There’s a Movement Happening in Healthcare.  **ARE YOU READY?**
LANDSCAPE
Since 2010, health insurance costs have risen 6X faster than wages.

*Source: NYT
LANDSCAPE

Number of enrollees in HSA-Qualified HDHPs, January 2014

- **270,000 or more**
- **140,000 - 269,999**
- **40,000 - 139,000**
- **Less than 40,000**

Source: AHIP Center for Policy and Research
Comparison shop

Avoidance of care

Prescription drug refills are avoided or drugs are split in half

Revert to ER or urgent care

Required tests and surgeries are avoided

CONSUMER BEHAVIOR

As more of the cost burden shifts, consumer behavior is changing.
As consumer behavior shifts, providers are feeling the burden.

“Providers may be receiving as little as 18 cents to 34 cents for every dollar billed to those with high-deductible health plans.”

– The Advisory Board Company
“One might not go back to a restaurant that gave you a bill for the appetizer then a bill for the bread then individual bills for the entrée and drink.”

--Holly Fletcher, The Tennessean
TRANSPARENT PRICING
Bundled Payments

- Episodic Care
- “All in one” price – no surprises, all services included
- Accelerated distribution of provider funds
- No collections / bad debt

Online Purchasing

- Compare providers and hospitals
- Lock in rates, pay upfront
- Use HSA or FSA funds
- Financing available
- Expedited scheduling
- CPT codes reported to support universal claim form submission
LEARNING OBJECTIVES

- Identify consumer trends in healthcare
- Discuss strategies to manage the HDHP and private pay patient population
- Create methods to manage and benefit from cost transparency
CONSUMER TRENDS IN HEALTHCARE
High deductible health plans (HDHP) will grow at double digit year-over-year rates for the foreseeable future. 24% of employees are on high deductible health plans 83% will not reach their annual deductible threshold.

17.4M Americans HDHP
38M Uninsured
90% of US businesses offer HDHP
25% Only Offer HDHP

Average deductible is $6000/y
PATIENT PERSPECTIVE

Over 3,000 patient stories of medical debt were posted by readers in reaction to this article:
PATIENT PERSPECTIVE

25% of patients will forgo needed care because they can’t afford it.
## Industry is poised for disruption

<table>
<thead>
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<th>Feature</th>
<th>Rating</th>
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<td>Products easy to compare</td>
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<td>Prices easy to compare</td>
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<tr>
<td>Full cost borne by buyer</td>
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<tr>
<td>Buyer’s cost represents large portion of buyer’s budget</td>
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<td>Customers not attached to brands</td>
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HOW TO ENGAGE THE HDHP & PRIVATE PAY PATIENT POPULATION?
1 EMBRACE PRICE TRANSPARENCY

Google How much does MRI cost?

Healthcare Bluebook.

Abdominal MRI (with contrast)
Total Fair Price: $1,151
OFFER BUNDLED HEALTHCARE SERVICES

Bundled Procedure

PRE-OP
- Image
- Lab
- Office

OPERATION
- Surgeon
- Anesthesia
- Facility

POST-OP
- Post-Op Office
- Professional
- Physical Therapy
- Facility
ADOPT A SIMPLIFIED (STREAMLINED) PAYMENT FLOW

Patient or proxy purchases bundled procedure from Mdsave (web/portal/phone)

MDsave issues voucher to patient

Once voucher redeemed, MDsave distributes funds to parties
HOW TO BENEFIT FROM COST TRANSPARENCY
WHAT HAPPENS TODAY...

INSURED?

HOW MUCH IS THEIR BALANCE?

YES

80% prompt pay discount...

50% discount now if you pay 50% today & the other 50% in 30 days

ARE THE ELIGIBLE FOR DISCOUNTS?

NO

CAN THEY PAY IN FULL?

UNINSURED?

Give you a 30% discount if you pay in full today...

6 month auto withdrawals from your account

AND THE REMAINING FUNDS?
MARKETPLACE SOLUTION

Our experts help you build bundled care packages.

Tap into our extensive market insights to set competitive pricing.

Acquire patient-consumers seeking self-pay care.

Receive full payment within 7 days of voucher redemption.

Access proprietary analytics for competitive insights.
DEMO
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DEMO
<table>
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<tr>
<th>Procedure</th>
<th>Facility Price</th>
<th>Physician Price</th>
<th>Anesthesia Price</th>
<th>Pathology Price</th>
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KEY PROVIDER BENEFITS

- Reduce Bad Debt
- No-Risk Patient Financing
- Attract Non-Affiliated Physician Referrals
- Support Self-Pay Patients
- Additional Revenue from Downstream Procedures
- Keep Patients In-Network
- Efficiently Build Bundled Procedures
- Draw Patients from 60+ miles

65% of patients would not have moved forward with their care without the ability to pay through MDsave

— MDsave Focus Group
PROVIDER BENEFITS

- 40% Reduction in patient “no shows”
- 3 total knee replacements ($40,000 each) following an MDsave MRI/X-Ray
- 600% increase in monthly imaging procedures
- 11 colonoscopies, 36 MRIs, and 8 outpatient surgeries from patients traveling 60+ miles in 6 weeks
- New physician referrals from competitive hospitals
- Increased awareness following media pick-up by local ABC affiliate
“My doctor wrote the script for the MRI at my request (after shopping for MRI prices). The reason I decided to shop is because my deductible is very high ($7,500) and my doctor said an MRI through ARC could cost up to $5,000. When I found MDsave.com, I could not believe the difference in price. I sent the information to my Doctor at ARC, and asked for the script to be sent to the MDsave hospital.”

— Ian, Austin, Tx

“Great Service & Staff at MDsave. Needed a CT Scan. Southampton, VA was the closest member Hospital. Most professional, caring and accommodating. My Specialist was very pleased with the quality and delivery of their Scans and the "Read" from their Radiologist. My full cost was 1/3 of local quotes.”

— Richard, New Bern NC

“I live in metro Atlanta and my cost (after insurance) for an MRI ranged from $1,875 to $2100. My husband found MDsave online and I was able to have the test done for $709. I had to drive a little out of town, but it was so worth it. The hospital staff was the BEST! Will definitely use again.”

— Michele, Atlanta, GA
Disrupt healthcare through an open market platform that transforms how patients, providers, employers and payers access affordable, quality medical care.
QUESTIONS?

Kitty Cawiezell | EVP, MDsave | San Francisco, CA | Nashville, TN

MDSAVE is also featured in the following publications: