A NATIONAL LEADER IN TACKLING TOTAL COST OF CARE

For the third consecutive year, industry experts found that HealthPartners total costs are lower than other carriers in Minnesota and our region.

The National Quality Forum (NQF), a partnership of hundreds of health care organizations that endorses best-in-class industry standards, has endorsed the HealthPartners measurement approach for total cost of care and resource use. It’s the first time that NQF or any major body has endorsed measures like these, and it comes at a critical time as organizations of all kinds work to understand health care cost drivers and what can be done to address them.

WHO WE ARE | MISSION, VISION, VALUES

Through our innovative solutions that improve health and offer a consistently exceptional experience at an affordable cost, we will transform health care. We will be the best and most trusted partner in health care, health promotion and health plan services in the country.
Dear Purchaser Partners,

You know that health care is always changing - and often challenging. From reform to costs, we face a future that will be very different from the past.

That’s why I am so proud to say that working together—with you, your organization and so many of our other valued partners—we are bigger and better than any challenges we may face. With this sense of teamwork and shared goals, we intend to be out in front of anything that comes our way.

Helping put us in the lead are HealthPartners innovations, inspired by you. This past year, we’ve made enormous strides, from introducing flexible products that break the old rules of what a health plan should be, to packaging proven strategies making it easy to engage your employees in investing in their own health, to creating new care models—such as our spine-specialist-before-surgery program—that never compromise experience.

Yes, we are agile. But we’re also focused. That’s why all of what we do is based on our unwavering commitment to the HealthPartners Triple Aim:

- To improve the health of the population
- To improve the experience of the individual
- To make health care more affordable

So know that as you dedicate yourself to the delicate balance between your organization’s cost challenges and keeping your employees’ happy and engaged, you’re not alone. As your partner, we vow to be your trusted resource in making the important decisions. It’s a winning strategy for us both.

Mary Brainerd
President and Chief Executive Officer
We’ve teamed with CIGNA and use their broad national network so your employees receive a consistent HealthPartners experience, no matter where they are.
HealthPartners continued success in meeting the needs of its health plan purchasers and members shows up in many tangible ways:

**Consistent growth over the past 10 years**

HealthPartners is the only plan in our marketplace that continues to grow:

- We’ve seen **20 percent** growth in our medical membership in the past three years.
- Dental membership grew **8 percent** in 2011.
- **Half** of our commercial membership is self-funded.

**Well-being trends and engagement**

- HealthPartners comprehensive well-being programs now support close to 350,000 eligible individuals nationwide.
- Organizations using benefit-based incentives—copays, deductible, or premium contribution differentials—tend to have the highest well-being program participation rates, averaging 75 percent.

**Falling pharmacy trends**

In 2010, our pharmacy trend fell an impressive 4.5 percent overall. 2011 continued that downward trend, falling another 1.2 percent thanks to several initiatives that increased generic use, promoted cost-transparency and consumer choice, and supported proper medication usage.
In an environment of rapid change, HealthPartners has continued to pioneer new product innovations to meet employer needs. Six new products were introduced in 2011.

**Defined contribution plans**

**Just Right** and **CareChoices**, our two new defined contribution plans, give you more control over your health care costs without limiting coverage and plan choices for your employees.

With **Just Right**, you offer employees a suite of plans and decide how much you want to contribute toward employee premiums. And while your employees have multiple plan choices, you only have to administer three.

**CareChoices** puts cost and transparency front and center. Employees have one plan with seven Preferred Care System options with an open access network alternative when they need care. You control your costs through defined contribution, while employee premium and care costs are determined by the Preferred Care System they choose at point of enrollment and point of care.

