

HPG Return On Investment Is 1,000 to 1 (*1 of 4*)

- ROI of 1,000 to 1 in test case
 - Spend \$1,000 on HPG and save \$1 million per year in healthcare costs
- For typical self funded employer (actual example with rounded numbers):
 - Healthcare costs per employee \$10,000

HPG Return On Investment Is 1,000 to 1 (*cont'd, 2 of 4*)

- Target services where you are overpaying in contract negotiated rates relative to HPG TiC benchmark rates:
 - These services represented 20% of total costs
 - Overpaying by an average of 50%
 - After renegotiations, cut overpayments by half in first year, to an average of 25%
 - Negotiation may be by benefits consultant or TPA
 - Do not renegotiate services where currently paying at or below HPG benchmark

HPG Return On Investment Is 1,000 to 1 (*cont'd, 3 of 4*)

- Savings was \$500 per employee:
 - Cost savings is 25% of previous costs on services that represented 20% of costs
 - Equal to 5% savings, or \$500
 - Cost of HPG is \$0.50 per employee
 - ROI is 1,000 to 1 for typical self funded employer (actual example with rounded numbers):
 - With healthcare costs per employee going from \$10,000 to \$9,500

HPG Return On Investment Is 1,000 to 1 (*cont'd, 4 of 4*)

- For typical employer with 2,000 employees, HPG cost is \$1,000 and annual savings is \$1 million.
- For other employers currently overpaying on over 20% of services, savings may be much higher.
- For all employers, they would have fulfilled their fiduciary responsibility under CAA to ensure they are not paying excessive rates.