

2023 Healthcare Financial Benchmarks

Washington State Health Care Authority - PEBB

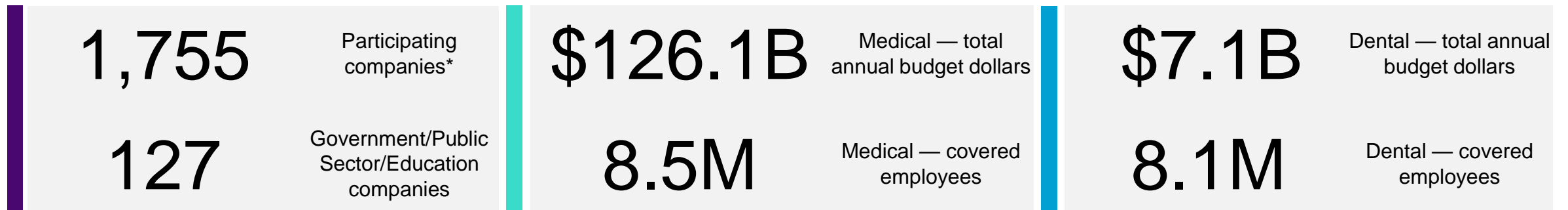
December 19, 2023



Financial Benchmarking Survey – overview

Custom healthcare benchmarking with actionable insights

The WTW Healthcare Financial Benchmarking Survey (FBS) collects cost, plan design, and enrollment information in a robust database that is used to deliver valuable financial and plan efficiency benchmarking insights.



* Database participation as of December 12, 2023

The FBS is a critical resource for holistically evaluating healthcare program performance across the following components:

1. Cost efficiency

Healthcare programs are evaluated on how efficiently they are performing by adjusting cost data for plan design, demographics, family size and geographic cost differences so they can be easily compared.

2. Employee cost sharing

Employee costs are benchmarked both from a dollar and percentage of premium standpoint. This includes not only employee contributions, but their out-of-pocket (OOP) expenses as well.

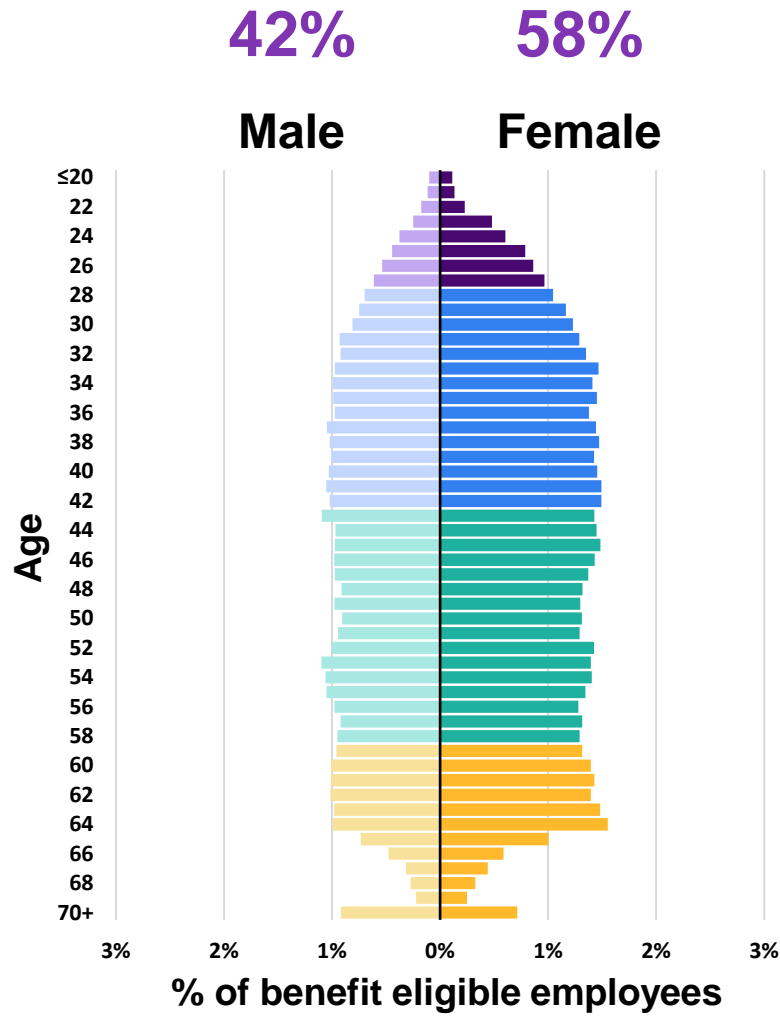
3. Account funding/incentives

The prevalence and funding of HSA and HRA accounts are compared, as well as the plans' wellness incentives and delivery methods.

4. Plan design

Medical, pharmacy and dental plan benefits are examined on a side-by-side basis, against both industry and database norms.

Your population demographics

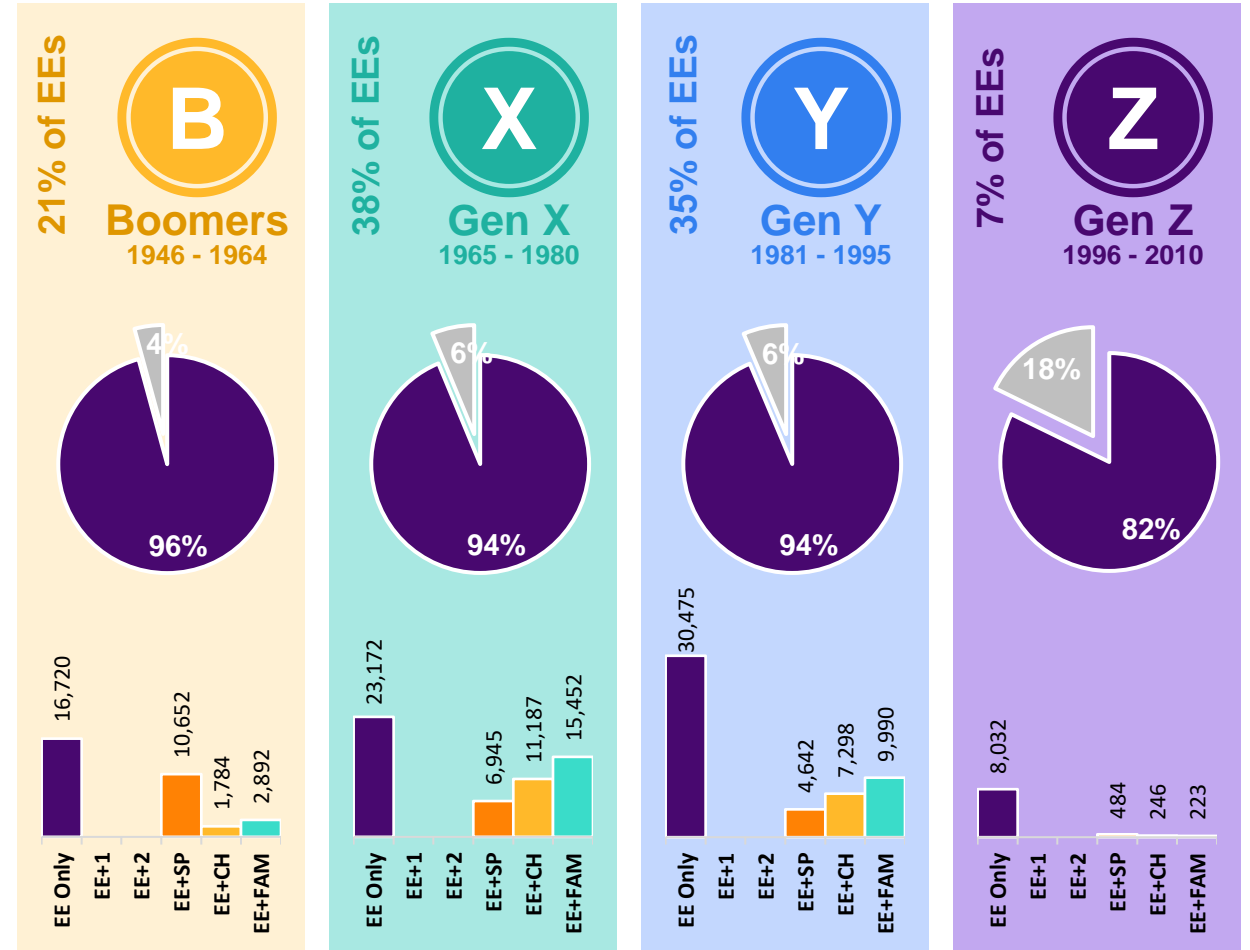


46.2
Average age

7%
Waiver rate

48%
% Covering dependents

Breakout by generation



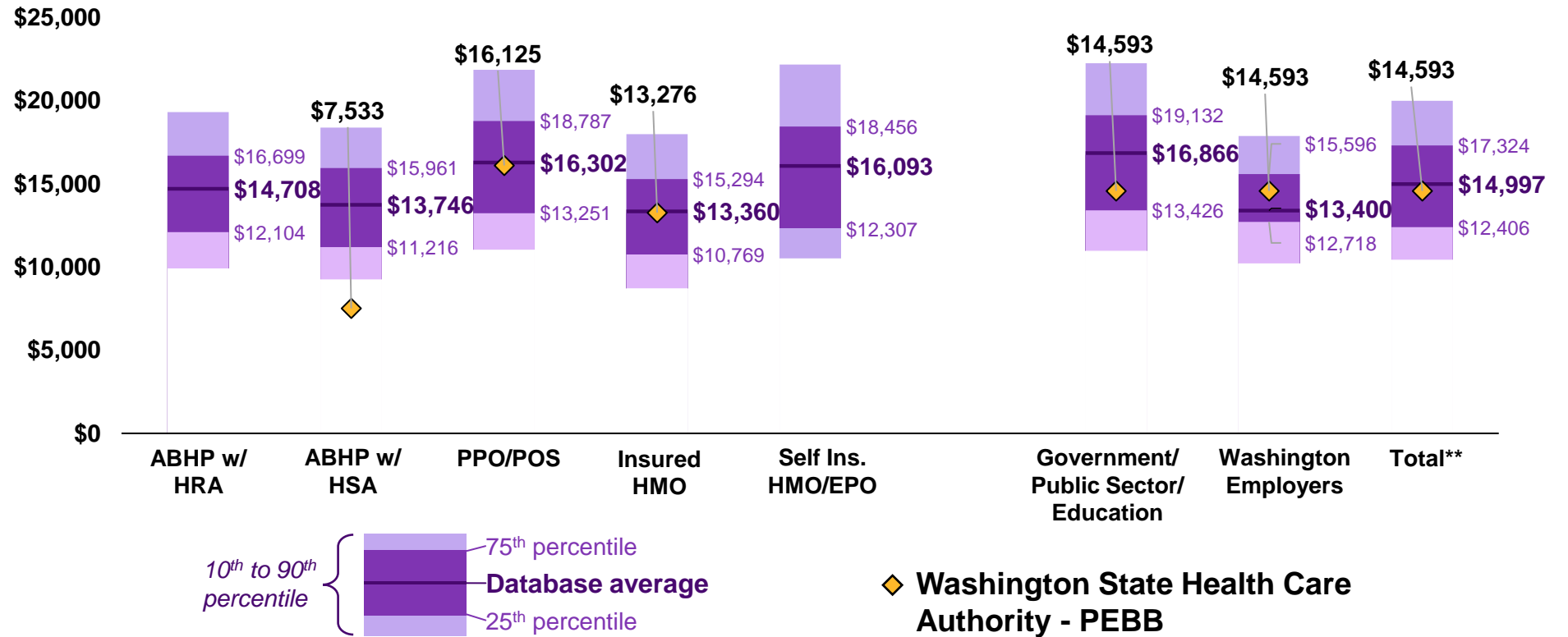
Medical cost benchmarks





Total cost per covered employee per year*

? How do your gross plan costs (employer subsidy and employee contributions) compare?



◆ Washington State Health Care Authority - PEBB

✓ Your actual costs are 3% below the benchmark average, 13% below average for your industry.

