THE POWER OF PARTNERSHIP. **HEALTH CARE REIMAGINED.**

High-Performance Health Plan Launch
at the Italian Community Center
Milwaukee, WI
June 16, 2021

Presenters:

- ***Remarks: Jeffrey Kluever, Executive Director, Business Health Care Group***
- ***Keynote: Ashok Subramanian, Co-Founder and CEO, Centivo***
- ***Panel Discussion 1: Wayne Jenkins, MD, Chief Medical Officer, Centivo/Gregory Brusko, DO, Chief Clinical Officer, Ascension Wisconsin***
- ***Panel Discussion 2: 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***
- ***Panel Discussion Moderator: Dave Osterndorf, BHCG Strategic Consultant, Chief Actuary, Centivo***

Executive Summary

With employers (members and non-members), providers, brokers/consultants, strategic partners and other stakeholders in attendance in-person and virtually, the Business Health Care Group (BHCG) and Centivo conducted a product launch meeting to rollout Wisconsin's first high-performance, primary care-centered network solution at the Italian Community Center on June 16, 2021. The meeting was kicked off with opening remarks from BHCG Executive Director Jeff Kluever who spoke about BHCG's mission-driven strategy and the selection process undertaken to choose Centivo as BHCG's partner for the initiative.

Ashok Subramanian, co-founder and CEO of Centivo, gave the keynote presentation which included an overview of the BHCG-Centivo partnership, details about Centivo's background and the strategies it has developed to move the market, and an update on Centivo's network development in eastern Wisconsin thus far.

Dave Osterndorf, Centivo's chief actuary, moderated two panel discussions. Panel Discussion 1 included Dr. Wayne Jenkins of Centivo and Dr. Gregory Brusko of Ascension Wisconsin who discussed the value and benefits of a trusted primary care relationship. Panel Discussion 2 featured employer representatives Janet Lucas-Taylor of Northwestern Mutual, Lisa Mrozinski of Baird and James Sheeran of Molson Coors Beverage Company who talked about the opportunities the high-performance health plan solution affords employers, health care providers and the community. Attendee questions were answered and closing remarks were offered.

Video Recordings
Meeting Slide Deck

Opening Remarks

Jeff Kluever, Executive Director, BHCG

BHCG Strategy

BHCG was founded because **costs in eastern Wisconsin were greater than anywhere else** in the U.S. in 2000 – 55% above the Midwest average. The high-performance health plan solution is a market-changing offering that is a **business community and BHCG ongoing initiative** to address a key issue in doing business in eastern Wisconsin. BHCG has an **exclusive five-year contract with Centivo**. It is a continuation of BHCG's **mission-driven journey to increase health care value** and make Wisconsin a great place to do business.

Wisconsin enjoys **high quality health care and strong access**, but also experiences **high costs with differences in cost-effectiveness** that are not linked to quality – as evidenced by both the RAND 3.0 Hospital Price Transparency Report and GNS Physician Value Study. The status quo of health care costs is unsustainable.

Costs must be taken out of the system while maintaining a strong, financially viable group of heath care providers. Purchasers must **work directly with health systems and provider groups to create a plan that aligns their objectives** (accountability and rewarding value, not volume). BHCG reached out to health system c-suite leadership three years ago to establish direct engagement between the business community and BHCG.

Strong primary care relationships help plan members navigate the system and make better health care choices to get the right treatment at the right time. **The new high-performance, primary care-centered solution addresses the significant issue of medical homelessness** – people with no connections to a primary care provider. BHCG has made inroads to reduce medical homelessness through communication campaigns, but the new plan can take the efforts to a whole new level.

BHCG-Centivo Partnership

After a **rigorous selection process**, BHCG selected Centivo to execute its vision because of its **successful track record** of implementing high-performance solutions, **fully transparent fees**, and lack of its own Medicare, Medicaid or fully insured products with which to compete. Centivo will provide full **administrative services** and **network contracting.**

Keynote Presentation

Ashok Subramanian, Founder and CEO, Centivo

Shared goals

Centivo and BHCG share the goal to offer a model that offers **affordable health care for employees and their families** so employers can make a commitment to restore affordability to their workforces. **Compensation for health care needs to be tied to value**.

