

Welcome to the NCBGH 2022 Spring Forum!



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Visit with them during lunch!



Today's Agenda

([available online at spring.ncbgh.org](http://spring.ncbgh.org))

8:45 AM – Welcome and Introductions

Jon Rankin, NCBGH President/CEO

9:00 AM – Legal Update

Elizabeth Allen, Vice President of Benefits Compliance and Counsel, NFP

10:00 AM – NC Healthcare Systems – Costs, Quality and Consolidations

Jamie Crooks, Co-founder, Fairmark Partners, LLP

Dale Folwell, State Treasure of North Carolina

11:00 AM – NCBGH Employer Initiatives Update/Discussion for Employers

A discussion of NCBGH current initiatives across the state and the significant impact they can have for your company and employee population

11:30 AM – Culture of Wellness Award Presentation

The winner of the 1st annual NCBGH Culture of Wellness Award will be announced!

Hear about their program and how you might incorporate some of the ideas in your programs!

12:00 PM – Networking Lunch

Great opportunities for networking, learning best practices, or even problem-solving with others while enjoying a fantastic Grandover lunch!

1:00 PM – Innovation in Employer Health/Wellness Benefits

A fast-paced session from current innovators in employee benefits and health focusing on the latest trends, tools, and innovations!

1:45 PM – Panel Discussion: Cell & Gene Therapy – The Employer Impact (panelists updated)

Panel discussion focusing on current and upcoming innovations and the cost implications for employers.

Moderator: Marianne Hamilton Lopez, Senior Research Director for Biomedical Innovation, Duke-Margolis Center for Health Policy

Panelist: Abhi Gupta, Senior Director, Global Gene Therapy Business, Pfizer, Inc.

Panelist: Angie Smallwood, Volvo

2:45 PM – Wrap-up



Legal Upate

Elizabeth Allen

**Vice President of Benefits Compliance and Counsel
NFP**





Legal Update: Benefits Regulatory Reforms & Enforcement

Elizabeth Allen, JD, CEBS

VP, NFP Benefits Compliance





Please note that the following is intended to be used for general guidance purposes only — it is not intended to constitute tax or legal advice. Any question of application of the law should be addressed to legal or tax counsel. The information is current as of May 6, 2022.

Agenda

- State of COVID-related Benefits Compliance
- Mental Health Parity Uptick in Enforcement
- Federal Transparency in Coverage & Surprise Billing Provisions
- Other Announcements:
 - ACA Family Glitch Proposed Rule
 - Telemedicine/HSA Relief Extension
- North Carolina-specific Legislation of note:
 - Senate Bill 257
- Looking Forward



State of COVID-Related Benefits Compliance

COVID Relief Provided

- No-cost tests and vaccines.
- Retirement plan relief (i.e. loans, hardship, partial plan termination)
- FFCRA Leave
- Extension of Certain Time Frames (for HIPAA special enrollment, COBRA, and ERISA claims)
- ARPA COBRA Subsidies
- Section 125 Relief for Elections, DCAP and FSA



