Will the pandemic expedite value in healthcare?

FRIDAY, APRIL 1, 2022 | 7:30 A.M. – NOON
“In the midst of every crisis, lies great opportunity.”

-Albert Einstein
24/7 On-Demand Care

>390,800 Video Visits
Virtual Exam Kit

- HD exam camera
- Intelligent lighting
- IR thermometer

Otoscope
Stethoscope
Tongue depressor

AV visit
eVisits & eConsults

88% of in-person visits avoided
Virtual Triage

Hello I’m Mila
Remote Patient Monitoring

twistle

Please fill out the form so we can see how you are doing.

How is your breathing?
- Normal (my normal)
- Harder than usual with activity
- I need more pillows to sleep
- I cannot catch my breath

How is your swelling?
- No new or worsened swelling
- More swelling in legs, feet or belly

Are you having chest pain?
- None
- Some chest pain

BABY SCRIPTS™
MY JOURNEY
Behavioral Health - SilverCloud

>2,700 participants

93% were helped
MemorialCare Innovation Fund

Strong Portfolio

- 50 companies
- 4 acquired in 2021
Navigation Center

24/7 Telephone Advice Nurse
Hospital at Home

Medically Home
Network Expansion
Network Differentiation
Lowering the Cost-of-Care through Site of Care

*Kost* = price to insurer

101%

843%
Hospital Campus Investment

100,000 Children’s Specialty Visits

Opening in 2023
Value-Based Care
Employer & Worker Premium Contributions

37% ↑ Employee Cost

SOURCE: KFF Employer Health Benefits Survey, 2021
Value-Based Care – Health Plan Partnerships

2014
- PPO ACO
- **MemorialCare**
  - Health Alliance
  - Direct contract with Boeing; contract extended (2016 – 2023)

2015
- **PPO** ACO
- aetna
  - 60 employer partners and growing

2016
- **PPO** ACO
- Blue Cross
  - 7 Founding Health Systems added Providence (2020)

2019
- **HMO** ACO
- UnitedHealthcare
  - Signature Value Alliance

- **EPO** ACO
- **MemorialCare**
  - Created in response to employer demand

2020
- **EPO** ACO
- Blue Shield Trio
  - HMO
  - Expanded to include our Orange County network

2021
- **EPO** ACO
- **MemorialCare**
  - Direct contract with F&M Bank and Novartis

2022
- **EPO** ACO
- **MemorialCare**
  - Direct contract with Activision Blizzard/Microsoft

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New Value-Based Health Plans

- United Healthcare Harmony
- Blue Shield Trio
- Cigna Select & Value Plans
- Direct-to-Employer: Activision/Microsoft
Results:

- ER visits ↓ PKPY 13%
- High-cost imaging PKPY↓ 8%
- Avg. IP admissions ↓ 6%
- 2021 Rx costs ↓ $800K+
Direct-to-Employer

Results:

• Implemented January 1, 2017; contract extended through 2023
• Reduced inpatient admissions since 2018 by 23%
• Reduced ED visits PKPY since 2018 by 43%
• Out-performed the 2019 vs. 2020 statewide pharmacy cost trend by 8%
• Lowered medical cost-of-care 2020-2021
Vizient COE Network

Founding Members

- MemorialCare
- BJC HealthCare
- Emory Healthcare
- Johns Hopkins Medicine
- Northwestern Medicine
- Providence

41% of US employees are within a 2-hour drive of the HVN

57 Service Locations

Orthopedics
Spine
Bariatrics
Cardiac
Key Ingredients to Success

Key Ingredients:
Invest in robust “ACO infrastructure” including:

• Data
• Care management
• Pharmacy management
• Broad PCP and ambulatory access points

Patient access and engagement vehicles

Standardized metrics for quality and cost containment across ACOs

IDS committed to “real” value

Social determinants of health
Barriers to Value-Based Care Adoption

So, what’s the future of value-based care?
Keynote Speaker
Elizabeth Mitchell
Agents for Change – PBGH Members (partial list)
Purchaser Business Group on Health

- 40 members
- Private employers and public agencies
- $350B spend
- 21 Million Americans

Advancing Quality  Driving Affordability  Fostering Health Equity

EXPERTISE APPLIED ACROSS ALL STRATEGIES:
Measuring What Matters | Policy and Advocacy | Payment Reform | Care Redesign | Health Equity
For the money you spend on health benefits and services, do you believe your employees’/members’ health is improving?

