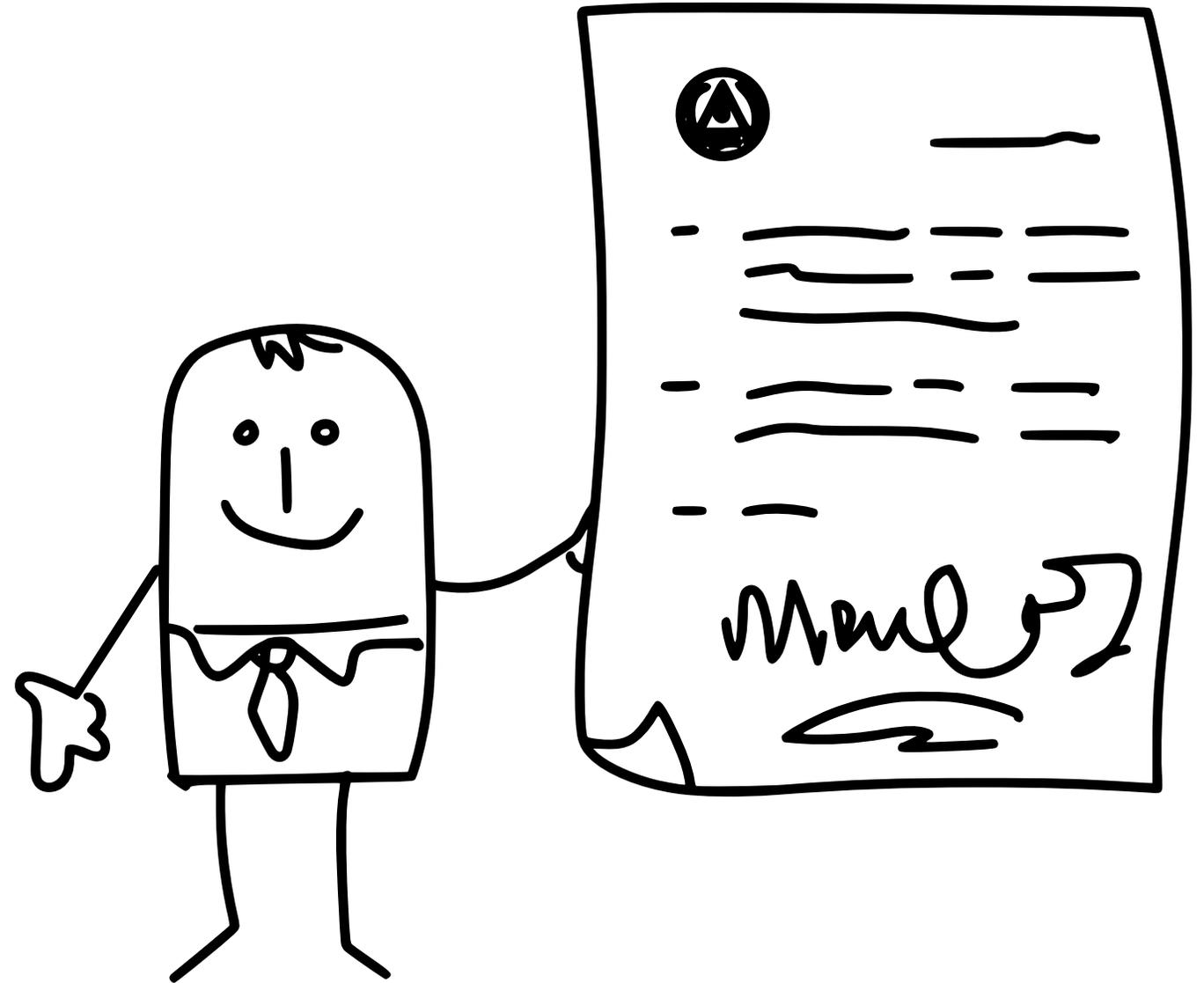




Direct Contracting

Employer Member Meeting

March 17, 2025 



Background

- “Pulse of the Purchaser” survey results from our Florida Employer Members indicated significant interest in direct contracting to drive value in health care
- Working with OpenNetworks to ascertain interest from Florida providers and employers to come together in direct contracting
- More detailed direct contracting survey conducted – sharing high level results today



Presenters

- Jeff Hogan, President of Upside Health Advisors
 - Jay Silverstein, CMO, OpenNetworks
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Florida Alliance Employer Member
Direct Contracting Survey Summary



Utilization and Direct Contracting Prevalence – 40% of respondents have direct contracts in place



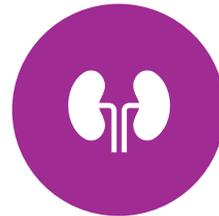
Most used hospitals by plan members included AdventHealth, Orlando Health, Moffitt Cancer Center, Tampa General, and Cleveland Clinic



Most used physician practices included AdventHealth, Orlando Health, and Florida Cancer Specialists. However, many employers lacked detailed provider usage data and could not respond to the question



40% of respondents have direct contracts in place, but some were unclear on what qualifies as a direct contract



A few respondents reported to have direct contracts with Moffitt Cancer Center, primarily for cancer treatment, renewed every three months

Impact and Implementation

75% of respondents with direct contracts felt they enhanced benefits, mainly through transparency of out-of-pocket costs and cost savings

No respondents had to modify contract terms to avoid conflicts with vendors

Average implementation time: 5-6 months

75% of respondents with direct contracts plan to expand them in the future, both with current vendors and new ones

100% of respondents with direct contracts said it was a good decision, though 25% said they wouldn't pursue another

Defining Value and Preferred Models

- 88% of respondents said high-quality care is very important

Preferred models:

- 80% of respondents favor bundled pricing and outcome-based pricing
- 20% of respondents are interested in pay-as-you-go or subscription models
- Cost savings (100% of respondents), cost containment (88%), and cost justification (100%) are top priorities

Network Preferences and Customization

86% of respondents said customizing networks based on cost and quality is very important

100% of respondents said transparency in pricing and quality ratings is very important

86% of respondents said excluding low-quality providers is very important

100% of respondents said the ability to access their own data is very important

71% of respondents said integration with their existing point solutions is very important

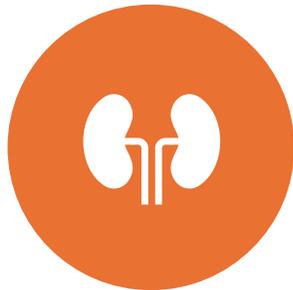
Compliance and Challenges

86% of respondents prioritize compliance with CAA, TICRA, and MHPAEA regulations

Main concerns: member disruption, required approvals, and union resistance

Top motivators: 72% of respondents cited cost savings, cost justification, and improved health outcomes

Future Outlook and Considerations



80% of respondents plan to implement direct contracting, focusing on infusions, primary care, and advanced imaging



Average timeline for new contracts: 2-3 years



Among those not considering direct contracting (20% of respondents), they cited lack of resources, compliance concerns, or union considerations



75% of respondents valued the ability to customize health networks to align with their benefits vision

Direct Contracting “101” (and “201”)

- What is Direct Contracting?
- Opportunities and Benefits
- FL-Specific Healthcare Cost Issues
- Steps for Employers to Implement Direct Contracting
- Potential Risks and Challenges
- Case Studies of Successful Direct Contracting
- Legal and Regulatory Considerations
- Key Questions for Negotiating with Health Systems
- **Conclusions and Actionable Insights**