

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

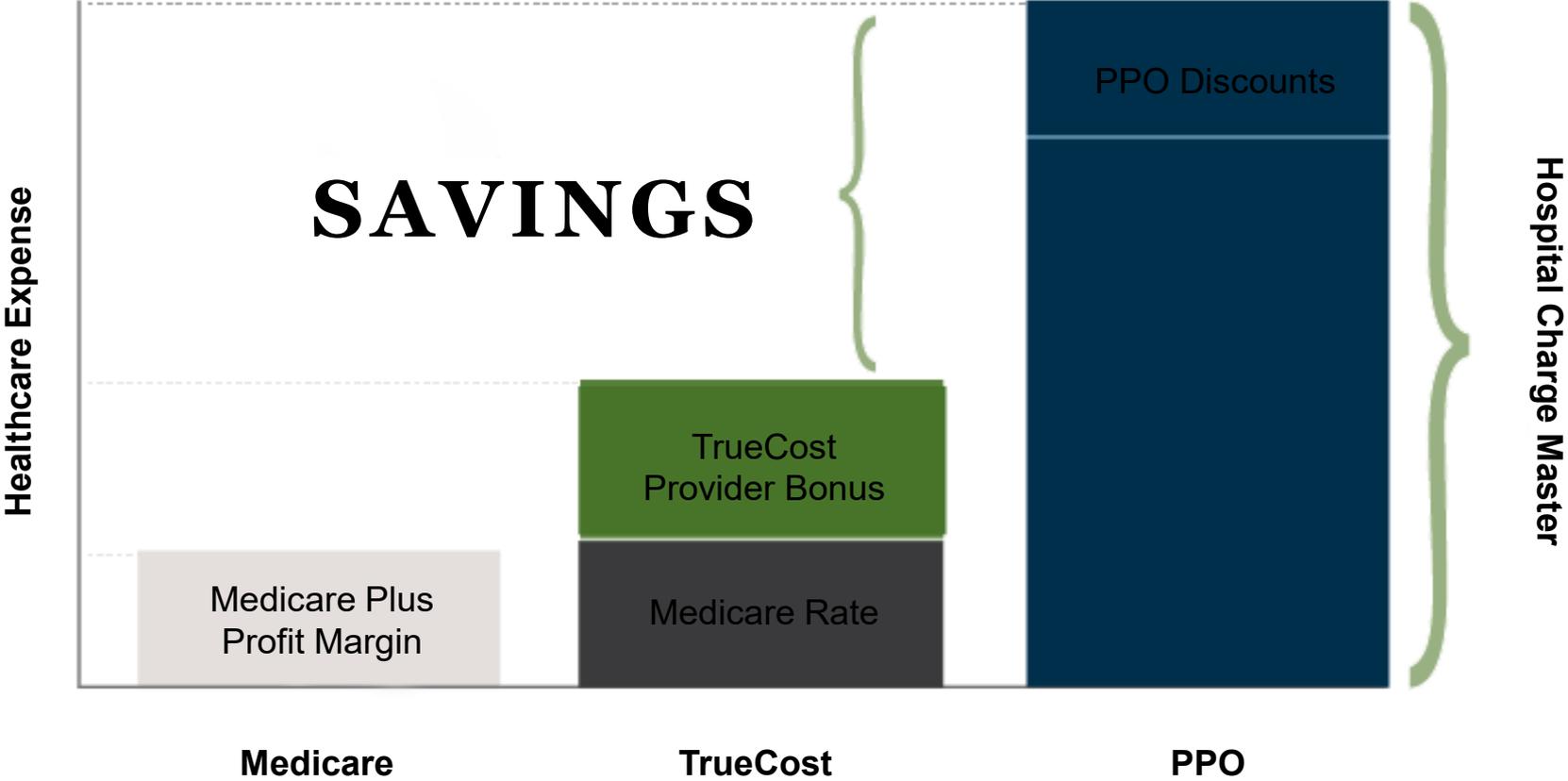
An innovative and creative approach launched in 2012, TrueCost is the solution to the rising costs of healthcare - helping to contain and reduce employee benefits costs, while improving the plan benefits offered to employees.

