



State of Reform

Driving Affordability in the Commercial Market



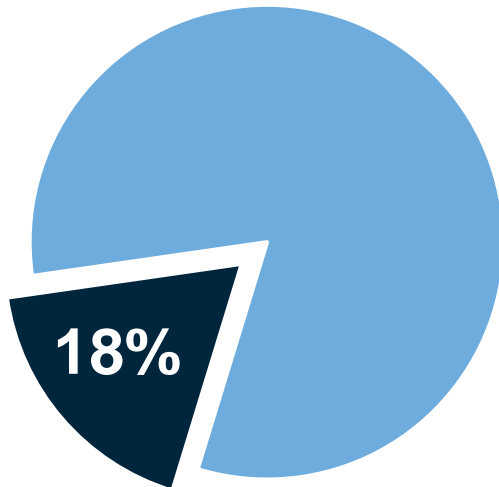
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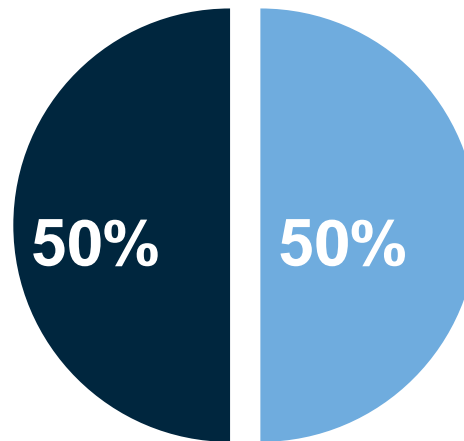
The Tale of Three Pies

GDP



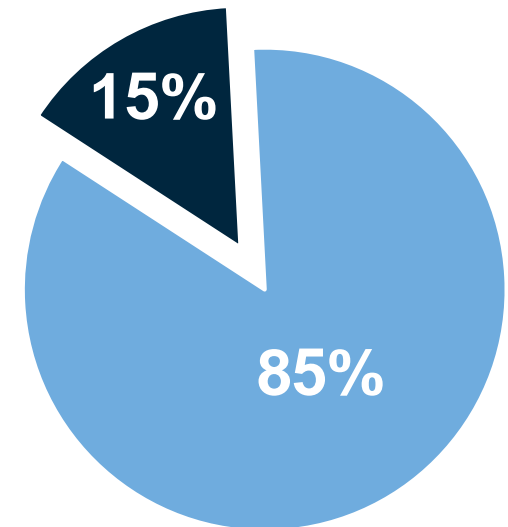
■ Healthcare

National Spend



■ Employer ■ Govt.