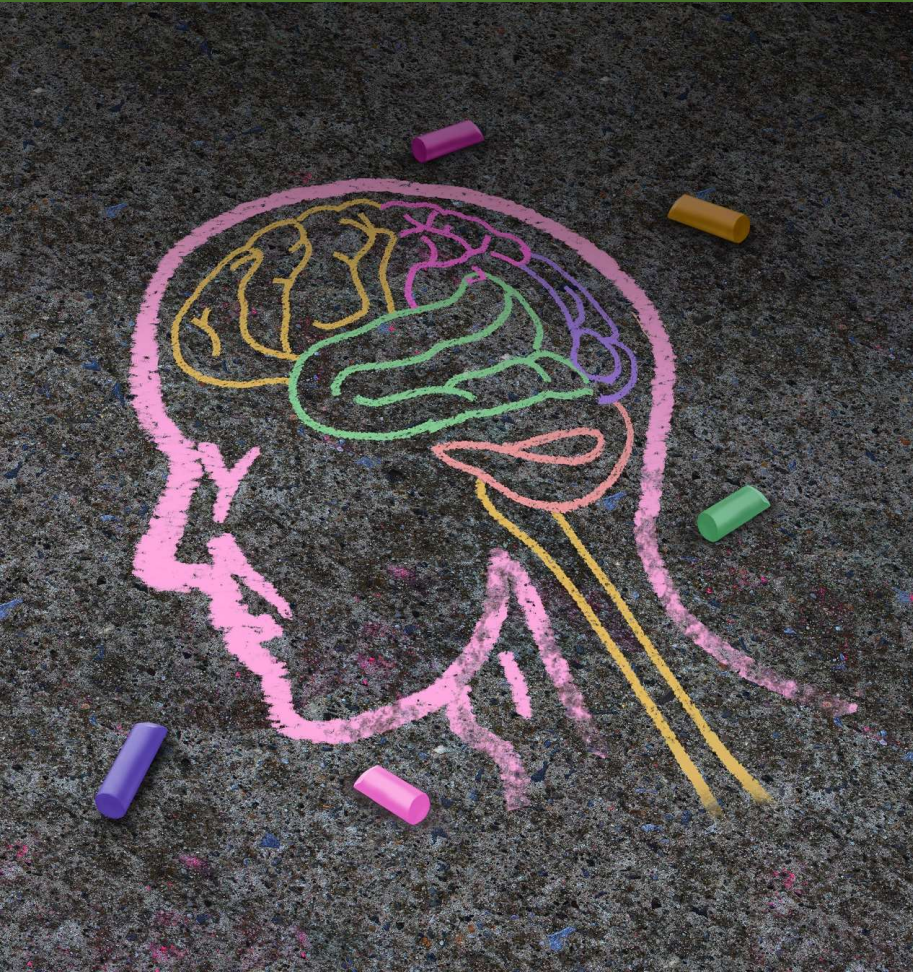
COVID Relief Provided – Are they Ongoing or Over?

- No cost tests and vaccines. – Ongoing
- Retirement plan relief (i.e. loans, hardship, partial plan termination) – Over
- FFCRA Leave – Over
- Extension of Certain Time Frames (for HIPAA special enrollment, COBRA, and ERISA claims) – Ongoing
- ARPA COBRA Subsidies – Over
- Section 125 Relief for Elections, DCAP and FSA – Basically Over



Mental Health Parity Uptick in Enforcement

Mental Health Parity is Front and Center



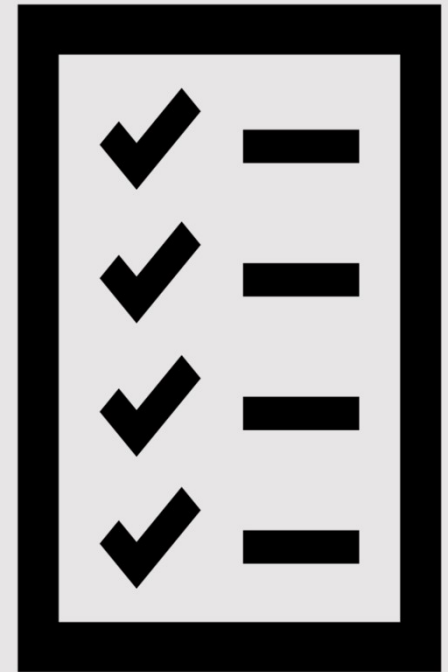
- Plans that cover mental health and substance use treatment must offer it in “parity” with medical/surgical coverage.
- This must be done in regards to quantitative treatment limitations (QTLs) and financial requirements as well as nonquantitative treatment limitations (NQTLs).
- CAA, 2021 required NQTL comparative analysis.

Mental Health Parity is Front and Center

- Recent DOL enforcement stats and report to Congress highlighted:
 - Tremendous uptake in DOL enforcement efforts.
 - Out of 156 collected NQTL reports, all were deficient.
 - Focus on:
 - ✓ Exclusions of ABA Therapy
 - ✓ Non-compliant cost-sharing
 - ✓ Failure to offer mental health/substance use treatment in all categories
 - Report to Congress asked for civil penalties, authority over TPAs of self-funded plans, and additional resources for enforcement.
 - ✓ Biden Administration budget seemingly provides those AND even goes so far as to require mental health coverage.

