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The Wellness Journey

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Agenda

- Why is Sharp Health Plan Focused on Wellness?
- Transforming Wellness Engagement through Integration
- Closing Thoughts

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Why Sharp Health Plan Focuses on Wellness?

- Driving Affordability and Quality are SHP's Strategic Pillars
  - Wellness extends from SHP's delegated risk and integrated case and disease management
  - Engages the member and employer as affordability and quality stakeholders
  - Improves Population Health attributes that drive health costs
- Unique Ability to Engage and Activate Multiple Stakeholders
  - Provider collaboration to gain efficiency and improve quality
  - A community brand that employees and employers trust
  - Local credibility enhances cultural and environmental fit
- Enhances SHP's Value
  - Close engagement/integration gaps through with Health Plan, Provider, Employer & Wellness process and program improvements
  - End to end information visibility for process improvement
  - Creates a sandbox to correlate lifestyle risk reduction with health cost and outcomes.

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SHP Wellness Strategy Context

Competitive Landscape

Carrier Based Wellness
- Relatively low engagement
- Limited provider access
- Trust issues with member

Top Tier Wellness
- Deep content & expertise
- Limited data access
- Limited provider access
- Limited benefit integration

Market Shift

Wellness Programs ↑
Generic Wellness for All ↓
Data Mining to Tailor Programs ↑
Risk Reduction Focus ↑
Engagement Incentives ↑

Changes to Relevance

Affordability ↑
Quality ↑
Prevention & Wellness ↑
- Wellness with Soft ROI ↓
- Wellness Incentives ↑
- Wellness Based Benefits ↑

Integrated Delivery ↑
Care /Payment Models ↑
Regulatory/Legislative ↑

Can we reduce risk and cost?

How can we personalize and scale?

How can we achieve sustained engagement?

How do we optimize affordability and quality?

How do we leverage our SHP /SHC asset?

How should products adapt?

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SHP's Integrated Programs Engage Members in Actions that Reduce Risk

Risk Reduction Over Time
- Reductions in New Conditions
- Reduces Known Health Risks
- Reduced Demand for Services
- Impacts to Trend over 2+ Years

Behavior Focus
- Valuable Change
- Addressable
- Benefits and Incentives

Multiple Engagement Points
- Member & Provider (1-2x)
- Health Plan to Member (12x)
- Employer to Member (>12x)

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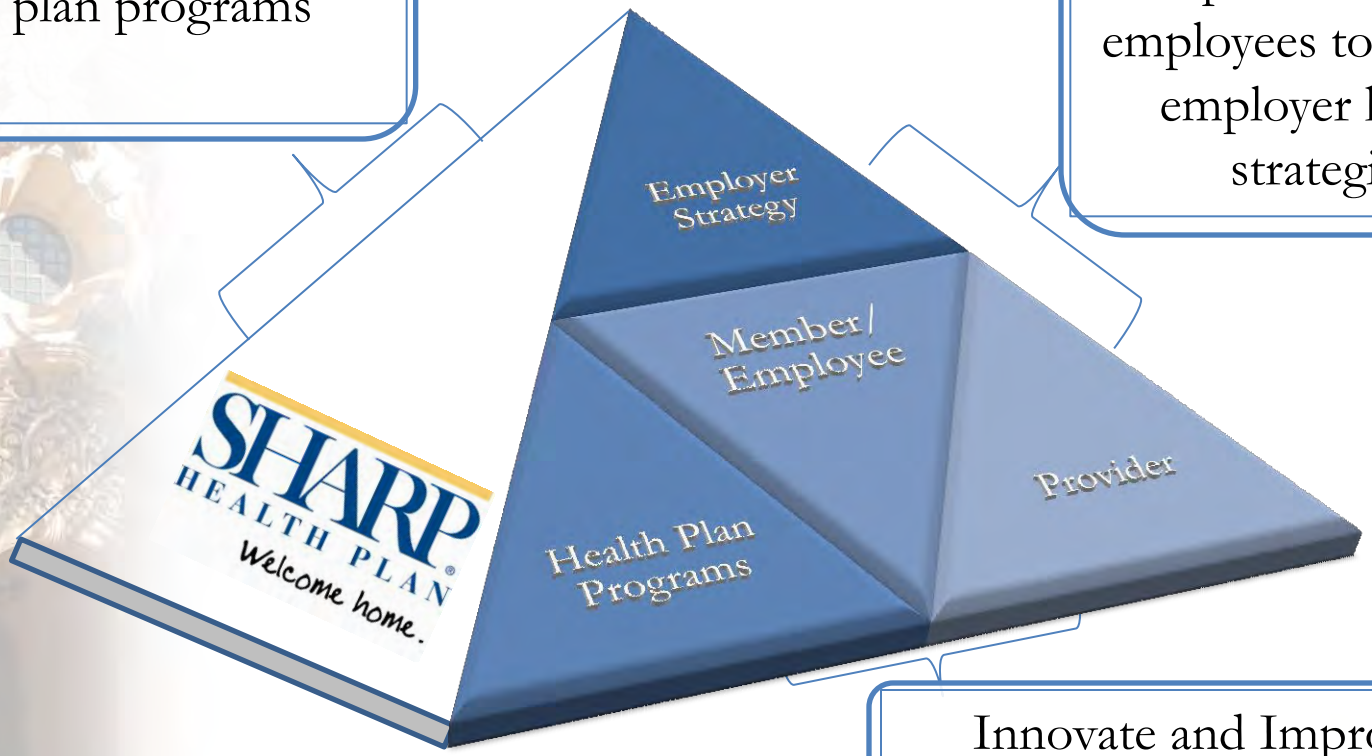
Sharp's Position of Trust Improves Provider, Member and Employer Engagement (E3)

