



C-Suite Guide to Taking back control of your health plan

5 STEPS TO IMPROVE HEALTH
OUTCOMES AND SAVE COSTS



Dear Executive,

We proudly serve over 2,300 midsize companies across the great state of North Carolina. For many years, we have listened to CEOs, CFOs and HR Executives complain about rising health insurance costs and declining healthcare services. We have great news! We have found a solution that gets you out of the status quo and back in control of your health plan.

Catapult put our money where our mouth is. Not only did we change our own health plan to Hero, we also bought a stake in the company! I am here to tell you that Hero works. This C-Suite Guide is intended to inspire you to consider leaving the status quo, too.

Rising premiums have made the status quo approach unsustainable for your plan, while skyrocketing deductibles have made it unaffordable for your employees. But switching between BUCAH Plans (Blue Cross, United, Cigna, Aetna, Humana) every few years is neither a smart nor sustainable strategy.

Inside this guide, you will find 5 Steps that successful firms have taken to achieve this goal. While better care, lower costs and more control are the reasons executives say they changed, many also mention improved retention, reputation and valuation. Let us know how we can help you take back control of your plan.

A handwritten signature in blue ink that reads "Doug".

Doug Blizzard
Catapult



Better Care



Lower Costs

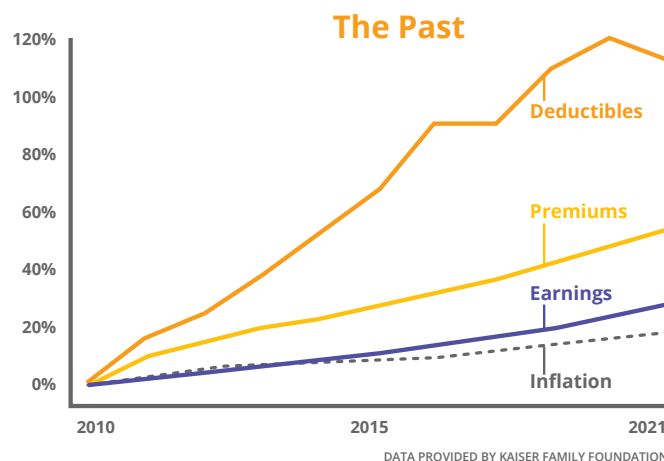


More Control

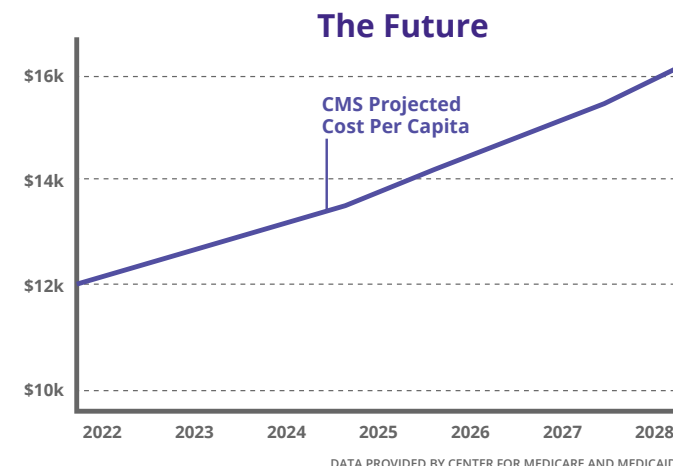
It's not if, but when your status quo health plan will become unaffordable for your Company.

These two graphs tell an important story. The first shows our past 10 years of unbelievable pain and cost-shifting. The second shows unsustainable trends.

Do you plan to stay stuck in the status quo?



Unbelievable. Over the past 10 years, Workers' meager earnings gains have barely out-paced inflation. However, their contributions to healthcare have skyrocketed. Do your Employees have enough in savings to pay your deductible?