- Yes: 32%
- No: 5%
- Unsure: 63%

If you answered no, why are you not getting what you want from your health spending?

- Low spending on primary care and prevention: 57%
- Low spending on wellbeing and social needs: 29%
- Lack of transparent information and/or data access: 36%
- Poor quality of clinical care: 36%
- Disparities: 29%
- High prices and cost increases: 43%
- Waste in medical care: 36%
- Pharmacy costs: 29%
- Low spending on wellbeing and social needs: 36%
- Lack of transparent information and/or data access: 29%
- Poor quality of clinical care: 36%
- Disparities: 29%
- High prices and cost increases: 43%
- Waste in medical care: 36%
- Pharmacy costs: 29%
- All of the above: 36%
Every Business is in Health Care Now

The C-Suite is Taking Notice

Believe that the cost of providing health benefits to employees will become unsustainable in the next 5 to 10 years. 87%

They See a Failed Market

Believe a greater government role in providing coverage and containing costs would be better for their business. 83%

They Also See Potential — But They Need Options

Agreed that employers collectively can change health care cost to a moderate or considerable extent. 85%
March 28, 2022
4:00 p.m. ET

National Health Spending Projected to Hit $6.8 Trillion by 2030

Health spending growth expected to moderate as pandemic impacts wane

Washington, D.C. — New estimates released today from the Office of the Actuary (OACT) at the Centers for Medicare and Medicaid Services (CMS) and published online in Health Affairs project a rate of national health spending growth of 4.2 percent for 2021, reaching nearly $4.3 trillion, after the 9.7 percent growth seen in 2020 that was driven by large inflows of federal supplemental funding to mitigate the impacts of the COVID-19 pandemic on the health sector. Average rates of health spending growth of 4.9 percent and 5.3 percent are projected for 2022–24 and 2025–30, respectively.
Appendix
The Cost to Businesses and Families

Health care costs drag on both business growth and household income.

Every 10% increase in health care costs results in about 120,800 fewer jobs and $28 billion in lost revenue.

If health care costs merely tracked the rate of inflation between 1999 and 2009, instead of exceeding it, the average American family would have had an additional $450 per month to spend on other priorities.


A 30-Year Legacy of Mission-Driven Innovation

**Vision:** A health care system driven to deliver the best health outcomes, experience, equity and affordability for consumers and purchasers

**Mission:** To be a change agent creating increased value in the health care system through purchaser collaboration, innovation, and action and through the spread of best practices
We Know What Works. We’ve Done It.

The Network

*Launched Spring 2019 Oncology CoE*
City of Hope, Duarte, CA, launched March 2019
East Coast CoE, launching Sept 2019

Early results for Walmart

Zero COE Joint Replacement Patients Required Postsurgical Care in a Skilled Nursing Facility
Rate of discharge to these facilities per 1,000 patients

<table>
<thead>
<tr>
<th>Centers of Excellence</th>
<th>Non-Centers of Excellence</th>
</tr>
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<tbody>
<tr>
<td>0</td>
<td>52</td>
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COE Joint Replacement Patients Had Lower Hospital Readmission Rates
Rate of readmission per 1,000 patients

<table>
<thead>
<tr>
<th>Centers of Excellence</th>
<th>Non-Centers of Excellence</th>
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<tbody>
<tr>
<td>15</td>
<td>50</td>
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More Than Half of COE Spine Patients Avoided Surgery

<table>
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<tr>
<th>Patients who had surgery</th>
<th>Patients guided into other forms of treatment</th>
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<tr>
<td>46%</td>
<td>54%</td>
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COE Spine Patients Had Shorter Hospital Stays

<table>
<thead>
<tr>
<th>Centers of Excellence</th>
<th>Non-Centers of Excellence</th>
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<tbody>
<tr>
<td>2.5 days</td>
<td>2.9 days</td>
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Source: Walmart, Geisinger, and Health Design Plus
We Know It Works. We’ve Done It.
More than 25% of PBGH members are engaged in direct contracting.
Employers Find Success with Direct Contracting

“Direct relationships are more impactful than working with plans.”
— PBGH Member

One jumbo employer that negotiated a hospital contract on its own beat its regional Blue’s price point by 10%.

