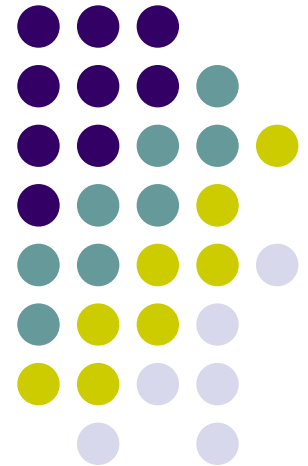


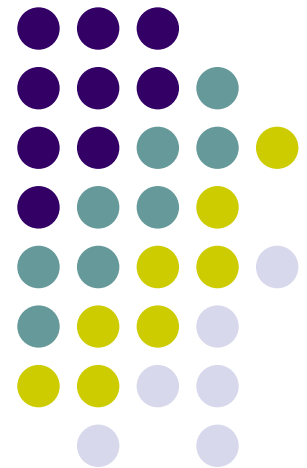
HealthFirst Advisory Meeting

August 27, 2008



New Hampshire Small Group Market

CGI Employee Benefits Group

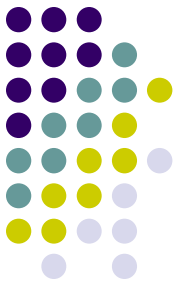


Small Group Rates Development and Why They're Different



- Base Medical Costs adjusted by:
 - Age
 - Industry
 - Group Size

Premium Reductions from Changes in Cost Sharing

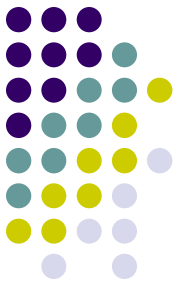


Using Established Carrier Rate Relativity Guides:

Harvard Pilgrim

- From: \$20 O/V Copay; \$1,000 IP/OP Ded.
- To: \$25 O/V Copay; \$3,000 IP/OP Ded.; 30% Coinsurance; \$9,000 Out of Pocket
- Savings: 20%

Premium Reductions from Changes in Cost Sharing



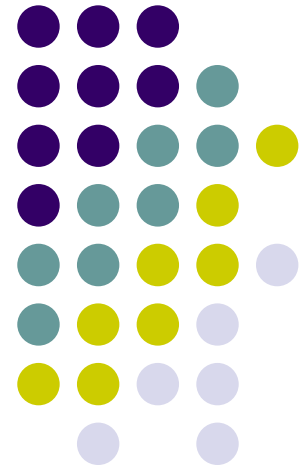
Using Established Carrier Rate Relativity Guides:

Anthem Blue Cross & Blue Shield NH

- From: \$20 O/V Copay; \$1,000 IP/OP Ded. (Inc. DLX)
- To: \$20 O/V Copay; \$2,500 IP/OP Ded. (Exc. DLX); 20% Coinsurance; \$7,500 Out of Pocket
- Savings: 19%

Wellness Program & Benefit Options

Middleway Group



Incentive Options



- Fixed payment or gift card to subscriber, spouse or member for action, commitment or compliance
- Premium reduction with commitment or compliance
- Deductible credit with commitment or compliance
- Benefit difference (lower copay) with commitment or compliance
- Benefit difference (100% coverage) for recommended services
- Benefit design difference (copay vs. deductible/coinsurance style plan design) with commitment or compliance
- Benefit difference penalty (higher copay or coinsurance) for lack of compliance

Wellness & Value-Based Benefit Program Options

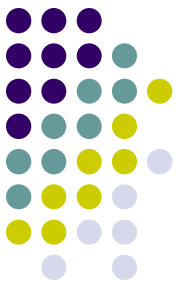


- Completion of a Personal Health Assessment
- Use of a Personal Health Record
- Participation in a smoking cessation program
- Participation in a disease management program
- Participation in a stress management program
- Compliance with a chronic disease management plan
- Meeting or exceeding health benchmarks for Body-Mass Index (BMI), Blood Pressure, Nicotine Use and Cholesterol Levels

