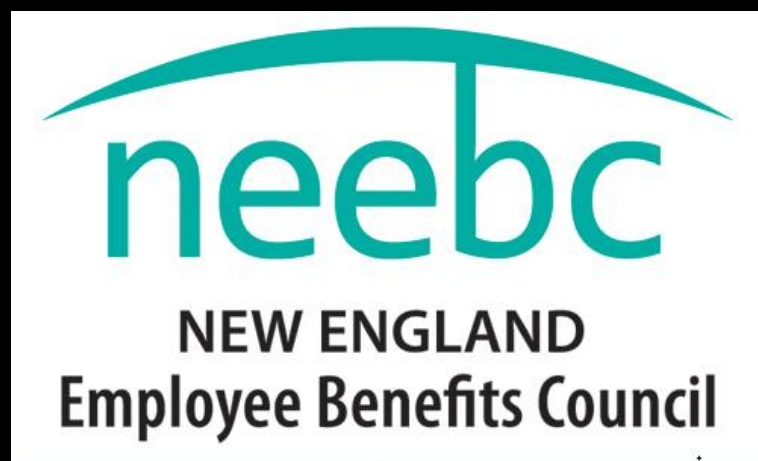
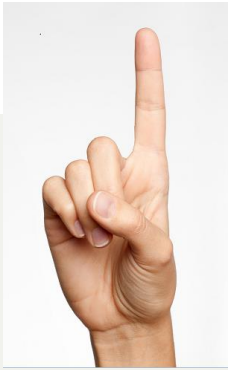


5 Proven Tactics for Reducing Cost of Healthcare

—
Mike Smith, Producer





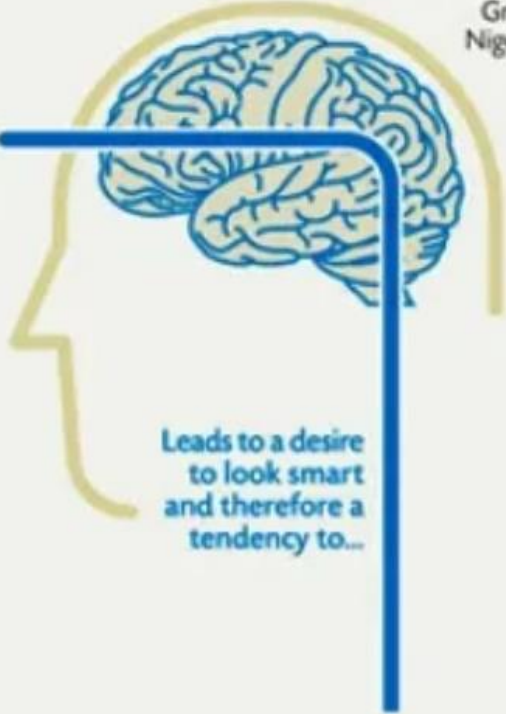


TWO MINDSETS

CAROL S. DWECK, Ph.D.

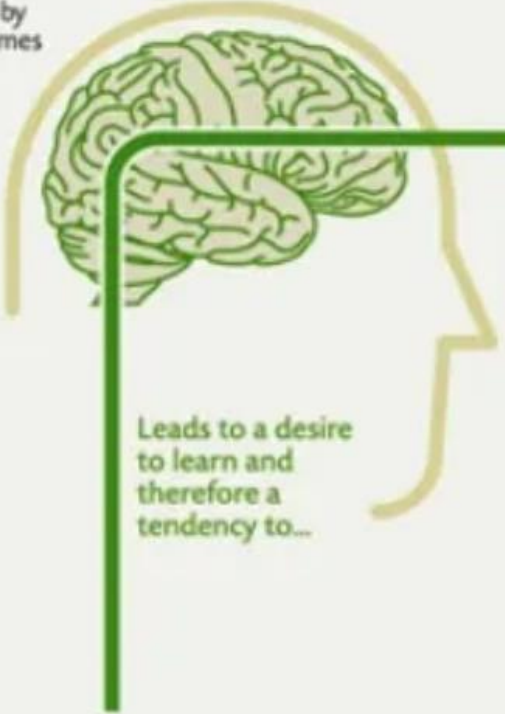
Graphic by
Nigel Holmes

Fixed Mindset
Intelligence is static



Leads to a desire
to look smart
and therefore a
tendency to...

Growth Mindset
Intelligence can be developed



Leads to a desire
to learn and
therefore a
tendency to...



What's Really Driving Employer Health Plan Costs?