Primary care clinics managed directly by employer spends $850 per person annually compared with $3,200 for patients “out in the wild.”

10% Savings

$850 vs $3200
Percent spent on primary care is decreasing
- Only 5.6 – 8.0% of total spend
- More dollar spend on primary care but not keeping up with total spend increases

Unwarranted variation with use of low-value care
- Most plans did not report stating that their contracts with providers do not permit reporting
- Unnecessary low back imaging ranges from 0-44% for Anthem
- Even Kaiser shows variation ranging from 0-18%

All results for depression screening and use of collaborative care codes were dismal
- Reflects major opportunity for integrated behavioral health and primary care

30 PBGH members (and counting) have aligned to demand what they need from plans.
What We Hear Back

“If you want equity, you’ll have to pay us more.”
– Health System CEO, February 22

“2022 is like 2020 without the Cares Act. We’ll have to look to commercial purchasers to make up the difference.”
– Hospital Executive, January 22

“Primary care isn’t really a strategic priority for us.”
– Health Plan, February 22

“Do you expect us to take money from hospitals and specialists?”
– Health Plan CEO, September 21

“We agree we owe it ($3M), and we might get it back to you in four years.”
– PBM Executive (to an employer), December 21

“If you think it’s expensive now, just wait.”
– Hospital CEO, February, 22

As Aon’s Chief Broking Officer explained to his colleagues:

 “[w]e have more leverage than we think we do and will have even more when [the] Willis deal is closed...we operate in an oligopoly which not everyone understands.”
“Then I shall do it myself.”
Defining What We Want to Buy: A Joint Purchasing Agreement
Implementing Advanced Primary Care: Where We’re Headed

- California
- Colorado
- Missouri
- North Carolina
- Texas
- Washington
Implementing COEs: Where We’re Headed

We’re Building a New Model:

- Virtually integrated COE networks
- Increased referrals to specialists committed to better patient experience, primary care clinical integration, health outcomes.
- Differentiated customer experience: better matches between patient needs and providers who can help them.
- Independent, physician-owned ASCs are uniquely situated to be strong partners and key beneficiaries of this model.
Our Members Are No Longer Waiting for Intermediaries to Fix It

“As health care costs continue to rise, we are working to assure that the providers and intermediaries we use are providing the best possible quality and value. Where they are not, we will take action on behalf of our associates.”

Lisa Woods
Vice President,
Physical & Emotional Wellbeing
Walmart
THE GREAT TRANSFORMATION

Will the pandemic expedite value in healthcare?

FRIDAY, APRIL 1, 2022 | 7:30 A.M. – NOON

MemorialCare
Keynote Speaker

Dan Mendelson
Improve the **quality, affordability, and equity** of employer-sponsored healthcare to promote a healthier and more equitable society.

- **JPMC Employees**
  - Reduce avoidable utilization
  - Improve care of diabetes and cardiovascular disease
  - Reduce percentage of employees citing financial concerns
  - Decrease disease prevalence across race, income, geography

- **Employer Sponsored Market**
  - Increase lives covered by accountable care
  - Return on capital from Morgan Health investments
Employer-Sponsored Market Still Locked in Fee-For-Service

11%

Percentage of commercial payments in employer-market that included some degree of accountability (2019).