Centivo's role is to be **a catalyst for change on behalf of employers committed to value and their employees,** who are the most important stakeholders. **Absolute transparency** is a must because every employer has the right to know the "raw cost" of health care.

The problem

Health care is expensive, deductibles are too high and premiums are increasing too fast. Employers have tried multiple ways to impact the cost, but the **impact on every day Americans is profound and getting worse**. The **growth of health care unit prices is a major problem** – nothing in the last 20 years has increased as much.

Prices in Wisconsin are high (both facility and professional services) but are not seemingly related to cost-effectiveness or quality. BHCG has been a leader in revealing the problem by commissioning the GNS Physician Value Study which uncovered a **$500 million savings opportunity** if physicians' performance was improved, or individuals were steered to higher value providers.

We overspend in health care but underinvest in primary care – primary care represents about five percent of total health care spend (half as much as in other peer countries). Hospital spend is seven or eight times as much. Lack of investment in health care, the rise of urgent care, disconnected telemedicine and other factors have all led to the issue of medical homelessness. **Every American needs a sustained relationship with a primary care provider** – one out of four people do not have one.

We have **too many holes in our insurance system**. Low socioeconomic individuals are deferring care and even forgoing emergency care because of high deductibles. Medical bankruptcies represent 66.5 percent of all personal bankruptcies. People must resort to using vehicles like GoFundMe to raise money for medical bills and while you hear of some success stories, 90 percent of GoFundMe requests fail to meet their goal.

Primary care-centered programs and coordinated care have been proven to reduce cost and improve quality throughout the country and in Wisconsin. But **insurance carriers have not gotten the job done.** They haven't controlled costs and their objectives are not aligned with employers, nor health systems or provider groups. Employers must have the courage to say we can no longer accept high cost without justification. An **engaged business community and a progressive health plan partnering with accountable, high-value providers** is the way forward**.**

The BHCG-Centivo Solution in Wisconsin

The BHCG-Centivo high-performance network is an end-to-end solution that **will offer BHCG employer members primary care-centered broad, intermediate and narrow networks**. Other efforts have not been successful because of piecemealing of different programs and vendors – there needed to be a program assembled in the same location to sync all the needed parts.

A key part of the solution is **building networks from scratch, centered around primary care and high performance**. Understanding not everyone is going to want a plan that is primary care-centered, **broad network options and configurations will be available that will meet all employees' needs and concerns**. Integrated partners in the areas such as care management, PBM (e.g., leveraging the BHCG partnership with Navitus) and stop-loss, and a great member experience, will pull it all together.

How the program saves money

The high-performance solution tackles the high cost problem in a number of ways. There is a significant amount of money to be saved when you **use data to find the top providers**, **negotiate competitive unit costs** and **make sure primary care providers steer in the right way**, based on data and analytics.

The **high-performance solution offers both the employer and the employee substantial cost savings**. On average, health care costs for a family of four are about $26,000. About 60 percent of that is financed by the employer and 40 percent comes from the employee (about $10,000 in out-of-pocket costs and premium contributions). With the high-performance solution, the average health care costs for a family of four go down to approximately $21,000. **The high-performance plan will save employees about 30 percent and employers about 15 percent** – "flipping the script" on the typical open enrollment announcement of price increases and instead, delivering the equivalent of a pay raise.

An alignment between high-value providers and the purchasing community produces a **win-win of sustainable costs and affordable benefits**. The **high-performance health plan has an average actuarial value of 92 percent while delivering substantial cost savings**. Employers should set goals around what it would mean to have an affordable health plan, and an actuarial value of 90 percent or higher is a good goal.

Program objectives

Total flexibility is key since different employers have different goals and thresholds for change. Employers can choose **multiple network options**, including open access options and out-of-

area coverage. They also have **control over benefit design and plan provisions**. **Total transparency and incentive alignment** are also primary objectives.