0.6%



of a population
drives 35%
of employers'
spend

Health care
inflation is driven
by price increases,
not utilization, think
new medical and Rx
technologies.



High-cost claims
are different

High-cost claimants
are made up of
cancers, kidney
failure, sepsis,
complex newborns
and hemophilia



Chronic conditions are the direct cause of less than a
quarter of medical and pharmacy claims over \$50,000
(high-cost claims)

Specialty Medicines,
especially injectables,
are the fastest-growing
driver of high-cost claimants



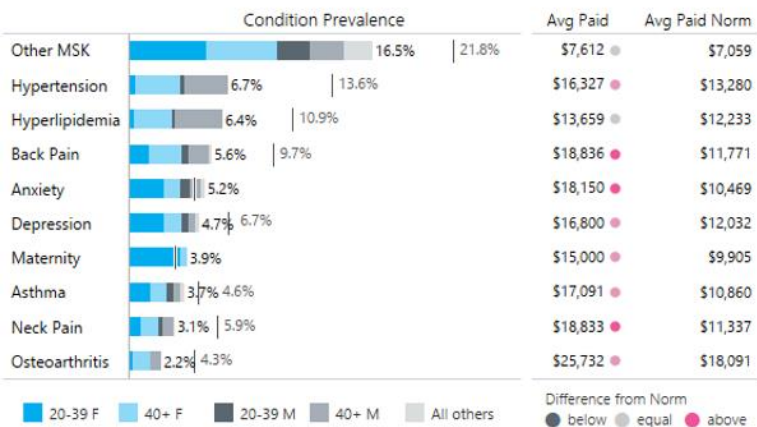
High-Cost Claimant
Predictive Analytics
can **sometimes** identify
these individuals and target
early interventions



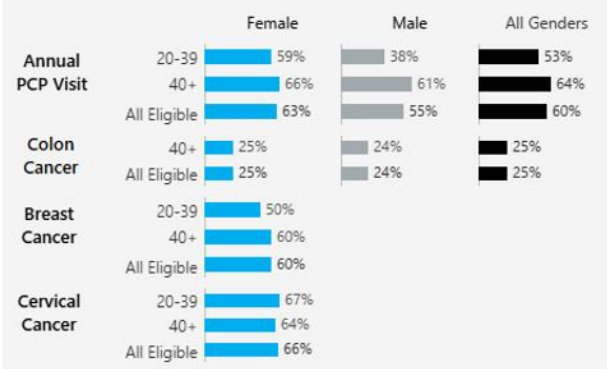
Population Health Overview

Report Date: September 21, 2022

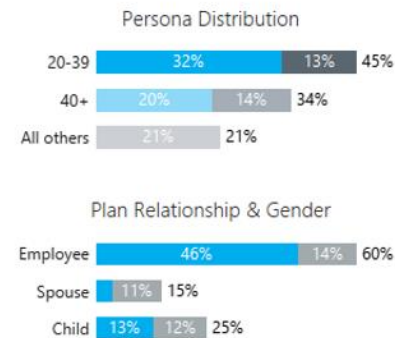
Top Clinical Conditions by Prevalence



Members with Preventive Screenings

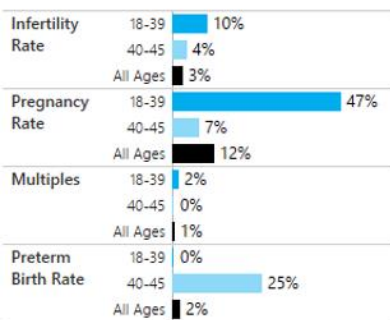


Member Demographics



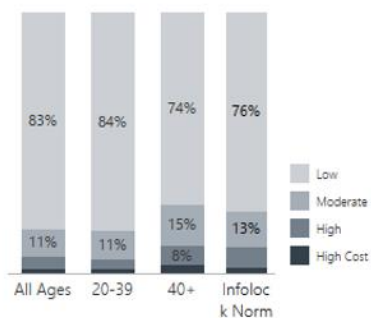
Maternity Overview

Avg. Maternal Age: 34 (Norm 31)



