

# Total Workforce Health Management™

Simplifying Health and Occupational Benefits



Benefits strategy...  
it can be overwhelming!



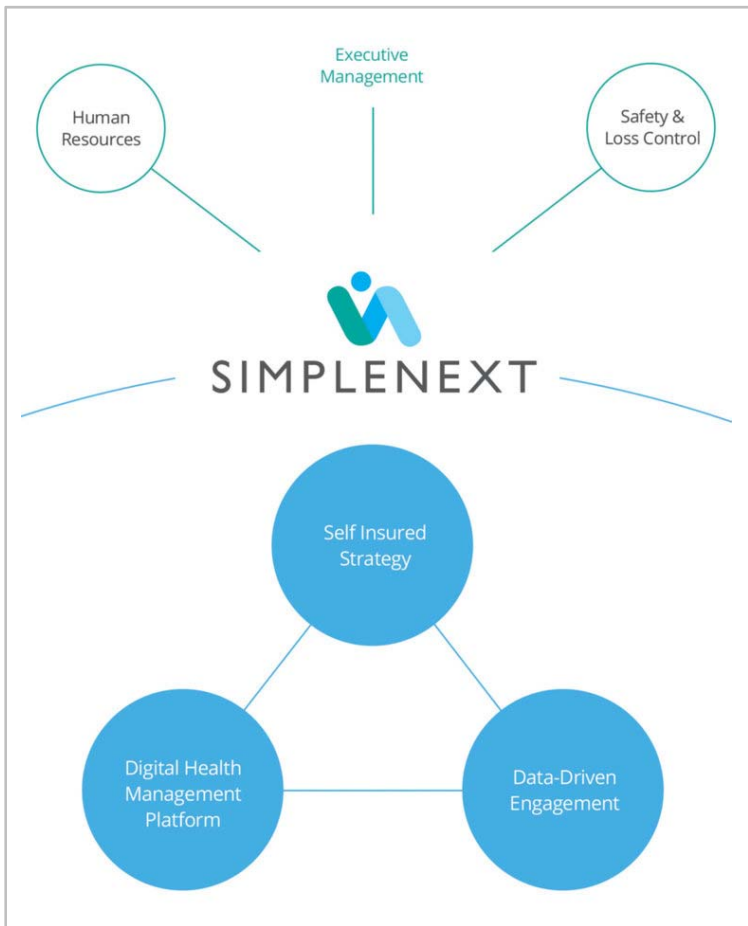
You are, no doubt, frustrated by the cost of health benefits, wellness, and workers compensation incidents. As we travel the nation speaking with decision makers (Business Owners, C-Suite executives, HR Professionals and Health Insurance Brokers), we find that stakeholders are drowning in the chaos searching for strategies and partners that will enable them to make health benefits sustainable, predictable, and cost effective.

**IS THERE A WAY TO IMPROVE HEALTH BENEFITS AND SAVE MONEY AT THE SAME TIME?**

The answer is a resounding, YES! It is called Total Workforce Health Management™.

Historically, Benefits (Human Resources) and Workers' Compensation (Safety/Loss Control) serve the workforce as mutually exclusive departments within a company. They do not work together and they both maintain independent views of risk. This silo-ed approach to managing overall health spend prevents companies and cultures from seeing exactly what impacts the health of the overall workforce.

At the core of Total Workforce Health Management™ is managing health benefit and safety programs from a SINGLE VIEWPOINT STRATEGY. By bringing both risk viewpoints together into a single strategy; data can be shared, risk factors can be identified/engaged and cost containment elements implemented to increase workforce performance and productivity while drastically reducing health costs.



## WHAT DOES A SINGLE VIEWPOINT LOOK LIKE?

The Total Workforce Health Management™ model enables decision makers/stakeholders to see risk more clearly and begin doing something about it. Data, engagement and fundamental risk management principles protect both health benefits and workers' compensation loss ratio.

Successfully tearing down the silos that keep Health Benefits and Safety/Loss Control from impacting total health spend starts with data. For example, volumes of scientific data exist that proves modifiable health risk factors, also known as Co-Morbidities, are a huge driver of medical costs. Examples of co-morbidities are Smoking, Hypertension, Diabetes, Depression, Cardiovascular Disease and Obesity. Typically, through corporate health benefit and wellness programs, co-morbidities are a known quantity. Safety and Loss Control, on the other hand, have had little to no access to co-morbidity risk data from the benefits side of the house. Out of sight, out of mind. Had they seen it, they would know the impacts these modifiable risks have on workers' compensation loss ratios.