*Unadjusted

**Total costs represent an enrollment weighted average of all plan types

Medical cost benchmarks

CONSIDER:

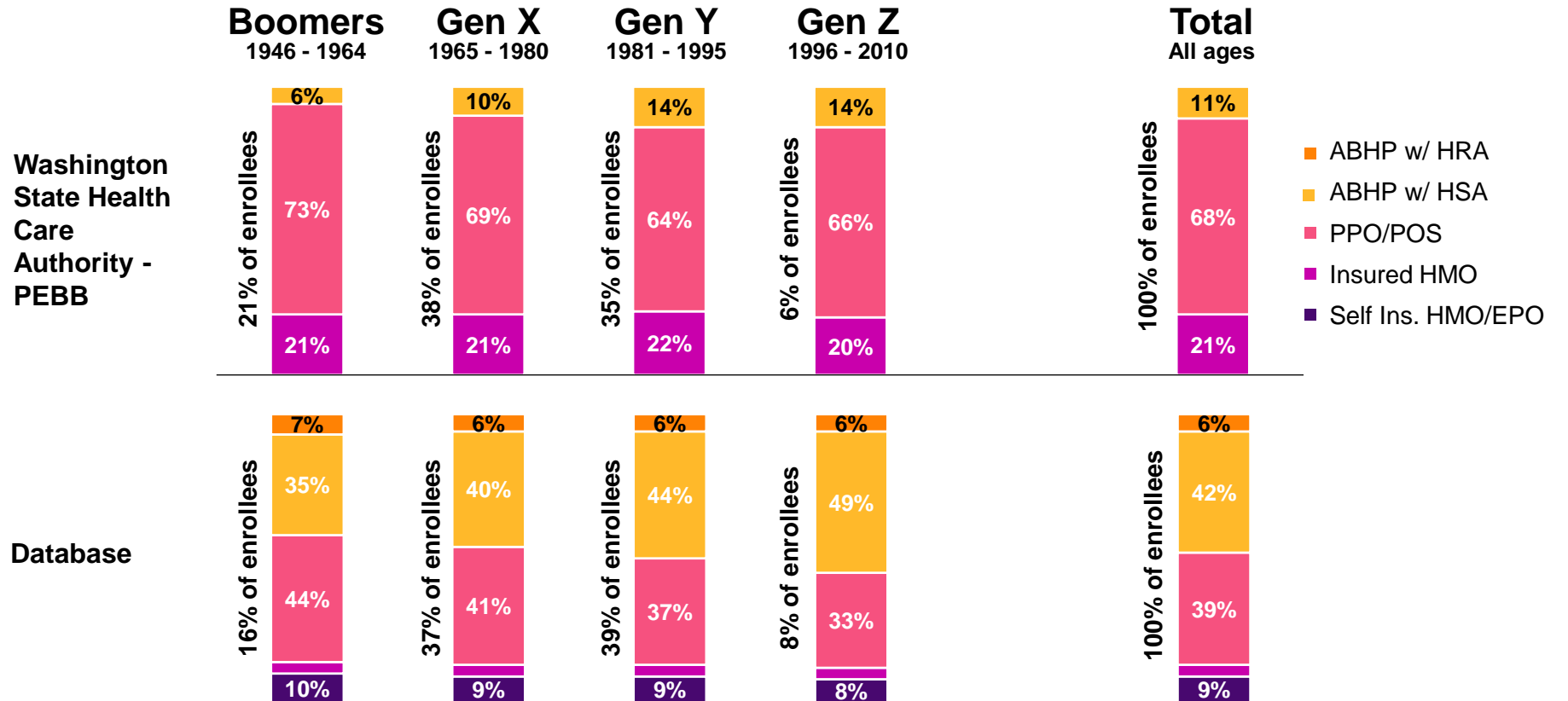
- Costs are average per employee per year, across all enrollees
- These are unadjusted costs based on premiums and/or premium equivalents



Medical cost benchmarks

Enrollment by plan type and age breakdown

? How is plan enrollment influenced by age?





Medical cost benchmarks



CONSIDER:

- Before adjustments, it is hard to determine the cause of cost differences versus database
- Adjustments exclude factors like healthcare utilization, network discounts and clinical indicators
- Evaluating program efficiency helps identify strengths and opportunities in the program

Determining your healthcare program efficiency

The following exhibits evaluate your healthcare program's efficiency. We create a custom benchmark by adjusting the database costs on four key aspects to match the database to your population and program. The difference after these adjustments is your program's relative efficiency, reflecting how much more/less you pay than an employer with the same demographics, plan designs, and geographic footprint as you.

Unadjusted Database	The average gross plan costs across participating employers (the entire database, or a selected industry) before any adjustments are applied.
Age and gender	The age and gender profile of the population — Cost is directly correlated with age. The impact of gender on expected cost varies with age.
Family size	The estimated number of members covered per employee — Larger-than-average family size is expected to increase costs per employee.
Geography	The underlying cost for basic healthcare services in an area — Provider competition and more prevalent managed care plans may reduce costs in some areas. Greater enrollment in higher-cost areas is expected to increase costs.
Plan value	The level of benefits covered under your medical plan — Plans reimbursing a higher percentage of medical expenses than the database average are expected to increase costs.
Adjusted Database	This is what we expect the database costs would look like if all employers had the same plans and demographics as you.



Medical cost benchmarks



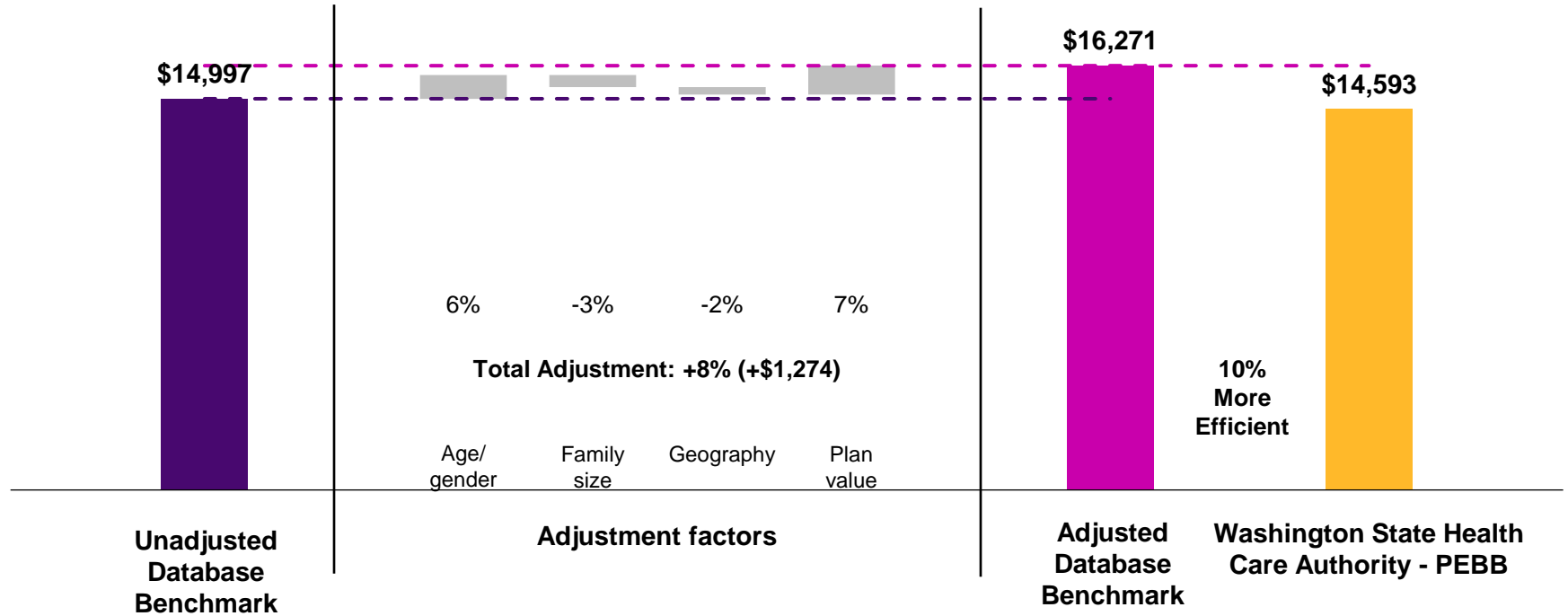
CONSIDER:

- Are there opportunities to improve your cost efficiency for the next plan year?
- Is your plan efficiency an opportunity to highlight the strength of your program performance?

Program efficiency



After adjustments, how efficient is your total plan overall?
 What is the financial impact of moving to benchmark performance?



Your total program is 10% more efficient than the average database performance, equating to \$252 million of current savings compared to other employers. Relative to top quartile performers, your total program is about as efficient.



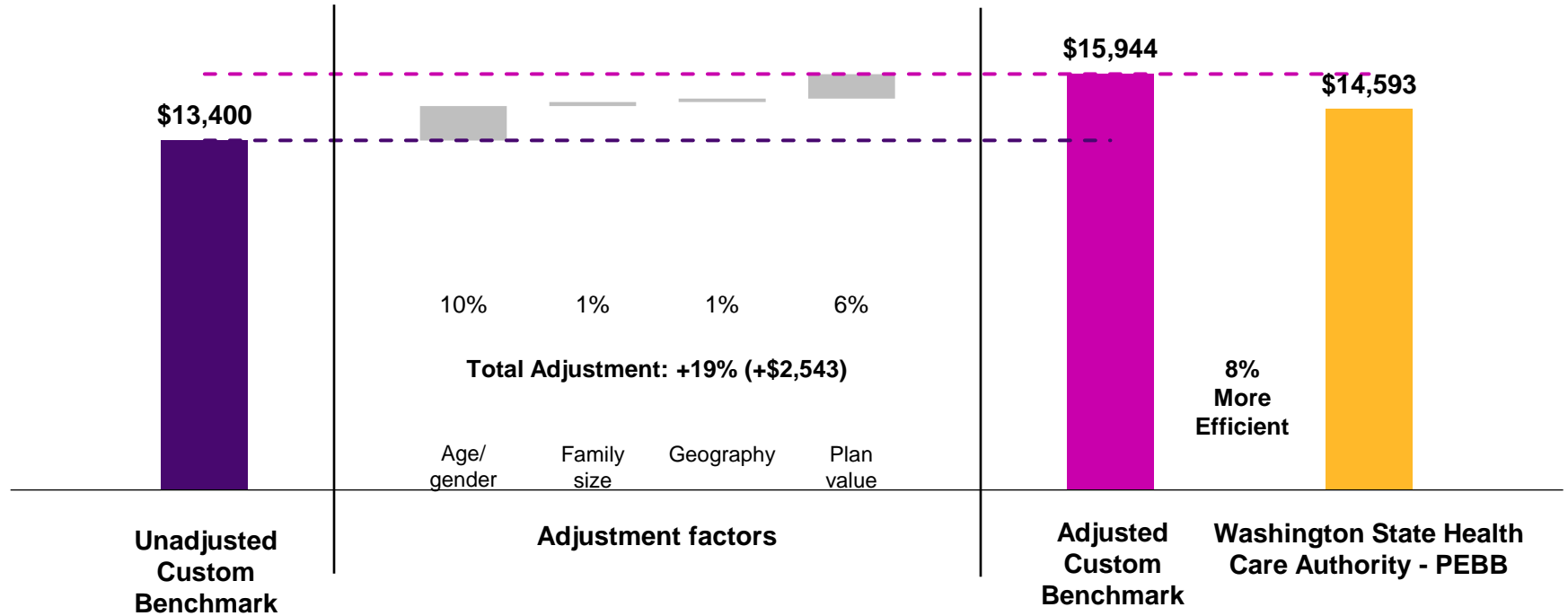
Medical cost benchmarks

CONSIDER:

- Are there opportunities to improve your cost efficiency for the next plan year?
- Is your plan efficiency an opportunity to highlight the strength of your program performance?

Washington State Program efficiency

? After adjustments, how efficient is your total plan overall?
 What is the financial impact of moving to benchmark performance?



✓ Your total program is 8% more efficient than the average custom database performance, equating to \$202.9 million of current savings compared to other employers. Relative to top quartile performers, your total program is 3% more efficient, translating into a current savings of \$47.6 million.