Unsustainable. When will your spend become unsustainable? Better yet, what strategies do you have to confront this threat? If you are stuck in a status quo BUCAH (Blue, United, Cigna, Aetna, Humana) Plan, your Carrier profits grow when your claims go up. Is that your idea of a partnership?

80%

of workers would rather improve benefits than increases salaries

AICPA Poll

68%

of personal bankruptcies are from medical expenses

CNBC

25%

of workers with insurance refuse medical care due to out-of-pocket cost

Gallup Poll

The status quo must go.

5 Steps to a High Performance Health Plan

- 1 BE STRATEGIC
- 2 UNDERSTAND YOUR OPTIONS
- 3 PROTECT YOUR PLAN
- 4 PLAY OFFENSE
- 5 INCENTIVIZE SMARTER CHOICES

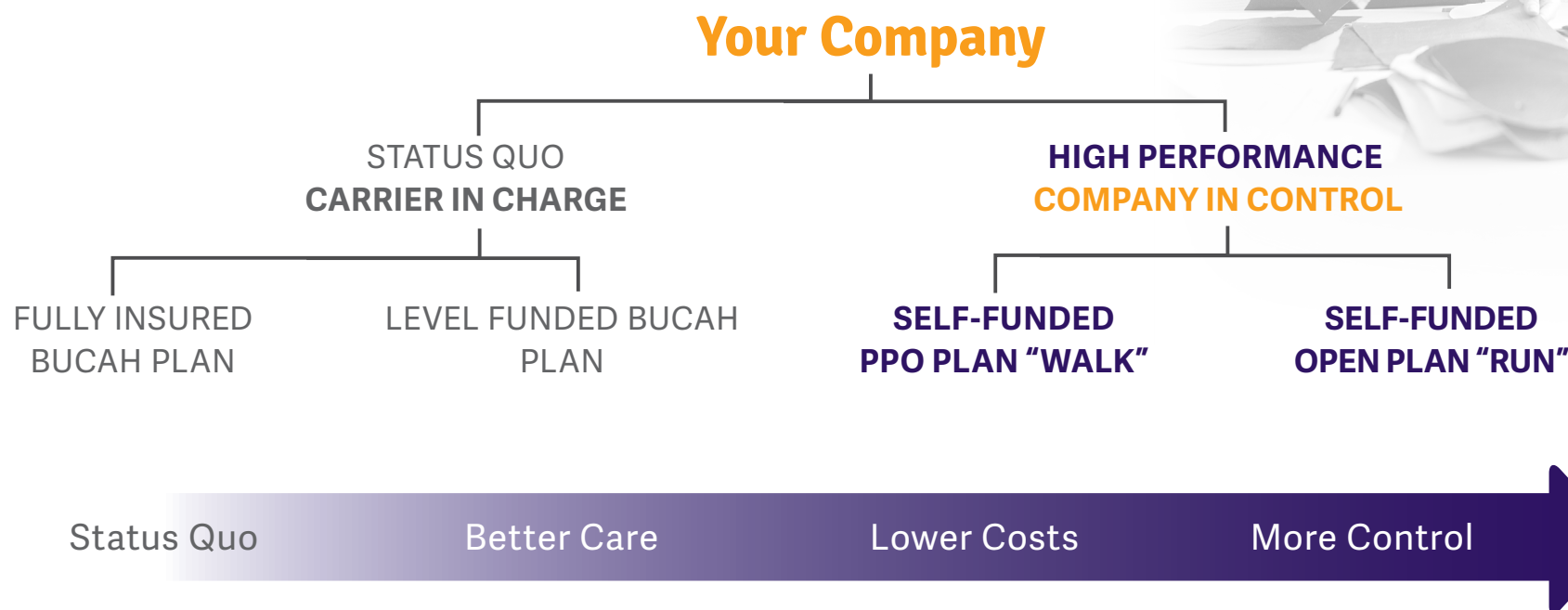
1 Be strategic! Stop “getting through renewal” and begin implementing your 3-year plan.



