

# Innovative Cost Containment Solutions for Employee Benefits

## Custom Design Benefits



# Who We Are

Founded in 1991

The region's largest independent,  
full-service Third Party Administrator

One of Cincinnati's Top Workplaces

National Leader in Reference-Based  
Pricing Plans



# True Cost Containment

## TrueCost

# Gain True Savings with TrueCost

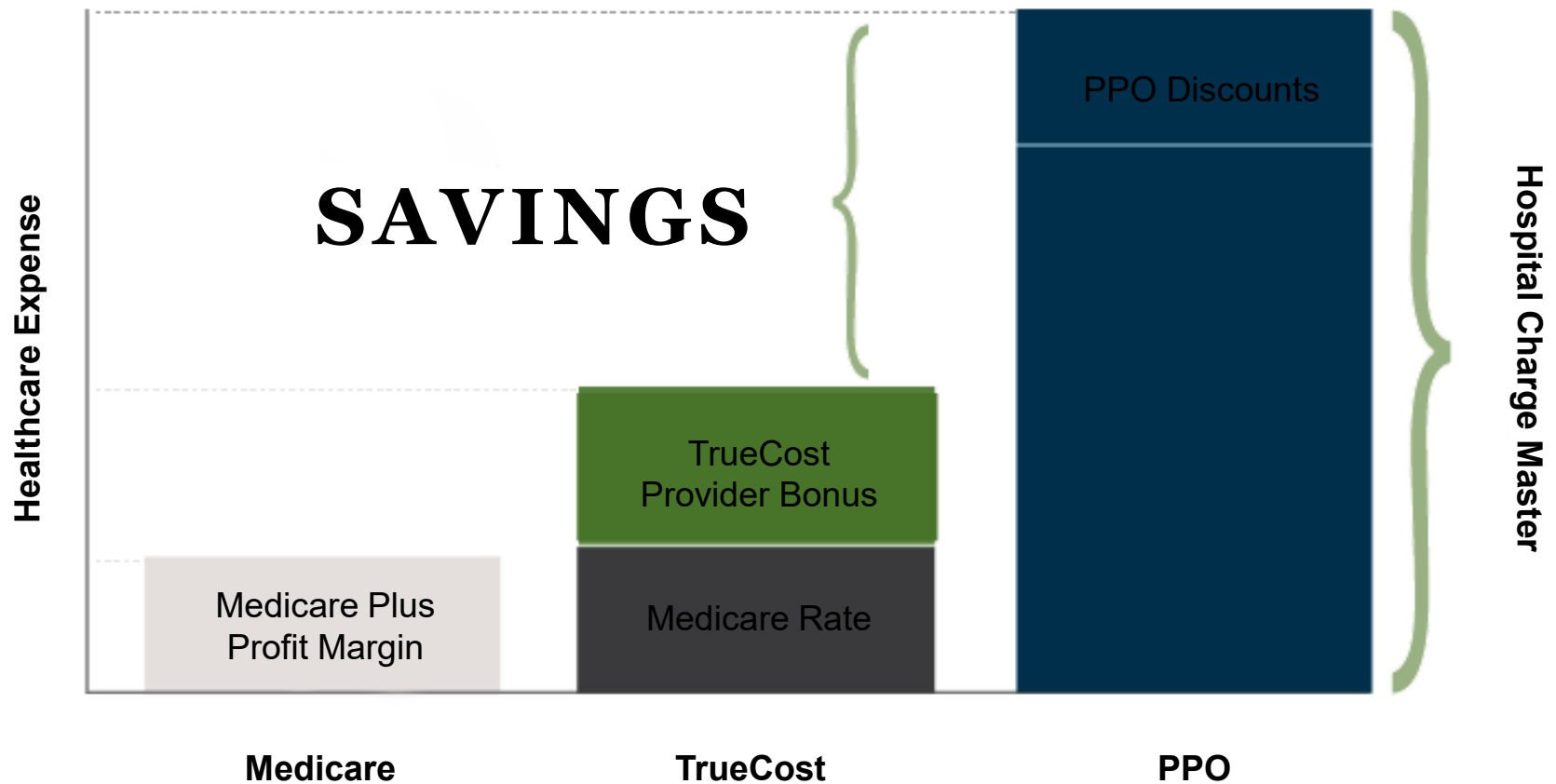
An innovative and creative approach launched in 2012, TrueCost is the solution to the rising costs of healthcare - helping to contain and reduce employee benefits costs, while improving the plan benefits offered to employees.