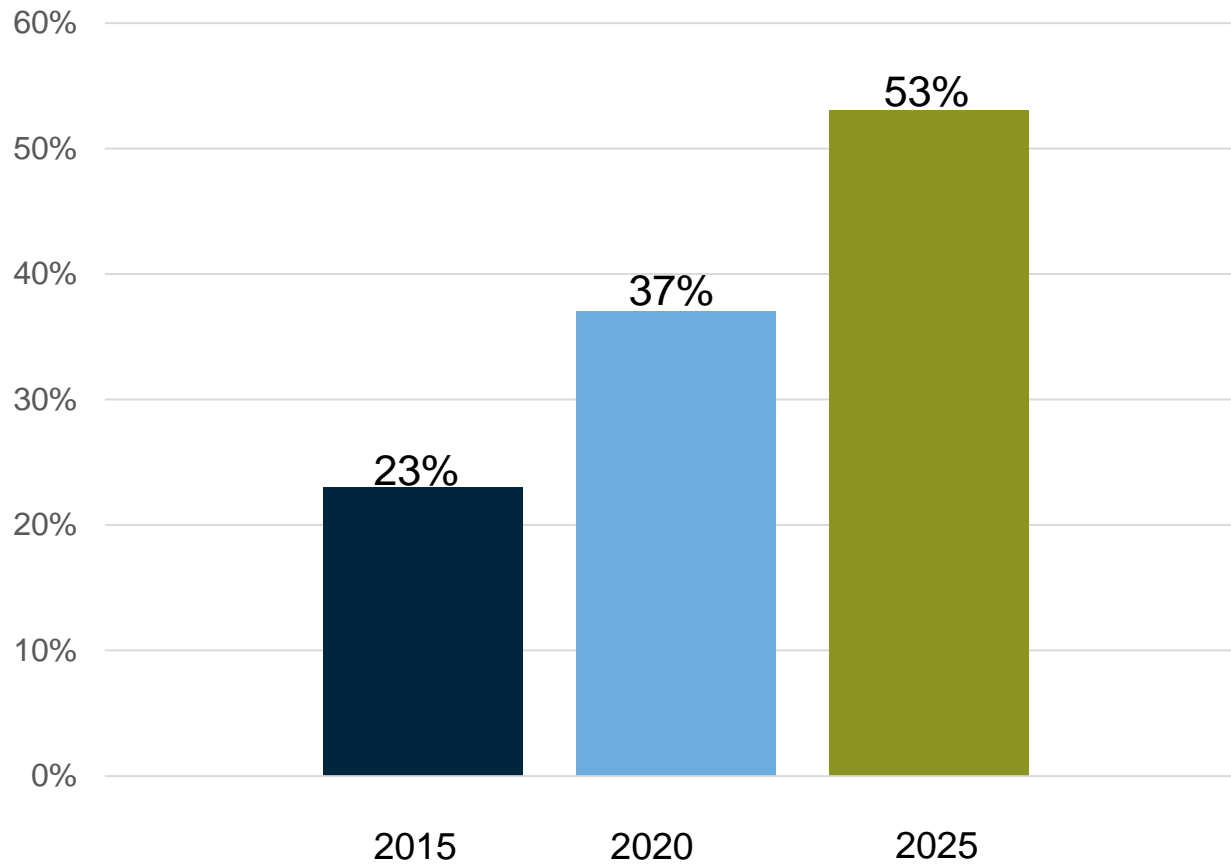
Benefits Cost



■ Admin ■ Claims



Percentage of Families Whose Employer-Sponsored Health Care May Exceed 9.5 Percent of Income

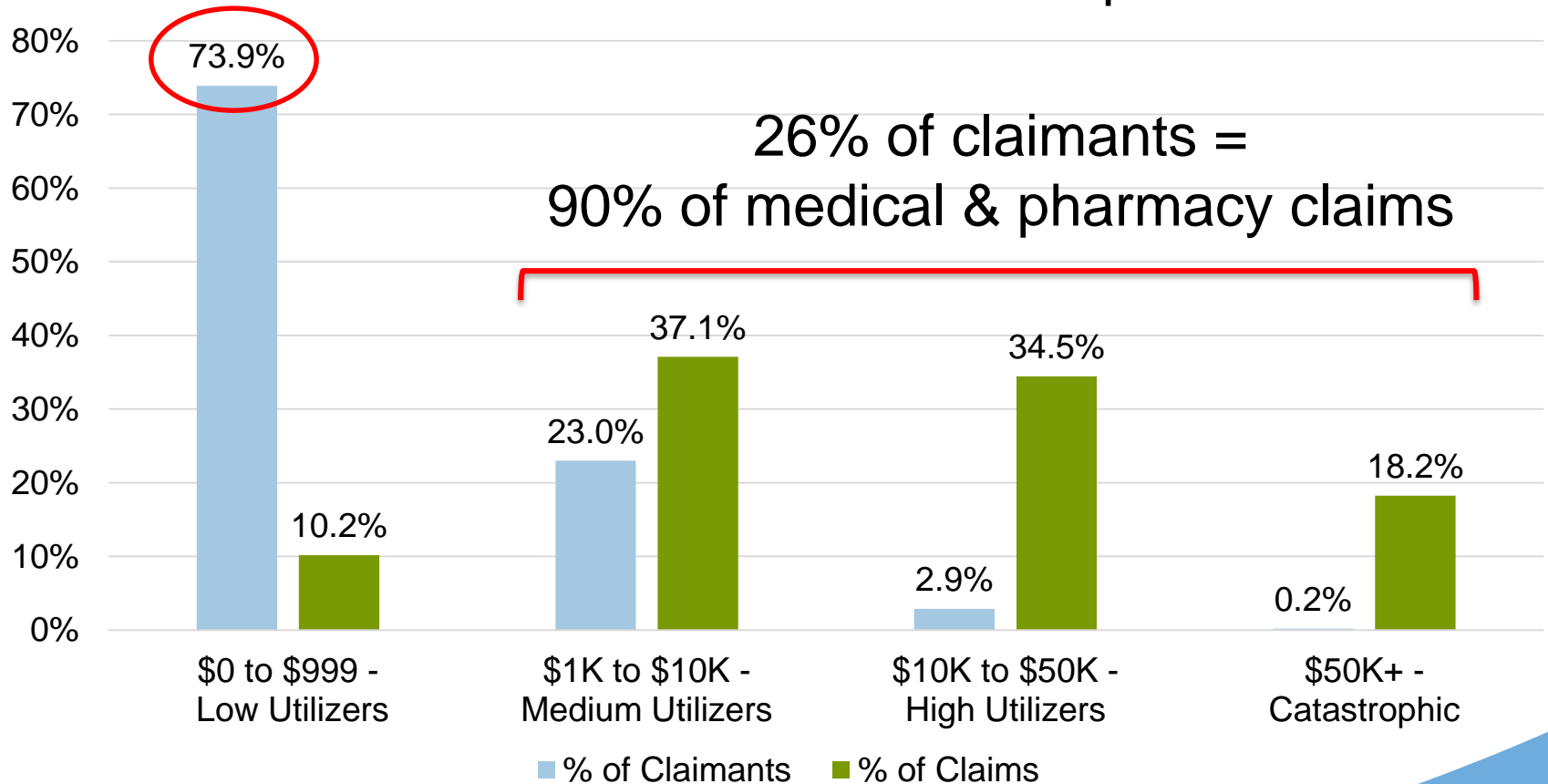


Source: American Health Policy Institute



Who drives up claim costs?

Distribution of Claims Example





What drives up claim costs?

- Low Healthcare Literacy/Behavior
- New Technology
- System Inefficiencies
 - Fee for service reimbursement
 - Open Access PPO- Discount off what??
 - Lack of Supply and Demand/No Transparency