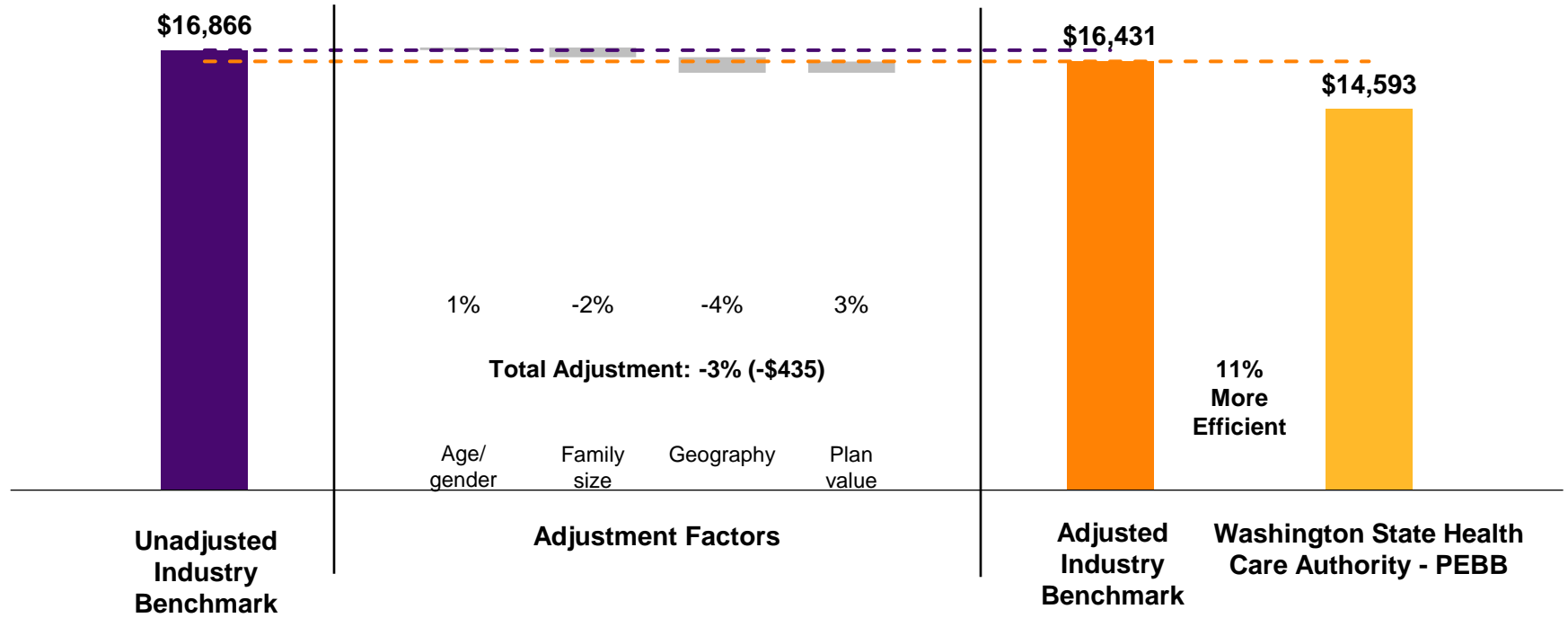
Medical cost benchmarks

CONSIDER:

- Are there opportunities to improve your cost efficiency for the next plan year?
- Is your plan efficiency an opportunity to highlight the strength of your program performance?

Program efficiency (versus industry benchmark)

? After adjustments, how efficient is your total plan compared to the Government/Public Sector/Education industry?



✓ Your total program is 11% more efficient than your industry, equating to \$276.1 million of current savings.



Medical cost benchmarks

Employee cost sharing overview

Employer concerns about healthcare costs extend to employee affordability. Evaluating employee costs holistically is critical to assessing the competitiveness of a healthcare program. This includes evaluating both employee payroll contributions and out-of-pocket costs, assessing both from a total dollars and total percent perspective.

This section shows how your company's employee costs compare with the database averages, and how contribution comparisons vary by plan type.

This section includes:

- Comparisons of employee versus dependent subsidy levels
- Comparisons to both the overall database and by industry
- Total cost comparisons including the employer subsidy, employee payroll contributions, and employee out-of-pocket costs at point of service (e.g., deductibles, coinsurance, copays, etc.)



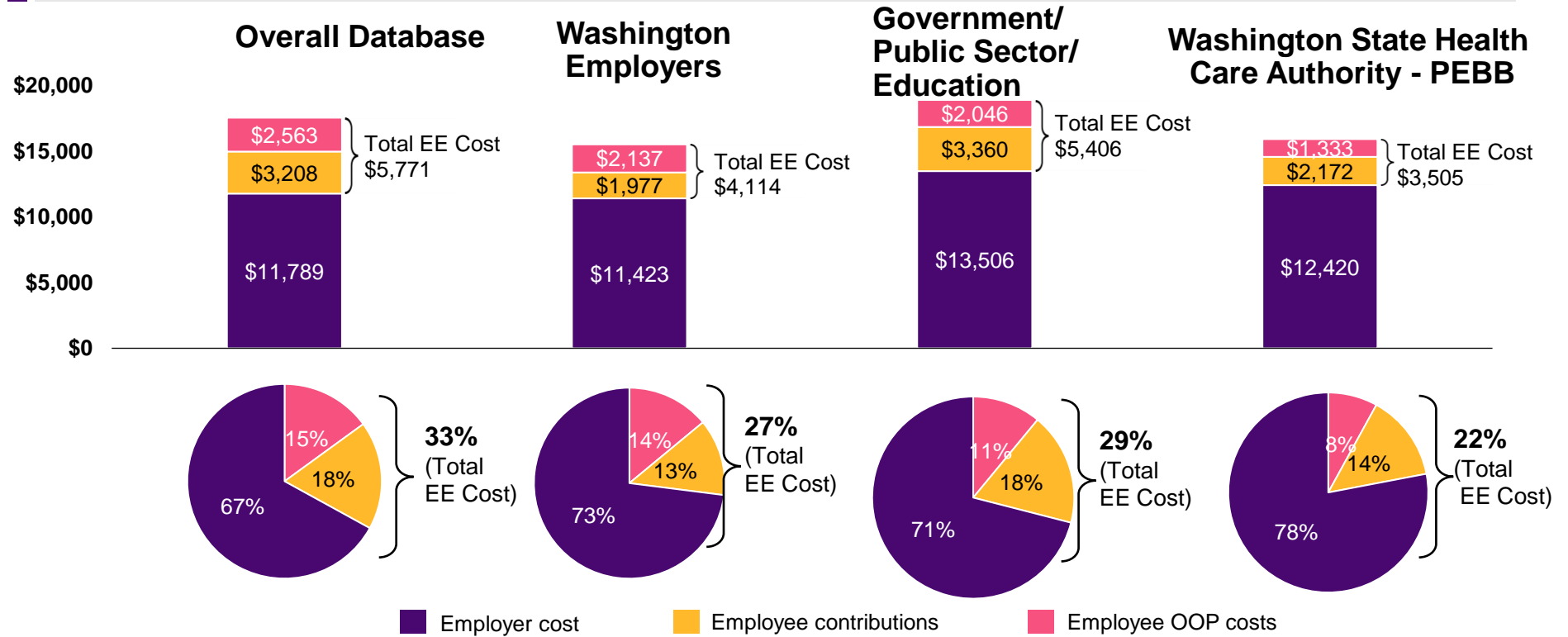
Medical cost benchmarks

CONSIDER:

- The competitiveness of your employee cost sharing is an important consideration when attracting and retaining talent
- Cost shifting is an important discussion each year in an effort to balance company cost management and employee affordability

Total cost and contributions

? How does your employees' share of total cost, including contributions and out-of-pocket expenses, compare to benchmarks?



✓ Compared to the overall database, your employee share of total costs is lower.
Compared to others in your industry, your employee share of total costs is lower.



Medical cost benchmarks

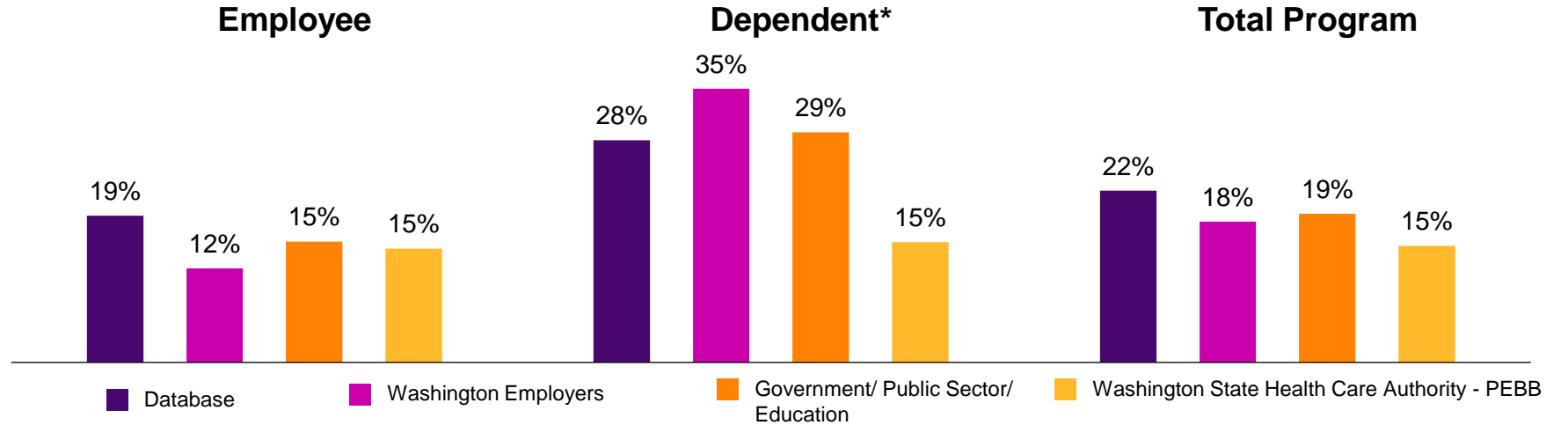


CONSIDER:

- The dependent (spouse, child, family, etc.) contribution is the portion of the total contribution associated with only the dependent(s) (i.e., net of employee portion)

Employee contributions as a share of plan cost

? How does your cost sharing, for employees and dependents, compare to benchmarks?



	ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self Ins. HMO/EPO
Washington State Health Care Authority - PEBB	NA	8%	15%	17%	NA
Database	22%	18%	26%	24%	22%

✓ Employees contribute less than the database average but about the same as the industry average. Dependents are below the database and industry averages.