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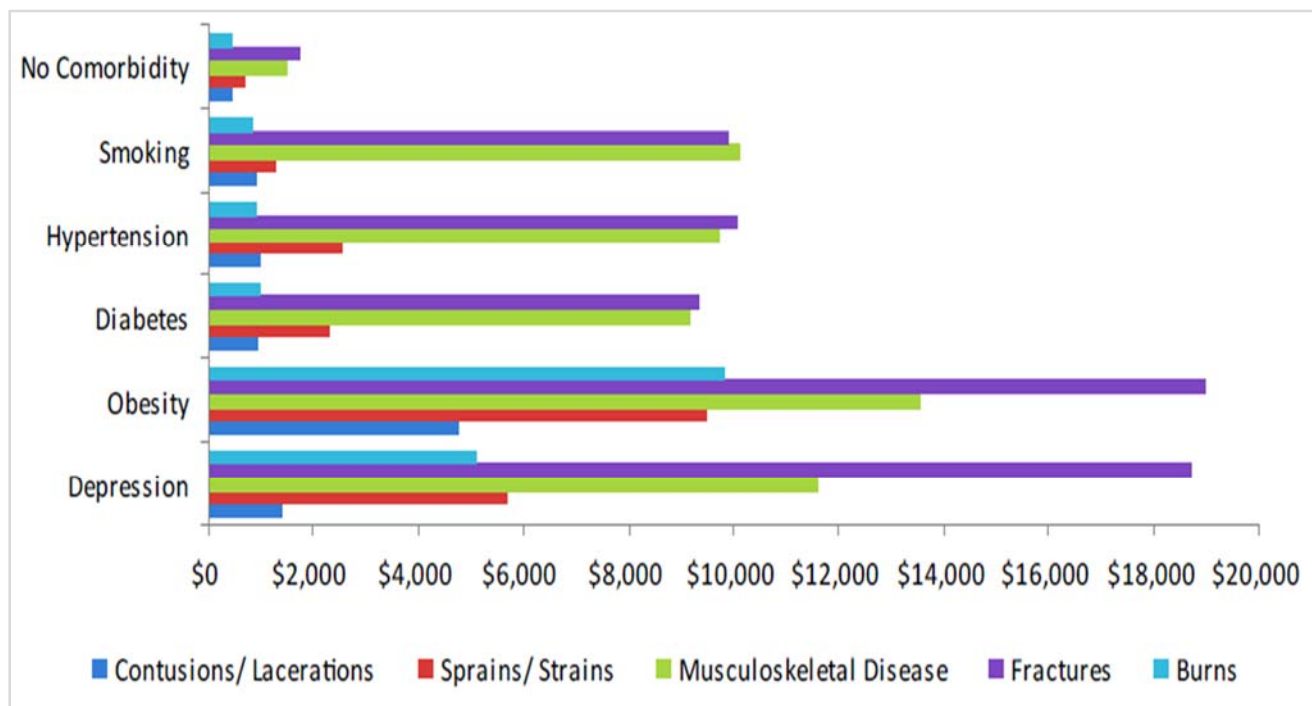
### CASE STUDY: MODIFIABLE RISK IMPACTS

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A 43-year-old maintenance man, leaning against a railing, suffered a severe leg laceration with a hairline fracture to the tibia when the railing broke causing him to fall off the steps. A laceration that should have cost no more than \$1,500 has turned into a \$1.7 million claim as the worker was morbidly obese and suffers from Type 2 diabetes. He acquired an infection and ultimately had to have the leg removed below the knee. The worker will require care the remainder of his life.

**TOTAL WORKFORCE HEALTH MANAGEMENT™ (TWHM) IMPACT: TWHM assesses co-morbidity risk and predicts onset of disease. TWHM would have identified the co-morbidities of obesity and diabetes and initiated a care management program with proactive outreach, coaching, disease management, case management, and utilization review. Claims and Rx cost containment elements plus Care Management are built into the self-funded health benefit. TWHM will deliver the co-morbidity based predictive analytics data to Safety/Loss Control to influence safety program development and management.**

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2010 COVENTRY STUDY - When health related co-morbidities are identified on a Workers Compensation Claim, medical experience is significantly more costly.

## HOW DO I MAKE USEFUL DATA, USEABLE?

As the plan sponsor of a self-funded health plan, co-morbidity (Modifiable) risk can be assessed. Modifiable risk factors — such as cardiovascular disease, obesity, depression, sleep disorders, diabetes, smoking and hypertension — can then be proactively engaged to help those who want care and support. A healthy worker is a happy worker and lower claims dollars makes a happy employer.

What does meaningful engagement look like? While engagement by the Member is voluntary, the key to meaningful engagement is outreach. It is common for case/disease management providers to sit back and wait for claims to trigger engagement. Total Workforce Health Management™ seeks to get out in front of risk/claims through Care Management outreach and Coaching. Data, Advocacy, Outreach and Continuity of Care makes engagement meaningful and leads to an educated and healthy workforce.



