

The Alliance: Employer-Led, Market-Driven Healthcare Transformation

October 3, 2023



The Alliance

Mission

We are moving healthcare forward by controlling costs, improving quality, and engaging individuals in their health.



Vision

We are working toward a future where:

- High-quality, affordable healthcare is reliably delivered to all patients.
- People have confidence that their health plans enable them to take care of themselves and their families.
- The Alliance employers thrive by joining together to control the trend of healthcare costs.

Our Story...

- 1990 – Hospitals and Medical Groups formed their own insurance companies (HMOs)
 - Significant cost shift to self-funded employers
- Pooled employer purchasing power to contract directly with doctors and hospitals
 - High-quality care, lower costs, informed choices for consumers
- Formed a not-for-profit, employer-owned cooperative
 - By employers for employers
 - 7 founders each contributed \$100k
- Importance of employer willingness to use plan design to create market rewards and consequences

Today...

- 340 employer owners; 115k employees and family members
 - WI, IL, IA
 - Diverse self-funded membership – all sectors and sizes
 - Employers of all sizes (inc. Kwik Trip, Trek Bikes)
 - Manufacturing
 - School districts and municipalities
 - Ho-Chunk Nation and other tribes
- \$900M annual healthcare spend
- Network:
 - 140 Hospitals
 - 7900 Clinic sites

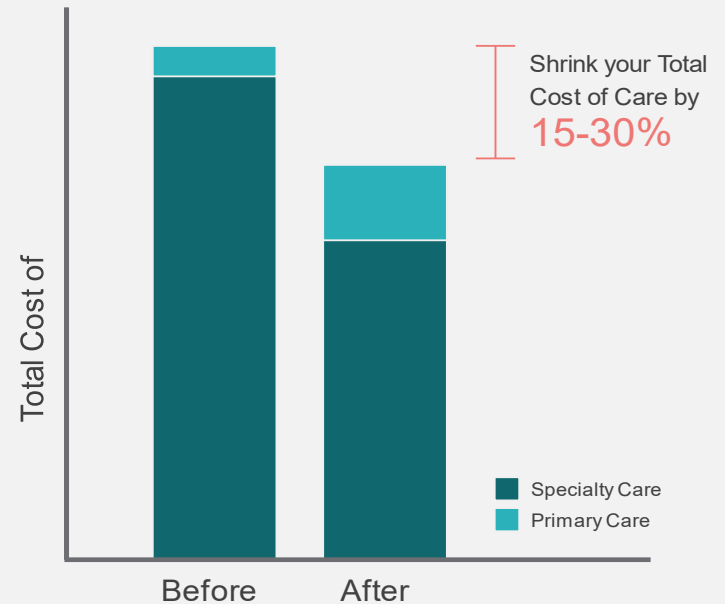
Our Approach

- Negotiate contracts based on % of Medicare
 - Reject anti-competitive contract terms
- Cultivate relationships with preferred-value providers
 - Advanced Primary Care
 - Alternative delivery models including virtual & hybrid
 - Ambulatory Surgery Centers
- Shift care to preferred-value providers
 - Tiered networks
 - Benefit plan design
- Data analytics
 - Identify preferred-providers and inform contracting function
- Policy Advocacy to foster free-market healthcare

Results

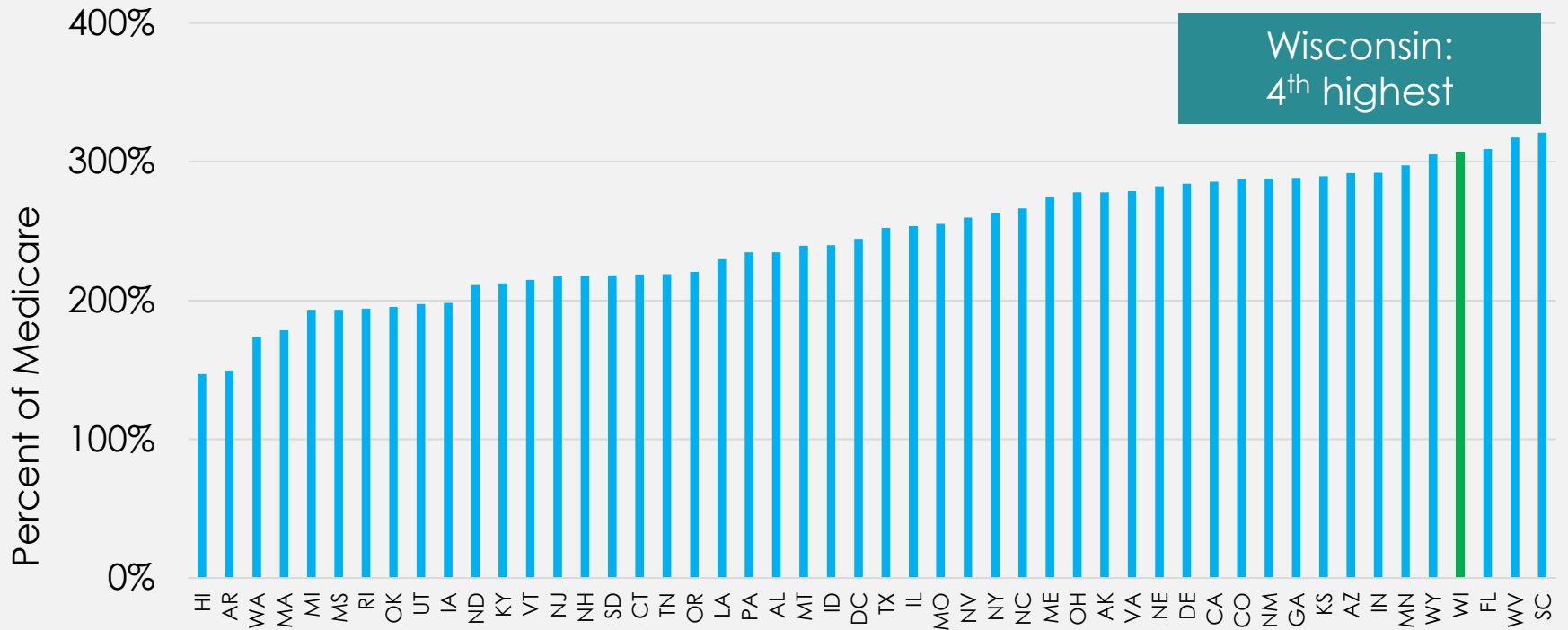
1. Network contracts –
 - Our contracts out-perform rates from national carriers based on federal price transparency data
2. Benefit plan steerage –
 - Average 10 – 12% savings on total cost of care with in-region (30 – 100 miles) steerage to preferred-value providers for elective procedures. Close to 30% when Independent Primary Care is utilized.
3. Advanced primary care

