



Reality of the Marketplace

- Fee for service system incents utilization over quality and outcomes
- Employers need to reduce costs
- Providers can provide the most cost effective care and reduce unnecessary care
- Patients desire a more engaging experience from their provider's office
- Market is in "baby steps" phase of a transition away from the fee-for-service system we have now

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Employee Experience

- Dual choice option with PPO and Care System option
- Employee selects Care System option at enrollment
- This works for employee if they expect the bulk of their care delivered within selected system
- No referral required within care system. Referred care outside of the system receives the higher benefit
- Non-referred care outside of the system would receive reduced benefit, thus incenting care within the system

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Provider Reimbursement

- Standard First Choice Health PPO rates with PMPM management fee for support services that are not visit-based such as care coordination, phone or e-mail care management and extended
- Targeted gain sharing related to reduced ER use and hospital inpatient medical/surgical admissions (excludes maternity and new born care)
- Actual utilization compared to benchmarks to determine gain sharing. Savings shared 50/50 between Care System and employer

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Quality Control

- Puget Sound Health Alliance Community Checkup Report
- Internal quality measurements
- Third-party quality measurement entities
- Impact on shared savings levels

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