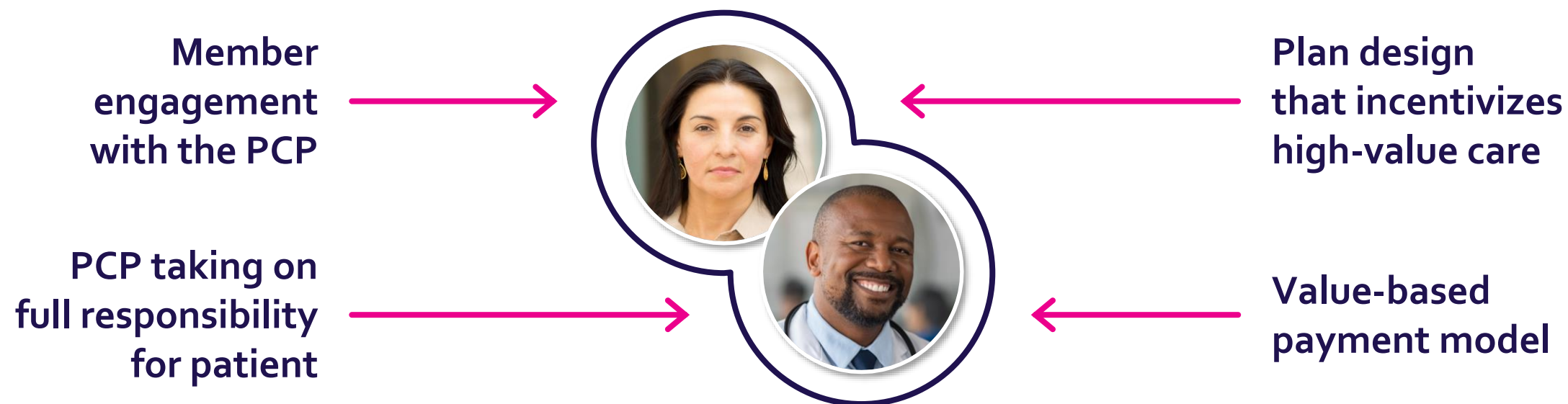
- ! Scale hasn't controlled cost
- ! Not fully aligned to employer due to multiple lines of businesses
- ! Lack of transparency
- ! Legacy technologies (both internal and member-facing)



Not getting the job done

The way forward

An engaged business community & progressive health plan partnering closely with accountable, high-value providers



A new purchasing model that super-charges aligned incentives and benefits from multi-employer clout.

The BHCG/Centivo Solution in Wisconsin

Overview

THE POWER OF PARTNERSHIP.
HEALTH CARE REIMAGINED.



A High-Performance Network Solution

Centivo, a unique high-performance health plan, will offer primary care-centered broad and narrow network solutions.

End-to-end health plan for self-funded employers



Primary-care centered networks

Proprietary networks
Optimized for
affordability & quality



Broad network options

Open access local &
national networks



Cost-saving partners

Care management
Transparent PBM
Stop-loss insurance



Great member experience



How the program saves employers money

1. Anchor on cost-effective providers

We identify the highest value integrated systems and develop a preferred network around them.



2. Competitive unit cost

We negotiate better unit costs through a semi-exclusive relationship, and employ value-based contracts.



3. Primary care centered model



Primary & preventive care



ER & urgent care



Unnecessary specialist care



Shift from inpatient outpatient: ambulatory for surgeries & imaging centers



4. Intelligent referrals

We remove high utilizers based on third-party appropriateness data.



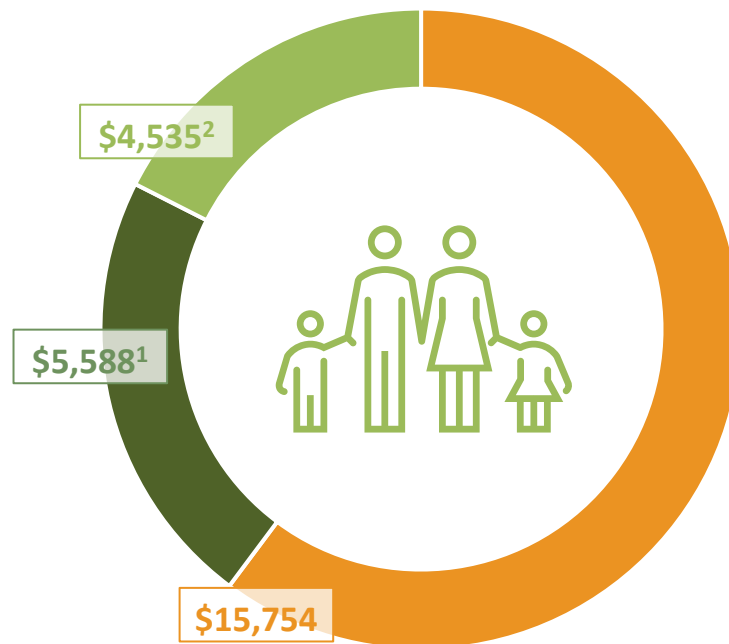
Results: Everyone gets dramatic cost savings