Employers' Role

- Review plan documents for potential parity issues on the face of the plan documents.
- Engage with Insurer or TPA to ensure you have an NQTL comparative analysis *before* it's requested.
- Take any mental health coverage complaints seriously.
- Resources:
 - Enforcement Fact Sheet:
<https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/laws/mental-health-parity/mhpaea-enforcement-2021.pdf>
 - DOL MHPAEA Report to Congress:
<https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/laws/mental-health-parity/report-to-congress-2022-realizing-parity-reducing-stigma-and-raising-awareness.pdf>



Federal Transparency in Coverage and Surprise Billing Provisions

Transparency in Coverage and No Surprises Act Timeline



- In October 2020, the DOL, IRS, and HHS issued Transparency in Coverage final rules.
- In December 2020, Congress passed and the president signed the Consolidated Appropriations Act, 2021 (CAA). The Bill:
 - Required additional transparency and disclosure obligations; and
 - Included a No Surprises Act restricting surprise billing
- The DOL, IRS, and HHS released FAQs regarding the implementation of the CAA provisions.

Transparency in Coverage Final Rules: Two Basic Requirements

(1) Public Disclosing of Pricing Data

- Plans must disclose:
 - Negotiated rates for in-network (INN) covered items and services.
 - Historical out-of-network (OON) billed charges and payments for a 90-day period.
 - Required format is machine-readable files that must be updated monthly.
 - Disclosures must be posted on a public website and accessible free of charge and without requiring the establishment of a user account or password.
- Effective for plan years beginning on or after January 1, 2022.
 - **Enforcement begins July 1, 2022.**
 - Original requirement to also disclose prescription drug information postponed pending review for appropriateness given similar CAA pharmacy benefit reporting requirement.

Transparency in Coverage Final Rules: Two Basic Requirements

(2) Internet Cost-Sharing Tool

- Plans must provide participants with personalized out-of-pocket (OOP) cost information for covered healthcare items/services through an online self-service tool and in paper format (if requested).
- Disclosure is designed to provide participants with estimates of their cost-sharing liability with different providers prior to receiving care, so they can better compare costs.
- The format could be like an Explanation of Benefits but with actual negotiated rates, OON allowed amounts, real-time accumulated amounts towards deductibles and OOP maximums.
- Effective for plan years beginning on or after January 1, 2023 (for 500 common items/ services)
 - All items and services must be disclosed for plan years beginning on or after January 1, 2024.
- Regulators intend to propose rules to determine if the CAA price comparison tool could be consolidated with this requirement to avoid duplication.
- Stay tuned on this requirement...

Other Transparency Requirements from the CAA

**Removal of Gag
Clauses**

**MHPAEA NQTL
Comparative
Analysis**

**Pharmacy Benefit
and Prescription
Drug Cost
Reporting**

**Service Provider
Compensation
Disclosure**

**Continuity of Care
Provisions**

**Provider
Directories**

**Insurance ID Cards
with Cost-Sharing
Information**

Advanced EOBs

**Price Comparison
Tool**

Transparency in Coverage Final Rules: Implementation

Takeaways:

- Employers should work with their carrier or TPA to ensure the machine-readable files are timely and publicly posted.
- Employers should also educate themselves on the Transparency in Coverage final rule (as well as the CAA) requirements.
- Prospectively, employers can use the publicly disclosed data of other plans as a comparison basis for plan contract negotiations.
- It is also important to monitor for further regulatory updates.
- Transparency in Coverage Final Rule: <https://www.govinfo.gov/content/pkg/FR-2020-11-12/pdf/2020-24591.pdf>
- FAQs about Affordable Care Act and Consolidated Appropriations Act, 2021 Implementation Part 49: <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/faqs/aca-part-49.pdf>

No Surprises Act: Surprise Billing Prohibitions

Background

- The No Surprises Act (NSA) provisions of the CAA, 2021 apply to both insured and self-funded group health plans and are effective for plan years beginning on or after January 1, 2022.
- The NSA includes protections from surprise bills for Out-of-Network (OON) emergency and air ambulance services and certain OON services received at In-Network (INN) facilities.
- Participant cost-sharing for covered OON services is limited to INN levels and is based on:
 - An amount determined by an applicable All Payer Model Agreement (MD, VT) or state surprise billing law.
 - If no state law or agreement exists, the participant rate is based on the Qualifying Payment Amount (QPA), which is the median contracted rate for the item or service for the geographic region.
- Plans and insurers must address the balance of the bill from an OON provider.
- Interim Final Rules Released in July 2021

No Surprises Act: Surprise Billing Prohibitions

What amount does the plan/insurer pay to the OON provider?