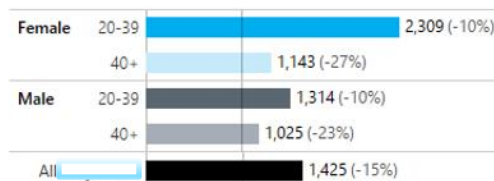
Musculoskeletal Overview

Risk Stratification by Age Group

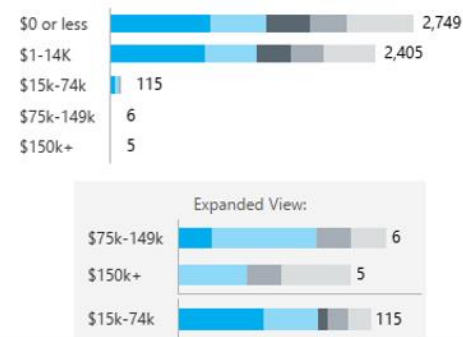


Behavioral Health Utilization

Visits/1000



Medical & Rx Claims Distribution



Reporting Periods: Infoclock Incurred Apr 2021 - Mar 2022;



What's "Trending" in Pharmacy?

COST & UTILIZATION



- Diabetes – new branded products replacing older cheaper drugs as standard of care
- Weight Management – continued increase in utilization of Wegovy/Saxenda for weight loss
- Migraine – new branded products replacing older cheaper drugs, increased chronic utilization
- Inflammatory – increased utilization and price inflation. Highest direct-to-consumer advertising spend category
- Hemophilia – two new gene therapies, expected \$2.5M-\$3.5M cost. Ultra low member use (~30K in US)

PURCHASE OPTIMIZATION



- Multiple innovative, transparent/pass-through PBMs continue to grow market share
- Mark Cuban Cost Plus Pharmacy and Amazon Pharmacy entering networks with PBMs/Carriers
- Specialty Carve Out - multiple types
 - Leverage Specialty PBM to manage Specialty drugs
 - Patient Assistant Programs – variety of vendors in the market and requires removing specialty drugs from coverage so members can obtain funding through Pharma programs (member income limit considerations)

DISRUPTORS



- Biosimilars
 - Launch of Humira biosimilars throughout 2023 – PBMs deploying various strategies
 - Potential Stelara biosimilar in 2023 (pending litigation - maybe)
- Gene Therapies – healthy pipeline of gene therapy agents to treat/cure ultra-rare conditions (Hemophilia, Sickle Cell Anemia, Duchenne Muscular Dystrophy, etc.)

“Nobody ever stole my Execution”

- Who is overseeing your pharmacy management?
- Goal is to identify best-in-market vendors and strategies
 - Employer-based coalitions
 - Carve-in with carrier
 - Carve-out through PBM
 - Specialty carve-out
- Your advisor’s team should include Pharmacists & Pharmacy finance experts
- RFPs and contracts: Clear definitions and requirements
- Negotiate Audit Rights of Coalition / Carrier / PBM as to performance to your contract
 - Discount Guarantees
 - Rebates
- Quarterly utilization reviews





Only **56% of employees** think their company's executives care about their well-being, while **91% of the C-suite** think their employees believe they care about it

SOURCE: DELOITTE ANALYTICS

Mental Health: Evolution of Employee Needs & Market Solutions



Employee Experience

4 in 5

Employees feel emotionally drained from their work, an early sign of burnout.

