May 11th, 2021

BEST PRACTICE FOR SUCCESS: A TOUR OF STATEWIDE HEALTHCARE PRACTICES

THE USI ONE ADVANTAGE®

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Best Practice Changes for Success

Tour of Statewide Healthcare Practices

What does the successful implementation of creative and effective healthcare solutions look like for school districts? Join us for a statewide tour of the best practices and solutions school districts are using to reduce costs and improve employee health. School leaders who implement these ideas can achieve greater employee satisfaction, lower turnover and improved productivity – with the ultimate goal of better student achievement. Because implementing benefits is different for school districts than other employers, we will discuss how these strategies are uniquely suited to your school district setting.

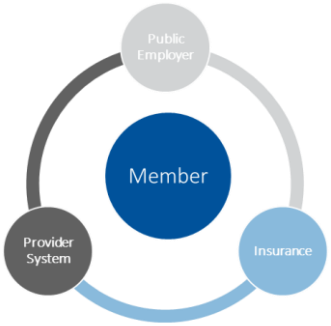
Agenda

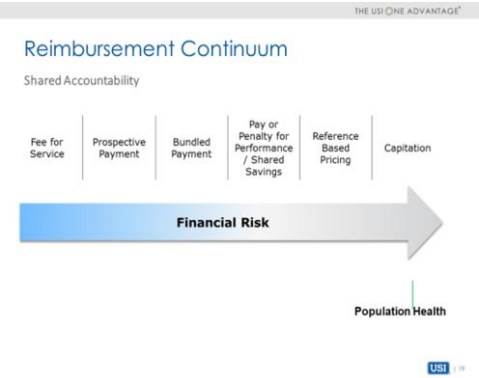
- Objectives / Process
- Analytics
  - PMPM / OPEB / Engagement
- Direction
  - Primary Care / Technology / PBM
  - Provider Accountability on 2 or fewer
- Regional Case Studies
  - Milwaukee Area
  - Dane / Rock County Area
  - La Crosse Area
  - Sheboygan
  - Future Regions (Walworth County / etc.)
- Takeaways

FOCUS ON WHAT IS DRIVING THE COST AND ENGAGE ACCORDINGLY!

Process to Achieving CPI / Outperforming Trend

- Objectives: Collaborative Approach to Lower Trend / Improve Population Health
- Process: Healthier and Happier Workforce
  - Provider Engagement (Ongoing)
    - Building greater focus on primary care engagement
    - Creating awareness value is important (choice / price / analytics)
  - Staff Engagement: Survey to understand staff (needs / wants / etc.)
    - Making staff aware and equipped
    - Understand areas of match with provider / insurance offering
    - Seek if areas of primary care issues / need
    - Build education strategy / follow-up (set annual date)
    - Utilizing technology (providers and employer)
  - Apply Analytics to Renewal Negotiations and/or RFP
    - Providers aware of reimbursement continuum discussion
    - Actives (take advantage of transparency now available)
    - Retirees (OPEB / compensation)
    - Review approach for each district individually while negotiating collectively



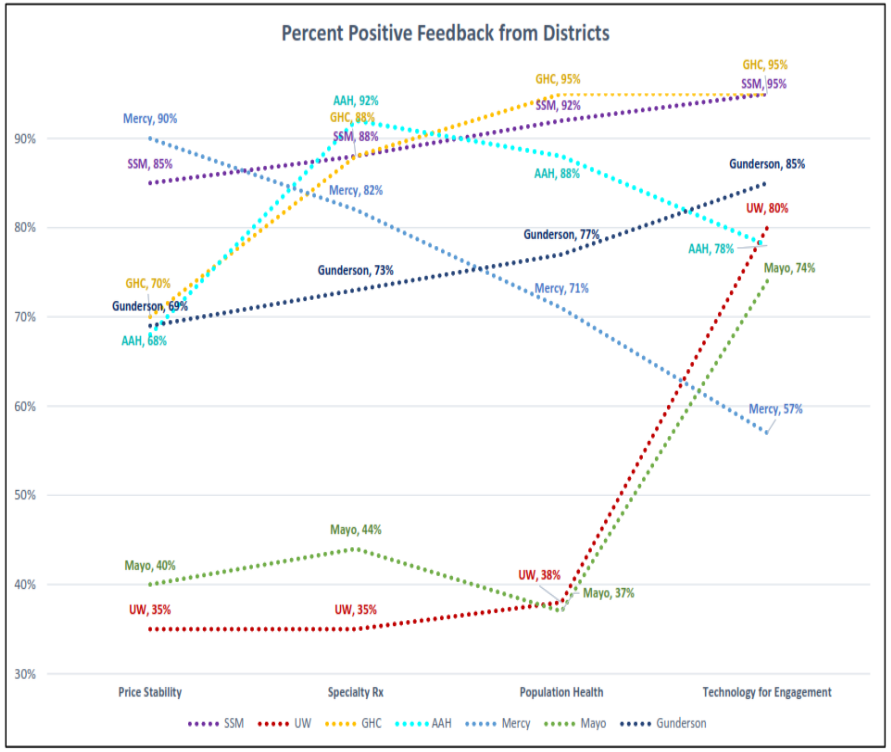


District Feedback – Provider Summits

High Quality / Low-Cost Providers DO NOT WANT TO SUBSIDIZE High-Cost Low Engagement

- Clear Differences on Value / population health / Rx Controls / Engagement
- Concern for Certain Provider Sustainability / Reactionary Medicine / Sick Magnets / Rx Trends

	SSM	UW	GHC	AAH	Mercy	Mayo	Gunderson
Price Stability	85%	35%	70%	68%	90%	40%	69%
Specialty Rx	88%	35%	88%	92%	82%	44%	73%
Population Health	92%	38%	95%	88%	71%	37%	77%
Technology for Engagement	95%	80%	95%	78%	57%	74%	85%



Incentivized Physician Engagement

Connecting members to primary care is the best first step to improved healthcare and management of chronic conditions.

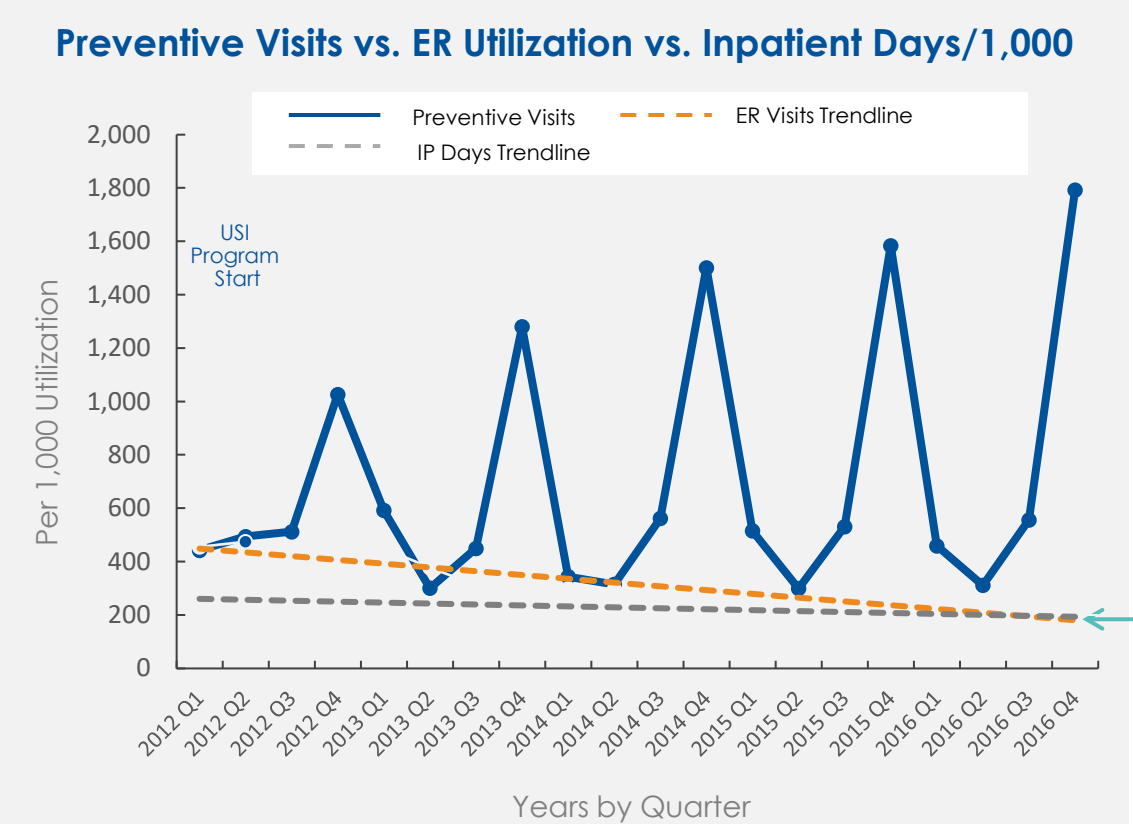
	Sample Projected Trends of Entire Adult Population			
METRICS	**PRE-USI**	**Year 1**	**Year 2**	**Year 3**
Adult well visits/standard blood panel	30%	60%	70%	78%
Diagnosed with high blood pressure	20%	25%	28%	30%
Diagnosed with high cholesterol	12%	14%	16%	18%
Diagnosed with diabetes	7%	8%	9%	10%

- USI demonstrates that with **meaningful incentives**, 50-80% of the population will actively engage a primary care physician (PCP).
- Year-over-year increases in disease prevalence are due to the diagnosis of asymptomatic illness that, if left unmanaged, lead to catastrophic claims.
- Primary care is the most economical entry point to address these conditions

*Case data accessed from USI's proprietary 3D Analytics Tool

The Impact of Connecting Members to their PCP

Incentivized Physician Engagement is the first step of a CORE strategy that reduces emergency room visits and inpatient stays and drives an estimated **3 – 5%** reduction of total healthcare claims.