*Dependent includes spouse and/or children

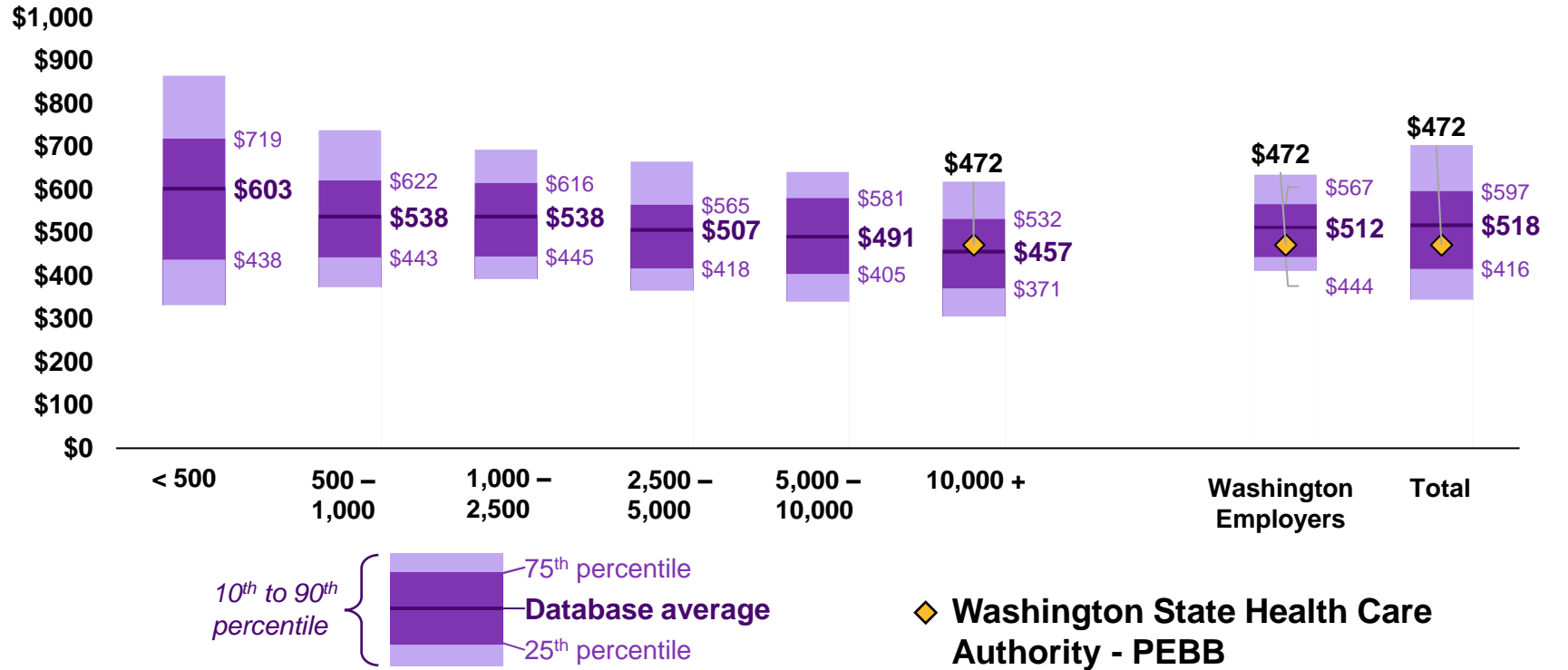


Medical cost benchmarks

Annual self-funded administration fees by size*



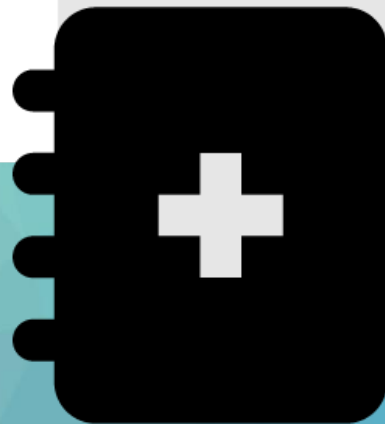
How do your administration fees compare to the database?
 What is contributing to your variance from average?
 What other variable fees are being paid to vendors in addition to the monthly administration fees?



Your PEPM administration fees are 9% below the database average.
 Additional fees, such as other variable fees for out-of-network provider fee reductions, are typically paid separately and are not included in this comparison.

*Results by employer size for companies with self-insured arrangements

Medical plan design benchmarks





Medical plan design benchmarks

Medical plan design benchmarks

ABHP with HSA plan design



How do your medical plan designs compare to the database?

Medical* (single/family)	Washington State Health Care Authority - PEBB			Database		
	UMP HDHP	KPWA CDHP	KPNW CDHP	All companies	Washington Employers	Government / Public Sector / Education
Account funding	\$700 / \$1,400	\$700 / \$1,400	\$700 / \$1,400	\$500 / \$1,000	\$850 / \$1,250	\$500 / \$1,000
Deductible	\$1,500 / \$3,000	\$1,500 / \$3,000	\$1,500 / \$3,000	\$2,000 / \$4,000	\$1,500 / \$3,000	\$2,000 / \$4,000
Plan coinsurance	85%	90%	85%	80%	80%	80%
Office visit (OV) copays**	NA	NA	\$20 / \$30	\$30 / \$50	NA	\$30 / \$55
Inpatient (IP) copay	NA	NA	NA	\$250	NA	NA
Outpatient (OP) copay	NA	NA	NA	\$150	NA	NA
Virtual care copay	NA	NA	NA	\$48	\$10	\$49
Urgent care (UC) copay	NA	NA	\$40	\$50	NA	\$63
Emergency room (ER) copay	NA	NA	NA	\$150	NA	\$200
Out-of-pocket maximum***	\$2,700 / \$5,400	\$3,600 / \$7,200	\$3,600 / \$7,200	\$2,000 / \$4,000	\$1,863 / \$3,675	\$2,000 / \$4,000

*In-network benefits

**Primary care physician/specialty care physician copays (if applicable)

*** Excludes deductible



Medical plan design benchmarks

Medical plan design benchmarks

PPO/POS plan design



How do your medical plan designs compare to the database?

Medical* (single/family)	Washington State Health Care Authority - PEBB			Database		
	UMP Classic	UMP Plus UW / PSHVN	UMP Select	All companies	Washington Employers	Government / Public Sector / Education
Deductible	\$250 / \$750	\$125 / \$375	\$750 / \$2,250	\$750 / \$1,800	\$550 / \$1,500	\$725 / \$1,500
Plan coinsurance	85%	85%	80%	80%	80%	85%
Office visit (OV) copays**	NA	NA / \$65	NA	\$25 / \$40	\$25 / \$30	\$25 / \$40
Inpatient (IP) copay	\$600	\$600	\$200	\$250	\$200	\$250
Outpatient (OP) copay	NA	NA	NA	\$100	NA	\$100
Virtual care copay	NA	NA	NA	\$25	\$12	\$20
Urgent care (UC) copay	NA	NA	NA	\$50	\$25	\$35
Emergency room (ER) copay	NA	NA	NA	\$150	\$150	\$150
Out-of-pocket maximum***	\$1,750 / \$3,250	\$1,875 / \$3,625	\$2,750 / \$4,750	\$2,500 / \$5,000	\$2,500 / \$5,500	\$2,500 / \$5,000

*In-network benefits

**Primary care physician/specialty care physician copays (if applicable)

*** Excludes deductible



Medical plan design benchmarks

Medical plan design benchmarks

HMO/EPO plan design



How do your medical plan designs compare to the database?

Medical* (single/family)	Washington State Health Care Authority - PEBB			Database		
	KPWA Value	KPWA Classic	KPWA Sound Choice	All companies	Washington Employers	Government / Public Sector / Education
Deductible	\$250 / \$750	\$175 / \$525	\$125 / \$375	\$750 / \$1,500	NA	\$1,000 / \$2,000
Office visit (OV) copays**	\$30 / \$50	\$15 / \$30	NA / \$65	\$20 / \$35	NA	\$25 / \$30
Inpatient (IP) copay	\$750	\$450	\$500	\$250	NA	\$250
Outpatient (OP) copay	\$200	\$150	NA	\$100	NA	\$75
Virtual care copay	NA	NA	NA	\$20	NA	\$20
Urgent care (UC) copay	\$30	\$15	NA	\$30	NA	\$30
Emergency room (ER) copay	\$300	\$250	NA	\$150	NA	\$150
Out-of-pocket maximum***	\$2,750 / \$5,250	\$1,825 / \$3,475	\$1,875 / \$3,625	\$2,500 / \$5,000	NA	\$2,500 / \$5,500

*In-network benefits

**Primary care physician/specialty care physician copays (if applicable)

*** Excludes deductible



Medical plan design benchmarks

Pharmacy plan design benchmarks

ABHP with HSA plan design

? How do your pharmacy plan designs compare to the database?

Pharmacy		Washington State Health Care Authority - PEBB			Database					
		UMP HDHP	KPWA CDHP	KPNW CDHP	All companies		Washington Employers		Government / Public Sector / Education	
Deductible (single/family)		Combined w/ medical	Combined w/ medical	Combined w/ medical	Combined w/ medical		Combined w/ medical		Combined w/ medical	
Out-of-pocket maximum* (single/family)		Combined w/ medical	Combined w/ medical	Combined w/ medical	Combined w/ medical		Combined w/ medical		Combined w/ medical	
Retail pharmacy (30-day)	Generic (min/max)	85% (\$0 / \$0)	\$20	\$15	\$10	80% (\$0 / \$0)	\$10	80% (\$0 / \$0)	\$10	90% (\$0 / \$0)
	Formulary (min/max)	85% (\$0 / \$0)	\$40	\$40	\$35	80% (\$0 / \$0)	\$28	80% (\$0 / \$0)	\$33	80% (\$0 / \$0)
	Non-formulary (min/max)	85% (\$0 / \$0)	50% (\$0 / \$250)	\$75	\$60	80% (\$0 / \$0)	\$40	80% (\$0 / \$0)	\$60	80% (\$0 / \$0)
	Specialty (min/max)	85% (\$0 / \$0)	\$40	50% (\$0 / \$150)	\$100	80% (\$0 / \$0)	NA	80% (\$0 / \$150)	\$145	80% (\$0 / \$0)
Mail order (90-day)	Generic (min/max)	85% (\$0 / \$0)	\$40	\$30	\$25	80% (\$0 / \$0)	\$20	80% (\$0 / \$0)	\$25	90% (\$0 / \$0)
	Formulary (min/max)	85% (\$0 / \$0)	\$80	\$80	\$75	80% (\$0 / \$0)	\$55	80% (\$0 / \$0)	\$75	80% (\$0 / \$0)
	Non-formulary (min/max)	85% (\$0 / \$0)	50% (\$0 / \$750)	\$150	\$125	80% (\$0 / \$0)	\$80	80% (\$0 / \$0)	\$125	80% (\$0 / \$0)
	Specialty (min/max)	NA	NA	NA	\$150	80% (\$0 / \$0)	NA	85% (\$0 / \$0)	\$140	80% (\$0 / \$0)

*Out-of-pocket maximums shown are for database participants with separate medical and pharmacy out-of-pocket maximums



Medical plan design benchmarks

Pharmacy plan design benchmarks

PPO/POS plan design

? How do your pharmacy plan designs compare to the database?

Pharmacy		Washington State Health Care Authority - PEBB			Database					
		UMP Classic	UMP Plus UW / PSHVN	UMP Select	All companies		Washington Employers		Government / Public Sector / Education	
Deductible (single/family)		\$100 / \$300	NA	\$250 / \$750	\$100 / \$250		\$150 / \$300		\$100 / \$200	
Out-of-pocket maximum* (single/family)		\$1,900 / \$7,700	\$2,000 / \$4,000	\$1,750 / \$3,250	Combined w/ medical		Combined w/ medical		Combined w/ medical	
Retail pharmacy (30-day)	Generic (min/max)	95% (\$0 / \$10)	95% (\$0 / \$10)	95% (\$0 / \$10)	\$10	80% (\$0 / \$20)	\$10	80% (\$5 / \$25)	\$10	81% (\$0 / \$4)
	Formulary (min/max)	90% (\$0 / \$25)	90% (\$0 / \$25)	90% (\$0 / \$25)	\$35	75% (\$25 / \$60)	\$35	80% (\$30 / \$88)	\$35	80% (\$0 / \$63)
	Non-formulary (min/max)	70% (\$0 / \$75)	70% (\$0 / \$75)	70% (\$0 / \$75)	\$60	60% (\$40 / \$100)	\$63	65% (\$40 / \$100)	\$60	60% (\$0 / \$100)
	Specialty (min/max)	70% (\$0 / \$75)	70% (\$0 / \$75)	70% (\$0 / \$75)	\$100	70% (\$0 / \$150)	\$75	NA (NA / NA)	\$150	75% (\$0 / \$120)
Mail order (90-day)	Generic (min/max)	95% (\$0 / \$0)	95% (\$0 / \$0)	95% (\$0 / \$0)	\$25	80% (\$0 / \$25)	\$20	NA (NA / NA)	\$25	80% (\$0 / \$0)
	Formulary (min/max)	90% (\$0 / \$0)	90% (\$0 / \$0)	90% (\$0 / \$0)	\$75	75% (\$48 / \$150)	\$63	80% (\$75 / \$180)	\$75	80% (\$0 / \$125)
	Non-formulary (min/max)	70% (\$0 / \$0)	70% (\$0 / \$0)	70% (\$0 / \$0)	\$125	60% (\$70 / \$200)	\$125	65% (\$110 / \$275)	\$125	60% (\$0 / \$200)
	Specialty (min/max)	NA	NA	NA	\$150	75% (\$0 / \$150)	\$300	50% (\$63 / \$125)	\$150	75% (\$0 / \$150)

*Out-of-pocket maximums shown are for database participants with separate medical and pharmacy out-of-pocket maximums



Medical plan design benchmarks

Pharmacy plan design benchmarks

HMO/EPO plan design

? How do your pharmacy plan designs compare to the database?