## Disparities in Care and Outcomes Persistent Across Populations

**Note:** Statistics based on overall U.S. population (insured and uninsured)

<table>
<thead>
<tr>
<th>Population</th>
<th>Disparities in Care</th>
<th>Outcomes Disparities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>-20% higher mean bed days due to musculoskeletal conditions</td>
<td>&gt;15% more likely to suffer from hypertension</td>
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<tr>
<td></td>
<td></td>
<td>~1.2x higher death rate from cancer</td>
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<tr>
<td>Hispanic</td>
<td>-1.5x higher rates of HIV</td>
<td>&gt;25% more likely to have diabetes</td>
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<tr>
<td></td>
<td></td>
<td>Have &gt;2x prevalence of end stage renal disease due to diabetes</td>
</tr>
<tr>
<td>Asian</td>
<td>-50% less likely to receive mental health treatment</td>
<td>Only ~0.8x as likely to get language assistance</td>
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<tr>
<td></td>
<td></td>
<td>Only ~0.9x as likely to get courteous care</td>
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<tr>
<td>Native Hawaiian /</td>
<td>Lower flu vaccination rates (88% vs 95%)</td>
<td>~0.8x as likely to know their blood pressure</td>
</tr>
<tr>
<td>Pacific Islander (NHPI)</td>
<td></td>
<td>Only ~0.9x as likely to know HIV status</td>
</tr>
<tr>
<td>American Indian /</td>
<td>Lower flu vaccination rates (83% vs 93%)</td>
<td>~1.5x more likely to report having asthma</td>
</tr>
<tr>
<td>Alaska Native (AIAN)</td>
<td></td>
<td>Have &gt;2x prevalence of end stage renal disease due to diabetes</td>
</tr>
<tr>
<td>LGBTQ+</td>
<td>-2.5x more likely to experience mental health issues</td>
<td>~69% of all new HIV cases are among gay and bisexual men</td>
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<tr>
<td></td>
<td></td>
<td>More than ~50% increased odds of having cancer</td>
</tr>
<tr>
<td>Disabled</td>
<td>-3-4x more likely to have cardiovascular diseases</td>
<td>~2.3x less likely to get care because of cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~1.3x more likely to be obese</td>
</tr>
<tr>
<td>Veterans</td>
<td>~1.5x more likely to commit suicide</td>
<td>~2x more likely to suffer from a sleeping disorder</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Male veterans are ~2x more likely to have diabetes</td>
</tr>
</tbody>
</table>

**Sources:** Agency for Healthcare Research and Quality (AHRQ); National Center for Biotechnology Innovation (NCBI); American Public Health Association; Veteran Affairs; Annals of Internal Medicine; American Association for Cancer Research; Cigna; The Commonwealth Fund
Our Vision of Accountable Care

Virtual Front Door

- Virtual first-care options
- 24/7 access by app or text
- Connected to PCP

Advanced Primary Care

- Person-centered
- Prevention-oriented
- Team-based
- Coordinated
- Multimodal

Payment tied to quality, cost, and equity

High-Value Specialists

- Selected for performance on outcomes and cost
- Bidirectional communication with PCP

Point Solutions

- Tools for acute and chronic condition management
- Referred by PCP
- Communicate progress back to PCP

Morgan Health Investments & Partners

Vera

Castlight

Kaiser Permanente

embold Health

morganhealth
Panelists

Matt Bittner
Area Vice President, McGregor & Associates, a Gallagher Company
General Manager, California Schools VEBA
Panelist

Peter Freska
Partner, The LBL Group/Acrisure
Panelist

Elizabeth Soberg
CEO, UnitedHealthcare of California
Panelist

Ashok Subramanian
Founder and CEO, Centivo
Panelist
California Schools VEBA

Increase Purchaser Negotiating Power
By pooling resources, VEBA gives employers better pricing, enhanced access, unique products, and more stable renewals.

Run By Member Board of Directors
As a non-profit health care trust, all funds must be spent on member benefits and health improvement.

VEBA Vision
Our members are engaged and empowered advocates for their own well-being.

VEBA Mission
Through collaborative partnerships, provide health care resources that are effective, affordable, and of the highest quality and value.

Improve Quality, Reduce Costs
Including high performance HMOs, plans focused on generational differences, enhancing access to mental health services, & captive care facilities.

