



DELIVERING **VALUE** SERIES

The Results Are In: Change is Possible

May 4, 2023



Welcome

Jeffrey Kluever

Executive Director

Business Health Care Group

Today's Agenda

- **Welcome & Opening Remarks**
 - *Jeffrey Kluever, BHCG Executive Director*
- **Presentations by:**
 - *Ashok Subramanian, CEO and Founder, Centivo*
 - *Drew Hodgson, Health Care Delivery, National Practice Leader, Willis Towers Watson*
 - *Pam Hannon, Retirement & Health Care Leader, GE HealthCare*
- **Panel Discussion/Q & A**
- **Closing Comments**

The Status Quo is Simply Unsustainable

- Total agreement among:
 - Health Systems and Provider Groups
 - Brokers/Consultants
 - Employers
 - Employees
 - Business Community
- No support from traditional health plans

UnitedHealthcare vs. Centivo: Value Proposition for Health Systems, Employers, Employees and the Business Community*

- UnitedHealth Group's **total revenues were up 15% (from \$80.1 billion to \$91.9 billion)** in Q1 2022 to Q1 2023
- UnitedHealth Group's **total profits were up 16% (from \$7 billion to \$8.1 billion)** in Q1 2022 to Q1 2023
- Compared to the first quarter of 2013, UnitedHealth Group's **revenues have increased 303% while profits have increased 386%**

* Wendell Potter, HEALTH CARE – uncovered, April 19, 2023

UnitedHealthcare vs. Centivo: Value Proposition for Health Systems, Employers, Employees and the Business Community (continued)

- Optum Rx, UnitedHealth Group's Pharmacy Benefit Manager (PBM):
 - Revenues have skyrocketed 528% since the first quarter of 2013*
 - Revenues have grown from **\$5.2 billion in the first quarter of 2013 to \$27.8 billion in the first quarter of this year***
 - Has **70,000 employed or aligned physicians** across 2,200 locations nationwide, more than the **VA, Kaiser Permanente, HCA Healthcare or Universal Health Services**

* Wendell Potter, HEALTH CARE – uncovered, April 19, 2023

Commercial Insurers Exiting the Market: Problem and Opportunity

- WEA Trust/Health Tradition Health Plan exited the Wisconsin health insurance market at end of 2022
- Humana exiting commercial health insurance market over the next 18 to 24 months
- Who's next?
- Market share gain opportunities

The Choice is Clear

- Fundamental change is possible (partnership)
- The BHCG-Centivo high performance health plan solution is aligned with all health care stakeholders' best interests:
 - Full transparency
 - Primary care-centered
 - Increased health care value – both quality and cost efficiency
 - Better consumer/provider health care decisions
- Partnership choice



THE POWER OF PARTNERSHIP. HEALTH CARE REIMAGINED.

The Results Are In: Change is Possible

May 4, 2023

In this world, disruption is not the problem – it is the solution

Global healthcare benefit costs projected to jump 10% in 2023, WTW survey finds

‘Unaffordable’: Why 45% of employees didn’t enroll in health care benefits

Financial Challenges for Health Systems Will Likely Persist in 2023

United-Optum poses a greater threat to health systems than Amazon, CVS

This is why we do what we do for families

FROM THIS

I had to remove my 22-year-old son from my previous employer's plan as it was too expensive to have him on. He had to go to the marketplace which was not a good experience for him.

TO THIS

"I can add my son back to my insurance and he is no longer medical insurance homeless."



This is why we do what we do for employers

FROM THIS

Our employees were opting to go without any insurance coverage, gambling with their health, because our premium costs escalated year after year.

TO THIS

"We hadn't had good news in a while but going from a high deductible plan to no deductible plan, and on top of that reducing employee-paid premiums by 15% - that was music to our employees' ears."



This is why we do what we do for providers

FROM THIS

How can I provide the best possible care to my patients if I have no voice in where they seek care and when?

TO THIS

With a direct line of communication between employers and health systems, providers can deliver more coordinated care that better meets the needs of a specific employee population.