Pharmacy		Washington State Health Care Authority - PEBB			Database				
		KPWA Value	KPWA Classic	KPWA Sound Choice	All companies		Washington Employers	Government / Public Sector / Education	
Deductible (single/family)		\$100 / \$300	\$100 / \$300	\$100 / \$300	\$100 / \$250		NA	\$88 / \$138	
Out-of-pocket maximum* (single/family)		\$1,900 / \$7,700	\$1,900 / \$7,700	\$1,900 / \$7,700	Combined w/ medical		NA	Combined w/ medical	
Retail pharmacy (30-day)	Generic (min/max)	\$25	\$20	\$15	\$10	80% (\$0 / \$20)	NA	\$10	88% (\$8 / \$50)
	Formulary (min/max)	\$50	\$40	\$60	\$30	70% (\$10 / \$70)	NA	\$30	75% (\$0 / \$70)
	Non-formulary (min/max)	50% (\$0 / \$0)	50% (\$0 / \$250)	50% (\$0 / \$0)	\$40	60% (\$0 / \$100)	NA	\$50	60% (\$5 / \$120)
	Specialty (min/max)	\$150	50% (\$0 / \$250)	\$150	\$50	80% (\$0 / \$175)	NA	\$50	80% (\$0 / \$150)
Mail order (90-day)	Generic (min/max)	\$10	\$40	\$30	\$20	80% (\$0 / \$27)	NA	\$20	100% (\$0 / \$0)
	Formulary (min/max)	\$50	\$80	\$120	\$60	75% (\$5 / \$140)	NA	\$60	80% (\$0 / \$120)
	Non-formulary (min/max)	50% (\$0 / \$0)	50% (\$0 / \$750)	50% (\$0 / \$0)	\$88	60% (\$0 / \$180)	NA	\$100	65% (\$0 / \$240)
	Specialty (min/max)	NA	NA	NA	\$90	80% (\$0 / \$150)	NA	\$90	80% (\$0 / \$75)

*Out-of-pocket maximums shown are for database participants with separate medical and pharmacy out-of-pocket maximums



Medical plan design benchmarks

💡 CONSIDER:

- Communication and employee education is important when offering account seeds
- How does the structure of your account seed (guaranteed or earned) impact employees?

Impact of account seeding on ABHP plan design*



How does your funding of the HRA/HSA compare with the database?
 How does your net deductible (deductible minus guaranteed and earned incentives) compare with the database?

ABHP with HRA

	Client	Database		
		25 th	Median	75 th
Base deductible	NA	\$1,363	\$1,575	\$1,788
• Guaranteed contribution	NA	\$188	\$375	\$563
• Average earned incentive	NA	NA	\$223	NA
Net deductible paid by employees	NA	\$840	\$977	\$1,113

ABHP with HSA

	Client	Database		
		25 th	Median	75 th
	\$1,500	\$1,500	\$1,500	\$2,225
	\$700	\$258	\$712	\$1,000
	\$13	NA	\$24	NA
	\$787	\$750	\$1,097	\$1,800



ABHP w/ HRA: Not Applicable
 ABHP w/ HSA: Your net deductible is \$310 less than the custom database median.

*Employee coverage only

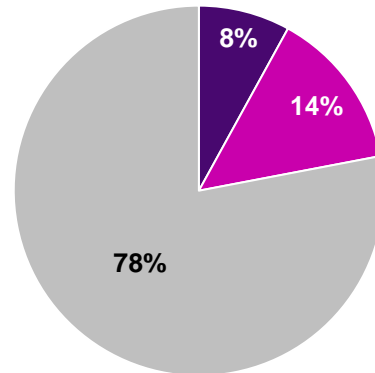
Medical plan design benchmarks



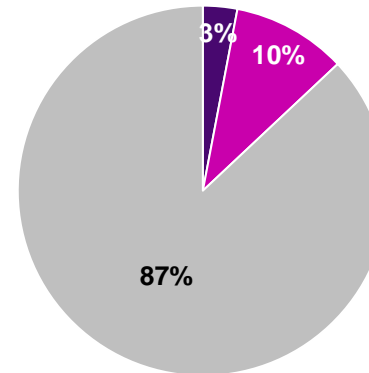
Wellness credits for accounts and contributions

? How does your wellbeing incentive approach compare to the database?

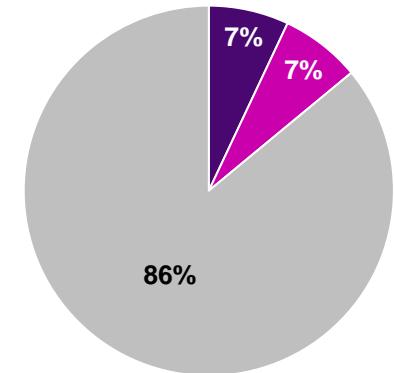
Share of database with wellness credits



Share of database with wellness credits deposited in HRA or HSA accounts



Share of database with wellness credits applied to payroll contributions



■ Employee Only ■ Employee and Spouse ■ None

✓ Your company provides wellness credits. You apply the credits to an HRA/HSA account.



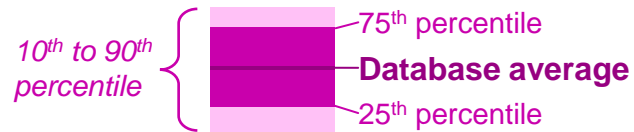
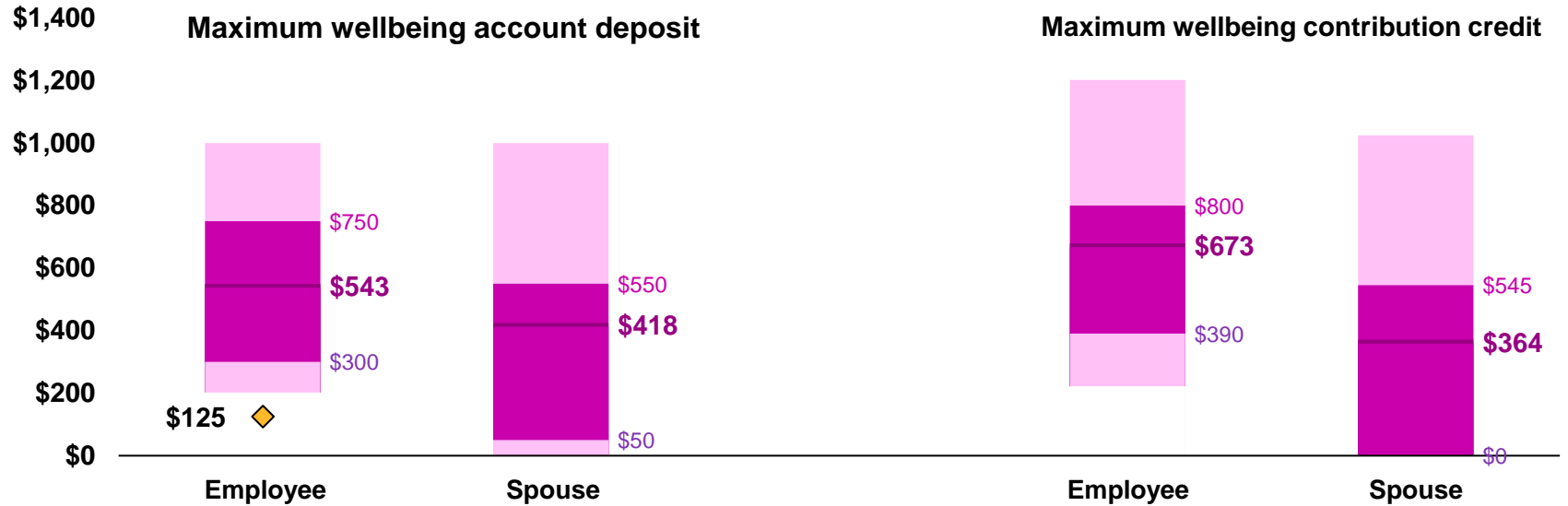
Medical plan design benchmarks

CONSIDER:

- Have you evaluated your wellbeing incentive strategy recently?
- Do you have any objectives or goals for your wellbeing program?

Wellbeing incentives

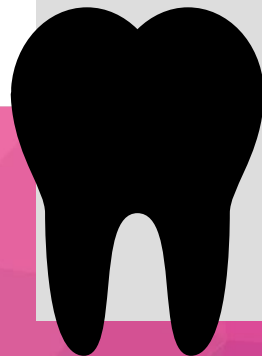
? How does your approach to wellbeing incentives compare with the database?

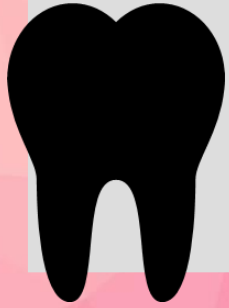


◆ Washington State Health Care Authority - PEBB

✓ Maximum wellness account deposits and contribution credits average \$543 and \$673 for employees and \$418 and \$364 for spouses.

Dental cost benchmarks





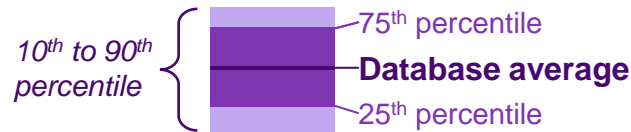
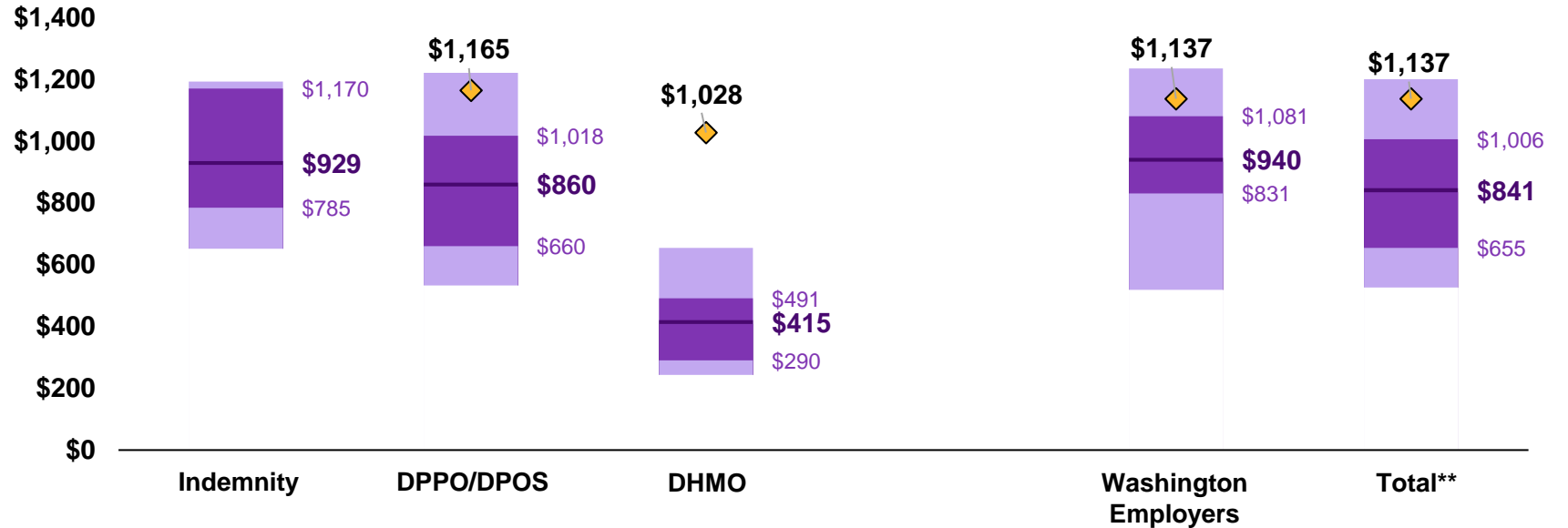
Dental cost benchmarks

CONSIDER:

- Plan design and funding arrangement can impact dental plan costs

Total cost per covered employee per year*

? How do your plan costs compare to the database?