2 Understand your plan options

Journeys are better when you know where, why and when you are going.

The more you value Better Care, Lower Costs and More Control, the further to the right you will choose to go. And Hero is there to guide you every step of the way.

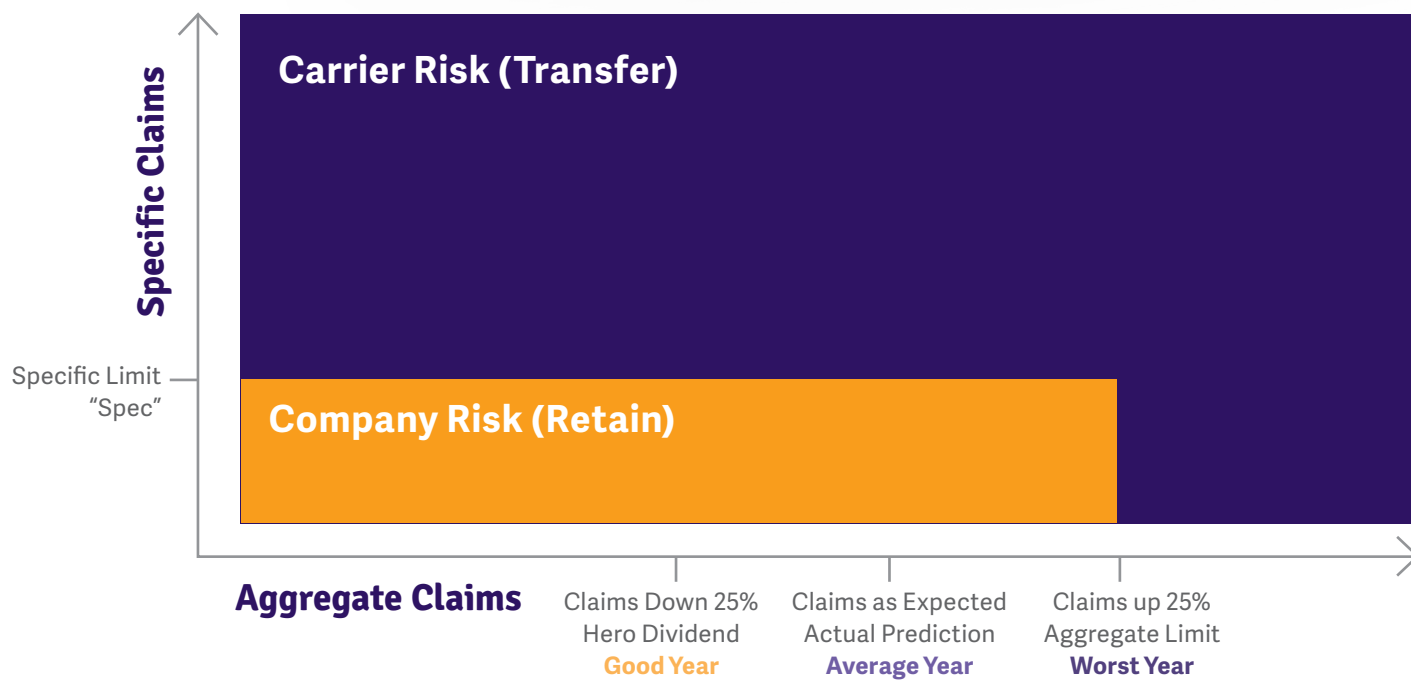


3 Protect your plan with Stop-Loss

Aptly named, Spec and Agg literally “stop your losses” at levels you choose.

Hero helps companies like yours significantly increase plan performance. But before we can improve your plan, we need to protect it. Big Carriers overcharge fully-insured and level-funded companies for insurance. Smart companies learn how Stop-Loss protects their plan without overpaying.