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

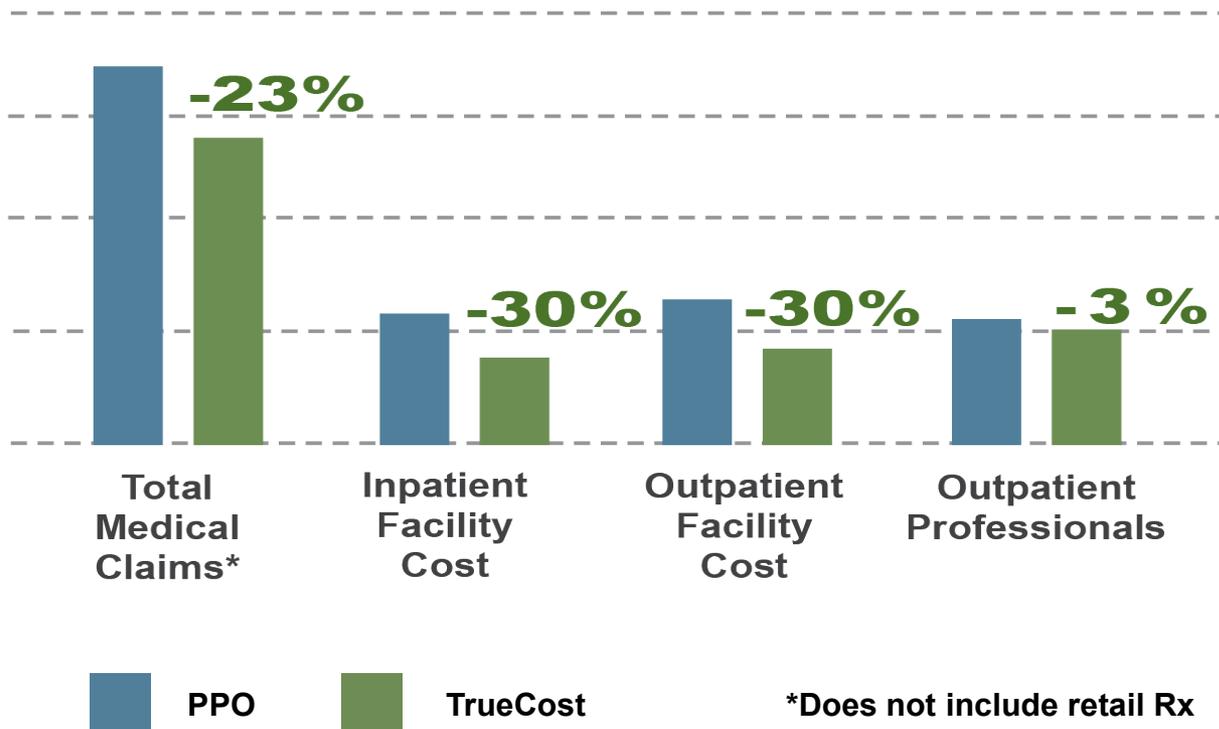


Actual Repricing for 669 Employee Group

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

Addressing assignment of benefits and ACA

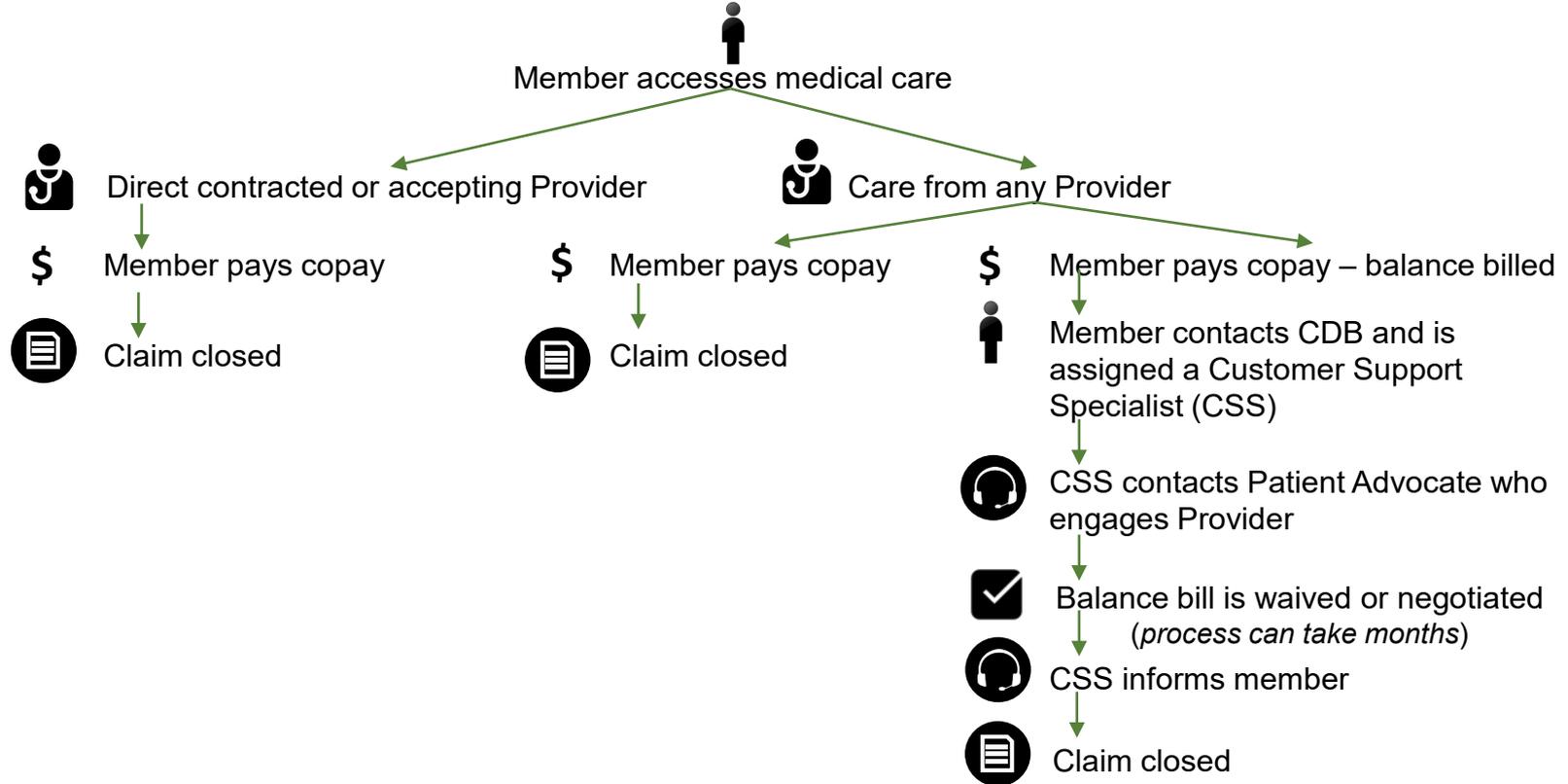
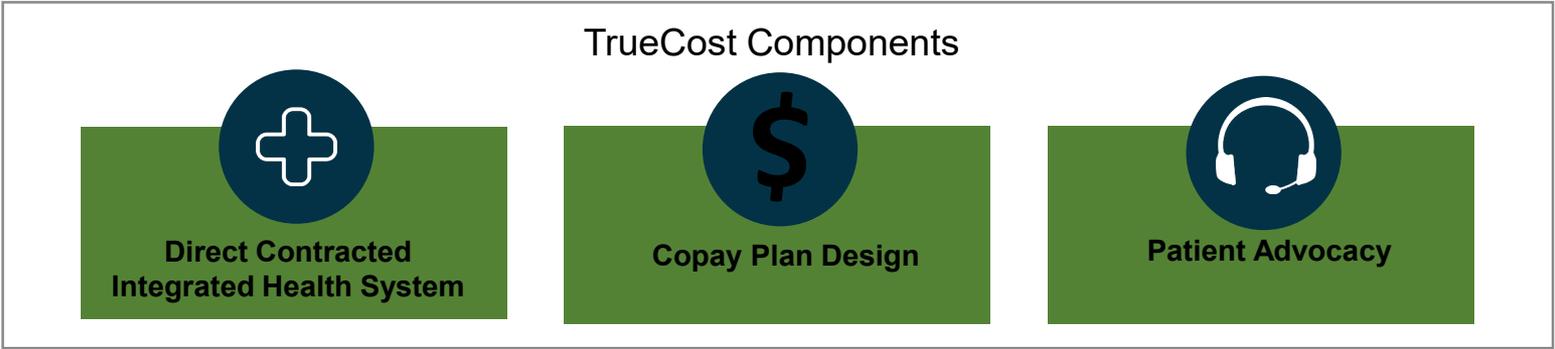
Progressive series of phone & mail contacts with provider

Addressing assignment of benefits and ACA

Final step is referral to legal counsel for negotiation

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
MANAGEMENTSM

100% transparent pricing

One of Fortune's World's Most Admired Companies

30+ years experience working with self-funded employers

National footprint with approximately 66,000 pharmacies

1.9 million commercial PBM members

7 million+ claims processed



Partner in Transparency & Savings



Independent prescription risk management company

Partners with University of Arkansas College of Pharmacy

PA of Specialty Medications broken out from PBM 2018

All approved specialty medications followed by nurse case manager

Evidence-based recommendations

Non-biased peer-reviewed studies

Immune to marketing trends

Priority on efficacy over rebates





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?