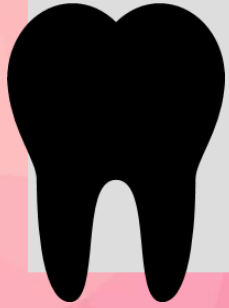


◆ Washington State Health Care Authority - PEBB

✓ Your dental costs are 35% higher than database average.

*Unadjusted

**Total costs represent an enrollment weighted average of all plan types

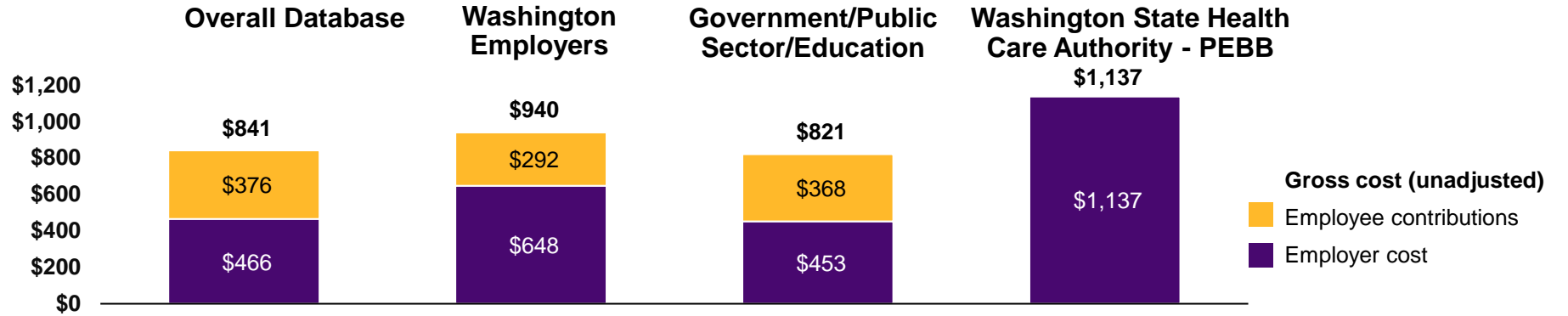


Dental cost benchmarks

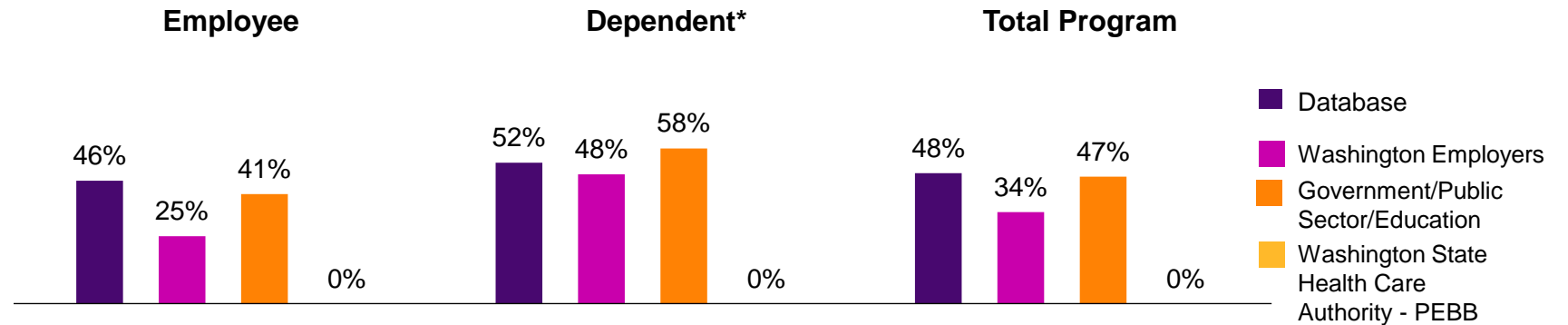
CONSIDER:

- The dependent (spouse, child, family, etc.) contribution is the portion of the total contribution associated with only the dependent(s) (i.e., net of employee portion)

Employee contributions and cost sharing

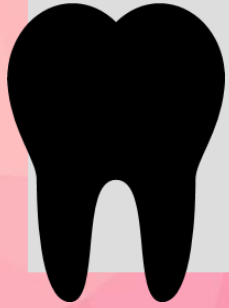


✓ On average, your employees pay \$761 more per year than the database.



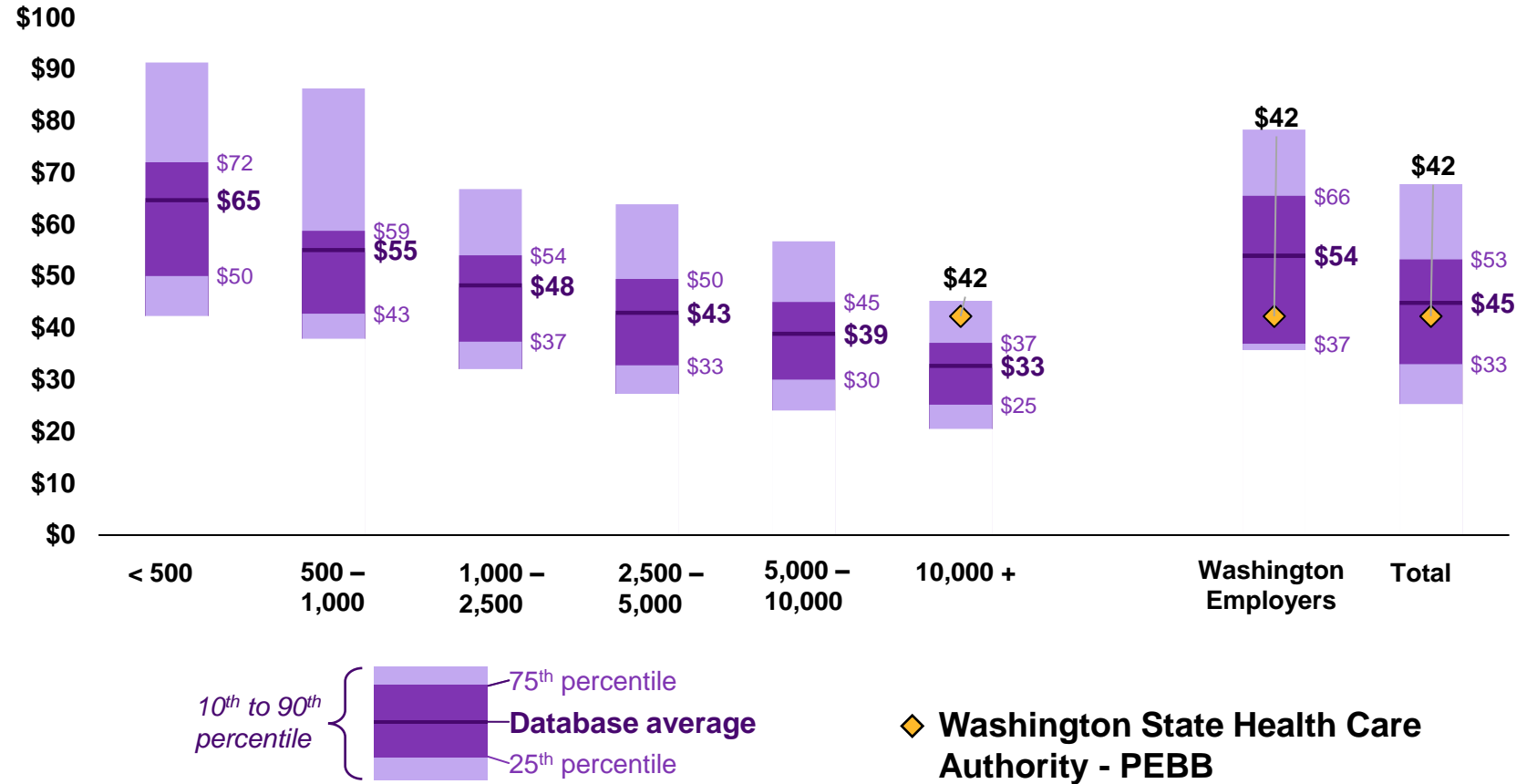
✓ Across your total program, contributions as a percent of total cost are more than the database and industry averages.

*Dependent includes spouse, children, family, etc.



Dental cost benchmarks

Annual self-funded administration fees by size*



Your dental administration fees are 7% below the database average.

*Results by employer size for companies with self-insured arrangements



Dental plan design benchmarks

Dental plan design benchmarks

DPPO/DPOS plan design



How do your dental plan designs compare to the database?

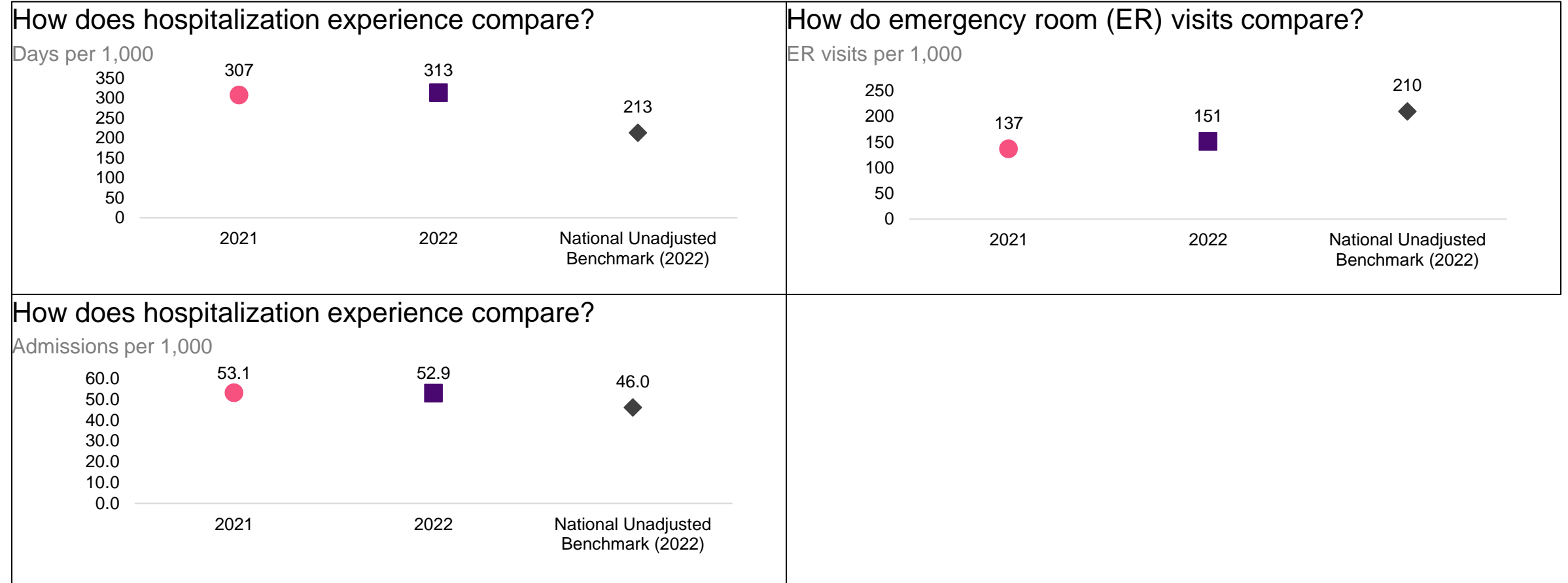
In-network dental plan design	Washington State Health Care Authority - PEBB		Database		
	Uniform Dental	DeltaCare / Willamette Dental	All companies	Washington Employers	Government / Public Sector / Education
Deductible (single/family)	\$50 / \$150	NA	\$50 / \$150	\$50 / \$150	\$50 / \$150
Annual limit (per person)	\$1,750	NA	\$1,500	\$2,000	\$1,500
Preventive coinsurance	100%	NA	100%	100%	100%
Basic coinsurance	80%	NA	80%	80%	80%
Major restorative coinsurance	50%	NA	50%	50%	50%
Orthodontic services					
• None	NA	NA	37%	42%	32%
• Children only	NA	NA	47%	0%	48%
• Adult and child	Yes	NA	56%	95%	48%
Orthodontia coinsurance	50%	NA	50%	50%	50%
Orthodontia lifetime limit	\$1,750	NA	\$1,500	\$2,000	\$1,500