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Gallagher Benchmarking Survey

75%

Agree managing cost of health benefits is top priority

46%

Increased health premiums by 6% or more in 2016

47%

Agree they have effective strategy to manage healthcare costs

83%

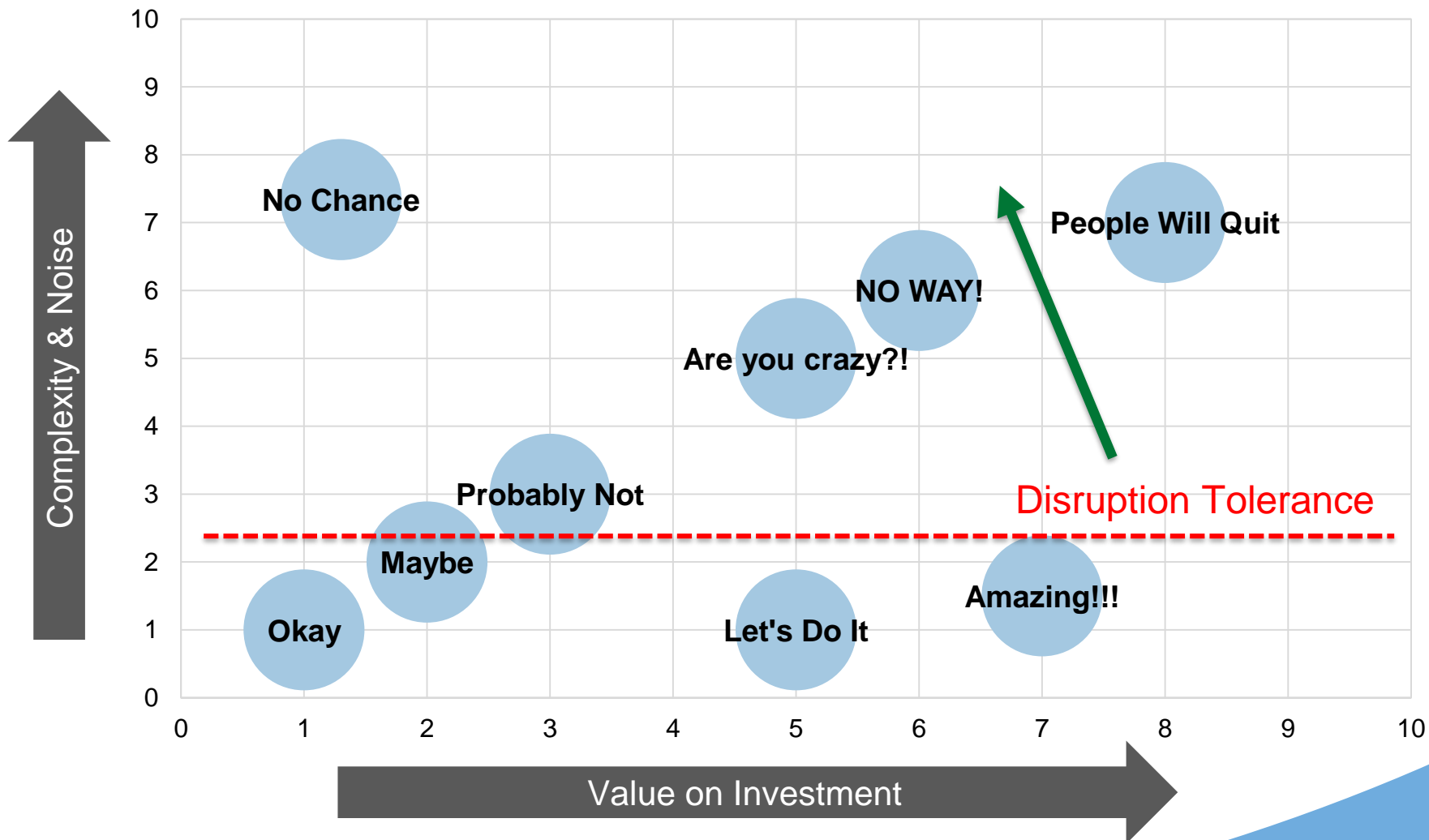
Do not use “value-based benefit tactics” to motivate employees