9 in 10

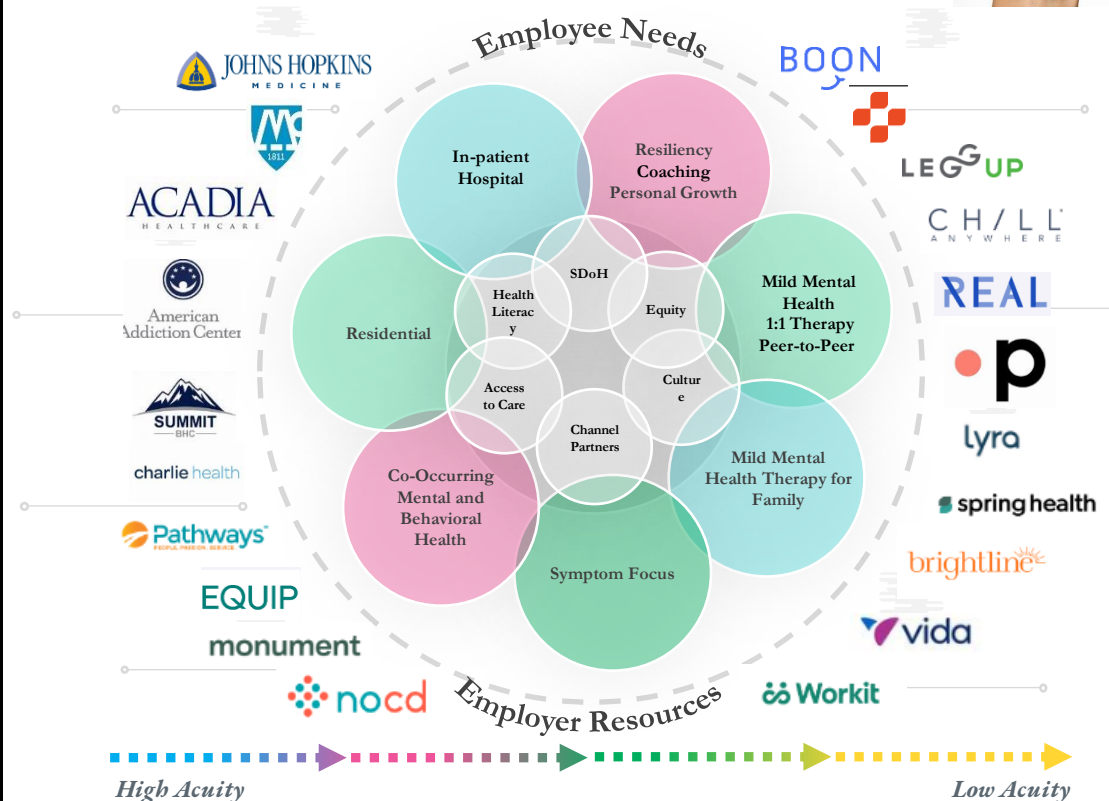
Employees report that their workplace stress affects their mental well-being and work performance.

3 in 5

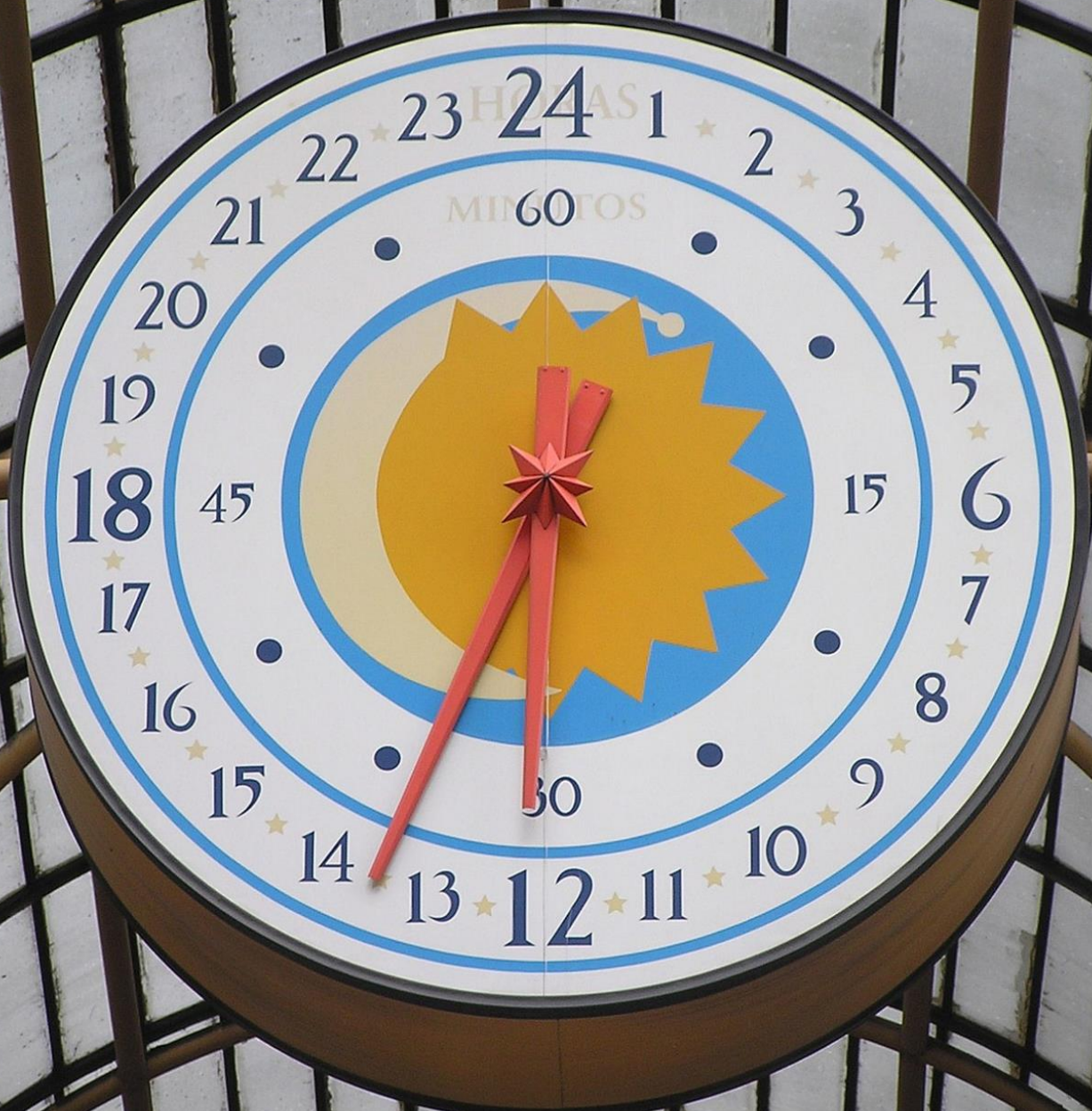
Employees report that they are not receiving adequate support from supervisors to help manage stress.