Average healthcare costs
for a family of 4 are
\$25,877¹

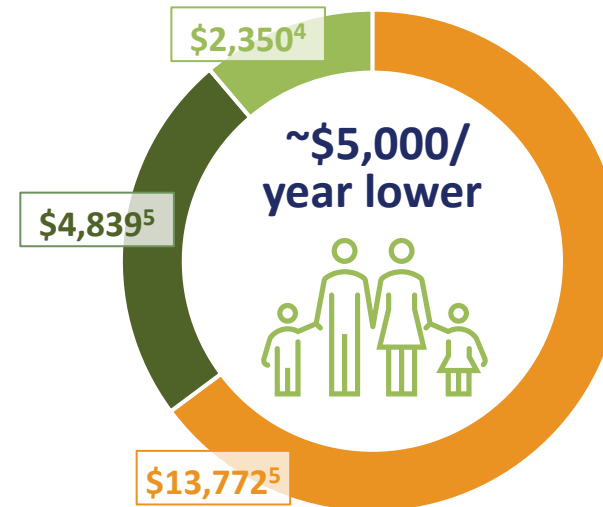
Employee
out-of-pocket
costs

Employee
premium
contribution

Employer
premium
contribution



On average, healthcare
costs for a family of 4 are
\$20,961³
with Centivo



**The family
saves ~29% (\$2,934)**
For a median American
household with \$63,000⁶,
**that's equivalent to a
5% wage increase**



**The employer
saves ~15%**
For a 1,000
person company,
**that's almost
\$2 MM a year**

Win-win – Sustainable Costs & Affordable Benefits

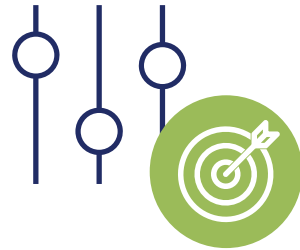
| Employer | Approximate Cost Savings | Plan Share of Total Cost |
|----------------|--------------------------|--------------------------|
| Automotive | 10% | 90% |
| Retail | 35% | 90% |
| Pharmaceutical | 30% | 96% |
| Manufacturer | 45% | 91% |
| Hospital | 20% | 90% |

Program objectives in Eastern Wisconsin



Best-in-market contract terms

- Rates
- Value-based provisions
- Bundles



Employer flexibility

- PCP-centered plans with multiple network options
- Open access options
- Control over benefit design and plan provisions
- Out-of-area coverage



Total transparency and incentive alignment

Network options

PCP Guided options



WI-1
(broad)

WI-2
(intermediate)

WI-3
(narrow)

Open Access options



Wisconsin



**Outside of
Wisconsin**

WI network configurations drive savings opportunity

WI-1

7-9% TCC medical savings



Ascension

INDEPENDENT
PHYSICIANS
NETWORK



PROHEALTH CARE

Froedtert



Advocate Aurora Health

Additional systems in progress

WI-2

12-19% TCC medical savings



Ascension

INDEPENDENT
PHYSICIANS
NETWORK



PROHEALTH CARE

Froedtert

Additional systems in progress

WI-3

20 - 35% TCC medical savings



Ascension

INDEPENDENT
PHYSICIANS
NETWORK







PROHEALTH CARE

Additional systems in progress

Flexibility to keep or change your current plans




REPLACE YOUR CARRIER OPTION

Replace your current carrier or TPA with Centivo and offer different plans/networks

| | PCP-guided Copay Plan | PCP-guided HSA Plan | Open PPO | Open HSA |
|---------------------------|---|---------------------|--|----------|
| |  | |   | |
| Deductible In-network |  Centivo administers all plans | | | |
| Deductible Out-of-network | | | | |
| Coinurance network | | | | |

KEEP YOUR CARRIER OPTION

Offer the Centivo Partnership Plan alongside your other health plan options.

| | PCP-guided Copay/HSA Plan | Other |
|---------------------------|---|--|
| |  |  |
| Deductible In-network | |  Keep your current TPA |
| Deductible Out-of-network | | |
| Coinurance network | | |

HPS PPO Network



- 96 hospitals and over **24,000** contracted providers
- **2.3%** average annual trend 2017-2019
- Competitive discounts
- Local leader in bundled contracting – **15%** of all spend qualifies
- Experienced data partner
- Trusted among provider community