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Number of cost-savings strategies employers plan to use in next 2 years

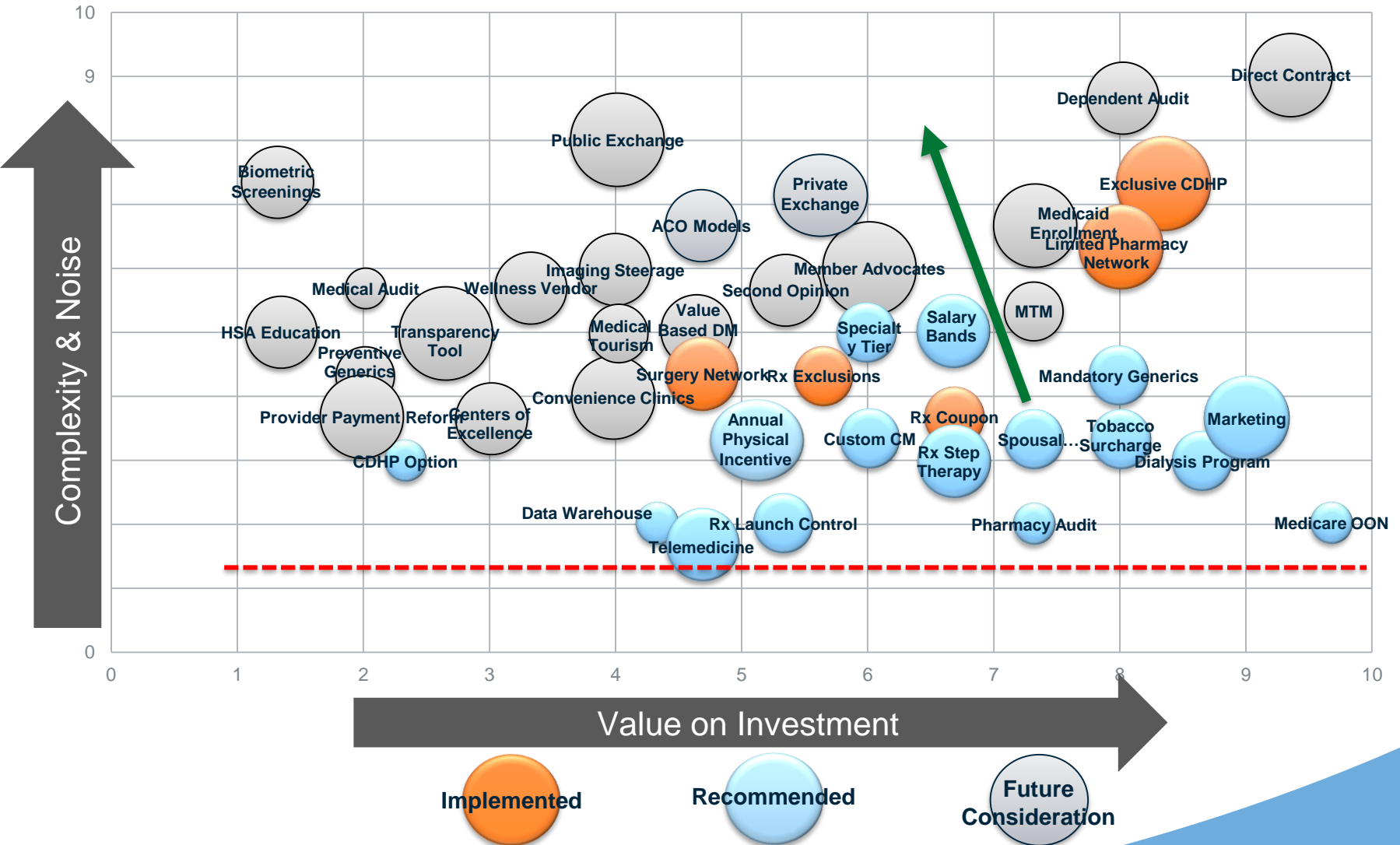


Disruption vs. Value





Cost Savings Tactics



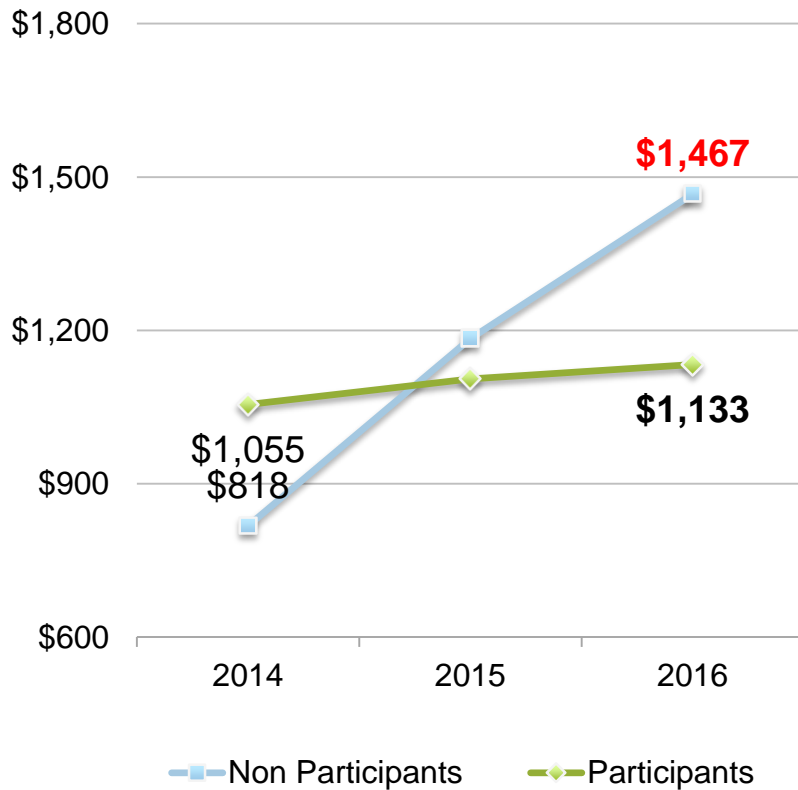
Primary Care Incentive



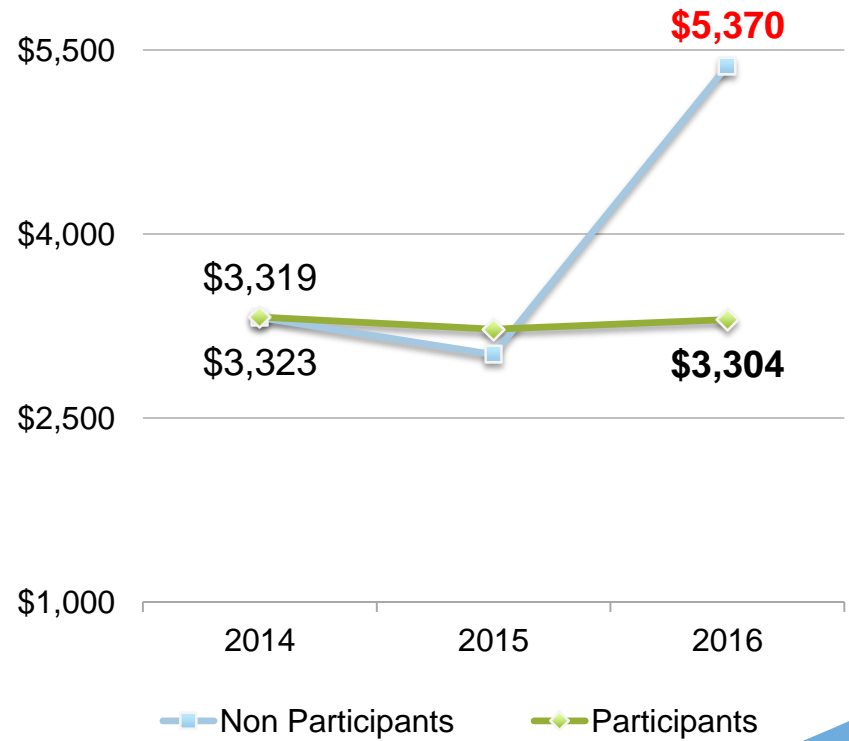
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Pharmacy Cost PEPY



Medical Cost PEPY





Who Among Us Will Lead?

