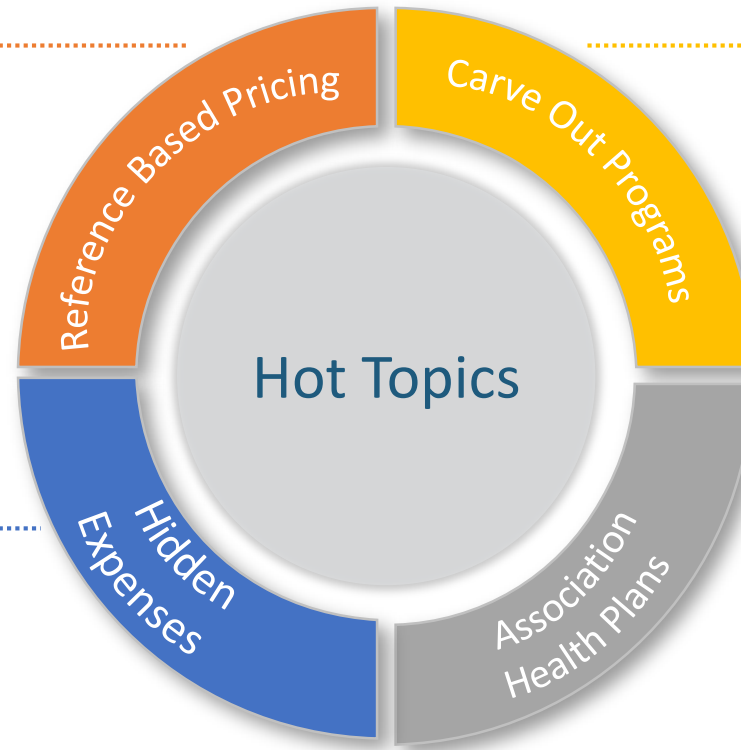




HEALTH & WELFARE – HOT TOPICS

HOT TOPICS

- ▶ Sets reimbursement to providers at a defined percentage of Medicare



- ▶ Establishes set procedure and/or program for specifically defined plan services

- ▶ Plan expenses not reported or considered that are written into vendor contracts

- ▶ Grouping of like-minded entities to create purchasing efficiencies

REFERENCE BASED PRICING

THE PROBLEM

Plan cost continues to rise with limited control/transparency
for provider reimbursements

THE SOLUTION

RBP uses a defined percentage of Medicare as the initial
“reference” point for provider reimbursements



REFERENCE BASED PRICING

PROS:

- ER controls price points for reimbursements
- Creates cost equality with providers
- Creates transparency for plan/members

CONS:

- No established network
- Additional member engagement required
- Friction with provider community possible

CONSIDERATIONS

- Plan Administrator – “concierge” level service
- Protocol for managing provider negotiations
- Legal support for plan/members
- Communication plan with members
- Updating plan documents