The graphic shows how Stop-Loss works. Your company’s risk is capped at the Specific Limit you choose. So, if you choose \$50,000, then your plan only pays up to this amount. The Stop-Loss Carrier is responsible for the rest. Similarly, your Aggregate Limit caps your plan’s risk for the entire year. In this example, the company chose 25% above expected. Once you have Stop-Loss protecting your plan, it is time to play offense!



4 Play offense: Implement proactive programs

Now that you have won back control of your Plan, start reducing costs! Here are 6 ways we help you do it:



1 MORE PRIMARY CARE

\$0 Out-of-Pocket Primary Care will provide Members with 50% of their healthcare for only 10% of your budget. Reduces costly ER visits, too.



2 SURGICAL CENTERS OF EXCELLENCE

Fellowship surgeons with bundled payments at lower costs. These clinics offer 30-60% savings.



3 ORTHOPEDIC CARE

Mandatory 2nd Opinions prevent costly unnecessary surgeries. Direct Contracts with the top doctors save on those that are needed.



4 CARDIOMETABOLIC CARE

BUCAH dialysis programs are costly and reactionary. Get proactive and prevent diabetes to save lives and over \$250,000 per member in cost.



5 BETTER PHARMACY BENEFITS MANAGER

Start with total transparency on drug costs. Then offer 300 generics for \$0 Out of Pocket to help Members. Aggressive Prescription Assistance Programs drive big savings for your Plan and People.



6 LOCAL IMAGING CENTERS

Hero has hundreds of top tier imaging centers all over the Carolinas and Virginia. Our prices are 75% less than your BUCAH hospital charges.



5 Improve Retention, Attraction and Reputation

If you have a high deductible health plan, don't penalize employees — incentivize! Hero uses the Power of \$0 to improve health outcomes — and incomes — for your employees. Here are just a few examples:

- **\$0** Out-of-pocket Primary Care
- **\$0** Out-of-pocket Virtual Care
- **\$0** Out-of-pocket Behavioral Health Care
- **\$0** Out-of-pocket Surgeries at Centers of Excellence
- **\$0** Out-of-pocket 2nd Opinions with Top Specialists
- **\$0** Out-of-pocket Wellness Screenings, Health Coaching, Dieticians
- **\$0** Out-of-pocket for 300 generic drugs
- **\$0** Out-of-pocket Nurse Navigators on call to assist you
- **\$0** Out-of-pocket Pharmacists on call to assist you
- **\$0** Out-of-pocket MRI, Mammograms, CT and PET Scans



It's not magic... it's math!

The only way to spend less on healthcare is to proactively address each of your Top 10 cost categories. This is what high performing plans do. Hero is here to show you how, too!

The table shows a typical plan's spending by category. Each plan will be different. Some may have higher Cardiometabolic costs (hypertension, diabetes, strokes, etc.) and lower Musculoskeletal costs (knee and hip replacements, etc.) Here is the critical question: **What are you doing to proactively reduce cost and improve care in each of these important categories?**

If the answer is, "We just hope we don't get a high renewal rate!" — our reply is, "Hope is not a strategy!" You need a plan for your Plan. We promise that you will like the math.

TOP 10 Cost Categories	Category as % of Claims Costs	Savings within Category	Impact on Overall Claims Spending	Per Employee Per Year Savings
Primary	10%	30%	3.0%	\$240
Cardiometabolic	18%	20%	3.6%	\$288
Musculoskeletal/Ortho	16%	20%	3.2%	\$256
Basic Pharmacy	4%	20%	0.8%	\$64
Specialty Pharmacy	18%	25%	4.5%	\$360
Surgical	16%	20%	3.2%	\$256
Imaging	3%	20%	0.6%	\$48
Cancer	10%	20%	2.0%	\$160
Mental+Behavioral	3%	20%	0.6%	\$48
Medical Billing Errors	2%	20%	0.4%	\$32
Totals	100%		22%	\$1,752

This client was spending nearly \$8,000 Per Employee Per Year (PEPY). Hero Health has applied proactive programs across their Top 10 Cost Categories to achieve 22% savings, or \$1,752 PEPY.