Network options
The high-performance plan seeks to secure **best-in-market provider contract terms tied to value**, moving more fee-for-service rates into fixed rate bundles. There are **three high-performance network configurations (broad, intermediate and narrow)** available for primary-care guided options. All require a PCP designation and feature rewards for PCPs who meet the goals of the employer related to high quality care, cost controls and guidance to appropriate care.

WI-1 is the broadest network and is projected to produce **7-9 percent medical savings** while retaining traditional brand loyalties. Thus far, WI-1 contracts have been completed with: Ascension, ProHealth Care, Advocate Aurora Health, Froedtert and the Independent Physicians Network. **WI-2 is projected to save 12-19 percent** and includes all the W-1 providers except for Advocate Aurora Health. **WI-3**, the narrowest, most cost-effective network, is projected to produce **20-35 percent savings**, and does not include Advocate Aurora Health or Froedtert. It should be noted **additional systems' contracts are in progress for all three networks**. It is **entirely up to employers how many network choices they wish to offer.**

Flexibility
Centivo offers a single platform with full transparency. Employers have the flexibility to **replace their current plan or keep it and offer the high-performance plan solution alongside it**. The high-performance solution also **includes additional open access network options**: **HPS (Health Payment Systems)** in Wisconsin **and Cigna for national access** outside of Wisconsin.

HPS includes 96 hospitals and 25,000 providers and offers **competitive discounts featuring bundled contracts**. Cigna offers a **national network** with more than one million providers and 6,300 facilities and includes **behavioral health and transplant networks**.

Employers looking to implement the high-performance solution have three decisions to make: add to or replace the current plans and carrier; choose from the three high-performance networks; and determine plan design. Recommended plan design tenets that have worked in other markets include lower employee contributions than for other plans; no deductible; free primary care to remove the financial barrier; and co-pays for everything else.

This approach will **rebuild the trust that a health plan works for employees and their families to get the care people need.** Most of Centivo's current plans **spend about 30 percent more on primary care and the return is 5-10 times more on average. In addition, preventive care utilization goes up by 50 percent or more**.

Questions
Q: Are national account employers able to access Centivo's networks in other markets?

A: Yes, Centivo will be in 16 additional MSAs by the end of the year where the direct primary care model would be accessible to these employers.

Q: What is the basis used for savings projections?
A: Actual data is repriced using a significant amount of competitive information on existing rates in the marketplace (including UnitedHealthcare data), employer-level information from those employers evaluating this solution, and estimates are based on actual utilization. Data on the primary care-centered model and how it changes care to drive savings is articulated as well. Employers are able to understand the actual contract terms that exist with the health systems in the state so they can explore the impact of plan design options, etc.

Q: Why would health systems be willing to offer Centivo terms better than those they give UHC and other carriers?
A: Providers who have self-organized are not seeing value in traditional plans when they are in a network with others that don't share the same outcomes. In a blended premium situation, the high-value providers are subsidizing the low-value providers. A primary care-centered, value-based model better meets their business needs, leads to a reduction in bad debt and collections, and overall represents a better business proposition for them. Providers also appreciate they are extending better rates to employers in the community that benefit local people.

Panel Discussion 1 – The Primary Care Relationship

Moderator: Dave Osterndorf
Panelists: Wayne Jenkins, MD, Chief Medical Officer, Centivo; Gregory Brusko, DO, Chief Clinical Officer, Ascension Wisconsin

Q: How does the primary care-centered model offer a better patient experience?
A (Jenkins): The model offers a primary care individual relationship but is often about a team. One of the key aspects is access and early connection to a provider team. You don't want someone's first visit for care to be in the ER.

Q: How do you make sure there is enough primary care capacity?
A (Brusko): We make sure the current primary care workforce is optimized through EMR consolidation and appropriate staffing. We ensure we are utilizing mid-level providers such as PAs and nurse practitioners to allow access and employ a virtual platform and urgent care appropriately, making sure it is integrated with the health system and clinicians.