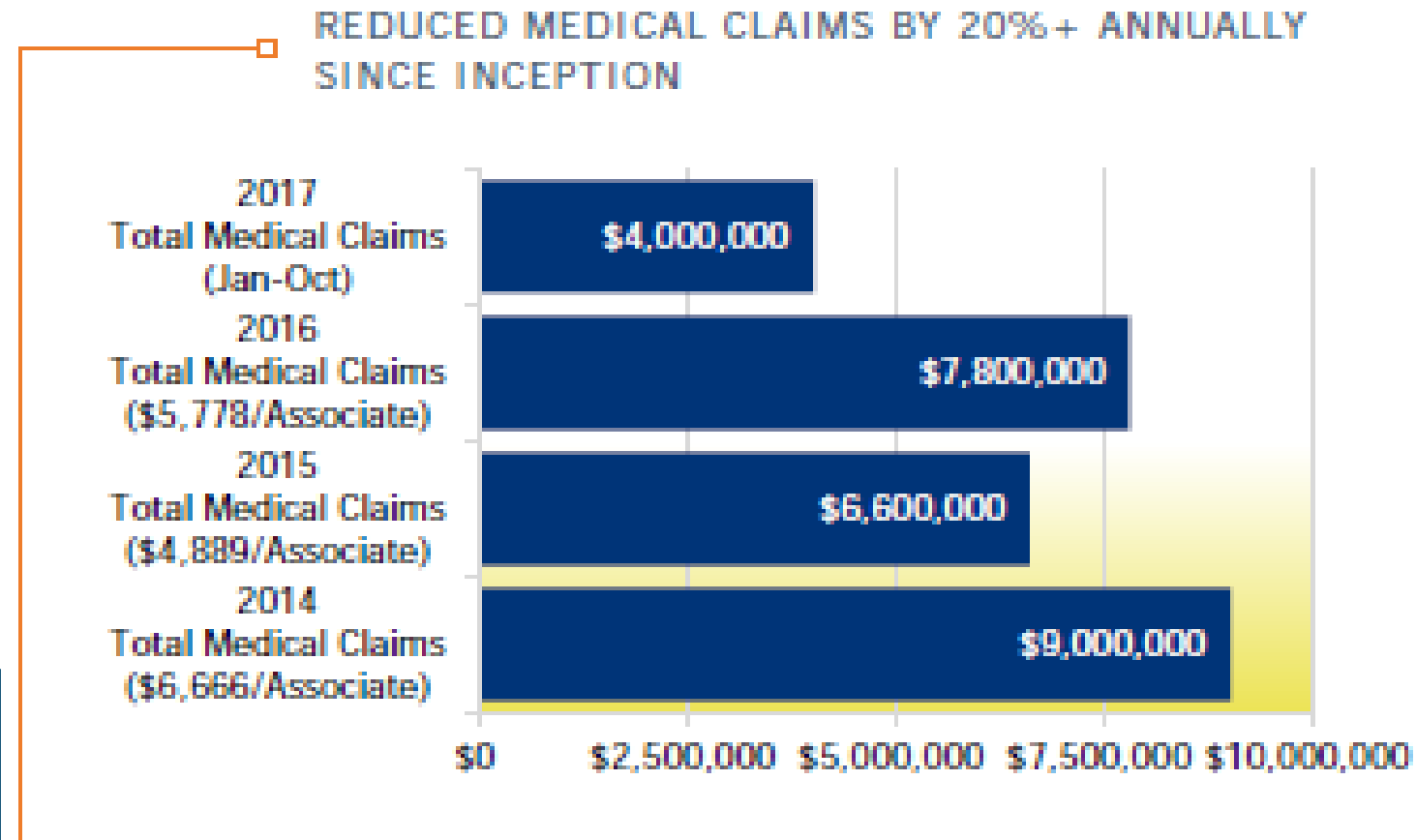
SUCCESS STORY: REFERENCE BASED PRICING

1,350 Associates

Claims trending 10%–13% annually

\$6,600,000+

Decrease in claims spend over 3 years



CARVE OUT PROGRAMS

THE PROBLEM

Cost for high-risk/expensive conditions continue to negatively impact plans

THE SOLUTION

“Carve outs” establish a set procedure/program for specifically defined plan services, to reduce or eliminate cost while improving quality results



CARVE OUT PROGRAMS

PROS:

- Increased benefits for members
- Cost control/risk elimination to plan
- Plan creates strategy for highest risk/cost procedures

CONS:

- Could create provider limitations for members
- Might require capital expenditure prior to risk surfacing
- Requires education to each risk issue

CONSIDERATIONS

- Type of Service – “Non-Emergency Care”
- Reasonable Access
- Quality of Providers
- Exceptions Process
- Full Disclosure to Members



CARVE OUT PROGRAMS

PROGRAMS

Pharmacy

Transplants

Dialysis

Oncology*

Imaging*

Orthopedics*

Neonatal*

Burn*

** Indicates opportunity for direct contracting*



ASSOCIATION HEALTH PLANS / CAPTIVES

THE PROBLEM

Employers have limited market options because of vendor consolidation

THE SOLUTION

Association Health Plans and Captives allow grouping of like-minded entities to create purchasing efficiencies



ASSOCIATION HEALTH PLANS / CAPTIVES

PROS:

- New market options
- Alignment of entities with common interest creating purchasing power
- Additional risk/cost control strategies
- Create tax efficient revenue (captives)

CONS:

- Potential “reserve” requirements
- Potential loss of control in decision making
- Could be grouped with “poor” risk pool

CONSIDERATIONS

- Risk Management Process
- Contract Language / Fees
- Renewal Formulas
- Termination Clauses
- ER/EE Liability if Insolvent



HIDDEN PLAN EXPENSES

THE PROBLEM

Language within medical and pharmacy contracts have created additional expenses to plans and members without transparency to the measured impact

THE SOLUTION

Diagnostic review of all contracts to validate and measure ALL expenses, fees and performance to agreed terms