- USI's CORE strategy reduces inefficiencies in settings of care and helps manage the number and intensity of services consumed.
- The fourth quarter spikes in blue are a result of the incentive deadline.
- USI demonstrates that employees and spouses with active primary care relationships can experience lower rates of unnecessary Emergency Room services, in turn, resulting in fewer wasteful inpatient admissions.

*Case data accessed from USI's proprietary 3D Analytics Tool

Medical Management through Primary Care

Primary Care improves adherence to age and gender appropriate screening and testing for early detection and prevention.

	Sample Projected Trends of Entire Adult Population				
AGE AND GENDER APPROPRIATE SCREENING RATES	**PRE-USI**	**Year 1**	**Year 2**	**Year 3**	**NORM**
Women with recommended mammography screening	44%	48%	47%	58%	45%
Women with recommended cervical cancer screening	45%	46%	51%	63%	50%
Individuals with recommended colorectal screening	29%	33%	36%	42%	31%

- **Cancer can account for up to 25% of catastrophic claims**
- Data shows that USI programs enhance compliance with recommended screenings.
- Early detection may result in significantly reduced costs over the long-term.

*Case data accessed from USI's proprietary 3D Analytics Tool

The Impact of Medical Management

Early detection increases survival rates and reduces costs over time.

Breast cancer costs and survival rates by diagnosis stage

CANCER STAGE	COSTS 12 MONTHS AFTER DIAGNOSIS	COSTS 24 MONTHS AFTER DIAGNOSIS	5-YEAR SURVIVAL RATE
Stage 0	$60,637	$71,909	**Almost 100%**
Stage 1	$82,121	$97,066	**Almost 100%**
Stage 2	$82,121	$97,066	**Approx. 93%**
Stage 3	$129,387	$159,442	About 72%
Stage 4	$134,682	$182,655	About 22%

References:
1. https://www.cancer.org/cancer/breast-cancer/understanding-a-breast-cancer-diagnosis/breast-cancer-survival-rates.html accessed July 5 2017.
2. Blumen H, Fitch K, Polkus V. Comparison of Treatment Costs for Breast Cancer, by Tumor Stage and Type of Service. American Health & Drug Benefits. 2016;9(1):23-32.

- Primary care engagement is the most efficient and effective way to promote general preventive care, including age and gender appropriate cancer screenings.
- The USI strategy cannot prevent cancer, however early detection provides both financial and physical positive outcomes.
- In this example, early detection results in positive outcomes for both survival and claims cost.

MyChart Activation / Engage Staff/Provider

Measure	2017	2018	2019	Current
% Subscribers:	97%	99%	99%	98%
% Members	79%	85%	86%	88%

Large Group Benchmark: 54% Member Average, 63% Subscriber Average

Preventive Care

Measure	2019	2020	Benchmark
Adult BMI Assessment	9.66%	8.55%	13.68%
Breast Cancer Screening	89.01%	83.16%	74.16%
Cervical Cancer Screening	80.17%	75.10%	71.84%
Colorectal Cancer Screening	59.15%	66.07%	54.12%

Best Practices Other Post Employment Benefits (Know Impact to Health Plan)

Goals and Assessment for your Entity's OPEBs

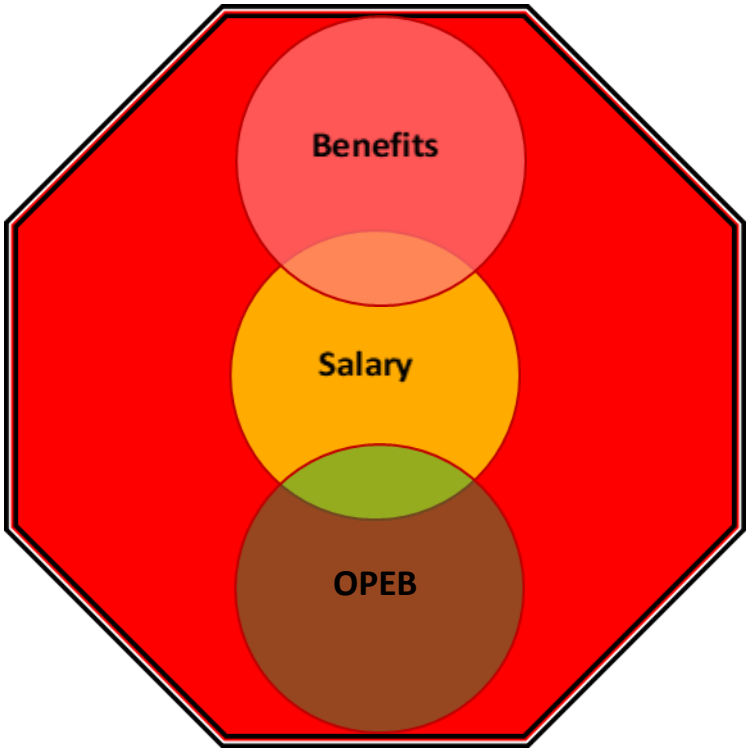
- Does your District have a written funding and investment policy?
- Does your District follow a funding policy through an Actuarial Determined Contribution (ADC?)
- Do your OPEBs have caps in place?
- Do your OPEBs have sunset clauses?
- Do your OPEBs increase automatically with health care trends and increases?
- Are your OPEBs linked to your active medical benefit amounts?
- Are your OPEBs funded with an Irrevocable OPEB Trust? Revocable Trust? Internal Service Fund?
- Are your OPEBs increasing as a percent of total payroll?

Name of District	Eau Claire	LaCrosse	Middleton-Cross Plains	Milton	Onalaska	Reedsburg	Sauk	Stoughton	Tomah	Wausau	Average
Total OPEB Liability	$77,269,027	$13,755,089	$10,265,813	$12,278,661	$8,592,760	$483,734	$10,995,659	$1,350,237	$6,125,086	$24,438,864	$9,448,577.68
OPEB Liability as % of Covered Payroll	109.87%	0.22%	9.16%	46.80%	44.84%	3.35%	68.62%	6.50%	26.70%	37.40%	26.03%
OPEB Expense as % of Covered Payroll	7.53%	1.86%	1.32%	6.69%	2.89%	0.07%	5.42%	0.45%	4.60%	1.25%	4.08%
Retirees / Active	262 / 1338	193 / 1012	97 / 1094	60 / 395	55 / 366	33 / 300	57 / 358	44 / 425	55 / 271	105 / 1248	
Teachers	164 / 843	109 / 622	86 / 625	34 / 246	47 / 232	31 / 162	50 / 222	36 / 255	54 / 243	83 / 689	
Admin	10 / 34	11 / 34	5 / 28	4 / 19	2 / 10	2 / 15	7 / 13	4 / 14	0 / 15	20 / 47	
Support	45 / 313	22 / 141	4 / 415	22 / 124	2 / 25	0 / 43	0 / 123	4 / 134	1 / 13	0 / 75	
Other	43 / 148	51 / 215	2 / 26	0 / 6	4 / 99	0 / 80	NA	0 / 22	NA	2 / 437	
Retirees as % of Total	16.38%	16.02%	8.14%	13.19%	13.06%	9.91%	13.73%	10.35%	16.87%	7.76%	10.26%
Actives Over 50 / All Actives	448 / 1338	382 / 1012	360 / 1094	118 / 395	138 / 366	109 / 300	150 / 358	136 / 425	64 / 271	492 / 1248	239
% of Actives over 50	33.5%	37.7%	32.9%	29.9%	37.7%	36.3%	41.9%	32.0%	23.6%	39.4%	32.5%
Average Age / Service Years	43.7 / 11.1	44.2 / 11.0	44.0 / 9.1	43.7 / 10.1	44.3 / 9.7	45.9 / 11.8	46.4 / 11.6	43.5 / 9.6	41.4 / 10.2	44.8 / 10.0	10.1