Investing in Primary Care

PRIMARY CARE CENTRICITY:

- Reduces care avoidance, which leads to more expensive and extensive downstream care
- Yields better care coordination to ensure appropriate timing/place/type of primary and specialty care
- Reduces medical homelessness, especially prevalent in minorities

SHORT TERM (12-month) ROI:

31% ↓ fewer ER visits

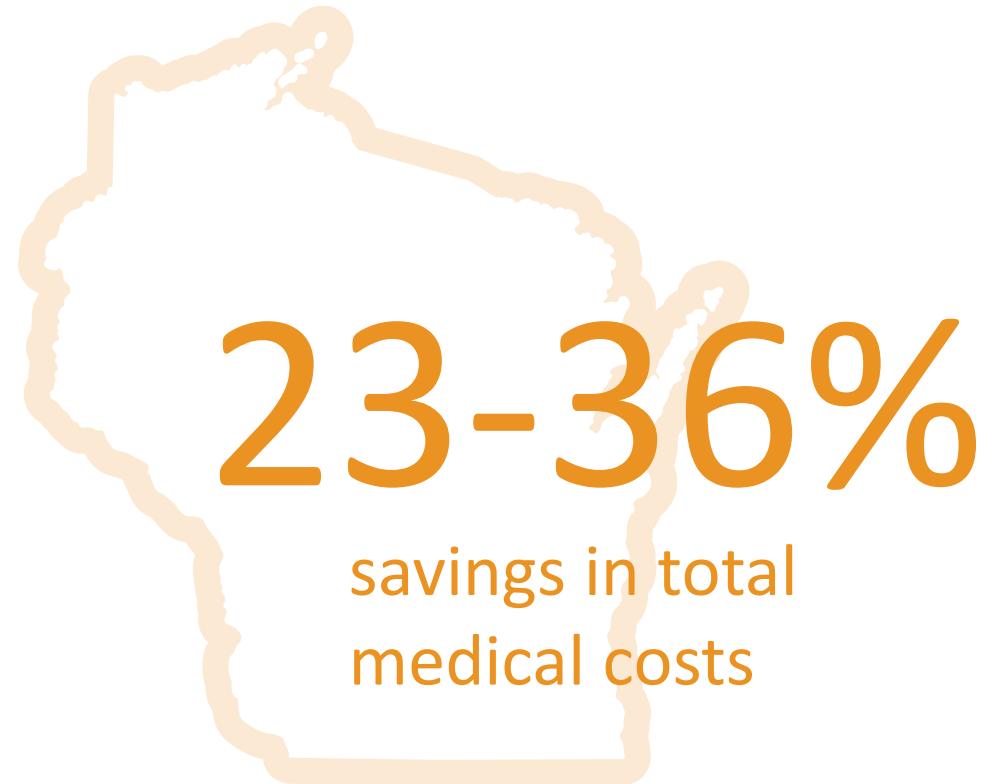
17% ↓ fewer inpatient admits

29% ↑ More PCP visits



Finally, the good news: Change is possible!

In partnership with BHCG,
we've been working with leading
employers in Wisconsin to show
how building the right network and
plan design can change behaviors
that ultimately save employers,
employees and their families.