**Shifting self-insured strategies**

With more employers choosing self-funding to save on taxes and avoid risk-pooling impacts in 2014, we introduced two new, creative self-funded plan options, both, as always, backed by our award-winning disease management programs and pharmacy management to help you control cost:

**Assure** is a gateway plan to self-insurance. You pay a fixed cost plus the actual incurred claim costs. Plan liability is similar to a fully-insured contract, but if claim costs are less than expected, you save. If total claim costs are higher than expected, you’re protected with aggregate stop-loss insurance. Assure includes a 24-month contract to provide even more financial stability and predictability.

With **ReAssured**, you get specific stop-loss insurance at a preferential rate for those high-cost or catastrophic claims, plus the benefit of a 24-month contract.
**Guarantee plan**

With Guarantee you have a three-year contract that gives you predictable premium rates for the next three years. Each year, your rate will increase slightly with modest benefit changes for your employees that gradually increase cost sharing. Guarantee also has an integrated well-being program to further employee engagement in their health and health care spending.

**Empower HealthDollars plan**

HealthDollars packages a proven well-being program within an HSA or HRA plan, so members earn account dollars by completing specific wellness activities. This approach takes the guesswork out of moving to a Consumer-Driven Health Plan, while offering a valuable wellness program and extra financial support for your employees.

More than 60 percent of HealthPartners clients offer a deductible plan.

More than 50 percent of our groups offer an HSA or HRA.

Individuals covered by a Consumer-Driven Health Plan (CDHP) are more likely to ask for generic drugs, discuss prescription options and costs with their provider, check service costs before getting care and use online cost tracking tools.

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**Empower HealthDollars**

- Empower HSA or HRA plan
- An effective wellness incentive program
- Health and financial advocacy
MOBILE TOOLS

To make it as easy as possible for your employees to take advantage of all of the tools they need to live better – physically and financially – we continue to enable more mobile applications they can take with them anywhere, anytime. These include:

- Ongoing yumPower **text messages** on how to eat better and reduce calories
- Free yumPower **iPhone app** to help find better-for-you meals at nearby restaurants
- [m.healthpartners.com](http://m.healthpartners.com) where members can:
  - search for care
  - view and fax their member ID card
  - call HealthPartners CareLine™ service for free 24/7 nurse advice
What makes “good” health and creates a sense of well-being is unique for every person. For some, it’s about making sustainable lifestyle changes. For others, achieving optimal management of a chronic condition is the goal. Or maybe it’s about getting back to work after an accident.

We are a national well-being leader, seeking to create a broader culture of health for everyone, so that no matter the individual need or goal, there’s a simple path to achieve it. And we do this without adding complexity to your role or company.

**Meeting members on their path to well-being**

To keep our members thinking proactively about their health, we continuously find new ways to reach out to members wherever they are, however they want. Some examples include:

- Smartphone coaching applications and well-being reminders, such as Coach VonHealth and yumPower
- Preventive reminder outreach via phone and mail
- Virtual health coaching sessions as close as your computer screen
- Online and phone support to help make critical care decisions based on individual preferences
- Individualized benefit information through myHealthPartners
- Health and well-being resources, calculators and information
- Industry-leading health coaching to help manage chronic conditions
- Extra support during and after hospitalizations
- Dedicated advocates to guide you through the health care system

Health and well-being initiatives have a proven **ROI as high as 3:1.**

Our clients with comprehensive wellness programs and strong communications tied to benefit differentials show success:

- 15 percent fewer emergency department visits
- 12 percent fewer inpatient admissions
- 7 percent fewer prescriptions
- 25 percent fewer new hypertension diagnoses

eValue8 and the National Business Coalition on Health: 3 years as national benchmark for chronic disease management and health promotion
“I chose to track my food because it fit with my lifestyle. It worked well as a quick and easy way to find out where I could improve my health.”

“Don’t be afraid of it – it’s fun! Make sure you choose something that works for you.”

“Theresa would call me regularly just to see how I was doing and how much weight I had lost. She gave me a lot of encouragement to keep going. I watch what I eat now. And I go to the fitness center once a day for at least an hour.”