Needs Immediate Attention

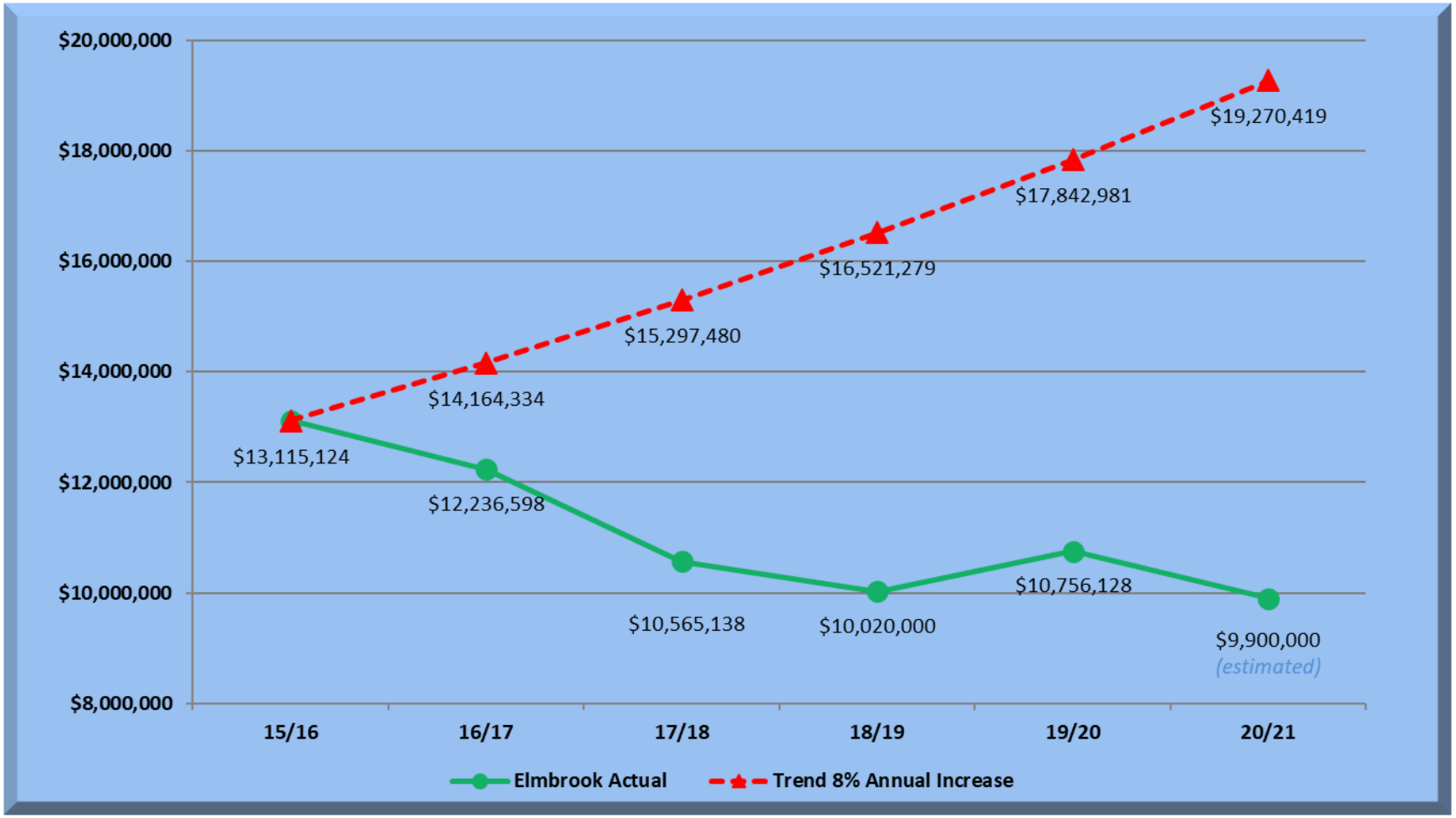
Caution, Proceed with Care

Good to Go



Elmbrook School District Results

Reversing the Trend



Strategic Best Practices

Engagement (communicate/educate continuously)- healthiest, happiest staff

- All constituents: leadership/staff/board/providers/payors

Transparency/consumerism-right care, right time, right price with the right outcome

Primary care focus (Population Health Management)

Value-based purchasing

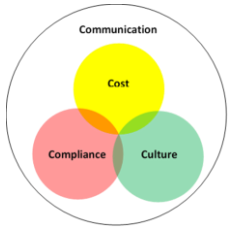
Strong pharmacy partner

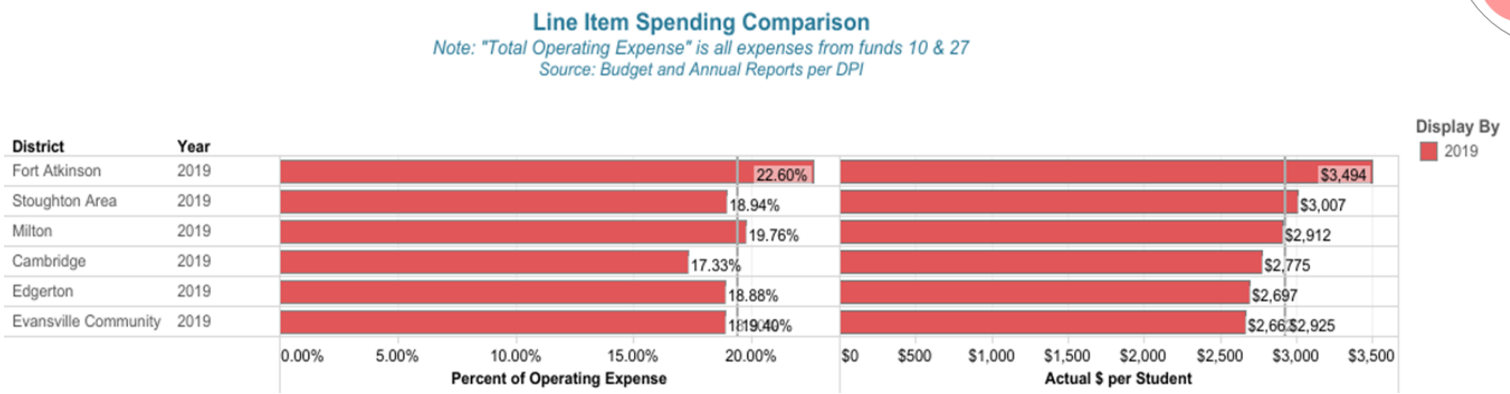
Ongoing journey to continuously stay ahead of the curve.

It's simple, but not easy!

Total Compensation Performance Indicators

- Staff Retention: Target 95%
- Work Life Balance Index: 75%
- Health Plan Members with 2 or fewer Health Risk Factors: 90% Target
- Provider Satisfaction: 96% each year
  - HEDIS Scores / MyChart Engagement / Coaching
- Total Compensation Satisfaction: 93%





Evidence-Based Leadership

Compensation Benchmarking (Retain and Attract): Cost, Culture, Compliance

- Regional Wages Initiative: Skyward/Forecast5
- Health Insurance Comparisons (Contribution/Plan Design/Wellness)
- OPEB Benchmarking

Practitioner - Leadership Development, Support, and Deliverables

- We need a Support System!
- Collaborative Engagement: Professional Peers, Benefits Consultants (Insurance, OPEB Valuation, Wellness Coordination, etc.), Health Plan Providers

Unknown Budget /State Plan Study

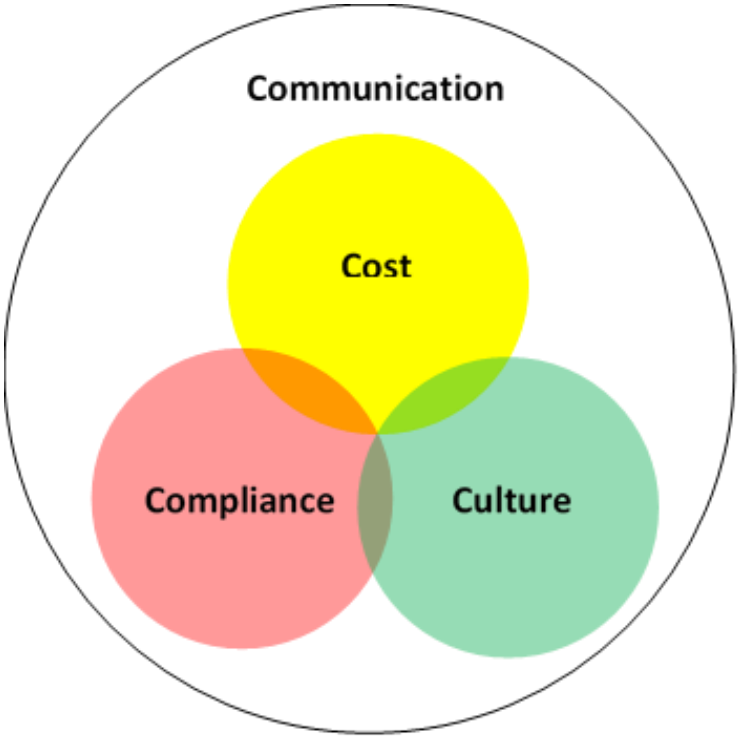
It's time to take stock of our challenges of the current school year and best positioning ourselves for the future.

Join this spirited discussion to learn from the past as well as look toward the future of risk management through the lens of a pandemic.

- Challenges of managing unknown budgets, substantial savings narratives, maintaining employee's and board confidence while facilitating effective communication on all fronts.
- Developing shared accountability between staff, leadership and district partners with a special focus on providing a process to digest benefit options that best meet the needs of all staff members while being nimble to processing a moving budget and unclear proposed solutions.