## **TrueCost delivers:**

- ✓ True transparency with fixed Reference-Based Pricing
- ✓ Direct contracts with the highest quality healthcare providers
- ✓ Lower healthcare cost
- ✓ Simple copay-only, member-friendly plan designs
- ✓ Fair and reasonable provider reimbursement
- ✓ Eliminated complexity of in-network and out-of-network providers



# Cost Plus vs. Charge Discounts

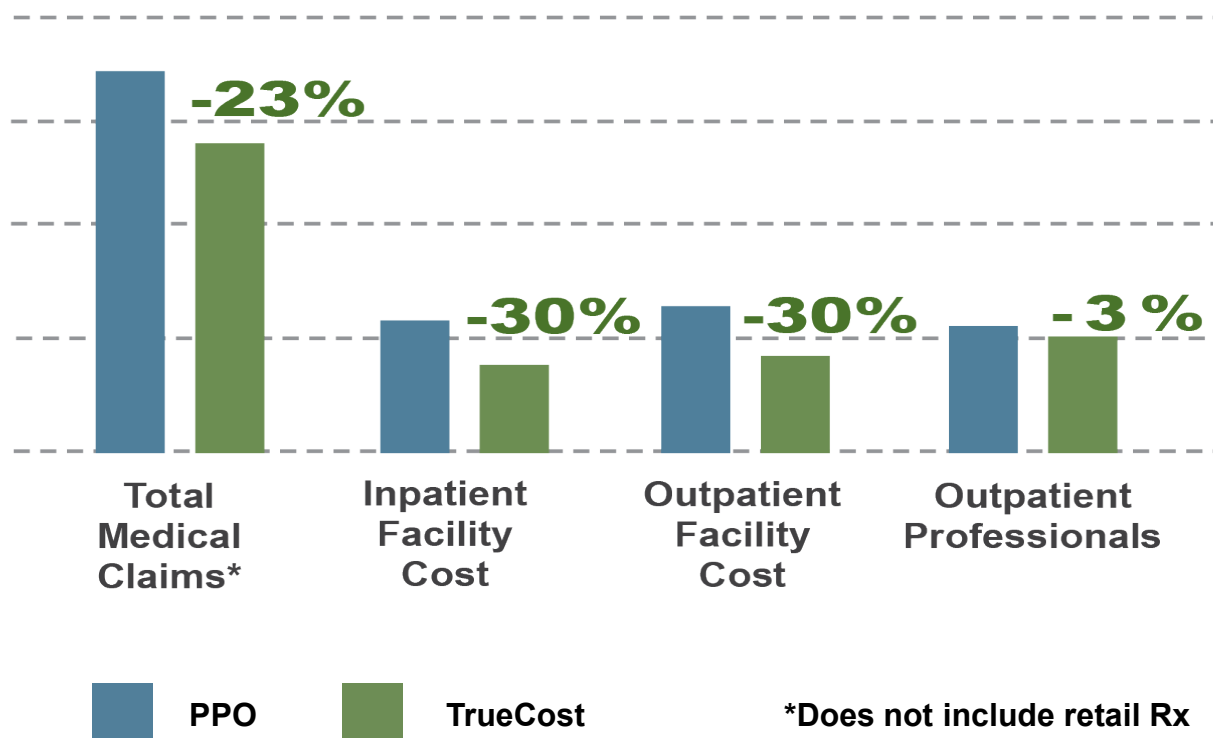


# Actual Repricing for 669 Employee Group

<b>Paid Dates 01/12 – 01/18</b>	<b>Billed Charges</b>	<b>TrueCost Plan Direct Contracts</b>
<b>Allowable Charges</b>	\$30,664,339	\$9,962,714
<b>Discount on Billed Charges (\$)</b>		\$20,701,625
<b>Discount on Billed Charges (%)</b>		67.51%