CARVE OUT PROGRAMS

PROGRAMS

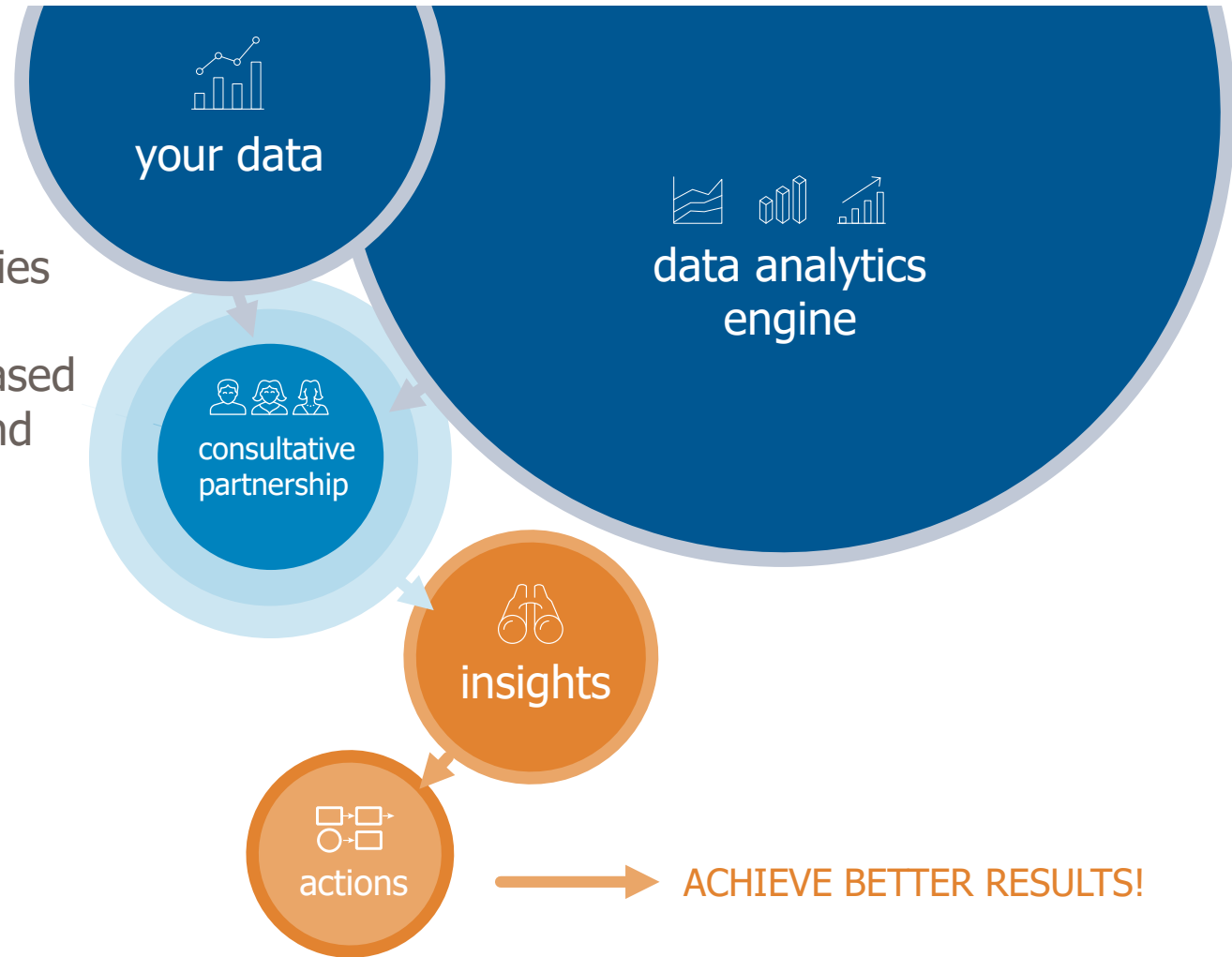
- Shared Savings Programs 0%-3%
- Network Access Fees 0%-2%
- Capitation 0%-2%
- Utilization Review / Case Management 0%-5%
- Subrogation 0%-2%
- Pharmacy Formulary Reporting (Generic to Brand for pricing) 0%-4%
- Pharmacy Dispensing/Access Fees 0%-2%
- Pharmacy Rebates/Refunds 0%-2%
- Retro Audit Language 0%-4%

POTENTIAL SAVINGS



ACTION THROUGH INSIGHT

Identify opportunities and design a customized plan based on data findings and your business objectives.



ABOUT JH BERRY RISK SERVICES

OUR MISSION

TO BE THE MOST TRUSTED BUSINESS RELATIONSHIP TO EACH PERSON WE SERVE

OUR GUARANTEE

Excellence in risk management requires a committed and detailed focus on client's goals. We believe our objective **process** combined with our private ownership and expertise will drive unique results. What makes JH Berry Risk Services different is that we will put our commitment to your goals in writing with definable and measurable targets. Our compensation is directly tied to the successful achievement of your goals, our **guarantee**.



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