Applying Past Knowledge to Future Process

Strategic Necessities
Managing Unforeseen Risk

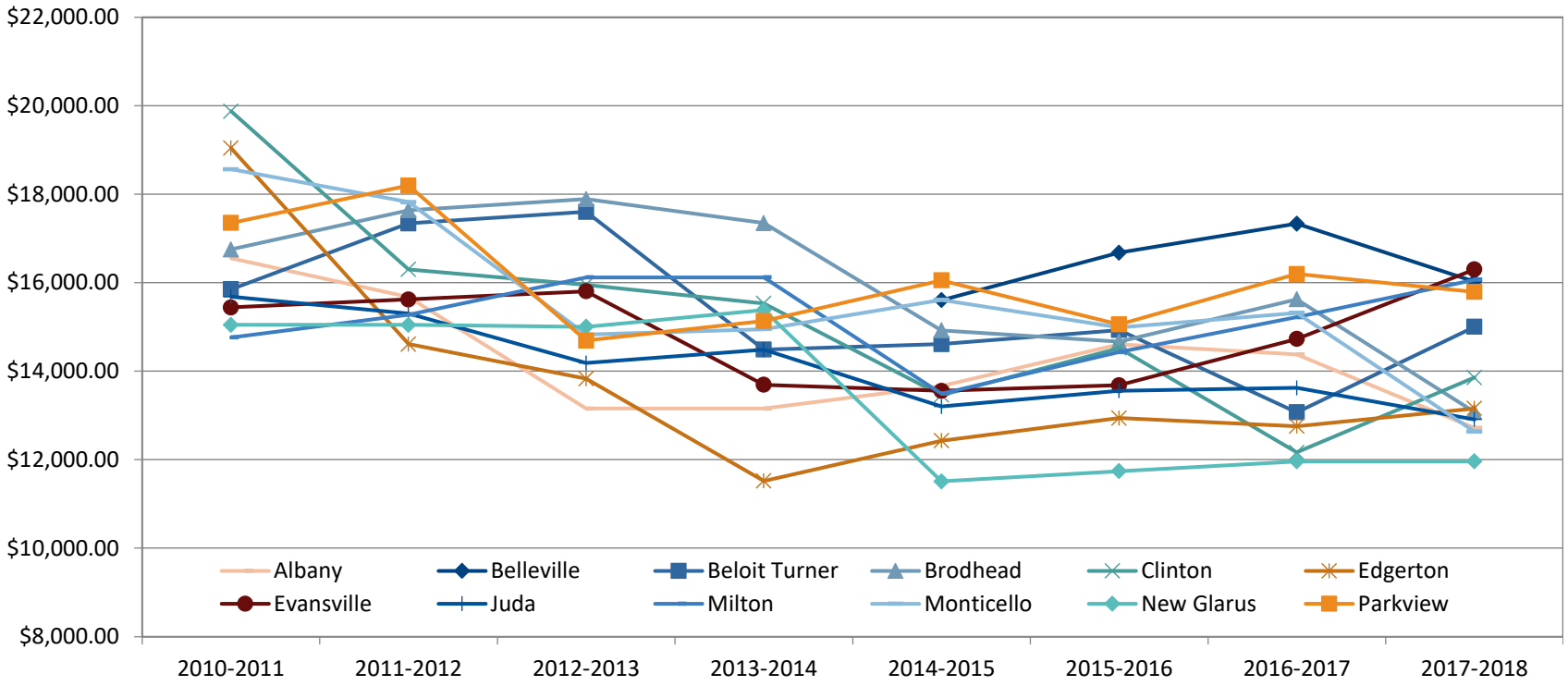


Cost Items

- Culture: What is most important culturally to district?
  - Understanding staff's heightened concerns and needs
  - Balancing External Forces with Internal Demands
- Compliance: Awareness
  - Balancing known and unknown risks while trying to run a district
  - Understanding evolving compliance related matters and how best to communicate as we go
- Cost: Total Compensation
  - Salaries
  - Health Insurance
  - OPEB
  - Understanding changing of cost-drivers and options
  - Understanding changes of how consumers purchase health services

Identify the Problem

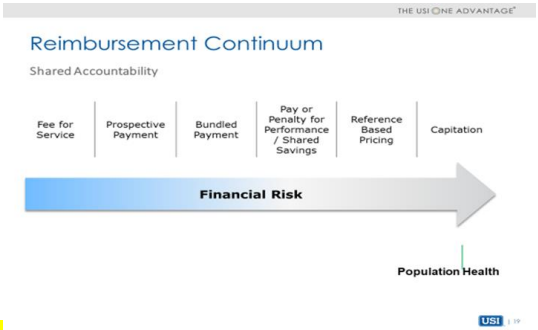
ENGAGE AT ALL LEVELS



- Graph is a weighted average (25% single and 75% family) of the annual premiums.
- Districts with 2 carriers - the premiums shown above are a weighted average of the two carriers
- For the calendar year plans, cost information is based on calendar year basis.

Defining and Receiving Expectations with Providers and Insurance Arms (Dr. Wehner)

- **High Users:** Disease Management Program Focus: Survey of 16 districts, 2900 staff showed 15% of staff feel the seek care often.
  - Engagement with best practice to address their needs
  - Too many staff unaware of what Disease Management is (target education) / High quality value alignment
- **Low Users:** Preventive Focus (85% of staff infrequent
  - Keeping the healthy / healthy
  - Taking advantage of technology engagement and wellness motivation



- **Define Pricing Expectations to providers: 89% staff seek new experience**
  - CPI for 3 to 5 years?
  - PBM Answers
  - Technology Engagement to meet needs of all levels of users
- **What is needed in return from providers**?

Healthcare Gaps and Scaling Solutions (Pandemic Observations)

Gap Identified	Short Term Solution
Healthcare Convenience (Timeliness and Location)	Primary Care services available via tele-visits, at home, at work, and/or at the pilot Edgerton employer clinic Potential to bring in vendors for temporary services in non-pilot locations Scheduling / Messaging through MyChart and Tele-Health visits through Zoom
Consumer Education (Safety and Availability)	Market tele-health capabilities: high quality care that's simple to use
Affordability and Cost Transparency	A $0 member cost share product offering high value services
Health Care Navigation	Employ personal care team to triage and coordinate member care

Competitive Comparison – Nice HealthCare vs. SSM Direct Provider

3rd Party Service List	DHP / SSM Ability to Provide Services
PMPM Employer Cost ($27-$36)	Current Estimated Cost ~ $20 PMPM
$0 Member Cost for Virtual or In-Home Visits	$0 Member Cost for Virtual or In-Home Visits
Dependents are Free	Dependents are Free
No Visit Limits	No Visit Limits
Same Day Weekday Visits (90%)	Same Day Weekday Visits (90%)
Weekend and Evening Virtual Visits	Alter Hired Resource Schedule to Offer Weekend and Evening Virtual Visits
Online Visit Scheduling	Online Visit Scheduling Through MyChart
Online Chat	Online Messaging Through MyChart
Mobile (At Home) XR	Consumer Education on Mobile Imaging: Quality VS Convenience
(At Home) Labs	(At Home) Labs
(At Home) Blood Draws	(At Home) Blood Draws
(At Home) Physical Exams	(At Home) Physical Exams
(At Home) Well Child Exams (Including Babies)	(Clinic and at Home) Child and Baby Acute Care
Virtual Prescribing	Virtual Prescribing
Over 550 Free Prescriptions	$0 Preventive Drug List
Chronic Condition Monitoring	Chronic Condition Monitoring
Free Access to Licensed Physical Therapists	$40 Copay for PT, Face-To-Face or Video
Pregnancy Coaching	Facilitate / Coordinate Visit with a Lactation Consultant or OB
HSA Compatible	HSA Compatible
No Access to Behavioral Health Specialists	Behavioral Health Tele-Visits (Access Limitations?)