Align employer strategy and health plan programs

Engage and activate providers & employees to support employer health strategies



Innovate and Improve Engagement

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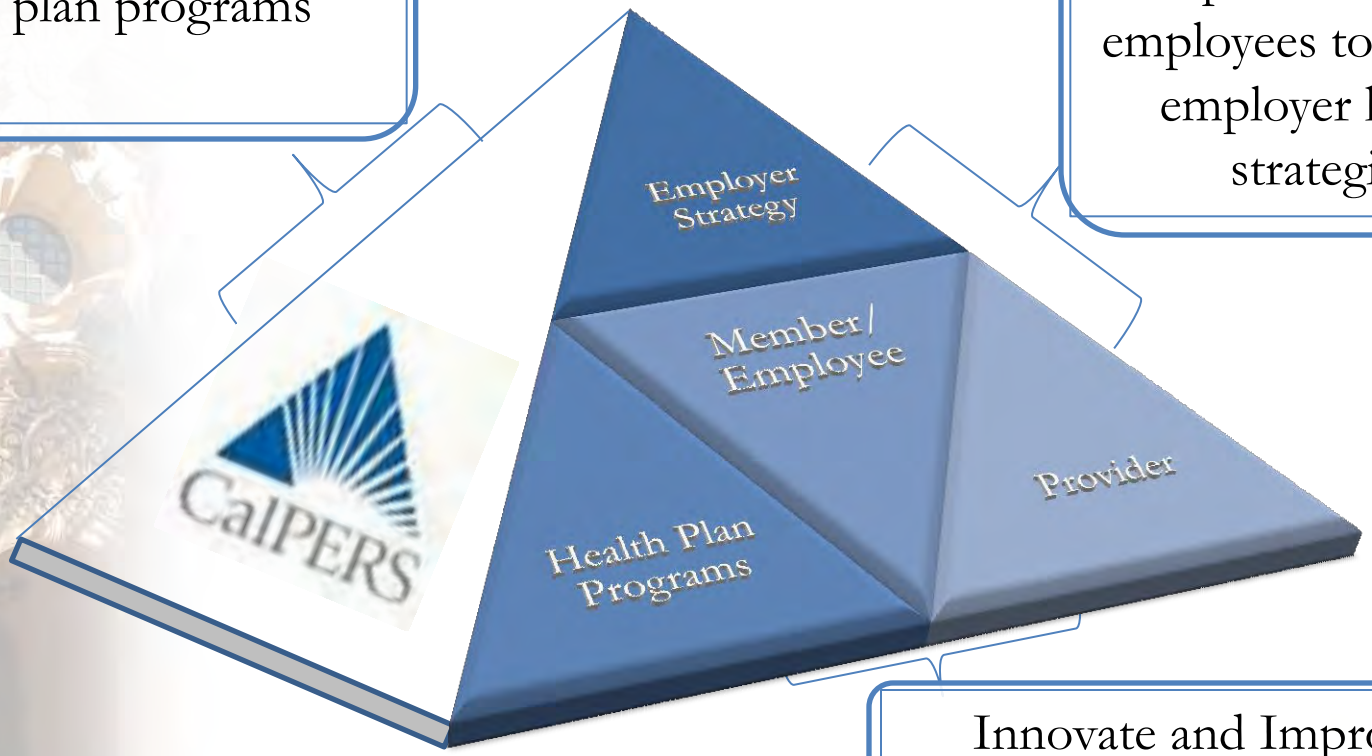