Q: With respect to PCP-guided care, haven't we tried the gatekeeper approach before? How is this different?
A (Jenkins): The idea that a gatekeeper is there to deny care is fundamentally flawed. The PCP is not a gatekeeper in this model, but a resource to get to the right place. There is no approval process. It's also about how we look at the data and facilitate optimal care.

Q: The high-performance model will create some level of disruption. What is the reaction from the physician side?
A (Brusko): No one wants to be an outlier; we are not naïve as to the impact this is going to have on the level of change management needed for our workforce. We are willing to take the risk or else we will keep having the same conversation from five years ago.

(Jenkins): Physicians need clarity on how they can improve. If you have data and a plan people can act on, they will.

Q: What can we do to help PCPs and physicians perform better?
A (Brusko): Physicians struggle to know who we are taking care of, and we need accurate patient attribution and timely claims data – we don't want to wait 90 days and play catch up. If we can accomplish those two things, it is a huge step forward.

(Jenkins): It is really important for the business community to understand that systems who make strides need to be supported.

(Brusko): We have tremendous support from our organization to drive and implement change.

Q: What is the PCP's role in this model? e.g., When I am diagnosed with cancer, I want to see an oncologist, (people wonder) how can a PCP manage me?
A (Jenkins): Patients need a trusted place to go back to with someone who knows all your conditions and where to go for a second opinion. There is terrible frustration when multiple issues aren't being addressed, especially chronic conditions.

(Brusko): It is rare that whatever you are treating doesn't affect other conditions. It's important to have a PCP in lockstep with other treatment plans in order to integrate and look at co-morbidities.

Q: How do you see social determinants of health playing into the model?
A (Brusko): We identify who is the highest risk and it is easier when you have open and transparent data. You must risk stratify and it is resource dependent. It's a work in progress in the population health space.

(Jenkins): In a team-based care model you need a care manager and someone in a health coach role to understand social factors. It's not necessarily the physician, but other team members that focus on wellness from the outset.

(Osterndorf): During the PCP activation process, we capture all kinds of information like what language and communication style do you prefer and your contact info – things that seem simple but are often missed.

Q: When you are competing for more primary care customers, trying to hold on to existing ones and deliver results that are cost-oriented, how do you hold PCPs/providers accountable in this arrangement?
A (Brusko): It will definitely allow us to identify outliers and be as proactive as possible in managing outcomes, but expectations for cost effectiveness and high quality don't change. We will have more claims data and a timely reaction to the patient population. A reliable and integrated electronic health record remains a challenge.

(Osterndorf): We need to enable the best behavior to help doctors be better performers and if we improve their performance for us and every other payer that's great. We saw we needed to change payment systems and move away from the transactional fee-for-service world and look at things like patient management and incentives for the right management.

(Jenkins): Providers are very receptive to the ability to know who their patients are and all the associated metrics that PCPs can control.

Panel Discussion 2 – High-Performance Health Plan Opportunities

Moderator: Dave Osterndorf
Panelists: 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

Q: The employer voice has been lost in the process of direct dialogue with providers. With Centivo as a conduit, does the employer voice get heard?
A (Lucas-Taylor): Yes, the employer voice is heard. The contracting process is entirely transparent. Centivo has educated and allowed us to be active participants and it will benefit everyone and align with health systems' objectives as well.

(Mrozinski): Employers are heard loud and clear. The PCP relationship was important to us, and we have been trying to incorporate the concept, but this model gives us that ability without having to have all these different things like biometrics – that function should be with the PCP. Connection and an integrated experience are valuable for employees and helps providers.

(Sheeran): I look at my data in two buckets – my own claims and revenue. All my carriers say it is my data, until I ask for it and want to use it and share it. Every time you want to share that data, there is a charge. We want all the BHCG employers to have access to their own data, not only for their own purposes, but also for the greater community good. With Centivo, your data is your data – period.

Q: A number of employers in eastern Wisconsin have onsite health care. How do you see it working with Centivo?
A (Lucas-Taylor): In the past there was a lack of integration with the health plan and the data didn't flow – we didn't know how the care was being delivered. Centivo will allow onsite clinics to be part of the network – just one place to go – and the program will offer help with referrals.