Targeted Individual Resources
VEBA Connects members with the right care at the right time to maximize outcomes and reduce costs.
Peter Freska, MPH, CEBS - Partner / Advisor
The LBL Group – Acrisure Agency Partner
Who is Acrisure?

Top 10 Insurance Broker &
Global FinTech Leader

Our intelligence-driven approach enhances client outcomes and speeds decision-making in areas such as insurance and reinsurance, asset management, real estate services and cyber services.

The result: better customer experience, faster decisions, and customized client solutions.

- Local agency contact, combined with resources of a global industry leader.
- Vast, global coverage capabilities through our Acrisure Partner network.
- Direct access to specialized programs, products and solutions across financial services.
- Continued investment and innovation in new technology.
Growing, Global Footprint

950+
Physical Locations

44
States

10
Countries

$3.5B
Pro Forma Revenue

Note: Information is as of 9/30/21 and includes acquisitions closed since 3/1/2022 + acquisitions under LOI
We offer intelligence-driven solutions across Insurance, Reinsurance, Real Estate, Cyber and Asset Management.

**Insurance**

Transforming the insurance value chain and delivering high-quality insurance and risk management solutions through our global network of Partners. Our insurance lines include property & casualty, benefits and PEO solutions, personal lines, captive solutions and MGA capabilities. acrisure.com/insurance/

**Reinsurance**

Our global reinsurance team of more than 260 experienced and talented employees provides bespoke advisory, portfolio and reinsurance solutions. acrisure.com/reinsurance

**Cyber Services**

We provide unique cloud-to-cloud data protection of clients’ data 24/7 and immediate, uninterrupted access during a crisis. acrisure.com/acrisure-cyber-services

**Real Estate Services**

We combine the industry’s leading independent title agencies into a collaborative organization to deliver the most efficient, comprehensive and competitive title and settlement services in the industry. acrisurerealestateservices.com

**Asset Management**

We provide clients access to world-class private capital managers and technologically sophisticated products spanning wealth management, investment solutions and retirement planning. acrisure.com/asset-management

**Evolution Advisors**

Evolution Advisors is focused on providing greater access to financial services for minority-owned businesses and diverse communities. evolutionadvisors.com
Suvaun | Employee Benefits Reimagined

**Purpose**
A technology platform, specifically for employee benefits, Suvaun offers faster quotes, better presentations and elevated client service. The platform harnesses the power of AI and automation to deliver the most efficient and transparent benefits renewal experience.

**Key Features**

- Quoting engine that streamlines the process for prospects looking for plans that meet their needs
- Digital platform that provides more insurance options at lower costs, and streamlines benefits administration
- Efficient and educational – with tools to help employers and employees make informed decisions
- Brokers simple quote, enroll and maintain – with increased client stickiness and reduced expenses

Suvaun has been a game-changer for Acrisure’s employee benefits clients, delivering an experience above and beyond what other platforms can provide.
We exist for the modern American worker

OUR MISSION
To bring affordable, high-quality healthcare to the millions of working Americans who struggle to pay their healthcare bills.
THE SOLUTION:
A new type of health plan anchored around leading providers of value-based care

Primary-care centered networks designed for affordability & quality

Simple, no deductible, copay only plan design

Member & provider tech to easily reinforce coordinated care
Making benefits a weapon in today’s “War for Talent”

<table>
<thead>
<tr>
<th>HEALTHCARE MYTH</th>
<th>CENTIVO EVIDENCE</th>
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<tbody>
<tr>
<td>1. You can’t enrich AV without increasing company costs</td>
<td>Shifting care from high-cost to high-value providers can save up to 50%</td>
</tr>
<tr>
<td>2. Scale drives the best discounts</td>
<td>Providers offer competitive rates to self-funded employers due to mutually aligned business goals AND total cost of care wins.</td>
</tr>
<tr>
<td>3. Employees want every provider in the network</td>
<td>~75% of people willing to trade network size and other plan features in exchange for a simple and affordable experience*</td>
</tr>
</tbody>
</table>

*Based on Centivo’s 2021 Healthcare and Financial Sacrifices Survey of 805 adults with employer-based private health insurance
Thank You!