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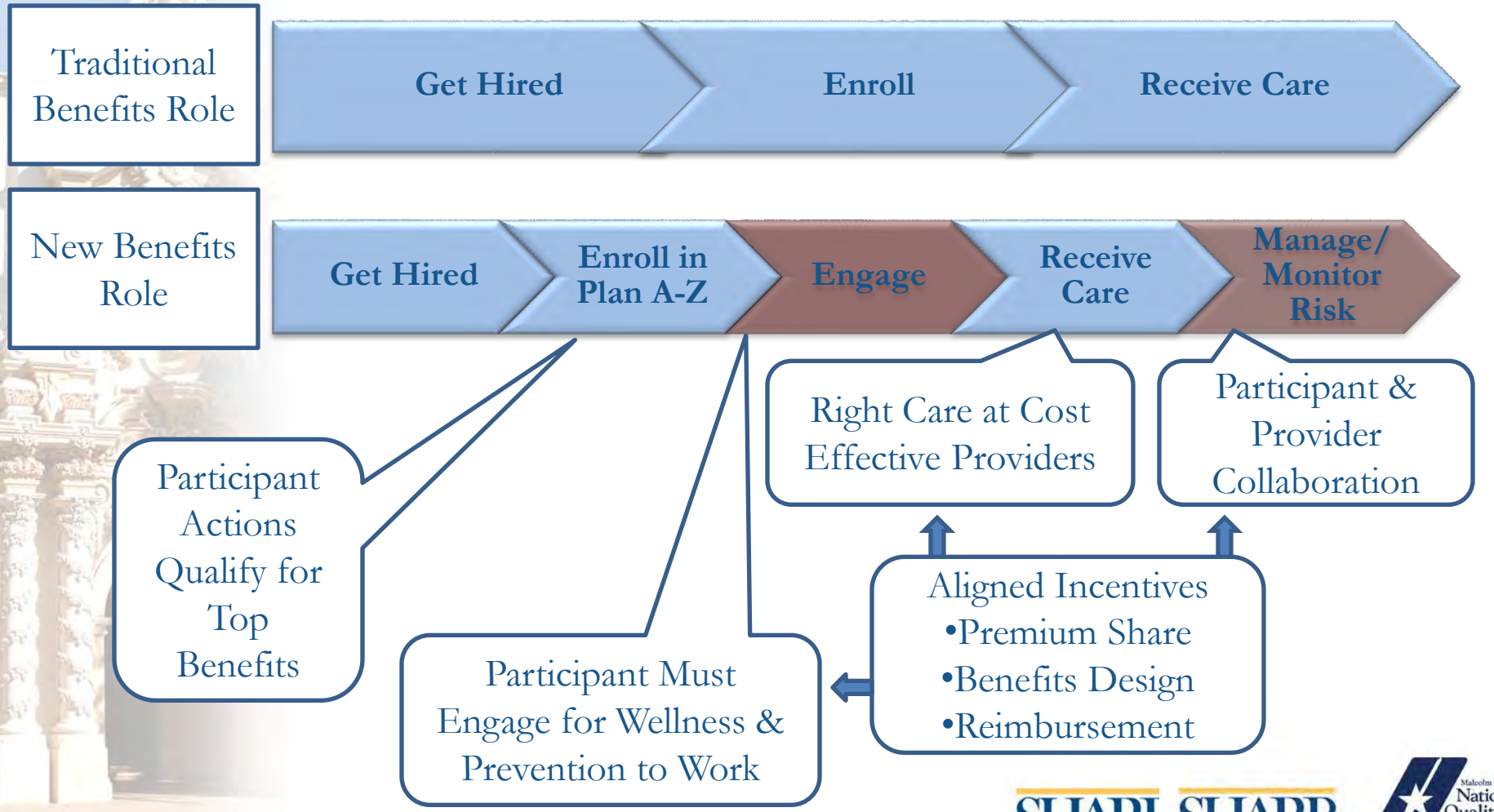
Rethinking Employee Roles in Wellness



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Sharp Health Plan Wellness Value Creation