Utilization

PEBB

How does Medical Cost and Utilization Indicators Compare

PEBB

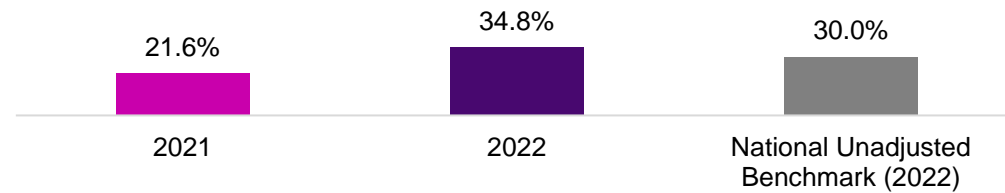


How does Medical Cost and Utilization Indicators Compare

PEBB

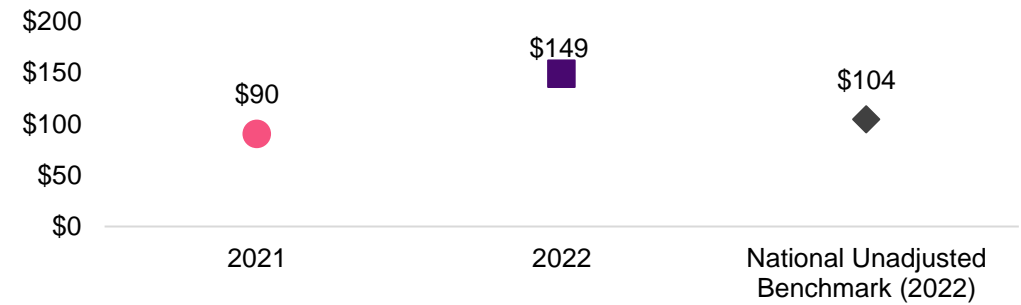
How do high-cost claimants (HCCs) compare?

% of HCC of claims > \$50,000 (HCCs)



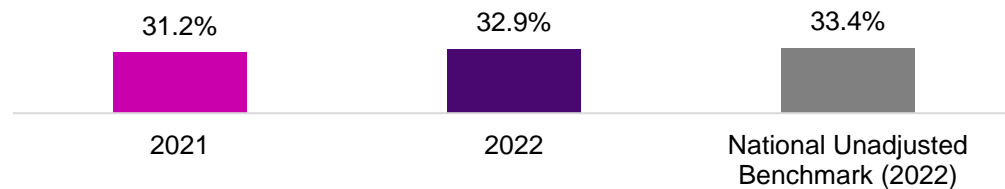
How costly are HCCs?

HCC Per Member Per Month (PMPM) \$100k Threshold



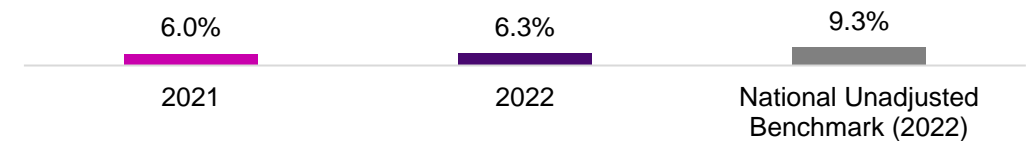
How does your C-Section rate compare?

C-Section % of births



How does diabetes prevalence compare?

% of members diagnosed with diabetes

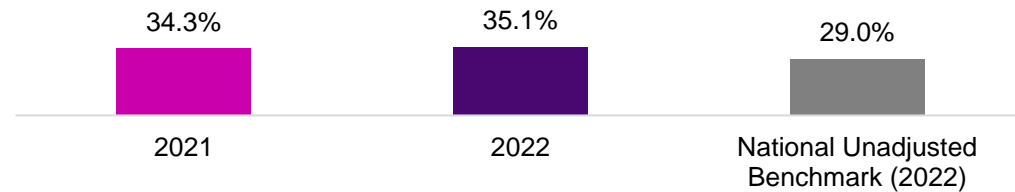


How does Medical Cost and Utilization Indicators Compare

PEBB

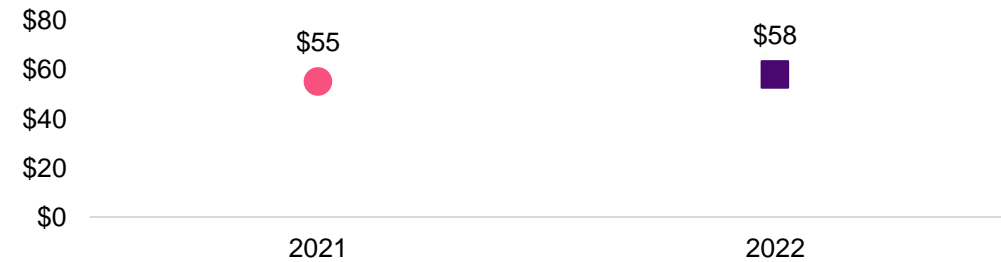
How does behavioral health diagnosis or scripts compare?

% of members with BH diagnosis or scripts



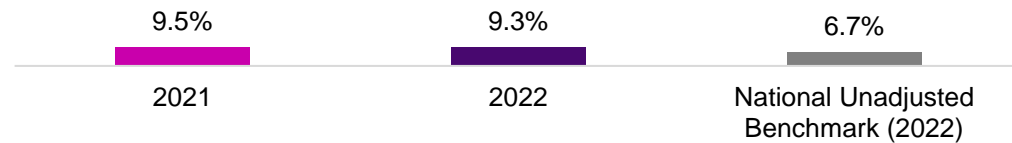
How does behavioral health spend compare?

Per Member Per Month (PMPM\$) Medical + Rx



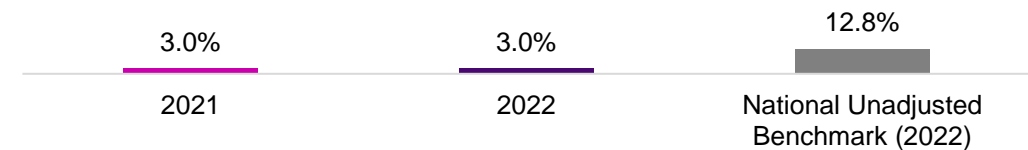
How does depression diagnoses compare?

% of members (excluding Rx)



How does out-of-network behavioral health spend compare?

% of spend (excluding Rx)



How does the Pharmacy Plan Performance Compare?

PEBB

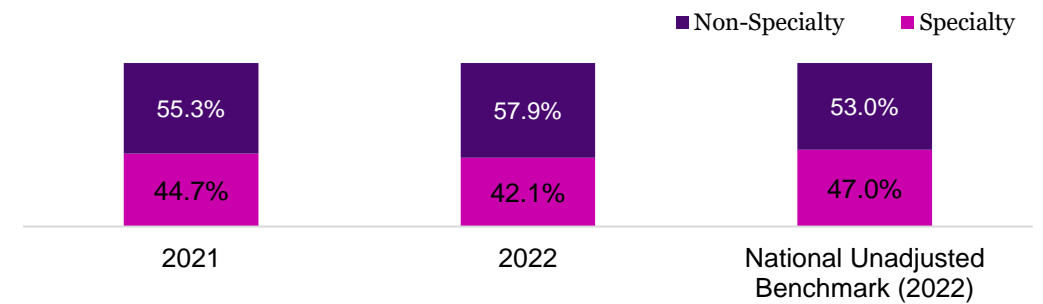
How does your Rx spend compare?

Total gross cost PMPM



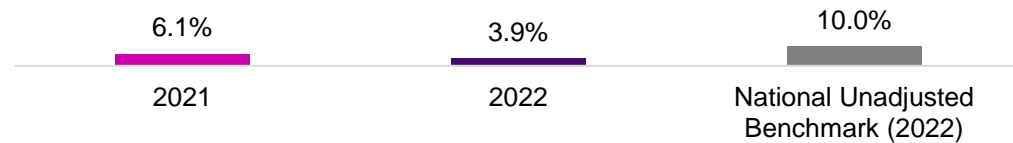
How does specialty Rx drive your Rx spend?

Specialty and non-specialty Rx spend as % of total Rx spend



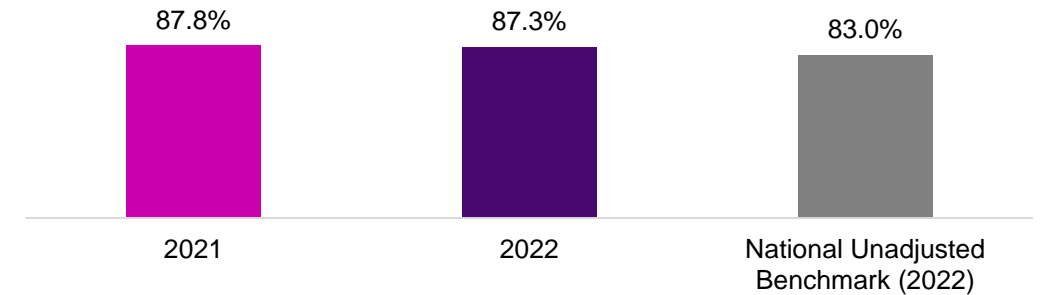
How do Rx member cost share compare?

Cost share (%)



How do generic dispensing rates compare?

Generic dispensing rate (%)



Utilization data sources and methodology

Benchmarks

- Benchmarks are provided based on available metrics
- Benchmarks are derived from WTW's NDC Book of Business (1.75 million lives) and are unadjusted
- For the IP days and readmission rates, the Benchmark database is derived using the IBM Health MarketScan® Commercial Claims and Encounters Database containing demographic, enrollment and claims experience from nearly 30.7 million lives in a cross-section of experience

Data Sources

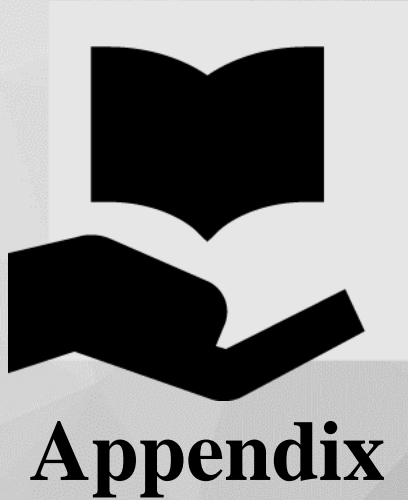
- Medical and pharmacy claim data is sourced from Cotiviti, Merative and Artemis data warehouse
 - **Paid amounts are not adjusted for stop loss or pharmacy rebates**
 - **As commonly seen, each medical carrier, pharmacy carrier, and/or data warehouse vendor may have slightly different methodologies for calculating certain metrics. Typically, the differences are not material and results do not change directionally.**
- Specialty drug % of drug spend is based on WTW Rx Collaborative ESI norms

Assumptions

- Kaiser prescription drug utilization data was labeled as 2020 and 2021, we have assumed this was reflective of 2021 and 2022, as the data request indicated
- C-section data was provided on a plan level and weighted between plans based on member count. This will provide a slightly different result than weighting by births (which would be a more accurate weighting methodology for this metric, but was unavailable)
- Generic dispensing rate (GDR) was weighted between plans using total Rx spend. This will provide a slightly different result than weighting by prescription counts (which would be a more accurate weighting methodology for this metric, but was unavailable).
- GDR and Rx member cost share exclude Kaiser plans since the values given were unreasonable

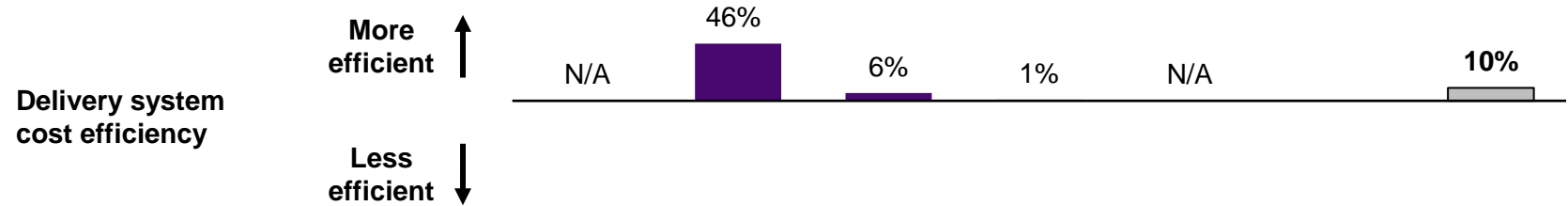
Appendix





Delivery system cost efficiency

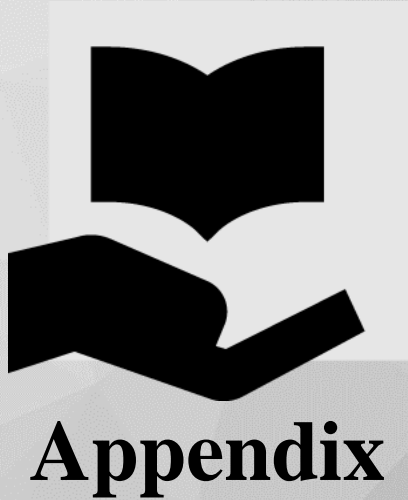
? How is your plan offering types and enrollment selection impacting your overall cost efficiency relative to benchmark?



	ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self Ins. HMO/EPO	Total
Enrollment	0%	11%	68%	21%	0%	100%
Actual cost per employee	NA	\$7,533	\$16,125	\$13,276	NA	\$14,593
Custom benchmark cost per EE	NA	\$14,036	\$17,205	\$13,410	NA	\$16,271
Efficiency	NA	46%	6%	1%	NA	10%

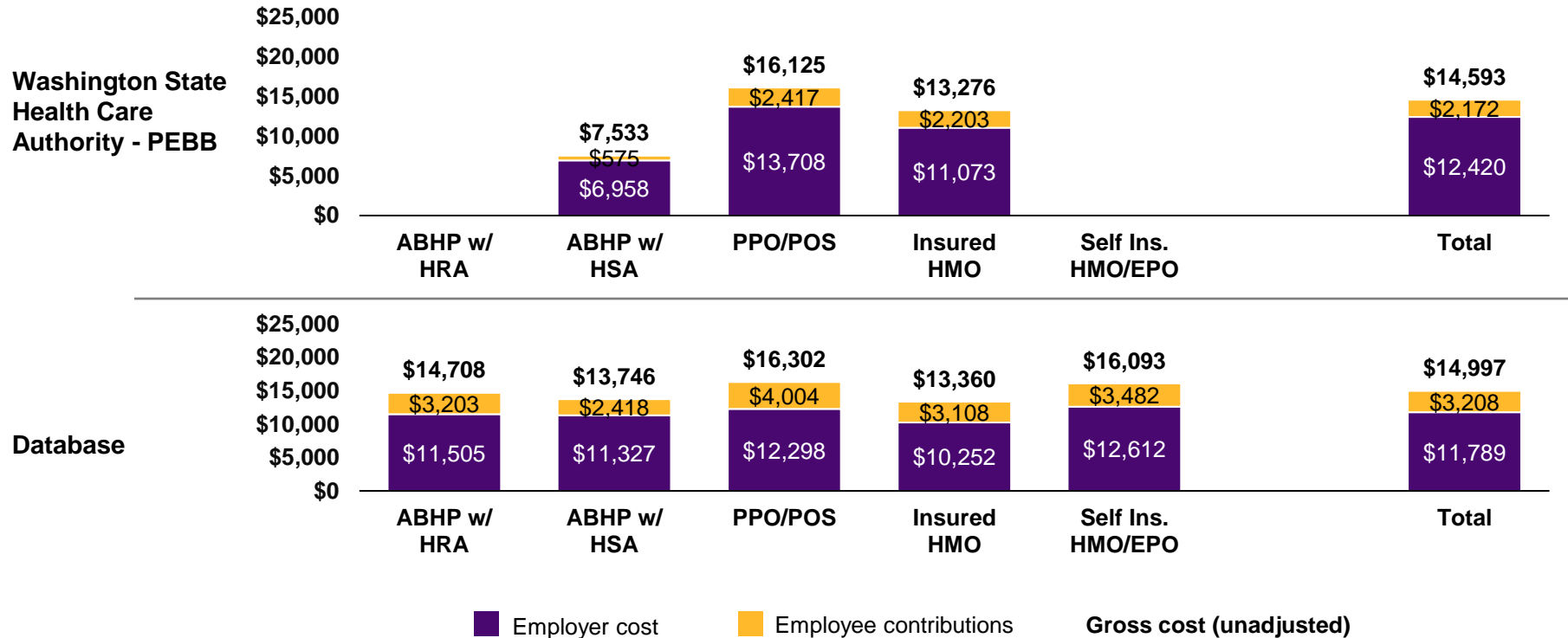
Summary	Low Enrollment	High Enrollment	Average Enrollment	
	High Efficiency	High Efficiency	Average Efficiency	High Efficiency

✓ Plan efficiency is most important for plans with higher enrollment, as this drives overall efficiency.

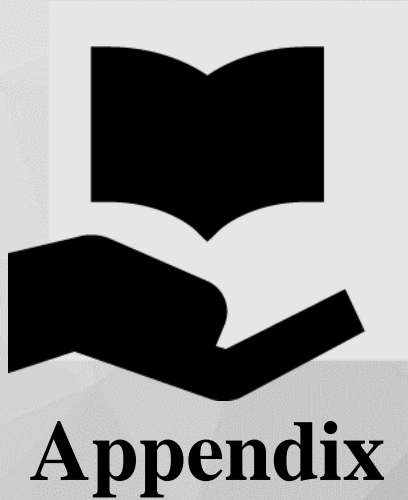


Employee cost sharing (unadjusted)

? How do your employee payroll contributions vary across plans?



✓ On average, your employees pay \$1,036 less per year than the database.

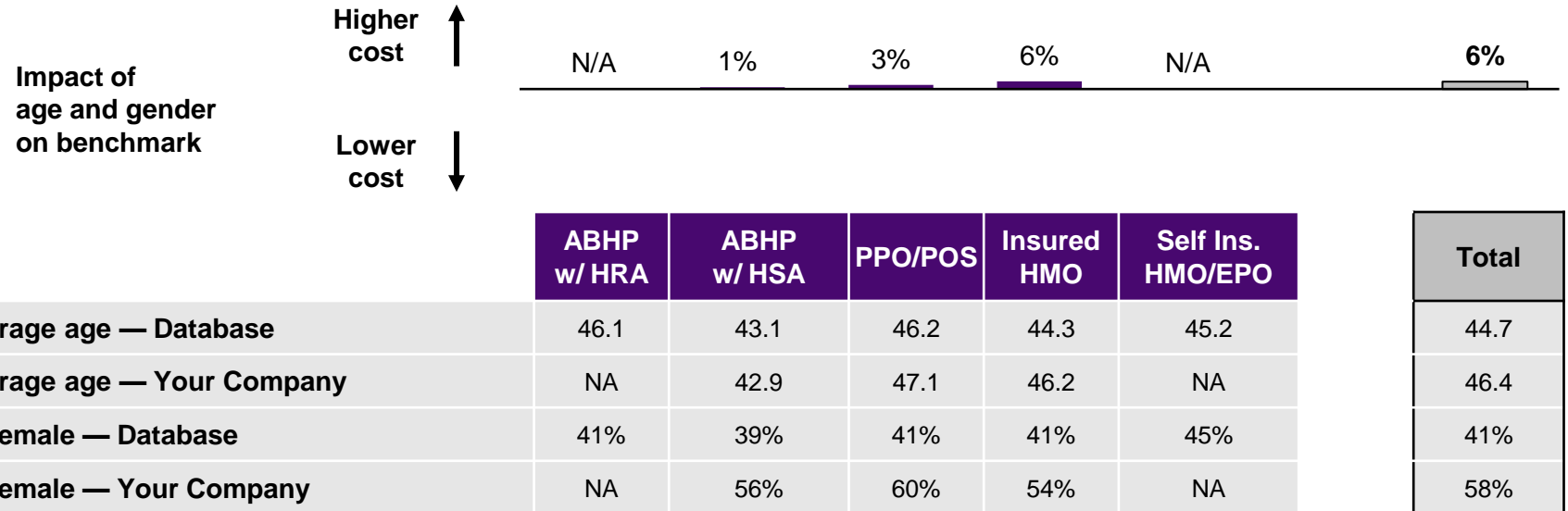


Developing a population-adjusted benchmark

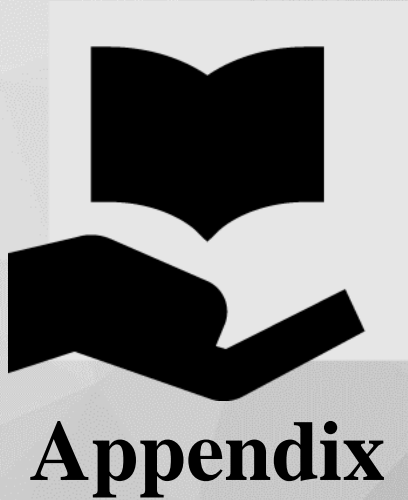
Age and gender



What is the cost impact of age and gender in your population?
 How different is the impact of demographics by plan?
 Why do company averages have a different pattern across plans than the database?



The custom benchmark will be increased by 6% due to age and gender demographics.



Developing a population-adjusted benchmark

Family size

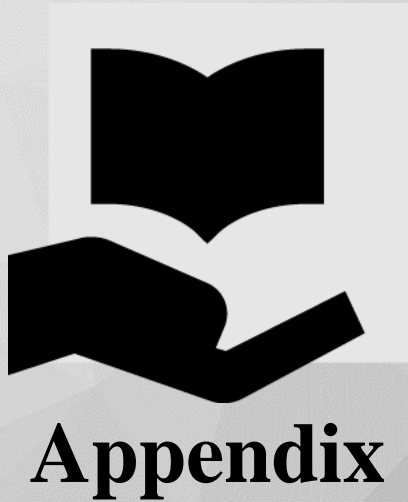


How different is the impact of family size by plan?
 Why do company averages have a different pattern across plans than the database?
 How has this been impacted by contribution strategies of the company?

Impact of family size on benchmark	Higher cost ↑	N/A					Lower cost ↓
		-3%	-3%	-2%		-3%	
		ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self Ins. HMO/EPO	Total
Dependents (%) — Database		47%	46%	49%	46%	50%	48%
Dependents (%) — Your Company		NA	45%	49%	47%	NA	48%



The custom benchmark will be decreased by 3% due to family size.



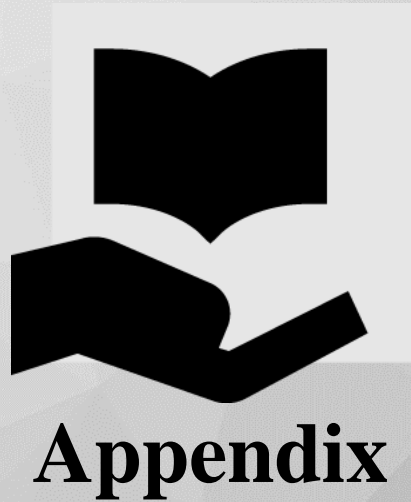
Developing a population-adjusted benchmark

Geography

? How does the geographic footprint of your covered population impact your costs?
Does the geographic impact vary by plan?

Impact of geography on benchmark	Higher cost ↑	N/A					Lower cost ↓
		-2%	-1%	-2%	N/A		-2%
		ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self Ins. HMO/EPO	Total
Geographic factors — Database		1.00	1.00	1.00	0.99	1.01	1.00
Geographic factors — Your Company		NA	0.98	0.99	0.97	NA	0.98

✓ The custom benchmark will be decreased by 2% due to your population's geography.



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