Wellness & Value-Based Benefit Program Options



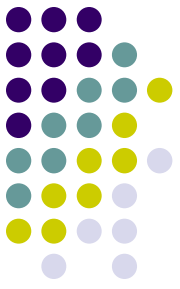
- Use of nutritional or health counseling
- Completion of health education modules
- Designation of a primary care physician
- Use of a tiered network benefit
- Designation of preferred or generic copay rate for chronic disease medications
- Offer of significant discounts for generic or mail order
- Incentive for or requirement of the use of a care coordinator for procedures and imaging



Other Program Options

- Deny never-ever events
- Offer telephonic and online personal health coaching
- Offer High Blood Pressure Programs
- Offer Cardiac Programs (including Cholesterol Programs)
- Offer Diabetes Compliance Programs
- Offer Mental Health Compliance Programs
- Employ care coordinators for elective procedures and imaging
- Reimburse primary care physicians for chronic care management plans for individuals with high cost conditions

Other Program Options



- Provide differential reimbursement for medical homes
- Offer differential reimbursement to primary care physicians for after-hours care
- Reimburse for Body-Mass Index (BMI) screening
- Reimburse for Screening and Brief Intervention Referral and Treatment for Drug and Alcohol Abuse (SBIRT)
- Reimburse for smoking cessation pharmacotherapy
- Reimburse for house call services in population centers where ER/urgent care use is high

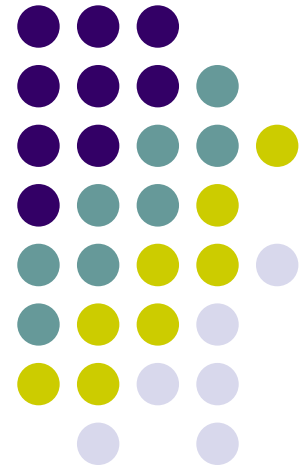
Other Program Options



- Reimburse for TeleHealth
- Reimburse for e-visits
- Reimburse for pharmacy counseling services
- Offer a tiered/high performance network design
- Provide comprehensive information about incentives
- Require consistency in program design, reporting and measurement across carriers

Pricing

Compass Health Analytics

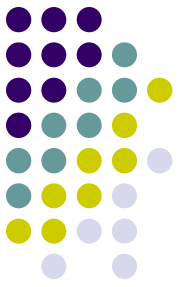


Pricing – What makes it easier



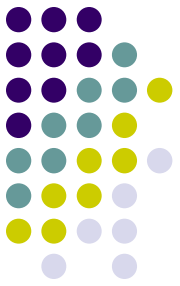
- A benefit/feature that already exists and for which there is claim data
- Change affects what insurer will pay (e.g., fee changes and cost sharing)
- Experience is from a similar population and market

Pricing – What makes it harder



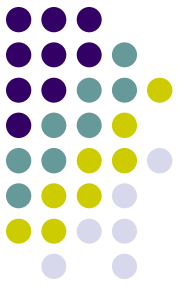
- New idea not yet tried or for which there is not data trail
- Program effect depends on provider and/or member response
- Takes a long time to show impact
- Isolating impact difficult (e.g., educational programs)

Pricing - Types of Information



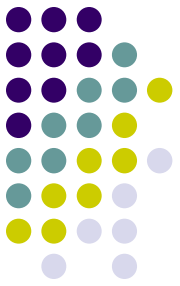
- Claim experience
- Research literature
- Industry press
- Proprietary database (constructed from the previous sources)

Pricing – Examples & Difficulty



- Relatively Straightforward
 - Benefit Design Differences
 - Premium Rebate
- Review of External Evidence Important
 - Disease Management
 - Smoking Cessation
- Mixed or Unclear Evidence
 - Medical home model
 - Reimburse house calls
- Difficult to Assign Pricing Effect
 - Provide comprehensive information about incentives
 - Completion of health education modules

Pricing – Other Issues



- Identifying and adjusting for differences between program from which evidence was derived and program being implemented (e.g., different vendors, different carriers, different populations)
- Factoring in the marginal impact if similar program is already in place (e.g., shifting to a different disease management program)
- Time horizon for program impact
- Impact of member churn on program benefits
- Compliance effects