(Sheeran): There are big advantages to having an avenue that is simple and easy and gives us a platform to integrate and reset.

Q: BHCG member employers have pushed hard to steer their plan members to high-value providers. Can you speak to the resolve of the business community to drive that concept forward?
A (Mrozinski): We've been on a journey to do so and are continuing to improve the process. It's the right thing to do to get people to have access to the best care at the most cost-effective price. It's more about the experience than the pricing and we want them to have an understanding about what the cost will be.

(Lucas-Taylor): Employee experience is really important – how can we help our employees and their families navigate? Having a PCP makes it easier to take appropriate actions without having to take the responsibility themselves to answer the questions of who is the best and what kind of doctor do I need. It's about increasing consumerism and bringing it all together for them.

Q: Is this model supportive of a high deductible plan structure and where do you think employers are going to go, relative to their decisions regarding high deductible plans?
A (Lucas-Taylor): The model is supportive and will work with a high deductible plan but it's a matter of changing some plan provisions to align with free primary care to make that enticing. For a lot of employers and employees, having an HSA is an important financial vehicle to make it work.

Q: Can you comment on a 1/1/22 implementation date vs. strategically working with your c-suite for an implementation of 1/1/23?
A (Sheeran): Every employer is in a different place as to how quickly they can implement the high-performance plan. We are not implementing 1/1/22. We don't have the resources or the time to do it. We had a major restructuring and other external factors and events that took resources away from our benefit design and strategic planning efforts. We also need to consider our collective bargaining units – we need a longer time period to implement than most employers need.

Q: Can you comment on the change management modules being developed for employers?
A (Mrozinski): BHCG employers are working on change management communication materials and Baird is developing its own consistent messaging to create our own communications to speak to employees. But we are working together as benefit professionals to determine the right messaging to speak to employees about what they need to do.

(Lucas-Taylor): The BHCG Executive Steering Committee looked at what the significance is of this new partnership. We wanted to make sure to translate that inside our own organizations. We are brainstorming together about what the key messages are and how we can share them and build out a matrix that can be customized.

Q: How are medical administrative fees set up and can you speak to their transparency?
A (Osterndorf): Administrative fees are much simpler and negotiated at three levels based on size. They are extremely competitive and there are performance incentive fees for Centivo and total cost of care guarantees. Fees are all transparent and employers are never up charged for third party resources. The only form of revenue that Centivo receives is an ASO fee and an incentive fee.

(Lucas-Taylor): The simplicity and transparency of the administrative fees are extremely important and will make everyone happy, including employees.

(Sheeran): I just want to know what I'm getting and what I'm paying for – let me know what you are making.

Q: Considering employers will be driving employees to choose primary care physicians, what happens if performance falls and employees must now change physicians?
A (Osterndorf): It's important that people have the information and a level of recognition to make decisions. Hard changes may go along with it, but we have asked them to do things that are worse in the form of higher deductibles, etc., which affects access to health care and we've also asked them to be responsible for finding their own care. When we talk about changing the system and having people make better decisions, this is a much simpler ask.

A (Lucas-Taylor): The materials from Centivo are really effective in answering questions about what to look for in a PCP. It's not a traditional health plan application, it makes change so much easier. There is a level of messaging required when asking people to change physicians, it's never easy. But there will be more stability in the network, which will help.

Q: Can you comment on Disney and the survey they took of their employees and what they found?
A (Osterndorf): Disney was concerned about what it would take to get them to switch physicians in the Centivo model, so they surveyed 12,000 of their employees. Most said they would change because of the unaffordability of their traditional plan. They found they too often underestimated people and their ability to change and make good choices with good information.

Q: Can you add some additional clarity to the value associated with Centivo acting as a TPA?
A (Osterndorf): The TPA's role is different when you don't have to manage Medicare, fully insured business, etc. You can make the best choices for employers, you don't have to make tough decisions, it frees you from challenges to preserve other business. It's an opportunity to execute on what employers are asking for.

For more information or to schedule a meeting
Contact: Jeff Kluever @BHCG
(262) 875-3312
jkluever@BHCGWI.org