

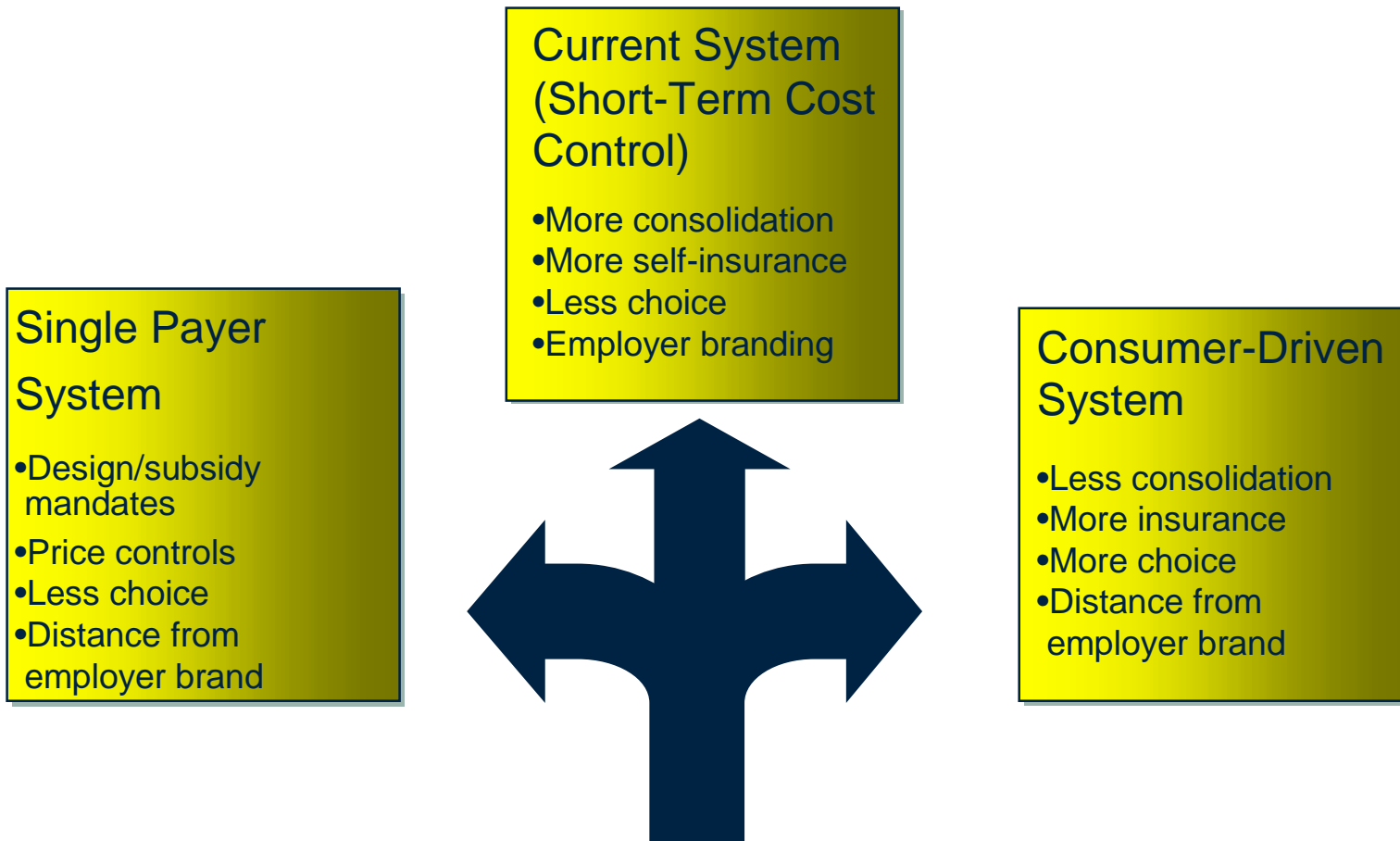


Consumer-Driven Health Care Strategies

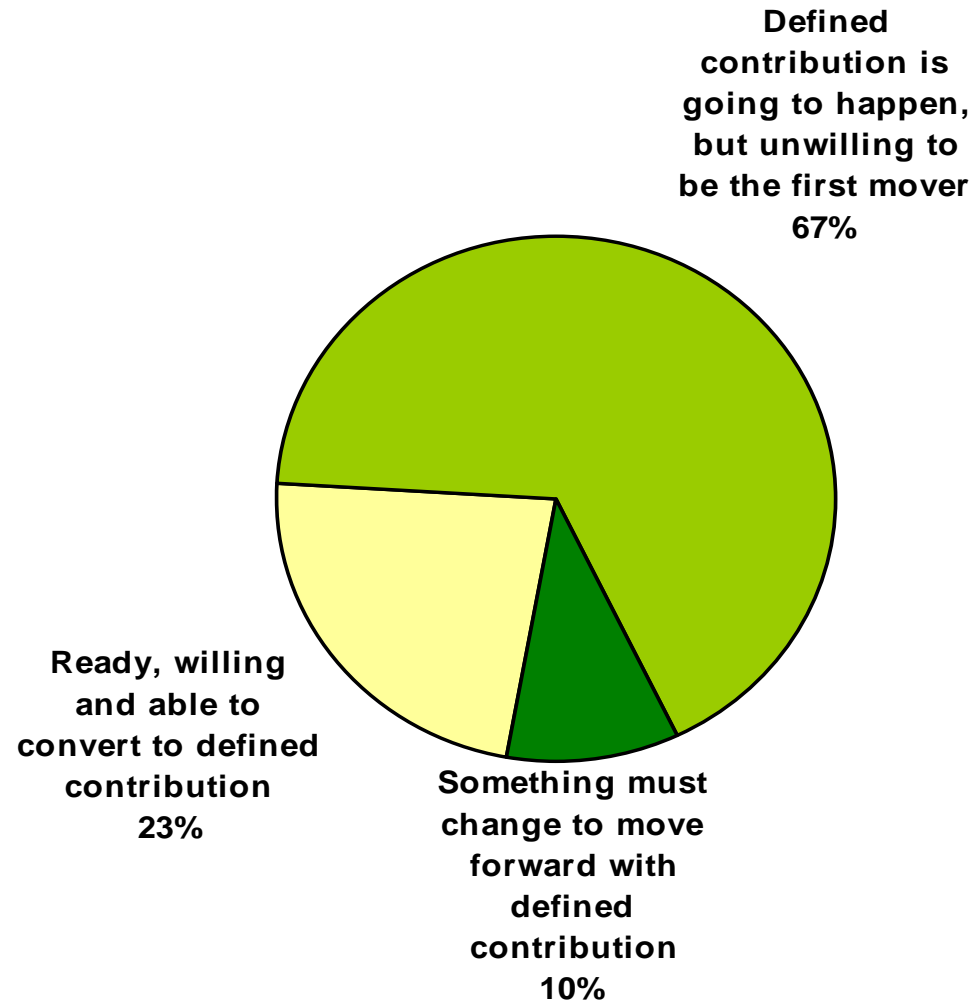
EBRI Policy Forum

“Never mistake a clear view for a short distance.”
