



THE POWER OF PARTNERSHIP. HEALTH CARE REIMAGINED.

Executing High Performance Healthcare:

Get your facts. Bust your myths.

Transform your market!

Agenda

1. Set the stage
2. Conventional wisdom – or myths that need busting?
3. Centivo/BHCG/Northwestern Mutual
A case study in mythbusting employer-sponsored health plans

What is STILL wrong in healthcare?

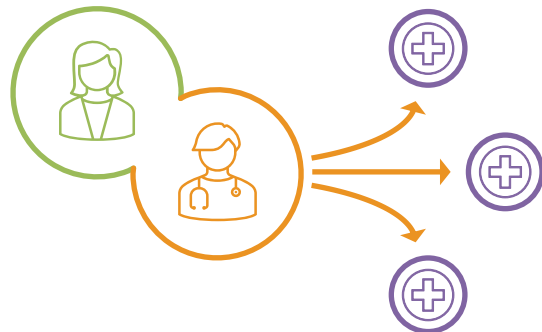
- Cost increase and variation
- Lack of transparency
- Uneven quality of care
- Lack of care coordination
- Difficulty finding physicians and specialists
- Lack of insurance coverage
- Consumerism has failed

Proprietary PCP-centered local networks



Centivo High-Performance Health Plan

PCP as central point of care & navigator for the healthcare system



- Referrals are clinically **guided** by the PCP, and easy to manage for the member
- PCPs are rewarded for outcomes: compensated for care coordination and performance



Built to save money

- 1 Anchor on cost-effective providers**
(in 2 dimensions)
 - Highest-value health systems
 - Within those, top 75% of high-value doctors
- 2 Competitive unit costs**
 - Leverage power of BHCG
 - Value-based contracts
- 3 Redirect to highest-value care**
 - PCP centered model
 - Intelligent specialist referrals

Employees get a simple, affordable plan option with guided care

Plan design specifics (e.g., deductible, copays, OON coverage, etc.) are developed for each client in consultation with their benefit advisor

SAMPLE

	High-Performance Health Plan	Open PPO	Open HSA
TYPICAL ACTUARIAL VALUE	85-92%	75-85%	65-75%
Network	 3 options w/ varying levels of savings		
PCP & referrals required	Yes	No	No
Deductible	None	↑ Client choice ↓	↑ Client choice ↓
OOP max	\$3,000 / \$6,000		
PCP visits	FREE		
Urgent care	\$100		
Specialists	\$50		
Imaging	\$10 / \$200		
Surgeries (O/P, I/P)	\$500 / \$700		
Hospital	\$100		
ER	\$200		
Rx	\$5 / \$35 / \$70 / 30%*		

*Manufacturer copay assistance eliminates member cost sharing where applicable

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, 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 redirect care to higher-performing specialists as shown in actual claims data.



Healthcare “Conventional Wisdom”

Such as...

- HR often seeks the path of least resistance and opts for status quo over disruption (it’s broke, but it ain’t worth fixing)
- You can’t get employers to agree on a single health plan/product offering
- The BUCAs get the best deals because their volume gives them real leverage
- You can’t determine the quality and cost efficiency of individual physicians
- People don’t want to have their care coordinated by a primary care physician
- People don’t want to be confined to a narrow network
- Traditional consultant RFP questions, interpretation and scoring is the best way to evaluate health plan options.

Conventional wisdom? More like ...

MYTHS!

Let's bust 'em!

Remember this team on TV?



Meet MY team of MythBusters!



Janet Lucas-Taylor

Senior Director, Employee
Benefits

Northwestern Mutual



Jeff Kluever

Executive Director

Business Healthcare Group
(BHCG)

**“HR often seeks the path of least resistance
and opts for status quo over disruption
(it’s broke, but it ain’t worth fixing)”**

About Northwestern Mutual



- Mutual Insurance Company, established in 1857
- Headquartered in Milwaukee WI
- 7,500 employees

Our goals with employee healthcare benefits:

- Highest quality care and providers
- Supporting your well-being
- Comprehensive coverage

Reaching our goal requires we continue to evolve our healthcare model and programs:

Putting you in the driver's seat with the right information and support to make the most informed decisions concerning your care and coverage.

The problem



What our new solution is aiming to solve

Send a signal

- To the national health plans: the status quo isn't acceptable
- To the providers: we care about cost and quality and will hold you accountable

Increased Transparency and Communication

- Transparency between health plan, provider, employer and consumer
- Open dialogue between business community and the providers

Better care and outcomes

- High quality, affordable healthcare for employees and the community
- Increased compliance with evidence based and preventive medicine

Why we are a BHCG member

- ✓ Mission alignment
- ✓ Stronger voice in the market
- ✓ More leverage and resources
- ✓ You can't go it alone on doctor performance and accountability
- ✓ Peer to peer communication and learnings

Business Health Care Group (BHCG)

- Founded in 2003 by CEOs of leading SE Wisconsin employers
- Concerned about extremely high cost of health care in the region (highest in the country)
 - UNSUSTAINABLE increases in costs made it difficult to retain and grow businesses in the state (could not compete)
 - Made it very difficult to offer cost effective health benefits
- Wanted to keep WI as a state conducive to business viability
- Committed to responsible corporate citizenship

Mission-Driven organization

The Business Health Care Group leverages member employer purchasing power and knowledge to lead change. We create value through innovative shared strategies to improve health care quality and cost efficiency for employers, employees and the community.