Simple, fun strategies

When it comes to health and well-being, there’s no one-size-fits-all approach. That’s why we’ve launched a new health and well-being web portal that’s all about you—your brand, your culture and your goals. Because that experience is tailored to your population, you’ll drive better engagement. Ultimately, this will lead to improving health and productivity, while lowering health care costs.

Gamification

Gamification adds the energy, incentive and social aspect of game play to health and well-being initiatives. We integrate the gamification concept into our programs through a points system of rewards. Through personalized dashboards, each person can watch his or her points rack up, visualize reaching the desired goal and keep a constant eye on what it takes to “win” the challenge.

Well-being challenges

Friendly competitions are wellness motivators and workplace morale-builders. We help organize teams, provide the tools to help participants track success and offer milestone communications to keep them moving.

Getting back to work

Nothing is a bigger drain on your organization’s productivity than people missing work. That’s why we offer comprehensive workplace health solutions that support a common goal:

Get people back to work quickly and safely.

- Workers’ compensation case management
- Disability management
- FMLA/Leave Administration
Keeping employees at work

A happy, healthy workforce is a productive workforce. That’s why we provide an array of solutions to keep people at work: neck and back strengthening, an Employee Assistance Program (EAP), Family and Medical Leave Administration (FMLA) and worksite medical services.

On-site immunizations

Studies have found that for every $1 spent by employers on vaccinations, medical costs decreased by $3.27. That’s why we help you build awareness campaigns to engage your employees in receiving immunizations, such as the flu vaccine. HealthPartners also provides fully insured groups with free on-site immunization clinics. Even simpler, you can register your organization online for an on-site flu shot clinic. We take care of the rest.

Getting Well@Work

A Well@Work clinic puts needed care where your employees are likely to use it most: at work. This year, we opened our fourth Well@Work clinic. The clinic saw more than 175 visits a month for the first six months. Those visits were completed quickly, getting people back to work within 30 minutes, often without paying a deductible.

It’s estimated that the Anoka County Well@Work clinic has saved 1,769 hours of productivity since the clinic opened in May 2011—that’s 196+ hours per month!

yumPower

It’s projected that the number of obese Americans will increase from 99 million in 2008 to 164 million in 2030. As a health care leader, HealthPartners knows this is an important issue for our members, our community, and our country. So we tackled it head on, creating our yumPower initiative to help people replace processed, fatty and sodium-filled foods with better-for-them (and delicious) options.
HEALTHPARTNERS DISEASE MANAGEMENT RESULTS

Through our disease management programs, our collaboration with patients and providers significantly enhances our ability to improve health and coordinate care. It’s not a typical approach, and that’s by design. It is unique in the industry. **For every 1,000 employees, you can expect that approximately 30-40 individuals have diabetes. ROI 4:1**
Any attempts at creating better, more cost-effective health plans can’t be successful without also addressing the care side of the health equation. HealthPartners leads the nation in balancing the often-competing issues of quality care and cost with a number of care-side initiatives.

**Advocates and personal guides**

Navigating the what, where and how of health care can be a challenge. To make it easier for HealthPartners members and their families to get the right care, at the right time, at the right price, we have created a unique customer service advocacy model that improves your care and cost outcome. This advocacy model is centered on providing each member with a single health advocate or team, available by phone.

**virtuwell.com**

virtuwell.com provides online diagnosis and treatment options for more than 40 common illnesses such as flu, sinus infections and pinkeye. It is available to HealthPartners members and nonmembers, 24/7, with a maximum payment of $40 per visit. Take a test drive at virtuwell.com.