May 3, 2001

Potential Paths



Defined Contribution?

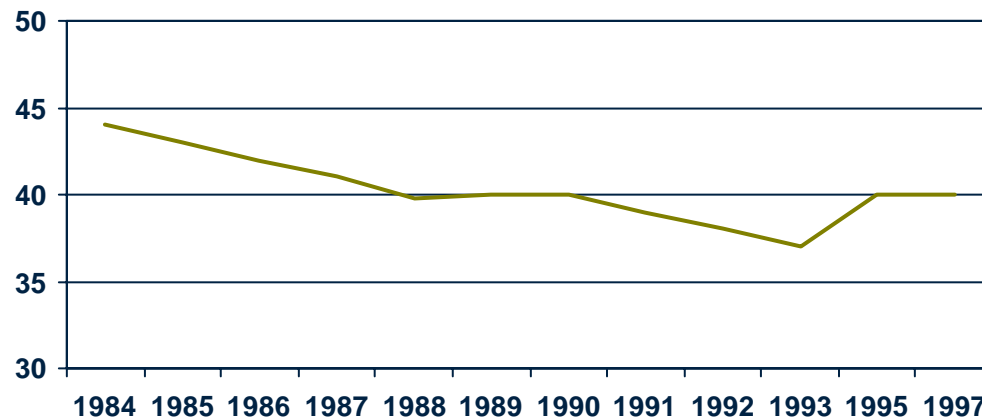


Source: Booz-Allen Hamilton

Defined Contribution?