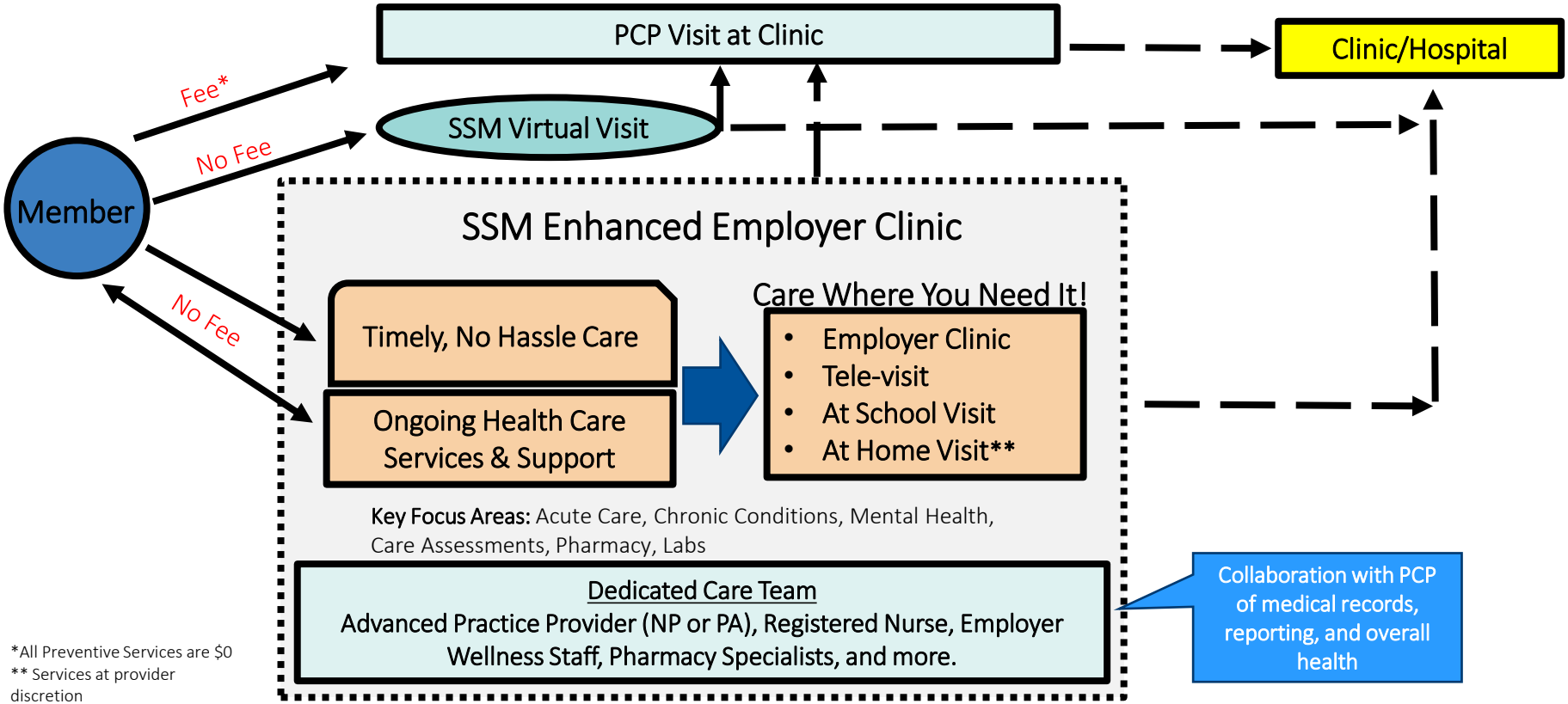
Pilot Group

1. School District of Edgerton
2. Milton School District
3. Evansville Community School District
4. Stoughton Area School District
5. Whitewater Unified School District
6. School District of Fort Atkinson
7. Cambridge School District

Total Membership = ~5k

Location	Driving Miles from Edgerton	Location	Driving Miles from Edgerton
Milton	9 Miles	Whitewater	19 Miles
Evansville	17 Miles	Fort Atkinson	16 Miles
Stoughton	13 Miles	Cambridge	15 Miles

Convenient, No Hassle, Employer Clinic Services
SSM Enhanced Care When You Want It !



*All Preventive Services are $0
** Services at provider discretion

Best Practices Health Insurance (Benefits)

Foundation of Success

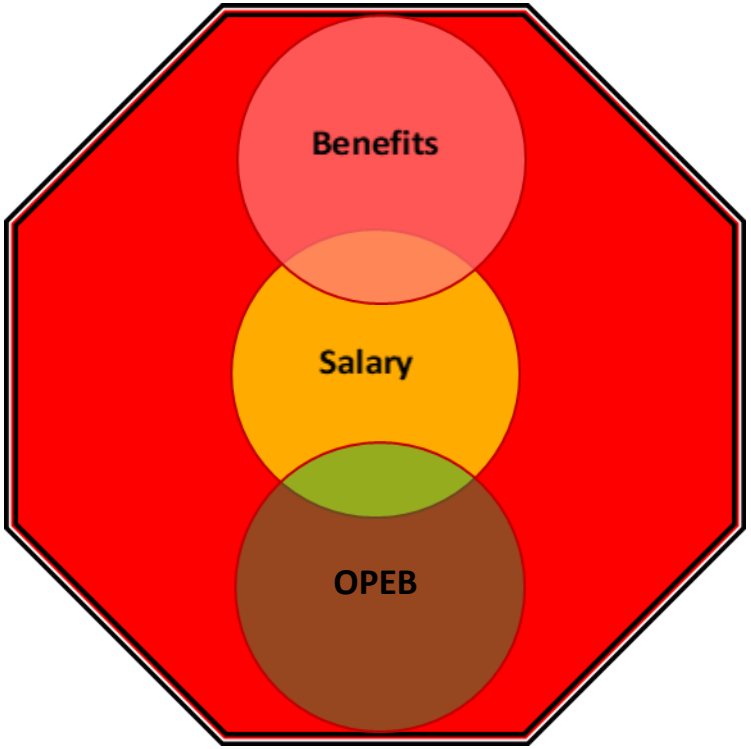
1. Leadership with clearly communicated direction and priorities for their benefits, compensation and culture
2. Established accountability and transparency with healthcare providers and their staff members
3. Health plan alignment with high-quality, low-cost providers
4. Staff member education and engagement around behaviors and consumerism
5. Alignment and international leverage with a high-performance pharmacy benefits manager (PBM)

- Using these as guiding principles, district health plans tend to not only have sustained savings, they have improved their population's health, changed behavior and increased overall employee satisfaction.

Needs Immediate Attention

Caution, Proceed with Care

Good to Go



Why spend the time?

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WHY ARE WE DOING THIS? (La Crosse Area Provider costs consistently 12% to 20% higher)

- **Objectives**: Collaborative Approach to Lower Trend / Improve Population Health
- **Process**
  - **Build Provider Engagement** (last week meeting / **quarterly meetings**):
    - Gundersen / Mayo are very interested in results of our surve
    - Creating Awareness Price is an obstacle (choice / price)
    - Built agreement on Primary Care Engagement Focus
    - Explained Timing of Upcoming Request (service / pricing) an
  - **Build Staff Engagement**: Survey to understand staff (need
    - Making staff aware of consumerism
    - Understand areas of match with provider / insurance offerin
    - Seek if areas of Primary Care issues / need
    - Build Education Strategy / Follow up
  - **Apply Analytics to Renewal Negotiations** and/or RFP
    - Providers Aware of Reimbursement Continuum Discussion
    - Actives
    - Retirees

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Engagement Opportunities

- **Provider Technology Usage is Strong (79%)**
  - Impressive
  - Opportunity to build communications / programming through technology engagement (Partnership with Providers and Primary Care Strategy for Incentives) / beyond the 15 minutes a year checkup for infrequent fliers of majority of population
  - Top usage: 87% lab results / 75% Medical Records / 75% Appointments (Review Strategy group by group)
  - 83% are Somewhat or Very Comfortable / 17% Not Comfortable

ytics District by District to establish priorities
an (ie: short term items, videos / long term)
oviders / Insurance on priority list so most impactful on

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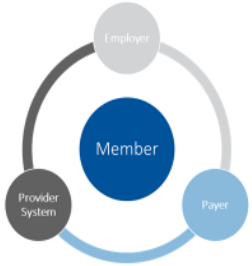
5 Ingredients to Successful Plans

- **Leadership:** Walking the walk from top to bottom at district / employer
- **Engagement**: Staff participation at all levels with progressive purpose and outcomes.
- **Uniformity in plan:** Maximizing transparency / minimizing confusion
- **Highlighting High Quality / Low Cost Providers**
- **Solid PBM Partner**



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Analytics to Build Into Negotia

https://www.rand.org/pubs/research_reports/RR439

	Green/Rock County Districts	Dane County Districts (Dean)	Dane County Districts (Quartz)
Total Amounts Paid Over Time			
Total Premiums - PMPM			
Current	$431.94	$450.11	$462.32
Total Paid Claims - PMPM			
Current	$339.85	$452.18	$462.82
MLR			
Current	80.6%	102.3%	100.1%
Health Cost Guideline Benchmarks			
Utilization Per 1,000			
Hospital Inpatient Days			
Current	175.5	203.3	244.9
Hospital Outpatient ER			
Current	124.7	129.8	126.8
Hospital Outpatient CT/MRI/PET			
Current	38.8	33.6	82.7
Physician Office/Home Visits			
Current	2,173.70	2,429.50	2,264.60
Preventative Physical Exams			
Current	421.1	429.9	370.3
Prescription Drugs			
Current	12,601.57	13,310.59	8,610.90
Risk Scores - MARA			
Age/Gender Factor - Subscriber			
Current	1.36	1.34	1.38
Average Concurrent Risk Score			
Current	1.10	1.23	1.39
Avoidable ER Visits			
Total ER Visits	436	1465	687
Current Avoidable %	40%	38%	40%

Total Amounts Paid Over Time						
Total Premiums - PMPM						
Current				107.8%	109.5%	125.2%
Total Paid Claims - PMPM						
Current				145	187.8	408.3
MLR						
Current				117.1	133.3	150.5
Health Cost Guideline Benchmarks						
Utilization Per 1,000						
Hospital Inpatient Days						
Current				11.2	104.9	14
Hospital Outpatient ER						
Current				2,447.80	2,503.80	2,813.50
Hospital Outpatient CT/MRI/PET						
Current				507.4	472.2	504.1
Physician Office/Home Visits						
Current				10,904.93	9,246.80	13,208.58
Preventative Physical Exams						
Current				1.24	1.41	1.32
Prescription Drugs						
Current				1.04	1.58	1.35
Risk Scores - MARA						
Avoidable ER Visits						
Total ER Visits				103	258	455
Current Avoidable %				35%	43%	40%