The savings come from more than just medical cost

RX REBATES – 600 EE CLIENT EXAMPLE

FROM THIS

**With Traditional
Carrier PBM**

\$275,000

in Rx rebates
collected in 2021

TO THIS

**With Centivo
and Transparent,
Passthrough PBM**

\$361,000

in Rx rebates collected in 2021





BHCG

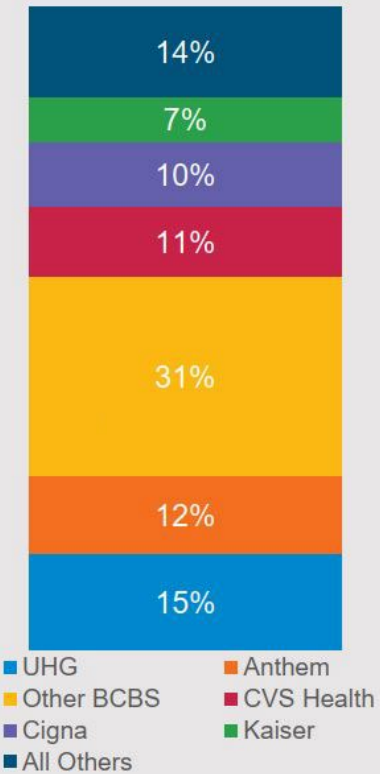
Delivering Value Symposium

May 4, 2023

The commercial health plan market is changing

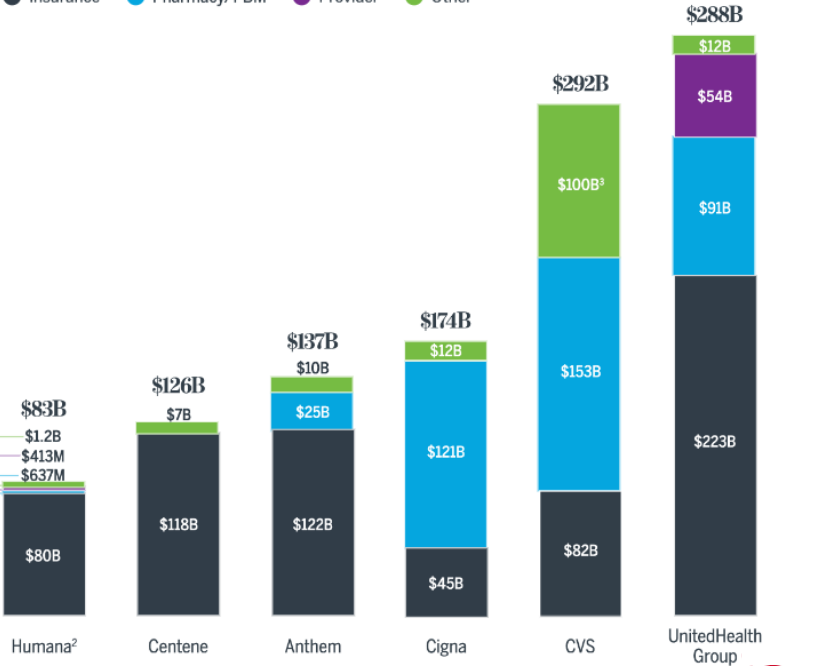
More than three-quarters of commercial members are in BUCA

Health Plan Commercial Market Share



Total revenue in 2021, by segment¹

Insurance Pharmacy/PBM Provider Other



Significant revenue from alternative service offerings – pharmacy benefit, provider groups and retail locations

Source: American Medical Assoc [LINK](#); Advisory Board [LINK](#)

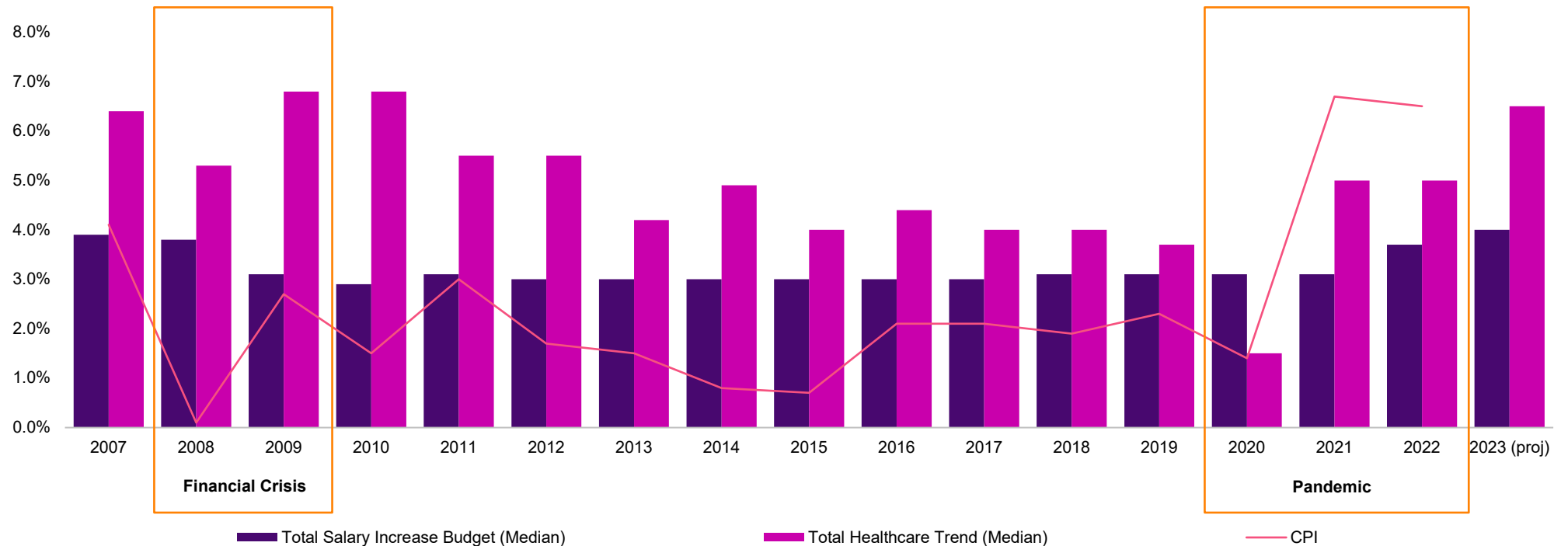
Impact of rising inflation on companies and their employees