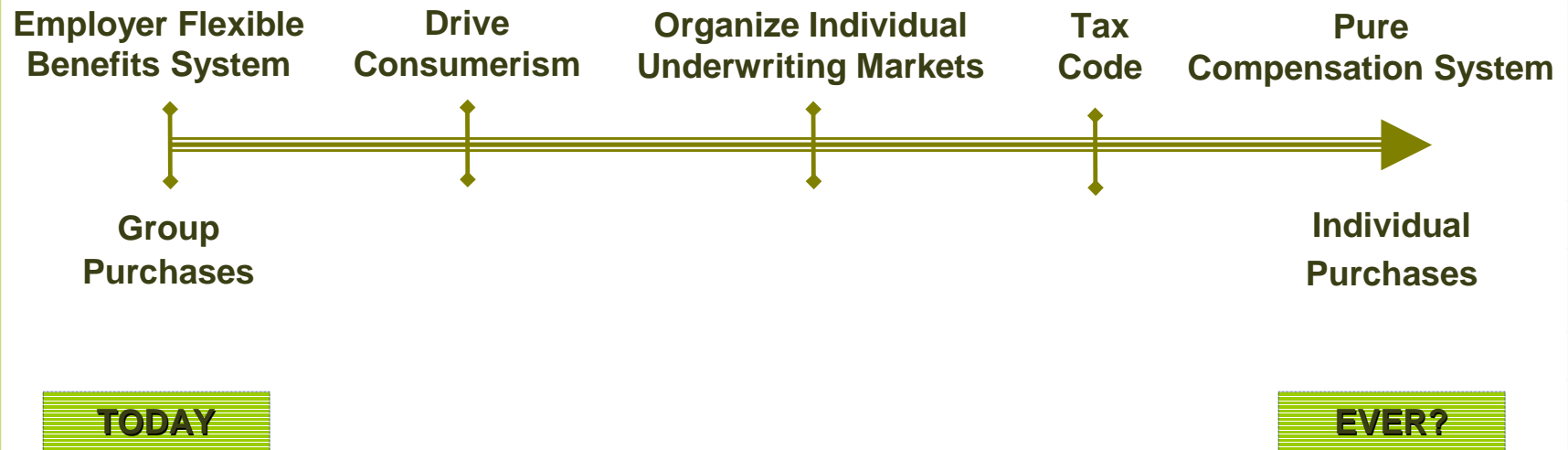
- Small employers move to a pure defined contribution model and this trend accelerates in an economic downturn
 - Putting more cost pressure on large employers (uncompensated care) and increasing political pressure for a single payer solution

Percentage of Employees at Firms of <100 Receiving Health Benefits From Their Employer Over Time



Source: Employee Benefits Research Institute, Small Business Administration

Potential Defined Contribution Evolution



Employer Strategy Barriers



Driving Consumerism →

- Investments in required tools, content, and advocacy services
- Current administrative capabilities
- Employee privacy concerns
- Employee/Retiree internet access

Driving Market Efficiencies →

- Enrollment volume
- Technology interfaces with plans and providers

Sageo Support



Create an efficient market between employers and plans

- Drive administrative efficiencies with standardization, on-line transactions, and Sageo customer care
 - Standard administrative rules
 - On-line eligibility management and data transfers
- Offer employer savings in benefits administration through a shared-service outsourcing platform
- Drive health plan administrative expenses down by aggregating enrollment volume

Sageo Support



Drive Health Care Consumerism

- Provide administrative platform for plan choice (group and individual products)
- Provide plan and provider selection tools at open enrollment
- Provide detailed consumer data on coverage and plan rules
- Provide health plan advocacy services
- Provide health care content through partnerships
- Enable integrated choice between traditional and consumer-driven health plans
 - Cost modeling
 - Coverage comparisons
 - Access to provider exchanges

Sageo Overview