Financial Perspective

Productivity Strategy

Growth Strategy

Sustainable Stakeholder Value

- Lower Cost Structure
- Optimize Quality/Risk
- Increase Revenue Opportunities
- Enhance Customer Value

Customer Perspective

Customer Value Proposition

- Value $
- Quality Care
- Benefit Choice
- Wellness Choice
- Access & Service
- Information & Advocacy
- Brand

Product/Services Attributes — *Relationship* — *Image*

Program Perspective

Plan/Measure/Monitor	*Healthy Worksite*	*Financial Levers*	*Integrated Product*	*Customer Experience*
•360⁰ Employer Assessment •360⁰ Employee Assessment •Data Driven Goals •Strategic/Operating Plan •Affordability/Quality Metrics •Best Practices/Course Correct •Report Cards	•Culture/Values •Leadership •Employee Ownership •Educate & Communicate •Environment/Policies •Peer Networks/Segments •Onsite Programs	•Incentive Alignment •Behavioral Economics •Value-Based Design •Premium Share •Affordability •Provider Payment (P4P, Capitation, etc.)	•Population Management •Segmentation/Customization •Care Coordination/Referrals •Multi-Modal (Coaching, Web, Worksite, Community, etc) •Platform Integration •Medical Provider Integration	•Differentiated Value •The Sharp Experience •ASAP Model -Affordable, Simple, Accessible Personal •Transparency/Choice •Advocacy/Engagement •Satisfaction Surveys

Learning and Growth Perspective

Human Capital

Information Capital

Organization Capital

- Leadership
- Alignment
- Teamwork
- Culture

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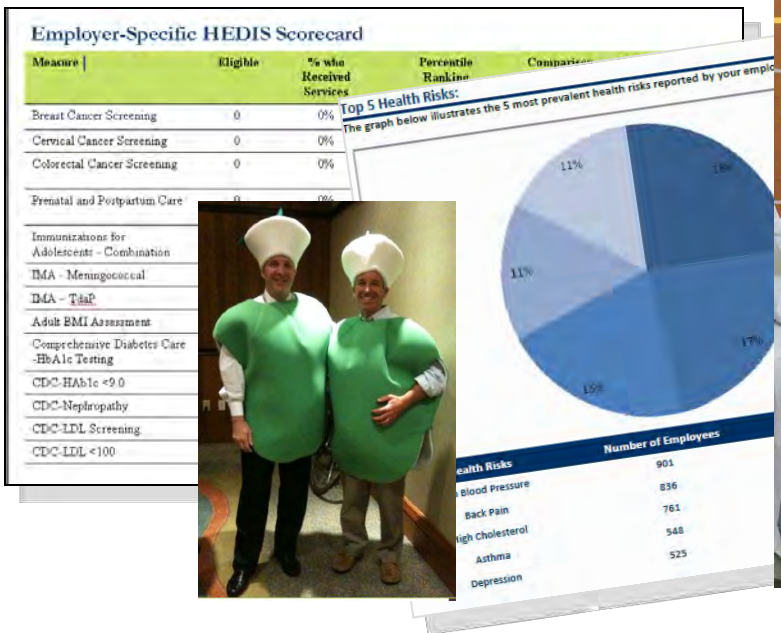
Best Health

your best. your health. your way.



"Through relationships fostered on trust we will be the bridge between who a member is and who they want to become."

Know Your Members to Engage Them In Sustainable Behavior Change

Leading the Way (10%)	• "Health and wellness are important to me and I am doing everything I can to be healthy now and in the future."
In it for Fun (17%)	• "I am healthy because I lead a very active lifestyle. But for me it's not about being healthy. I just enjoy exercise and love physical competition."
Value Independence (19%)	• "I would like to be healthier, but I think doctors and modern medicine are overrated. I prefer to do things my way."
I Need a Plan (20%)	• "I know what I need to be healthy, but it's easy to get overwhelmed and I just have a hard time making it happen."
Not Right Now (24%)	• "Sure, I could probably spend more time on my health – but I have so many other things going on in my life! Besides, my health is pretty good now, so why worry?"
Get Through the Day (11%)	• "My health isn't so good, which makes it tough to exercise. It just seems like I'm fighting a losing battle; no matter what I do, I can't get healthy."