Salary budgets tend to vary less than inflation however **52%** of organizations reported their **2023 projections increased** during 2022, primarily due to inflationary pressures (77%), tight labor markets (68%) and to drive retention (54%). **Healthcare costs are increasing**, lagged from general inflation, and are reaching levels not seen in 10+ years

**Projected 2023
Salary Increase:
4.6% total/4.0%
merit only**

**Projected 2023
Healthcare Trend
Increase: 6.5%**

(US Only)



Sources: WTW 2007-2022 Salary Budget Planning Reports; WTW 2022 Best Practices in Healthcare Survey; BLS CPI index; December year-end – U.S.

Pressure on the delivery system

What are the major concerns impacting the delivery system?

Cost:

- **Provider Consolidation**
- **Contract negotiations**
- **Supply and demand**

Utilization:

- **Lost Revenue**
- **Appropriateness of care**
- **Pent-up demand**

Virtual Care:

- **Increased Utilization**
- **Addition to care**
- **Healthcare disparities**

The status quo is unsustainable and new delivery models will drive the future of healthcare

Opportunities

Value-Based
Strategies

Navigation &
Advocacy

Virtual care

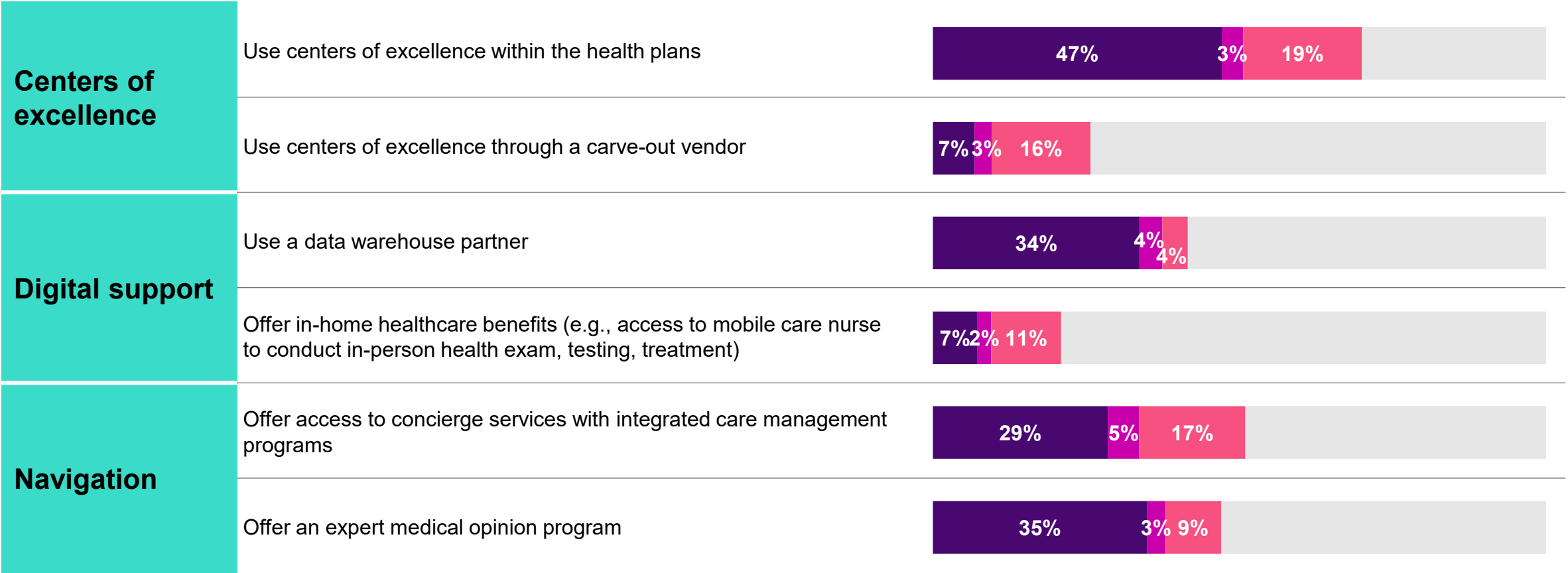
Networks

High-value
primary care

Direct
contracting

COE and expert medical opinions are provider strategies

Which network and provider strategies does your organization have in place or plan to have in place in the next few years?