## 2017 TrueCost Savings vs PPO

2017 ANNUAL PER EMPLOYEE COST



## By The Numbers

**\$340**

Average OOP  
per member

**80%**

Of Custom Design Benefits  
clients using TrueCost

**15-20%**

Average savings on  
fixed and claim cost

**100%**

Balance bill claims resolved  
without legal intervention

Less  
than **0.5%**

Of all claims were balance billed





## Current Direct Contract Hospital Systems



2018 Direct Contract available with Cincinnati Children's Hospital

# Simple, Member- & Provider-Friendly Benefits Summary



<u>Medical Service</u>	<u>TrueCost</u>
<u>Deductible</u>	<u>NO Deductible</u>
<u>Coinsurance</u>	<u>NO Coinsurance</u>
<u>Inpatient Hospital</u>	<u>\$500 to \$750 Copay (per Admission or per Day)</u>
<u>Outpatient Surgery</u>	<u>\$250 to \$500 Copay</u>
<u>Lab &amp; X-ray</u>	<u>\$0</u>
<u>MRI or PET Scan</u>	<u>\$250 to \$500 Copay</u>
<u>Primary Care Doctor Visit</u>	<u>\$25 Copay</u>
<u>Specialist Office Visit</u>	<u>\$50 to \$75 Copay</u>
<u>Preventative Care</u>	<u>\$0</u>
<u>Urgent Care</u>	<u>\$50 Copay</u>
<u>Emergency Room</u>	<u>\$350 to \$750 Copay</u>



# Balance Billing Process

Less than  
**0.5%**  
of all claims since 2012

## **If/When Balance Billing Occurs:**

**Outreach to provider for acceptance or negotiation**

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**Addressing assignment of benefits and ACA**

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**Progressive series of phone & mail contacts with provider**

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**Addressing assignment of benefits and ACA**