Total Spend Goes Down



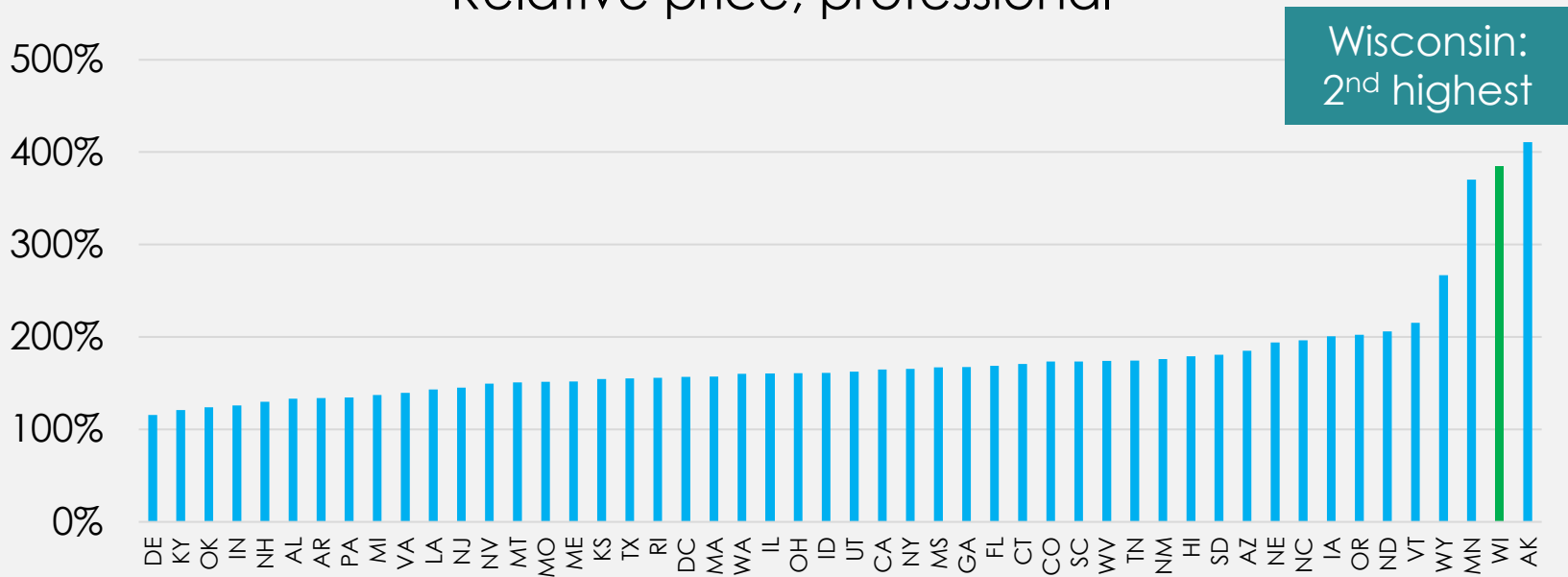
Hospital Prices in Wisconsin are Higher Than Most Other States

Inpatient and Outpatient Relative Price



Physician Prices for Hospital Care in WI are the 2nd Highest in the US

Relative price, professional



Now that we know what we know...

Negotiate contracts based on % of Medicare

- Reject anti-competitive contract terms

Cultivate relationships with high value providers

- Advanced Primary Care
- Alternative delivery models including virtual & hybrid
- Ambulatory Surgery Centers

Shift care to preferred-value providers

- Tiered networks
- Benefit plan design

Data analytics

- Identify high value providers and inform contracting function

Policy Advocacy to foster free-market healthcare

Thank You

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