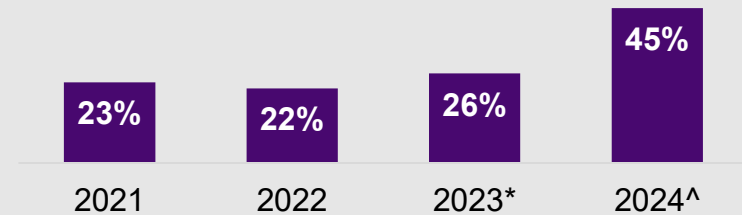


Source: WTW 2022 Best Practices in Health Care Survey

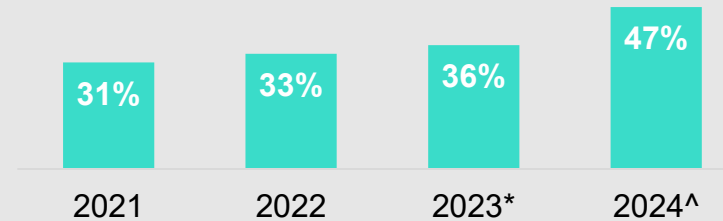
■ In place in 2021 or 2022 ■ Planning for 2023 ■ Considering for 2024

Trends in network and provider management strategies

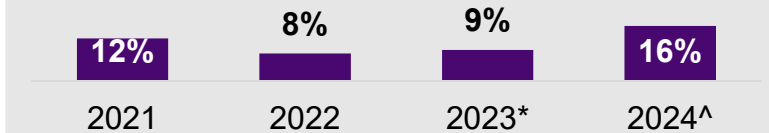
Offer a narrow network of higher-quality and/or lower-cost providers



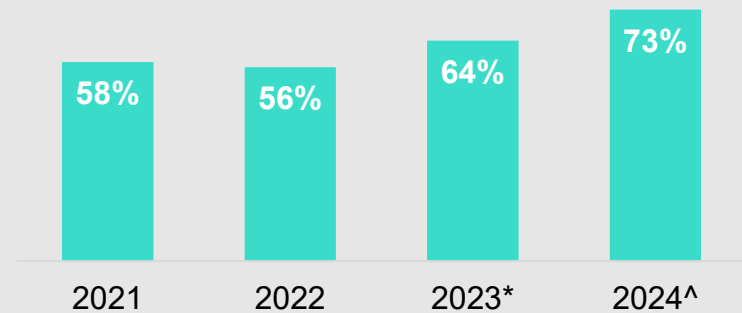
Use of direct-to-consumer Rx delivery or discount programs for select drugs



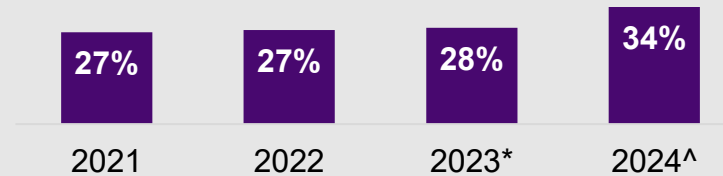
Contract directly with healthcare systems and physicians



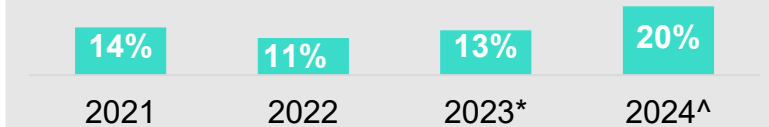
Offer onsite/worksite health promotion activities



Offer an onsite health clinic



Offer a near-site or multiemployer health clinic



Note: * Planning, ^ Considering

Sample: Companies with at least 1,000 employees.