Cigna Network

Over 1 MM
providers

Cigna behavioral health network

- ~160,000 mental health professionals
- >16,600 mental health clinics

Over 6,300
facilities

Cigna LIFESOURCE transplant
network

Strategic Alliances in specific states
to secure best possible rates



Your decisions

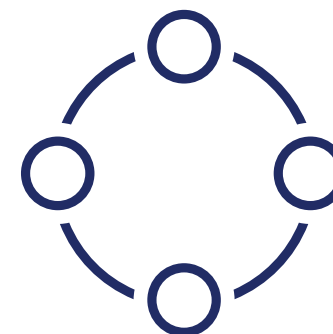
3 decisions

- 1 | Add to or replace your current plans/carrier
- 2 | Choose your network(s):
 - WI-1
 - WI-2
 - WI-3
- 3 | Choose your plan designs

Partnership Plan

RECOMMENDED PLAN DESIGN TENETS

- Employee contributions should be lower than for other plans
- No deductible
- Free primary care
- Copays for everything else



Aligned Rx solutions promote savings and ease-of-use

Transparent PBM



- Strong pass-through contracts, including for specialty Rx
- Lowest net cost formulary with high compliance based on provider and patient incentives
- Specialty drug SWAT team to identify most cost-efficient sourcing for high priced genetic therapies
- Leverage manufacturer copay assistance programs for high-cost drugs
- Completely integrated claims data including reporting
- Exceptional client service and participant support

Reduce Rx spend **10-20%***

Power of Partnership

Navitus data & tools coupled with Centivo relationship with health systems aligns formularies & prescribing behavior to reduce member friction.

- Navitus analyzes prescribing patterns and opportunities to communicate to physician leadership
- Centivo establishes incentive targets based on optimal prescribing patterns

60,000 covered lives
on BHCG's program today

CASE STUDY

[Full replacement] Employer migrates entirely to Centivo

Our Team Members love the predictable costs with copays instead of deductibles and coinsurance, and I love having a partner working right alongside us to improve outcomes."

A 1,500-employee iconic regional grocery chain

Solution

Centivo full replacement:

- High-value multi-system solution (excludes high-cost systems)
- Affordable, primary-care driven model
- Transparent PBM
- PPO option ensures no forced disruption



Results

- **50%** of employees selected the "Prime Partnership Plan"
- **35%** decrease in cost (incl. claims, admin, and stop-loss)
- **81%** reduction in Member out-of-pocket costs

CASE STUDY

[Slice option] Employer offers Centivo as a new plan offering to drive high- value care

Background

A national pharmaceutical company in Southern California was looking for an innovative partner to deliver a new high-quality plan option leveraging a primary care centric model.

The offering

- A new plan offering starting in Southern California
- **Pre-Centivo:** National BCBS PPO and HDHP, Anthem HMO, Kaiser HMO
- **With Centivo:** Centivo Partnership Plan, National BCBS PPO and HDHP, Kaiser HMO

The Results

- Guaranteed cost savings – >20+% expected
- 25% of employees picked the Centivo Partnership Plan
- 97% primary care team activation

What now?

Interested in taking the next step?

You must be a BHCG member to participate

Reach out to Matt Katz at Centivo



920-515-7160

Matt.Katz@centivo.com



Program goes live January 1, 2022.

You must commit by October 1, 2021 to participate for the 2022 plan year.

We work jointly with brokers & employers.
You can reach out to us or ask your broker to do so.

Appendix

Innovative risk arrangements

Centivo is built to drive maximum “credit” in stop-loss underwriting through



- TPA cost controls
- Best in Class UM/CM/DM
- High value network
- Transparent pharmacy
- Technology

Reinsurance carriers financially validate Centivo solution

4-7% guaranteed savings

~20% expected savings

Offering a wide range of stop loss contract and product solutions delivered through traditional and non-traditional sources



- Traditional Direct Writers
- Captives
- Managing General Underwriter



The solution

A new type of health plan anchored around leading providers of value-based care

A “SMART” HEALTH PLAN



Primary-care centered networks designed for affordability & quality



Simple, no deductible, copay only plan design



Member & provider tech to easily reinforce coordinated care

DISCUSSION 1 PANELISTS

Moderator

Dave Osterndorf

Wayne Jenkins, MD

Chief Medical Officer, Centivo

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Kohler Co., Inc



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NEXT STEPS

- Offering very well received – great enthusiasm
- Meaningful support and interest from broker and consultant community
- Significant commitments for 1/1/22 & beyond

For questions or to schedule a meeting

Contact: Jeff Kluever @BHCG

(262) 875-3312

jkluever@BHCGWI.org



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WISCONSIN'S FIRST HIGH-PERFORMANCE HEALTH PLAN SOLUTION

THANK YOU!