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	Hubson	La Crosse	La Crosse SD	NOW	Onalaska	Onalaska	Sparta	Sparta	Tomah	West Salem	West Salem
	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011	2010/2011
PPO HSA	HMO	PPO	PPO	PPO	HMO	POS	HMO	PPO HSA	HMO HSA	POS HSA
NCQA/QHP	Quartz	NCQA/QHP	N/A	Quartz	Quartz	Quartz	HSA - Statewide Network	NSA - UHC Narrow Network	NCQA/QHP	Quartz	Quartz
Avg FSA Family: $2000+$750 Flying FSA and Coupon HSA	$1,000/$4,000	N/A	N/A $2000 Single/$7000 family	N/A	N/A	$740/$1480	$740/$1480	Wellness $1000 at Gundersen Wellness (100% Reflow)	$1,000/$1,000	$1,500/$2,000
$1,000/$2,000	$3,000/$9,000	$1,000/$3,000	$2000 Single/$3,000 family	$500/$1,000	$500/$1,000	$700/$1000	$700/$1000	$1,500/$3,000	$3,000/$6,000	$3,000/$6,000
80%	100%	80%	100%	80%	80%	75% after deductible	75% after deductible	100%	100%	100%
		$6,000/$18,000	$6000/$18,000					$3,000/$6,000	$6000/$6,000	$6,000/$6,000
$4,000/$8,000	$3,000/$6,000	$4,000/$12,000	$4,000/$12,000	$1,000/$2,000 - Medical $2,000/$6,000	$1,000/$2,000 - Medical $2,000/$6,000	$1000/$3000	$1000/$3000	$3,000/$6,000	$3,000/$6,000	$6,000/$6,000
Ded, 100% Coinsur/Home	Ded, 100% Coins	PCP - $20 Copay, Ded, Coins Spec - $50 Copay, Ded, Coins	Ded, Coins	$20 Copay	$20 Copay	$25 copay	$25 copay	PCP - $20 Copay, Ded, Coins - $50 Copay, Ded	Ded, Coins	Ded, Coins
Inpatient Hospital Services In-Network	Ded, Coins	Ded, Coins	Ded, Coins	Ded, Coins	Ded, 100% Coins	Ded, Coins	Ded, Coins	0%, coinsurance	0% coinsurance	Ded, Coins	Ded, Coins
Outpatient Hospital Services In-Network	Ded, Coins	Ded, Coins	Ded, Coins	Ded, Coins	Ded, 100% Coins	Ded, Coins	Ded, Coins	0%, coinsurance	0% coinsurance	Ded, Coins	Ded, Coins
Urgent Care In-Network	Ded, 100% Coins	Ded, Coins	$50 Copay	Ded, Coins	Ded, 100% Coins	$50 Copay, Ded, Coins	Ded, Coins	$25 Copay	$25 Copay	$75	$75
Emergency Room In-Network	Ded, Coins	Ded, Coins	$300 Copay	Ded, Coins	Ded, 100% Coins	$300 Copay, Ded, Coins	Ded, Coins	$100 Copay	$100 Copay	$200	$200
Retail Prescription Drugs Tier 1/ Tier 2/ Tier 3 - Generic Name Brand Tier	$10/$40/$75 - Coins $10/$40/$75 - Coins	$10 / $50 / $60 Copay	$4/$20 Copay	$10/$50/$60 Copay, $0 Copay	Ded, Coins	Ded, Coins Ded, Coins	Ded, Coins Ded, Coins	$5/$20/$40 Copay	$10/$50/$60 Copay	$10/$50/$60 Copay $0 Copay	Ded, Coins Ded, Coins
Monthly Premium Single Combined family	$797.97	$822.33 (Premier) $868.33 (Hybrid)	$770.60 $1,064.60	$780.00	$772.00	$879.00	$1,000.00 $1,000.00 (Premier) $1,028.00 (Hybrid)	$1,060.22	$773.00	$842.74 $0.00	$778.00 $0.00
family	$1,661.04	$1,728.33 (Premier) $1,928.33 (Hybrid)	$1,060.22	$1,738.00	$1,740.00	$1,900.00	$2,000.00	$2,117.00	$1,740.00	$1,914.00	$1,757.00
Employer Contribution	100%	Teachers - 90% of Premier Plan, Support Staff - 80% of Premier Plan	97.6%	85.0%	87.0%	100.0%	100.0%	100%	87.0%	100%	100% of HMO + bonus to PPO
Employee Contribution	100%	Remainder of costs	12.4%	15.0%	13.0%	100%	100%	100%	13%	100%	100%
Near Site / On-Site Clinic		N/A	Services at Neighborhood Family Clinic are at no cost to the employee.	Services at Neighborhood Family Clinic are at no cost to the employee.	N/A	N/A	N/A	Services at Neighborhood Family Clinic are at no cost to the employee.	Services at Neighborhood Family Clinic are at no cost to the employee.	Services at Neighborhood Family Clinic are at no cost to the employee.	N/A

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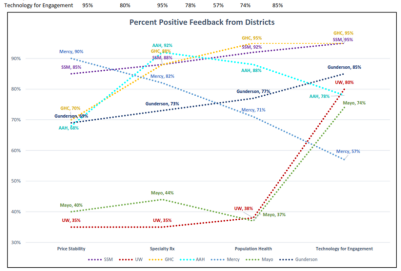
Status on La Crosse Area Priorities

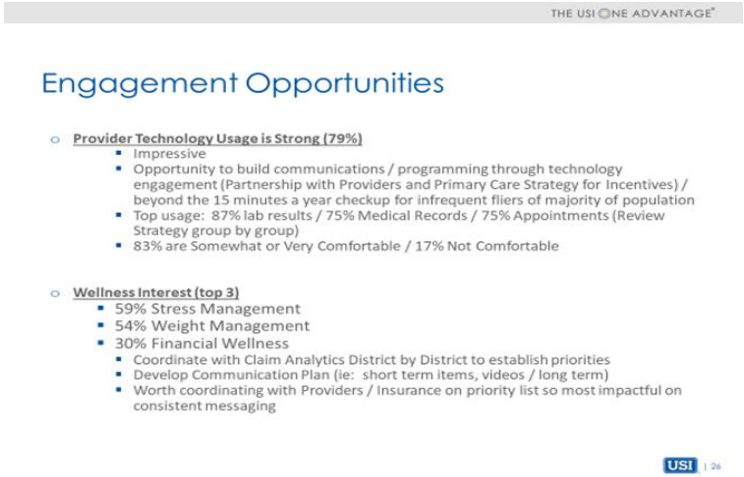
- <u>Leadership: District Leadership Message to Providers (Quarterly Meetings)</u>
  - Mayo / Gundersen / Neighborhood Family Clinic Leadership
  - Building momentum and foundation of focus (making sure the manufacturer understands needs of purchaser not just consumer)
    - Employer and staff survey results made health systems aware of voice as payor
  - Establishing more clarity of our collective objectives to providers vs. letting providers dictate their objectives with no consideration of our communities, districts or staff perspective.
    - Transparency in claim pricing / quality
      - Impact to Rates
    - Awareness of cost position as providers
      - Accountability
    - Expectations (La Crosse / Tomah / etc.)
      - 0% budget increase: Getting in line with best practice statewide costs over next 5 years in process vs. immediate drop. (Messaging to providers and insurance)
      - No cost shift to staff: Not doing on backs of staff / doing as outlined.
      - Meeting priority service items noted in survey

	SSM	UW	GHC	AAH	Mercy	Mayo	Gunderson
Price Stability	85%	35%	70%	68%	90%	40%	69%
Specialty Rx	88%	35%	88%	92%	82%	44%	73%
Population Health	92%	38%	95%	88%	71%	37%	77%
Technology for Engagement	95%	80%	95%	78%	57%	74%	85%



Status on La Crosse Area Priorities

- **Engagement: 14 districts, 4200 staff members**
  - Staff Engagement with Providers: Good staff feedback from survey on their provider relationship and engagement, certainly opportunity for more awareness of cost issue, technology enhancement and primary care compliance. Currently staff blame the insurance (indirectly the employer plan) and not on the providers. Providers are in their desired position of not being accountable to cost.
    - I.e.: Surprise bill with Physical Exam, providers point finger at the insurance.
  - Provider Engagement with Districts:
    - Providers appreciate survey summaries from staff. Conversations with providers validate they are unaware of cost issue and how to connect the conversations. Priorities in Renewal Process and upcoming year goals and objectives are Cost, Technology, Population Health HEDIS Scores by employer (Primary Care Engagement as a whole).