**Measuring total cost of care**

HealthPartners has developed the first total cost of care methodology to receive national endorsement through the National Quality Forum. This unique methodology was rigorously tested in the marketplace and measures the cost of care provided to a patient across all services and providers. With this information we can:

- Pay providers by aligning incentives around total cost of care and care innovation
- Provide actionable information through improved transparency
- Support population health through member personalization and optimal care

To learn more about our total cost of care measurement, visit healthpartners.com/tcoc.
In 2010, HealthPartners saw its plan and commercial pharmacy trend fall an impressive 4.5 percent, and continued the downward trend in 2011, falling another 1.2 percent. We attribute that piece of good news to several pharmacy initiatives that increased generic use, promoted cost-transparency and consumer choice, and supported proper medication usage.

**Generic promotion**

HealthPartners uses every potential opportunity to educate and encourage members to use generics, reaching out via secure web messaging and targeted mailings, creating financial incentives and implementing formulary changes. Generic medication use continues to grow and is currently at 83 percent.

**myMailRx**

myMailRx is a mail order pharmacy service that allows most members to receive a three-month supply of their medicine for two copays—reducing their costs and yours. The program also includes a refill reminder program.

**Specialty Pharmacy**

HealthPartners partnered with Walgreens Pharmacy to manage specialty medications for members. The result was 10 percent trend per member, per month, compared to between 10 to 20 percent nationally. Specialty Pharmacy also enjoys a 93 percent member satisfaction rate and greater-than-90 percent adherence.

**RxCheckup**

RxCheckup is available to all our groups with a HealthPartners pharmacy benefit. This medication management program provides one-to-one consultation to review medicines and make sure they’re safe, effective and fit the employee’s lifestyle.
Going to the dentist is easy with HealthPartners.

We offer affordable dental plans with the least exclusions and limitations in the industry, along with value-added features to help you and your employees better manage costs.

We continually strive to develop innovations that give our members the experience they expect and to provide you more avenues to cost savings.

**Little Partners**

A lifetime of healthy teeth starts early. Our Little Partners benefit gets children started on the right path with 100 percent coverage on network services for kids 12 years and younger. No deductible, no coinsurance and no annual maximum.

**Periodontal benefit**

There is a growing body of research that suggests that one’s oral health can cause complications with systemic conditions (and thus increase medical costs). For example, diabetics with gum disease have a harder time controlling their blood sugar, which can lead to serious health complications.

With roughly one in five Minnesotans diagnosed with diabetes, our periodontal benefit is designed to make sure those at-risk members receive the extra care they need.

**Dental Options**

HealthPartners recently launched a new defined contribution product, Dental Options, which allows you to set your contribution level while letting your employees choose the plan that’s best for them.
OUR TEAM INCLUDES COMMUNITY

It doesn’t matter who or where they are. If someone is not achieving their optimal health, we all pay for it.

HealthPartners makes reducing health disparities a priority. In 2011, HealthPartners Institute for Medical Education launched the EBAN Experience, providing tools to diverse communities. Twenty community members representing Hmong, Somali, African American and Latino communities focused on disparities in pediatric immunizations, improving diabetes outcomes, increasing mammography, decreasing readmission after hospitalization and other health issues. The work of the teams will drive changes in the community, improving care, creating new leaders and building models that can be replicated across the country.

EBAN reducing disparities year-one results:

• 10 percent increase in the number of patients of color completing colorectal cancer screenings
• 15 percent improvement for pediatric fluoride varnish for patients on public health insurance programs

HealthPartners is the top-ranked commercial plan in Minnesota and among the top 25 commercial health plans in the nation, according to NCQA’s Health Insurance Plan Rankings 2011-2012*.

Highest overall member rating of any health plan in Minnesota for 2009, 2010 and 2011

Best performing plan in the country, 2009-2011, according to eValue8.
Leading the nation in 11 of 14 categories

*NCQA’s Health Insurance Plan Rankings 2011-12 – Private | The HealthPartners family of health plans are underwritten and/or administered by HealthPartners, Inc., Group Health, Inc., HealthPartners Insurance Company or HealthPartners Administrators, Inc. Fully insured Wisconsin plans are underwritten by HealthPartners Insurance Company.
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