




Consumer Driven Healthcare

A New Healthcare Paradigm

Presented by:
American Resource Management



We Are American Resource Management

- ARM is a non-profit membership association;
- ARM provides Employers with resources that help attract, motivate, retain satisfied employees;
- ARM member benefits educate employees and provide savings on numerous healthcare, travel and consumer and business related services and products.

Healthcare buying paradigms

Current paradigm:

- Problems with affordability, access, flexibility;
- Inefficient buying process.

New, emerging paradigm:

“The health sector is entering a dramatic new era in which people are demanding more control over decisions involving their health care and medical coverage...fortunately, new options are now available through Health Reimbursement Accounts (HRAs). HRAs allow employers to restructure their health benefits in such a way that lets employees become partners rather than adversaries in managing their health care needs.”

Quote from “Transforming Our Health Sector By Empowering Consumers”, Galen Institute – a nonprofit research organization focusing on health and tax policy; 8/12/2004

4 Step Approach



The 4 Step Approach

Aligns incentives between Employer and Employee

Connects/Informs Consumer with true costs of medical services

Employees use more prudence and behavioral changes occur

Step 1: High Deductible Health Plan

- Can use any major medical health carrier plan;
- Provides premium savings from 12% to 40% depending on deductible choice;
- Employer uses a portion of premium savings to fund Steps 2, 3 & 4;
- Employer regains control over benefit costs;
- Employees gain control over health spending;
- Employees gain incentives to spend wisely;

Step 2: Hospital GAP Insurance

Ensures that incentives for prudent day-to-day benefits are not affected by uncontrollable hospital or surgical events.

Three options (see Product brochure for details):

- Hospital only;
- Hospital and surgical;
- Hospital and surgical plus coverage for outpatient co-pays and some expenses.

ARM can customize GAP coverage to the choices that you make in Step 1.

Step 3: Health Reimbursement Account

- Employer sponsored;
- Flexible Plan design;
- Defined contribution healthcare plan;
- Combines the best of FSAs and MSAs;
- Employees may roll-over unused balances;
- Employer does not have to “pre-fund”;
- Employees use the account for un-insured, eligible healthcare expenses.

Step 4: Health Mgmt Tools & Resources

- 24 Hour Nurse Line
- Discount Dental Plan
- Vision and Hearing Plan
- Vitamin and Nutritional Supplements
- Travel Emergency Medical Assistance
- Medical Air Service
- Discounts (Roadside Assist, Internet Access Plan; Global Long Distance, etc.)

Proven Results

- Extensive studies show that use of:
 - Preventive services increase by as much as 60%;
 - Patients use generic drugs up to 50% more often;
- Satisfaction/re-enrollment rates are high, up to 98%;
- Aetna: costs for CDHPs rose by only 1.5% while the control group rose 15.7%;
- Definity Health: achieved renewal rates of 3.2%
- Increased use of online tools and information;
- Assurant Health: Thirty percent signing up for HSA products were previously uninsured.

From a *Galen Institute* briefing called "Reports from the Field about Consumer Choice Health Care"; 2/11/2004; Companies represented at the briefing were Aetna, Definity Health, Destiny Health, Assurant Health, Lumenos and Virius. The Galen Institute is a nonprofit research organization focusing on health and tax policy

Let's Get Started

- Consultation;
- Customization;
- Implementation;
- Please contact:

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