Case Studies

Surgery

Here is a comparison of how your status quo PPO handles surgeries versus Hero. We not only have direct contracts with the top doctors at the finest facilities, we also provide the best patient experience. Better outcomes, higher incomes — for your people, plan and top providers.

Status Quo PPO		Hero
\$48,000+	Knee or Hip Replacement	\$24,000
\$5,000+	Member Cost	\$0
\$43,000+	Plan Cost	\$24,000
Varies	Quality of Doctor	Top Ranked Fellowship Surgeon
Old Hospital	Quality of Facility	New Surgical Center
Many confusing invoices	Billing Method	1 simple bundled bill



Pharmacy

Here is a comparison of the annual costs for Specialty Drugs from a recent plan review versus Hero Health. We have three ways to save your Plan and People: 1) transparent PBM fees, 2) lower formulary prices, and 3) aggressive Prescription Assistance Programs. We advocate on behalf of your Employees to get free or deeply discounted prescriptions. The savings are significant.

Status Quo PPO		Hero
\$72,000	Humira	\$28,000
\$65,000	Enbrel	\$25,000
\$50,000	Stelara	\$20,000

FAQs

Q: What is Hero Health?

A: We are the Employer Plan for smart midsize companies.

Q: Who qualifies?

A: Any NC, SC or VA based company with 25 or more employees on their Plan.

Q: Whom does Hero Health partner with?

A: Proactive Employer Organizations such as Catapult (formerly CAI and TEA) as well as NC Chamber.

Q: Can we keep our current Plan?

A: Yes! We will add \$0 Out-of-Pocket options for better Primary Care, Generic Drugs, 2nd Opinions, and many Surgeries.

Q: How can we save money and offer \$0 Out of Pocket to Employees?

A: Your status quo PPO is so bloated, that cutting waste and paying providers directly generates significant savings.

Q: Can we keep our Broker?

A: Yes! But only if your Broker is accredited by Hero Health, and signs a Transparency Pledge.

Q: What are the savings?

A: Hero clients spend 20%+ less and get better care. Trend is lower, too.

Q: How do you lower our spending so much?

A: By aggressively addressing the reasons for your high premiums with much smarter solutions.

Q: Is this a "Narrow Network" or "Reference Based Pricing"?

A: No. Hero uses direct contracts and incentives to encourage savings — but Members can go anywhere for care.

Q: We are not a large corporation, should we worry about self-funding with Stop-Loss?

A: Not at all. In fact, the fastest growing category of self-funded companies are those with 25-200 employees.



Purpose

We improve health outcomes and wealth incomes for working People, Employer Plans and the Best Providers.

Mission

We provide clients with the 5Cs: better Care, lower Cost, more Control, enhanced Culture, and improved Community.

Vision

To become the most trusted health platform for employers.

Our partners

We are honored to partner with the leading business organizations in our state: Catapult and NC Chamber. Working together, we are educating over 2,500 midsized businesses — like yours — on how to become better buyers of healthcare.



Hero Health is also excited to partner with the two leading national non-profits dedicated to helping employers and their workers: Health Rosetta and Validation Institute.



Which companies are a good fit?

- 25 or more employees on your plan
- View employees as an asset
- Would like to execute against a 3-year strategic plan
- Want more transparency and control over healthcare costs
- Want to improve EBITDA as well as attraction, retention and reputation
- Would like employees to have better health outcomes and higher incomes



May we quote you?



Are you ready to see how Hero can help? For your customized Quick Quote, all we need is your Census, Plan Summary PDF and Rates. Let's start with a 30-minute Zoom to see how we can assist your Team.

Learn: herohealthplans.com

Meet: Patrick@herohealthplans.com

Quote: [Hello@herohealthplans.com](mailto>Hello@herohealthplans.com)