## SOUNDS GOOD, BUT HOW DOES THE STRATEGY SAVE ME MONEY?

Total Workforce Health Management™ has many significant cost containment tools built in such as Unlimited Tele-Medicine Consults, Sleep Therapy, Workplace Injury Triage, Employee Assistance Program, etc. These tools are important especially as we set out to educate and advocate correct use of available benefits to help us maximize the performance of the plan.

In addition to the engagement tools above, Total Workforce Health Management™ provides incredible savings on claims spend under the Employer Health Plan in two (2) key areas... Pharmaceutical (Specialty Drugs) Costs and Facility (Hospital) Claims.

**Pharmacy Claims** – Pharma companies use Pharmacy Benefit Managers (PBM) to distribute and manage delivery of prescriptions medications into the marketplace. PBMs receive significant manufacturer rebates from the Pharma companies. Instead of passing these rebates on to plan sponsors, the PBMs have historically treated these rebates as profit centers.

Total Workforce Health Management™ passes ALL manufacturer rebates straight through to the plan which can save the plan up to 25% in Rx costs.

**Facility (Hospital) Claims...DISCOUNT OFF WHAT?** – Traditional Carrier and PPO Provider Contracts such as the “BUCA” (Blue Cross/United Health/Cigna/Aetna) and multi-national PPO Networks specifically define the allowable mark-up a Provider can add to the overall billable charges associated with an individual member’s treatment costs at their facilities. These “Billed Charges” which include the allowable “mark-up” added to the billed become an exorbitant cost to the Employer Health Plan. Carriers and PPO Networks allow for maximum mark-up to mislead the Employer Health Plan that an acceptable discount in the market was applied when, in reality, the discount is on over-inflated cost to begin with. This practice of inflating the bill prior to discounting is the single, most deceitful practice in the BUCA and PPO Network industry. One must ask themselves, “Discount” off of what?

# 100%

NOTE: SimpleNext self-funded plans pay you back 100% of unused claims funds. If your group utilizes at a level lower than expected you, the plan sponsor, keep the surplus funds. By creating and investing in a culture of health, you will reap what is sown.

BILLED – BUCAs

**800%**

Amount billed, as a “percent of Medicare”, by Hospitals and other providers to Insurance Carriers

ALLOWED - BUCAs

**400%**

Average discounted amount PAID, as a “percent of Medicare”, to Hospitals and other providers by Insurance Carriers and Self Funded Plans

ALLOWED - RBR

**125%**

Reimbursement rate PAID, as a “percent of Medicare”, to Hospitals by SimpleNext Self-Funded Plans

Total Workforce Health Management™ has established Medicare as the baseline for payment of claims. A national audit was performed on one of the BUCA Carriers and it was uncovered that their provider contracts included a provision allowing providers to bill 800% of Medicare or more. So that “Discount” of 30% to 50% you are offered by the BUCAs or your PPO Network results in ALLOWED CHARGES (what your plan pays) of between 400% and 560% of Medicare.

**TOTAL HOSPITAL BILLED CHARGES \$226,853.83**

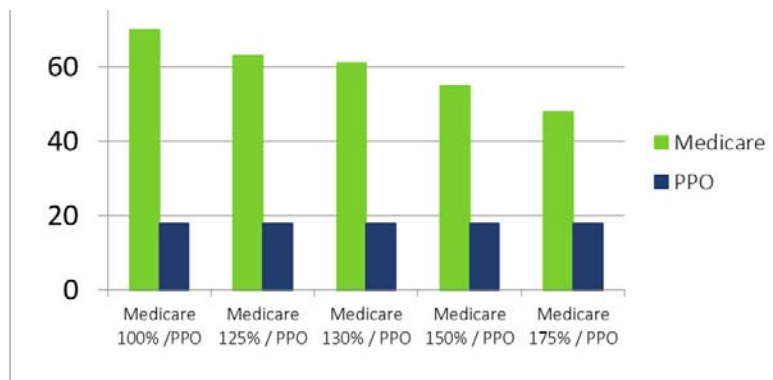
**PHCS ALLOWED AMOUNT \$185,869.94**

Medicare %	Medicare Allowed	Medicare Savings	Percent of Savings
100%	\$67,763.06	\$159,090.77	70%
125%	\$84,703.83	\$142,150.00	63%
130%	\$88,091.98	\$138,761.85	61%
150%	\$101,644.59	\$125,209.24	55%
175%	\$118,585.36	\$108,268.74	48%

Total Workforce Health Management™ uses a Reference Based Reimbursement (RBR) basis of 125% of Medicare for payment of claims.