Source: WTW 2021 and 2022 Best Practices in Health Care Survey



This is GE HealthCare

May 2023



About Your Speaker

Pam Hannon

Retirement & Healthcare Leader

GE HealthCare



Professional Background

- 30+ years in Human Resources in Fortune 250 companies
- Benefits, Compensation, Payroll, HRIS, Shared Services and HRBP
- Supported five organization spin-offs and new benefit platform implementations

Coalition Background

- Attended first Midwest Business Group on Health meeting in 1998
- Board member since early 2000s
- Board Chair since 2020

A leading global medtech, digital solutions and diagnostics innovator

\$18.3B Revenue in 2022

50K colleagues worldwide

160+ Countries

1B+ Patients served annually

Notes: Figures as of 2021 unless otherwise noted

¹ Source: As of October 2022: <https://www.fda.gov/medical-devices/software-medical-device-samd/artificial-intelligence-and-machine-learning-aiml-enabled-medical-devices>



GE HealthCare

This is GE HealthCare | April 2023

Differentiators

100+ year legacy of innovation

- 11K+ patents granted globally
 - Growing, focused R&D driving innovation releases every 12-18 months for most product lines
-

Largest global Installed Base (IB)

- 4M+ Installed Base and 2B+ procedures per year
 - ~3 patient procedures using imaging agents per second
 - ~50K colleagues with customers in 160+ countries
 - Anesthesia is administered by a GE HealthCare machine approximately every 0.2 seconds
-

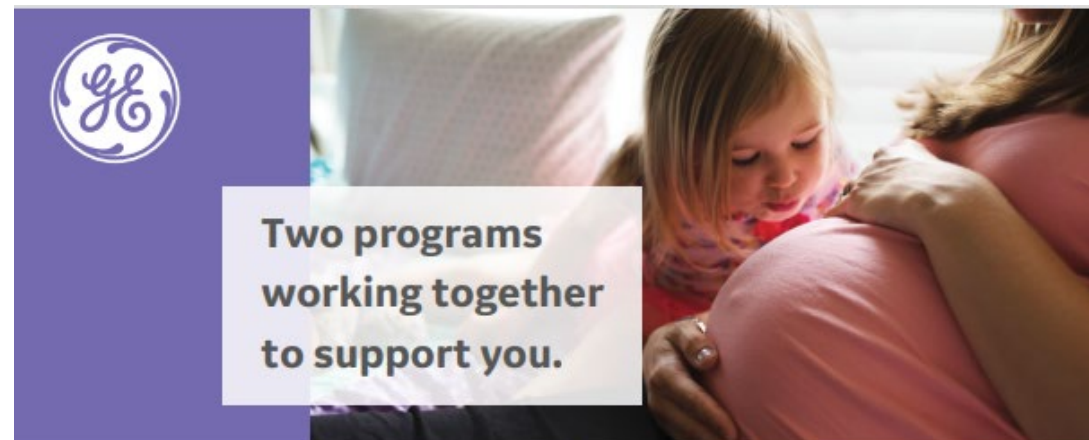
Ability to integrate data for insights

- 200+ software applications
- Top of recent FDA list of AI-enabled device authorizations in the U.S., with 42 authorizations ¹

GE Maternity Support Program

Value-based care model

- Direct contract provides bundled fees and waived employee cost share (excludes employees in high-deductible options)
- Available in several GE markets including Waukesha and Oconomowoc
- Approximately 5,200 GE HealthCare colleagues in the Greater Milwaukee + Waukesha area
- Support from GE Health Coach nurses throughout pregnancy
- Strong utilization; need to consider management of high-risk pregnancies



GE Babies

The program provides personalized advice, tools and resources.

The maternity registered nurse health coach helps with:

- Creating a birth plan
- Understanding a C-section vs. vaginal delivery
- Knowing what tests will be performed and why
- Exercising and eating healthy
- Parenting support

For more information, call HealthCoach from GE at 866-272-6007.

Maternity Care Select Program

This program is an enhanced benefit for enrolled plan members who select a participating physician and deliver at ProHealth Waukesha Memorial Hospital or ProHealth Oconomowoc Memorial Hospital.

A dedicated nurse concierge will support and guide you through every milestone of your pregnancy and can help you:

- Arrange Birthing Center tours
- Register for prenatal and childbirth classes
- Learn about ProHealth's birthing services
- Understand the benefits of the area's only Level III NICU
- Address billing questions
- Get answers to your questions or concerns





GE HealthCare

Panel Discussion/Q & A

- **Panelists:**

- *Ashok Subramanian, CEO and Founder, Centivo*
- *Drew Hodgson, Health Care Delivery, National Practice Leader, Willis Towers Watson*
- *Pam Hannon, Retirement & Health Care Leader, GE HealthCare*

- **Moderator**

- *Dave Osterndorf, BHCG Strategic Consultant & Chief Actuary, Centivo*



Join us!

*Celebrating 20 years in 2023 of
the business community
collaboration working toward a
better, more sustainable health
care system!*

Thank You

**For more information about BHCG programs
and membership, please contact:**

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