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Engagement Opportunities

- Provider Technology Usage is Strong (79%)
  - Impressive
  - Opportunity to build communications / programming through technology engagement (Partnership with Providers and Primary Care Strategy for Incentives) / beyond the 15 minutes a year checkup for infrequent fliers of majority of population
  - Top usage: 87% lab results / 75% Medical Records / 75% Appointments (Review Strategy group by group)
  - 83% are Somewhat or Very Comfortable / 17% Not Comfortable
- Wellness Interest (top 3)
  - 59% Stress Management
  - 54% Weight Management
  - 30% Financial Wellness
    - Coordinate with Claim Analytics District by District to establish priorities
    - Develop Communication Plan (ie: short term items, videos / long term)
    - Worth coordinating with Providers / Insurance on priority list so most impactful on consistent messaging

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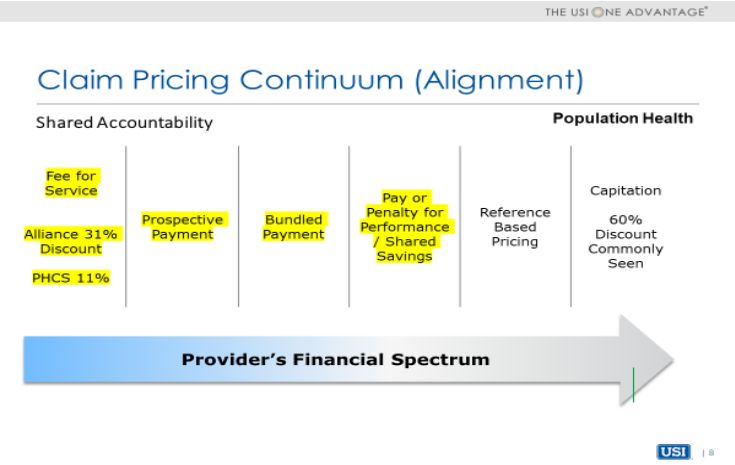
Status on La Crosse Area Priorities

- <u>Highlight High Quality / Low-Cost Providers (Rand Study)</u>
  - Wisconsin overall: 191% above Medicare / includes highest in nation
  - Gundersen Hospital: 254% above Medicare
  - Mayo Hospital: 314% above Medicare
  - Mayo Overall 331%: Above Medicare
  - Media note: Both systems are increasing… 4.5 percent in patient revenue for Gundersen Health System and an average of 2.75 percent for Mayo.
  - Our note: Not sustainable on already high base
  - Best practice capitation in Wisconsin is less than 150% Medicare

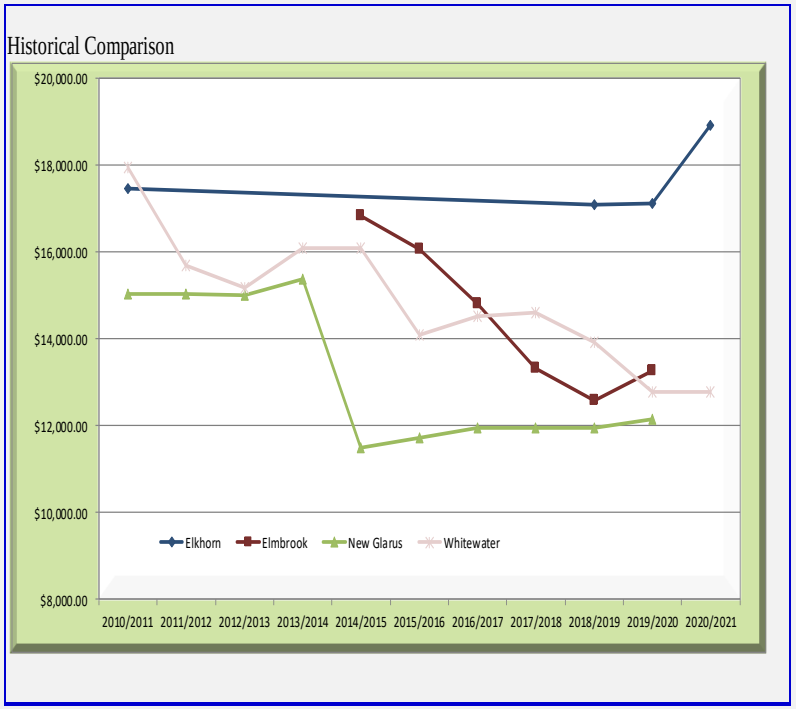


Status on La Crosse Area Priorities

Uniformity of Plan / Transparency of Plan:

How do we cover the consumerism gap for staff?

- AWARENESS push on provider (legislation on cost and quality)
- High satisfaction of providers / much lower on health insurance
- Opportunity to further educate on cost / quality of providers either by choice or district-driven
- Most successful 5-year case studies on trend have HDHP and primary care engagement



La Crosse Area Observations (Staff and Provider Feedback)

- 85% of staff engage infrequently on their health, and provider investments are substantially reactionary. (Chart on Mayo vs Gundersen)
- Timely and convenient access is critical
- Right care, right time, right place
- Primary care, Specialty services
- Occupational Health and Work Comp services
- Partner who listens to their needs, can provide solutions and commit to ongoing partnership (NFC / NICE / Tomah Memorial… / avoid surprises)
- Need to reduce employer and employee health care costs and improve employee health engagement & productivity (competitive disadvantage)
- To be the employer of choice- and differentiated healthcare services can support this – for effective recruitment and retention
- Transparency of medical claim costs moving forward along with evolving opportunities for both clinic engagement / Rx purchasing may be foundation for 2021/2022 staff education

	SSM	UW	GHC	AAH	Mercy	Mayo	Gunderson
Price Stability	85%	35%	70%	68%	90%	40%	69%
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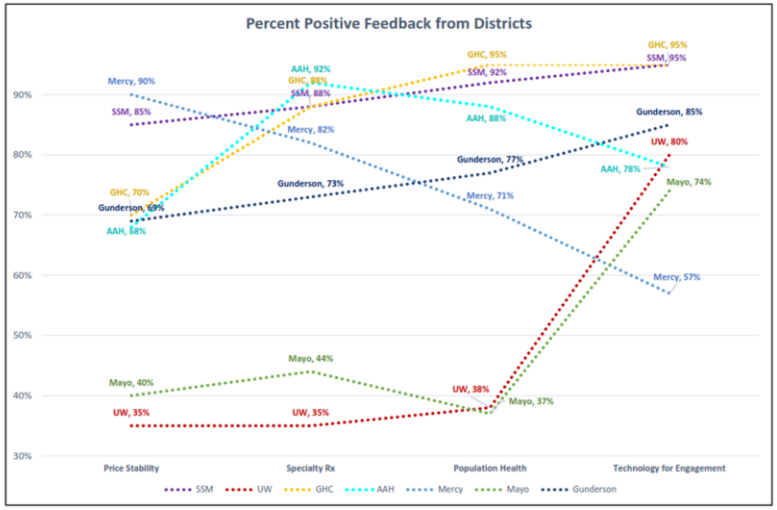


Outperforming Trend

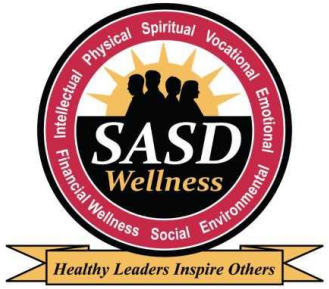
			Single	Family	Annual Single	Annual Family	Weighted Avg of Annual
2014/2015	La Crosse	GHT	$655.16	$1,487.98	$7,861.92	$17,855.76	$15,357.30
2015-2016	La Crosse		$686.28	$1,558.66	$8,235.36	$18,703.92	$16,086.78
2016-2017	La Crosse		$672.55	$1,527.49	$8,070.60	$18,329.88	$15,765.06
2017-2018	La Crosse		$686.00	$1,558.04	$8,232.00	$18,696.48	$16,080.36
2018-2019	La Crosse		$686.00	$1,558.04	$8,232.00	$18,696.48	$16,080.36
2019-2020	La Crosse		$652.00	$1,480.00	$7,824.00	$17,760.00	$15,276.00
2020-2021	La Crosse		$678.08	$1,539.20	$8,136.96	$18,470.40	$15,887.04
2021-2022	La Crosse		$678.08	$1,539.20	$8,136.96	$18,470.40	$15,887.04

Strategic Steps for Best-in-Class Results:

- Partnering up with local cash clinic as their near-site clinic
- Designing a health plan that encouraged employees to utilize the clinic for primary care, x-ray and lab work
- Wellness incentive that includes health assessment along with annual visit and/or biometric screenings
- Continued employee engagement and communication
- Provider engagement with two main health systems in the La Crosse area
- Understanding and benchmarking their data

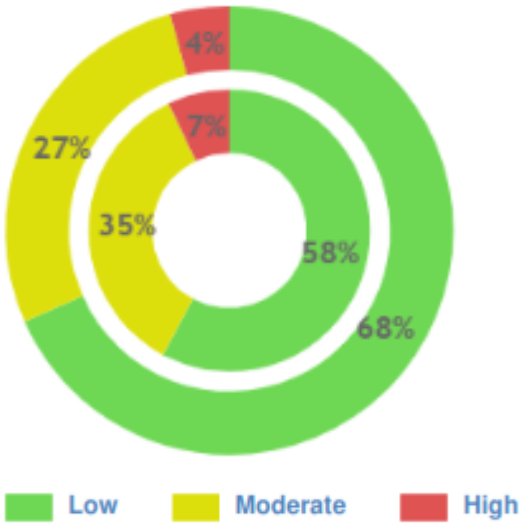
Sheboygan Area School District
Our Purpose for Wellness

- Encourage all staff to increase awareness of and be proactive in improving their own personal health and wellness.
- Create positive lifestyle role models for each other and students.
- Provide opportunities for staff and their families to learn about and participate in healthy lifestyle choices.
- Enhance staff productivity and effectiveness.
- Manage and address the rising cost of health care.