Everyone

Talking to a supervisor to change stressful things about work was most strongly correlated with the healthiest overall workplace scores.



¹ 2021, Mental Health America's Mind the Workplace Report
² 2022, Infolock Incurred Claims Sept 21 – Aug 22



24

MINUTOS

30

18

12

6

14

11

8

16

10

7

17

15

19

5

20

4

21

3

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2

23

1

How do you manage absence / leave?



Over the years, **absence management** has become a primary focus of clients' benefit teams supporting US employees

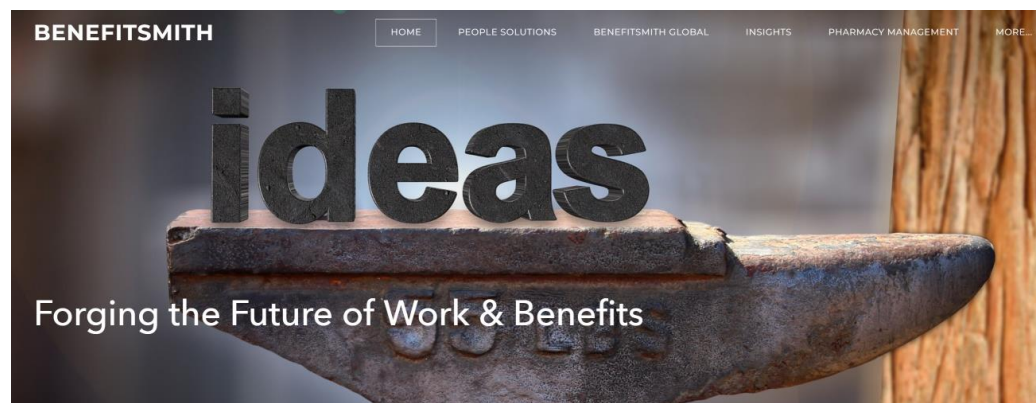
- Increase in leaves **volume and complexities**
- Reliance on **manual processes** and reporting
- **Limited expertise** in medical document reviews
- **Maintaining compliance** across multiple (and growing) jurisdictions
- Applying **consistency** in decisions and **employee experience**

A co-sourced / outsourced model could allow for **economies of scale** and deliver a **cost-effective** solutions providing

- **Dedicated** resources with **supportive and consistent** employee experiences
- **Compliance and clinical expertise** filling in gaps of current knowledge and skillsets
- **Automated administration**, reporting and **data integration** to ensure a single source of truth and effective information sharing with stakeholders
- Additional **privacy, objectivity and consistency** in absence claim determinations

5 Proven Tactics for Reducing Cost of Healthcare

1. What's Your Mindset?
Growth or Fixed
2. Get / Know / Use Your Data
Work both Macro & Micro
3. Audit Your PBM
With Experts in Rx
4. Invest in Mental Health
Break the Stigma
5. Optimize Absence / Leave
Take Back Your Day / Time



Welcome to BenefitSmith

AI, machine learning, automation, blockchain, virtual and augmented reality, internet of things and robotics will change all aspects of work. And as work changes, the benefits we deliver and receive through work will change as well.

BenefitSmith is a place for you to learn about what's happening in the changing world of work, total rewards, and benefits. BenefitSmith brings together thought leaders, industry experts, and people



Independence changes everything.



UNCOMMONLY INDEPENDENT