Importance of a Direct Employer Voice

- There is a better way than the current broken system
- Positive change only happens when the business and health care provider communities work together
- Both sides need to embrace better alignment and accountability

Who's who A sampling of BHCG member employers

- Baird
- BMO Financial Group
- Briggs & Stratton Corporation
- Kohler
- Kohl's
- ManpowerGroup
- Molson Coors Beverage Company
- Northwestern Mutual
- Rockwell Automation

Health care in WI is too expensive

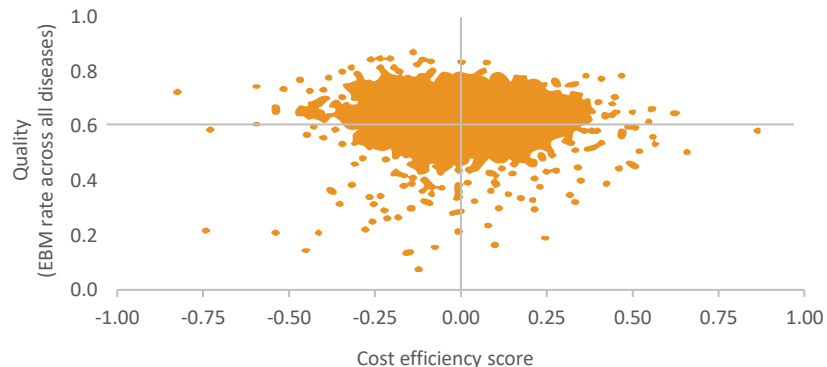
Healthcare in general is unaffordable

- Deductibles up 110% and family premiums up 55% in the last decade vs inflation of 19%

Costs in WI are particularly high

- Commercial hospital costs relative to Medicare prices are in top 30% of the most expensive in the country¹
- Physician fees are even higher¹

There is mass variation in cost & quality among doctors²



BHCG & Centivo have done the research to identify cost & quality on a physician level in WI.

Finding a new solution

- Frustrated with the status quo
 - Health care still unaffordable (for employers, employees, dependents and the community)
 - Needed to make significant changes
- Began strategic planning process in 2019
- Engaged three leading consulting houses to help find a new solution
 - Unanimous that a high-performance primary care-centered model was the right direction
 - Right thing to do
- Major carriers lacked capability and interest to build the model
- Centivo unanimously recommended as the way to move forward
 - Right thing to do

“The BUCAs get the best deals because their volume gives them real leverage”

Program objectives in Eastern Wisconsin



Best-in-market contract terms

- Rates/unit prices
- Value-based provisions
- Ability to steer towards higher performers



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

- Plan sponsor access to contracted payment terms
- Pre-negotiated ASO fees with no hidden costs or add-ons
- Your data is your data

What makes the BHCG offering in WI unique

Leveraging the purchasing power of BHCG



- Pre-negotiated pricing with Centivo on behalf of all current & future BHCG member companies
- Better pricing from local providers through the Centivo Network
- No charge for pre-built integrations with BHCG partners, such as Navitus

Absolute transparency



- Clear and simple Centivo fee structure
- Full visibility into provider contracts and what you pay for health care delivery
- Complete access to your data



The REAL leverage:
None of this
would be possible
without BHCG,
who brought
Centivo to WI

The construct for the BHCG proprietary networks



We build our proprietary networks around high-value health systems in Eastern WI:

- Proven to deliver high-value care
- Care coordination & disease management capabilities
- Experience with risk-based contracts



We then make only the high-performing providers from each health system available to members:

- We remove low-performing PCPs from the network directory, to ensure members are only picking a high-value PCP to guide their care
- We curate a PCP's referral neighborhood, removing low-performing specialists so they are not available to choose from in our referral tool

Identifying low-performing providers:

We use data to identify the low-performing providers from each health system based on cost and quality.

The result? Up to 25% of providers from each health system are made inaccessible to members. Members are redirected to the top 75% of docs for high-value care.

With the intent to make health care better



The desired end state is not ongoing segmentation – it’s a collaborative process to continuous improvement:

- Providers and the business community work together to improve performance from the entire provider community for the entire patient community
- Goal: 100% of PCPs meeting high-performance criteria and available to patients to manage their care



The pathway to improvement is paved with data and accountability:

- Available analytics have progressed dramatically in the recent years with AI/machine learning approaches – showing both the “what” and the “why”
- Two-way accountability – measurement of total cost of care and patient management in exchange for success sharing of the financial benefits

“You can’t determine the quality and cost efficiency of individual physicians”

“People don’t want to have their care coordinated by a primary care physician”

“People don’t want to be confined to a narrow network”



Questions?