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
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.