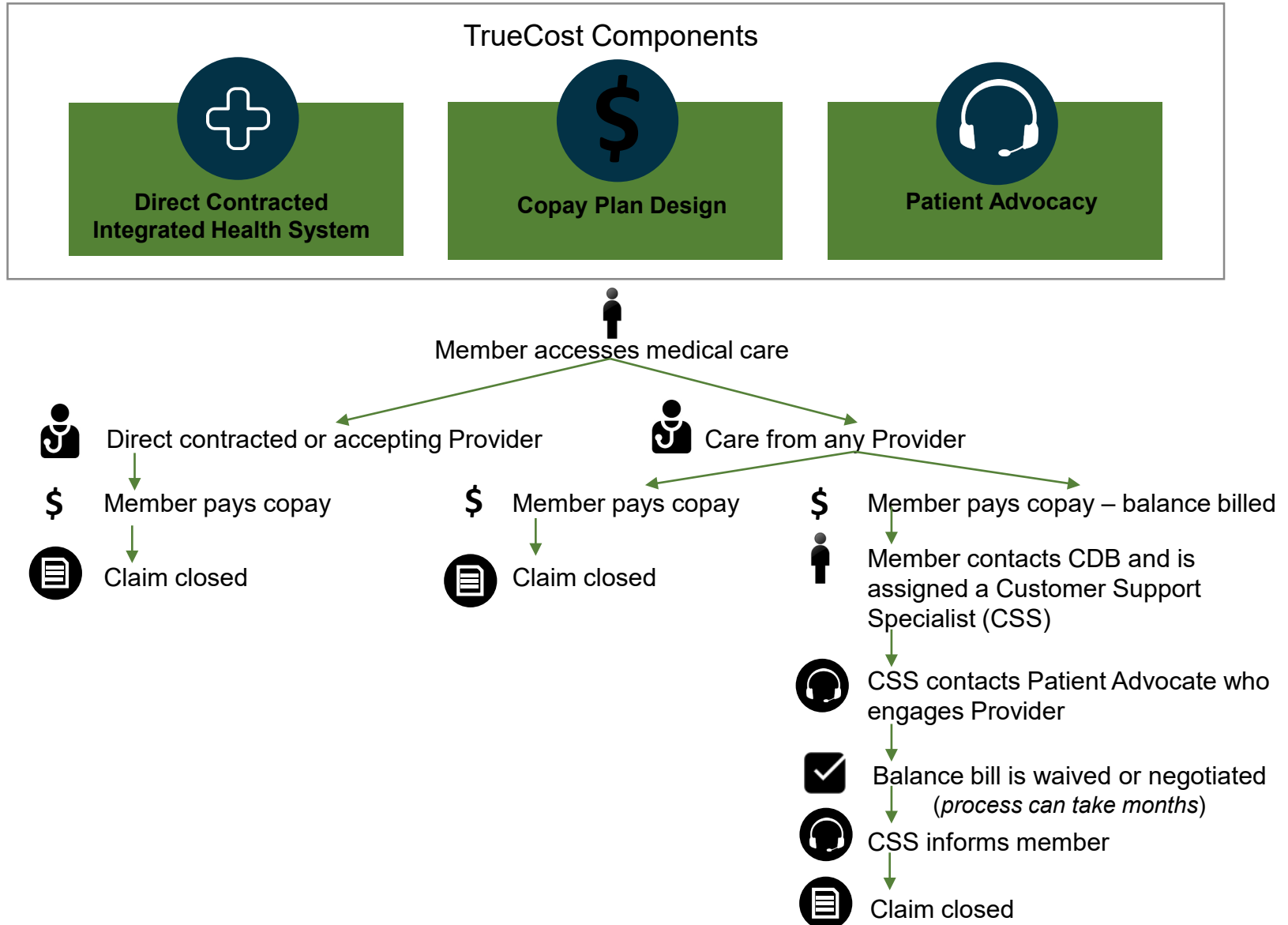
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**Final step is referral to legal counsel for negotiation**

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**100% of balance bill claims resolved without litigation since 2012**

# TrueCost Member Experience



# True Cost Containment

TrueCost Rx & PBM

*The Market Demanded, We Delivered.*

# Partner in Transparency & Savings



**MagellanRx**  
MANAGEMENT<sup>SM</sup>

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100% transparent pricing

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One of Fortune's World's Most Admired Companies

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30+ years experience working with self-funded employers

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National footprint with approximately 66,000 pharmacies

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1.9 million commercial PBM members

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7 million+ claims processed

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# Partner in Transparency & Savings



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Independent prescription risk management company

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Partners with University of Arkansas College of Pharmacy

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PA of Specialty Medications broken out from PBM 2018

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All approved specialty medications followed by nurse case manager

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Evidence-based recommendations

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Non-biased peer-reviewed studies

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Immune to marketing trends

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Priority on efficacy over rebates

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## CDB's Specialty Drug Prior Authorization (PA)

- ✓ Removes decision-making from PBMs
- ✓ Uses evidence-based medicine
- ✓ Rx Results Specialty PA approval rate is 68% vs 83%-93%
- ✓ Peer reviewed literature used for comparison of therapy choices
- ✓ Specialty drug chosen is optimal match for diagnosis
- ✓ Application of National practice guidelines
- ✓ Focus on outcomes of care not just individual cost components

**The Right Members**  
meeting the  
**Right Clinical**  
**Criteria** get  
the **Right**  
**Drugs** at the  
**Right Time** to  
**Achieve** the  
**Best Clinical**  
**Outcomes**





# CDB's Specialty Drug Prior Authorization

- ✓ **PA decisions feed into CDB's management and reporting system**
- ✓ **CDB's Case Management Nurses work with patients and monitor costs**
- ✓ **Provides Plans with protection against**
  - **Unnecessary, significant Rx costs**
  - **Negative impact on stop loss rates**
- ✓ **Flat monthly administration fee replaces per PA and Appeal fee**



**Ready for *True* Savings?**