**Cost containment is significant!**

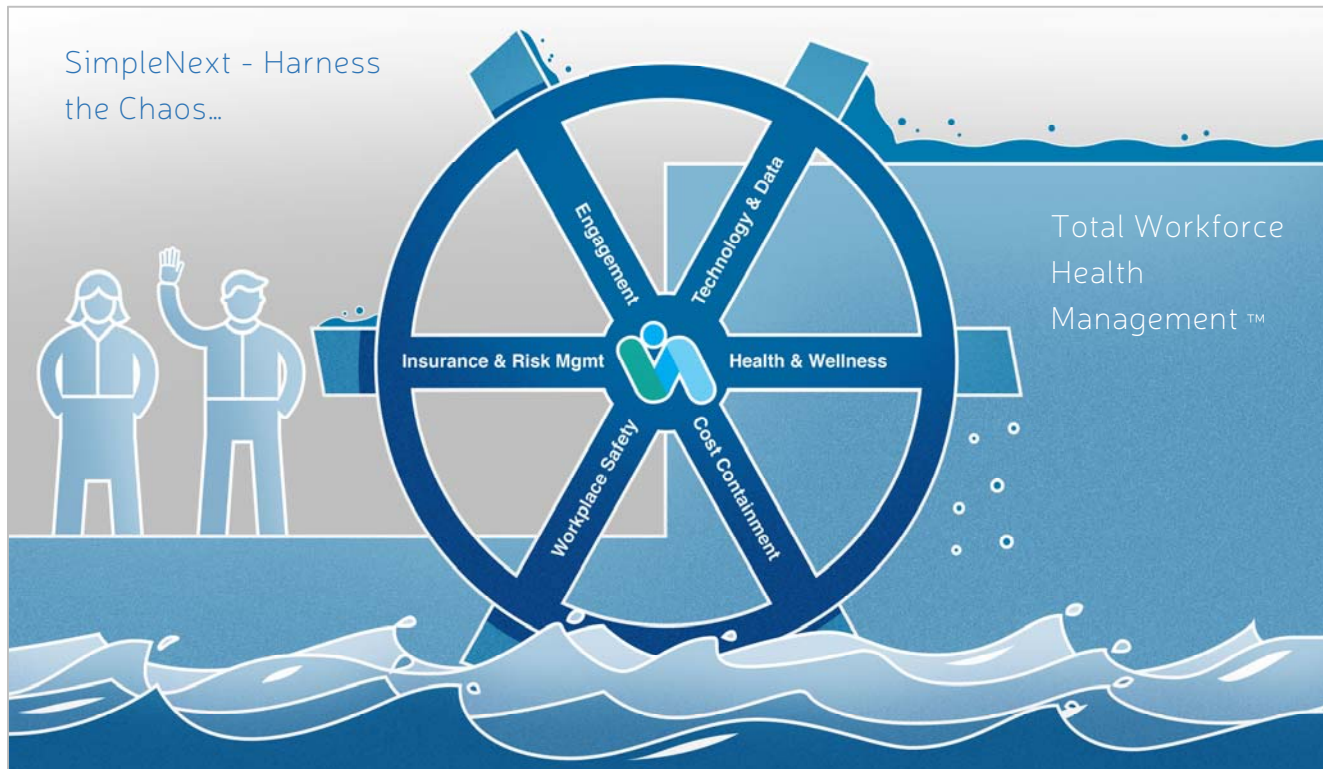
PPO AVERAGE DISCOUNT 18%



## IS SELF FUNDING FOR ME? AM I “BIG ENOUGH” TO SELF FUND?

When considering a strategy to self-fund health benefits for your company, it is absolutely critical that you either source all of the risk management elements necessary for protecting the insurance and your business OR consider SimpleNext’s turnkey Total Workforce Health Management™ solution.

If you are currently fully-funded with a carrier and have at least 25 participants in your current health plan, you should seriously consider self-funding. If you are already self-funded but feel your health plan should be performing at a higher level, Total Workforce Health Management™ could be a fit for your company. Learn more, quote the Total Workforce Health Management™ strategy for your renewal and begin taking control.



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### ABOUT SIMPLENEXT

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SimpleNext is a Portland, Oregon-based health risk management company. SimpleNext has brought together an experienced team of human capital management, legal, technology, self-funding professionals to develop and deliver a turnkey self-funded health benefit solution, Total Workforce Health Management™. Total Workforce Health Management™ enables companies to take control of their total health spend, know their data, bring health and safety together and create a culture of health that will attract/retain talent. Are you already self-funded using a traditional self-funded product? Are you fully-insured through a carrier and want to move to self-funded? Are you looking for a captive solution where you can share risk while you transition to self-funded health benefits? SimpleNext can tailor a self-funded program to fit your needs. To learn more or to quote for renewal, please contact us directly.

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