Source: 2009 LIVING Well Health & Wellness Segmentation Study

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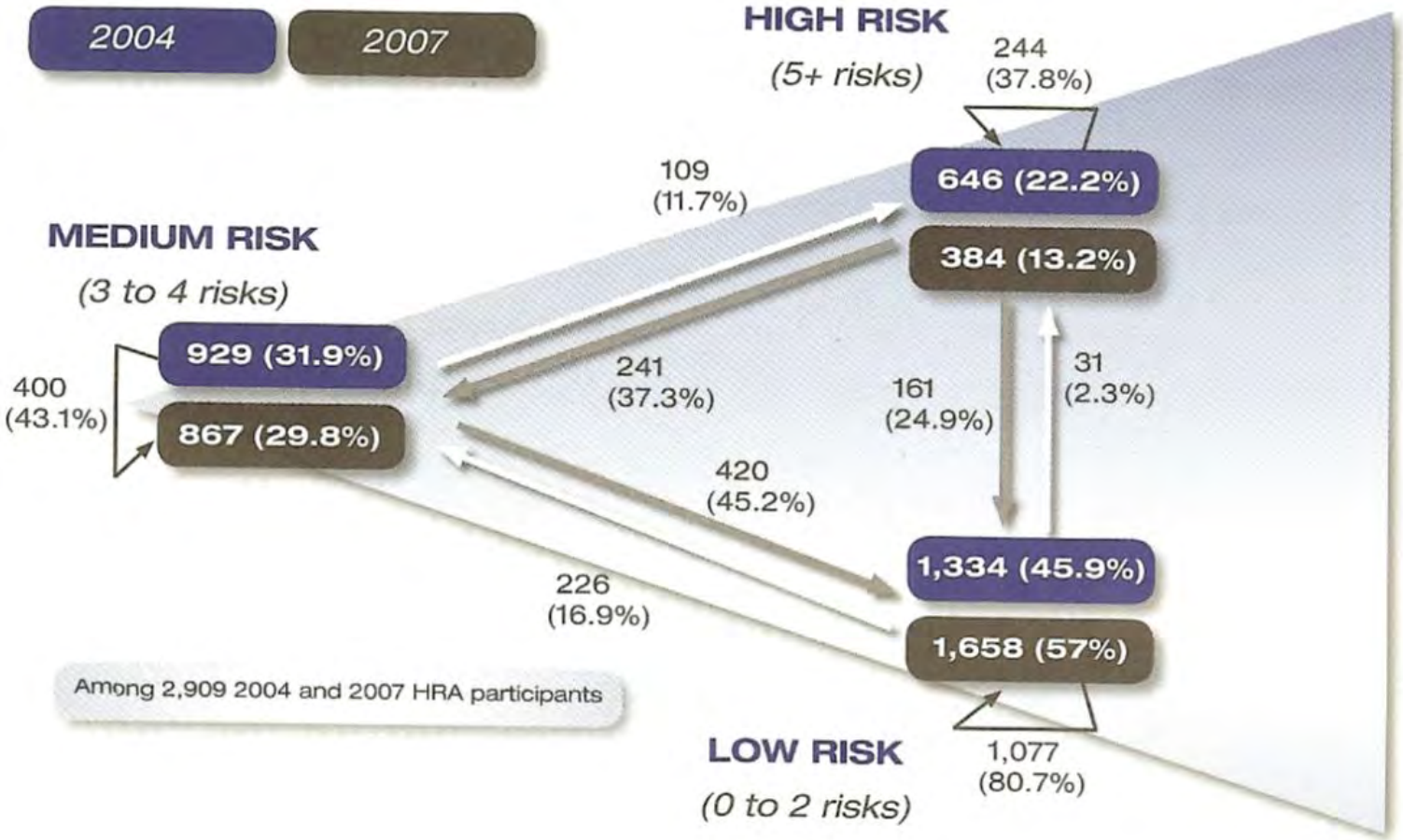
HRA Participants Health Risk Evolves
Measure – Manage - Improve



Source: Dee Edington, PhD, Zero Trends 2009, actual example from Midwestern Manufacturing company

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Concluding Thoughts

- Engage stakeholders in affordability and quality
  - Employers, members, providers
  - Choose partners that excel at engagement
  - Find creative currency/best fit levers to impact valuable behavior
- Improve member engagement by getting close
  - Health Care is local; Health Care is personal
  - Reach plan participants where they are
  - Focus on valuable change, that fits their beliefs
- Help employers be successful with best practice processes
- Focus on sustainable engagement and impact
- Be thoughtful, flexible and adapt to change
- Stay close to the care, customer, and data
- Test with rapid course correction
- Wellness is a journey, not a race.

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