SASD Wellness Program

- Employees and spouses must complete a four-step process to be eligible for program rewards.
  - Four steps:
    1. Health Assessment (HA)
    2. Biometric Screening
    3. Results Consultation
    4. Earn points through activities and challenges
- Earn points based on the results of your tests = Overall Risk Score
- Earn additional points based on wellness activities defined by SASD
- Points earned will determine your cost for health insurance in the following year.
- Questions about tobacco use will be asked in HA and Biometric screening
- Employees hired after June 1st will not be required to participate in the wellness program to earn a premium discount until the following year.



What We Wanted to Hear…

"If we all pool together we can maintain status quo and deliver the best value"… WEA had over 80% of school market share during stretch

Trust health plan rate increases (experience-rated)

Year	Experience Rate
1989-90	22.3%
1990-91	20.3%
1991-92	8.7%
1992-93	13.0%
1993-94	9.0%
1994-95	3.3%
1995-96	3.1%
1996-97	7.1%
1997-98	8.0%

Year	Experience Rate
1998-99	11.0%
1999-00	8.4%
2000-01	15.0%
2001-02	16.9%
2002-03	26.9%
2003-04	9.9%
2004-05	8.4%
2005-06	11.3%
2006-07	14.0%
2007-08	3.3%

*WEA Trust actuarial data prior to any plan changes

5/2006

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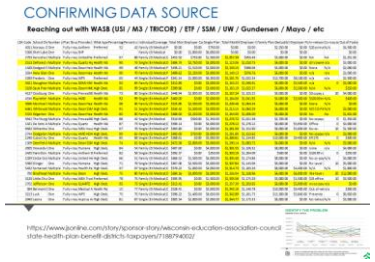
*Average increase of 12%

**Post Act 10 WEA hasn't had a single year where entire book averaged 12% when not pool rated.

Summary Provider Overview – Observations

- Pricing
  - District feedback speaks volumes
    - Region by region comparison of high quality / value providers
  - Horizon Study: "Those that have nothing to hide, hide nothing"
    - Spreadsheet of information used by the Horizon study shows most engaged client districts are in the lowest quartile of cost and the baseline model Horizon uses would cost on average 19% more for those districts
      - Conforming plan used has deductible of $1500 S / $3000 and max out-of-pocket $2500 / $5000
      - Accuracy is consistent question / Plans are not accurate from study, lacking details, lacking information
      - Leadership / Engagement / Transparency / Uniformity / Solid PBM is winning combination



- Engagement
  - Providers showing most engaged partnership would lose focus on fragmented populations if any new solution is not setup for accountability
- Population Health
  - Direct correlation between engaged providers scoring high
  - School districts want to partner for positive outcomes
  - Health systems unwilling to SUBSIDIZE other health systems

Best Practices Health Insurance (Benefits)

Foundation of Success

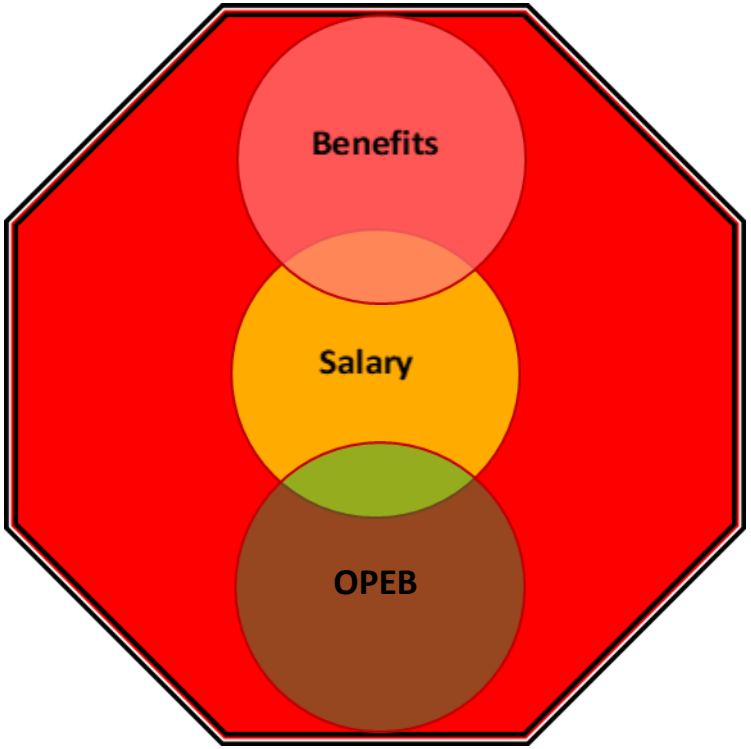
1. Leadership with clearly communicated direction and priorities for their benefits, compensation and culture
2. Established accountability and transparency with healthcare providers and their staff members
3. Health plan alignment with high-quality, low-cost providers
4. Staff member education and engagement around behaviors and consumerism
5. Alignment and international leverage with a high-performance pharmacy benefits manager (PBM)

- Using these as guiding principles, district health plans tend to not only have sustained savings, they have improved their population's health, changed behavior and increased overall employee satisfaction.

Needs Immediate Attention

Caution, Proceed with Care

Good to Go



Which Door Will You Choose?

Lobbying Efforts / Emails Sent to Public Employers

From: **Andrew Hysell** <andrew@ctastrategies.co>
Date: Sun, May 9, 2021 at 7:59 PM
Subject: Wisconsin School District Health Insurance Study

My name is Andrew Hysell and I work on public school and education issues. I want to share a Wisconsin school research study I organized that was recently covered in the Wisconsin State Journal.

The report has district-by-district numbers and could save Name Here schools annually **$999,999,999,999** (state high deductible Plan with district HSA contribution) to **$999,999,999** (state high deductible plan with no HSA) through inclusion in a voluntary state school district risk pool. If you want to see a copy of the report, you can find it here.

Everyone needs to be engaged in this debate to support our public schools. The wild rate disparities schools face are a problem for taxpayers, teachers, and school districts. Ignoring the problem isn't an option. There is no question that this issue needs more study, but our report suggests there is a commonsense solution that may help fix this problem without instituting any new mandates. We look forward to more discussion on the issue.

Thank you,

Andrew Hysell

State Pool / Horizon Health Insurance Observations (USI)

- Unknowns: Lack of details of the study makes it difficult to advise on whether the proposal has legitimacy. What limitations are being priced on procedures, prescription formularies, provider access, or intent of coverage for retirees?… This is especially noteworthy based on application of the savings suggested. We welcome new solutions… but we really need more facts and details before we (USI) can endorse for the120 districts we work with, some over 20 years continuously.
- Transparency: Pushback and outright refusal to share who is paying for study is a red flag. Is this the best interest of schools or is it serving the interest of others financially or politically? CTA Strategies office and history in Madison? / Auxano strategies East Coast / bipartisan interest…? Invitation to this meeting and regional meetings have been sent for CTA Strategies to join.
- Independent Advisor: USI prides itself in being the largest independent advisor in Wisconsin and USI continues to have more and more fee-based arrangements with our public employers to assist district's cost, compliance and culture planning. We have recommended and placed business with union plans, ETF / Local Plan / etc. when the facts, proposal and situation makes sense. Full transparency of our compensation, intent and value dating back over 30 years.
- Timing: Understand this proposed solution is NOT taking anything off your plate now. Keep planning as you normally do since this proposed offering would take time…likely years. First for passing / approval. Legislature apparently removed funding for this study…that is yet to be approved. Once approved, the time to finalize the actual coverage details and infrastructure design. Once the infrastructure design is complete, the remainder still needs setup time to operationalize. **Based on our actuarial review, there is not an existing infrastructure that has the ability to achieve the noted savings…so something new needs to be built to achieve the suggested results**.

State Pool / Horizon Health Insurance Observations (USI)

- Accuracy / Application of Savings: Having placed employers with Local / ETF plan and taken employers off the local plan, the biggest obstacle each year we have with the ETF local option (used in the study as a benchmark in savings) is the 30% Underwriting Assessment applied to the rates… that assessment was void in the study's application of suggested savings. Therefore, either the pricing is misleading / incomplete in calculation or there is a major differences in coverage limitations to achieve this actuarial outcome.
- Pooling study for Wisconsin schools: Understand where your district falls in this proposal. Most USI clients would be a losing proposition based on the limited information that was shared. Reminder: Wisconsin had a state pool of ~85% of public school participation 20 years ago… the high-quality low-cost provider regions were the first to leave the Pool. These districts were subsidizing the pool on multiple fronts and were experiencing 20% increases consistently. Average savings was ~ 20% leaving the state pool for over 100 school districts. That % difference remains relative to prior pricing.
- One-size-fits-all plan does not fit every district: Pooling statewide requires all districts to be in or all districts to be out to even be a consideration. Much of the savings is forcing all districts into a HDHP. Choice means adverse selection. Most recent State Approach with Retirees was compromised by affording choice… the Local Annuitant Health Plan required a 70% increase for retirees in the rates due to adverse selection resulting in 35% increase January 1, 2021 and another 35% increase January 1, 2022.
- Proposal doesn't address what is driving cost variances of health benefits: High-cost providers and poor population health management drive claims and ultimately high premiums and would be exasperated vs improved with statewide masking / pooling of cost drivers vs. local population health and transparency of pricing engagement. Best performing districts have major population health engagement, pricing incentives for high-quality low-cost providers, and sustained outcomes built into new population health engagements.
- Click here to learn more.