

SurgeryPlus™ Overview

What is SurgeryPlus™?

- Supplemental benefit for hundreds of non-emergent surgeries
- National high-performance network of Surgeons of Excellence
- Pre-negotiated bundled rates that lower costs, provide transparency and eliminate hidden fees
- Full-concierge service that drives better experience and puts members first
- Easy implementation at any time of year

Care Advocates Handle It All

Full-Concierge Service Creates a Better Member Experience



Locate

Find best fitting
Surgeon of
Excellence



Schedule

Book timely
appointments
& manage logistics



Coordinate

Bundle service
Providers
& transfer records



Follows Up

Ensure complete
member satisfaction

Key Value Drivers

Quality of Care

- Surgeons of Excellence vs. Centers of Excellence; we focus on the surgeon performing the procedure
 - Avoids the worst doctor at a great facility (the “COE trap”)
- Comprehensive credentialing of surgeon, facility and anesthesiologist, requiring board, specialized training and volume requirements
- Less than 1.0% complication rate demonstrating strength of provider selection

Experience

- National network to target quality care near the member
- Dedicated Care Advocates manage the entire process
 - Education on benefit and importance of quality
 - Logistics, including scheduling, medical record transfer, etc.
- 89 NPS score life-to-date

Return on Investment

- Bundling pricing reduces volatility of case pricing
- 30%-60% lower contract rates vs. carriers
- Best-in-class clients save \$40 - \$70 PEPM while average client saves ~\$15 PEPM, creating a 1-2% improvement in trend
- Program incentives reduce financial burden on members (e.g. waived deductibles and/or coinsurance, HSA contributions, etc.)

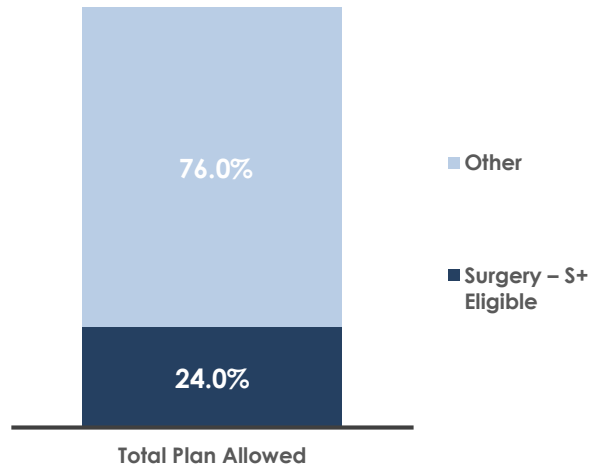
Alignment of Interests

- SurgeryPlus™ willing to put 100% of fees at risk to guarantee clients have a positive ROI
- Flexible pricing models
 - Flat Fee
 - Hybrid Fee
 - Variable Fee

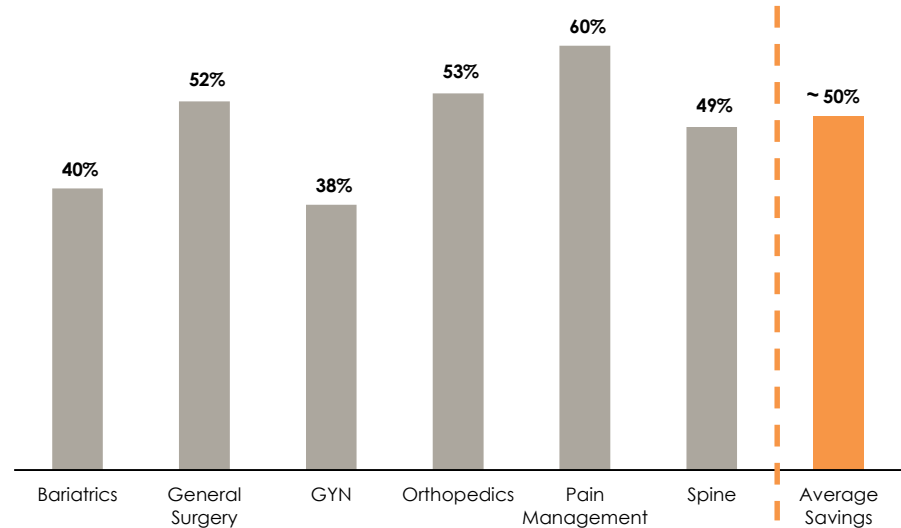
~ 1mm lives onboarded
for PY 2019

Scoping the Potential SurgeryPlus™ Impact

Composition of Healthcare Spend



Average Procedure Savings



Impact to Trend Based on Utilization (1)

(PEPM Savings / Impact to Trend)

Allowed Spend per EE (1)	SurgeryPlus Utilization				
	5.0%	15.0%	25.0%	60.0%	100.0%
\$6,000	\$3 / (0.6%)	\$9 / (1.8%)	\$15 / (3.0%)	\$36 / (7.2%)	\$60 / (12.0%)
\$7,000	\$4 / (0.6%)	\$11 / (1.8%)	\$18 / (3.0%)	\$42 / (7.2%)	\$70 / (12.0%)
\$8,000	\$4 / (0.6%)	\$12 / (1.8%)	\$20 / (3.0%)	\$48 / (7.2%)	\$80 / (12.0%)
\$9,000	\$5 / (0.6%)	\$14 / (1.8%)	\$23 / (3.0%)	\$54 / (7.2%)	\$90 / (12.0%)
\$10,000	\$5 / (0.6%)	\$15 / (1.8%)	\$25 / (3.0%)	\$60 / (7.2%)	\$100 / (12.0%)

Breakeven (5.0% utilization)
 Moderate client success (15.0% - 25.0% utilization)
 Book of business max utilization (60.0% utilization)
 Mandated approach opportunity (100.0% utilization)

Risks of Implementation

- Limited financial risk given performance guarantee provided by SurgeryPlus™
- Benefits team's time versus other priorities, but limited risk due to streamlined implementation (60-90 days)
- Carrier pushback if SurgeryPlus™ viewed as a competitor