The payment amount is based upon (in order):

- All-Payer Model Agreement (VT, MD)
- State law (to the extent state balance billing law applies).
- An amount agreed upon by the plan and the provider or facility.
- **If none of the above apply, the amount selected by an independent dispute resolution (IDR) entity.**

Generally, self-funded plans need to reach an agreement with the OON provider or facility or use the federal IDR process.

No Surprises Act: Surprise Billing Prohibitions

Recent Litigation Effecting Interim Final Rules

- The federal IDR process was supposed to allow for the IDR entity to consider various specified factors but required a presumption that the QPA was the appropriate amount unless credible information to the contrary.
- In *Texas Medical Association v. HHS*, the physician's group challenged the interim final rule's presumption that the QPA was the correct OON payment amount. They argued that the QPA should be given equal consideration with other factors under the statutory language. They also argued that HHS had not completely followed the required rulemaking process.
- The court sided with the TMA, holding that the QPA can't be given greater weight than other factors. This resulted in portions of the interim final rule being struck down. But the IDR process is still mostly in place.
- The DOL is considering their options on responding to the lawsuit. Surprise billing still prohibited; the case just effects the practice of determining how much OON will be paid. Final rule expected in May.

No Surprises Act: Surprise Billing Prohibitions

Other Surprise Billing Requirements

- Notice on NSA was required as of January 2022
 - DOL provided a model notice: <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/no-surprises-act>
 - Insurers/TPA can satisfy public website posting requirement on behalf of employers. Notice information also must be on EOBs with NSA aspects.
- Plan amendments may also be necessary, but insurer certificates/self-funded plan booklets are most likely to need to be updated (as opposed to the SPD).

**Other Announcements:
ACA Family Glitch Proposed Rule &
Telemedicine/HSA Relief Extension**

Proposed Fix of the Family Glitch

- On April 5, the IRS announced a proposed rule to fix the “family glitch” inherent in ACA premium tax credit eligibility.
 - PTC only currently available to those who don’t have an offer of “affordable” coverage – BUT affordability was based on the cost of self-only coverage, regardless of whether family coverage was much more expensive.
- Proposed rule increases access to the PTC for those for whom family coverage is not affordable.
- An employee’s family members may be eligible for a PTC even if the employee’s self-only coverage is affordable.
- Notably, the rule does not require employers to provide affordable family coverage. Employers may see family coverage terminated for some families.
- If finalized, the rule would take effect January 1, 2023.



Telemedicine/HSA Relief Extension



- CARES Act allowed for participants to receive telehealth at no charge without losing their HSA eligibility.
 - Normally, to be eligible for HSA contributions, participants must be enrolled in a HDHP and no other impermissible coverage (i.e. coverage that pays before the statutory deductible is met).
- The CARES Act provision expired at the end of 2021.
- The Consolidated Appropriations Act, 2022 extended this relief from March 31, 2022-December 31, 2022.
- The bill did not address the gap from January-March. Hopefully, the IRS will come out with a non-enforcement policy.
- Several lobbyists indicate that this relief will be extended potentially permanently.

NC Senate Bill 257

NC Senate Bill 257: Regulating PBMs

- In September 2021, the NC House and Senate passed, and the governor signed NC Senate Bill 257 into law, creating the Medication Cost Transparency Act. This law regulates Pharmacy Benefit Managers.
- Amongst other things, the law:
 - Requires licensure of PBMs operating in NC;
 - Requires PBMs to allow pharmacies to charge shipping and handling fees for mailed prescriptions;
 - Institutes a number of pharmacy and pharmacist protections including the right of pharmacists to refuse to fill prescriptions that they believe are not in the patient's best interest;
 - Prohibits PBMs from including dispensing fees in the maximum allowable cost price;
 - Creates new rules for PBM networks;
 - Requires PBMs to comply with HIPAA;
 - Does not allow PBMs to discriminate against 340B plans; and
 - Provides the NC Insurance Commissioner with additional enforcement oversight and civil penalty options.



NC Senate Bill 257: Regulating PBMs

- **How does this affect employer sponsored plans?**
 - The employer sponsored plan community feels this could absolutely affect costs that are passed down to plans and plan participants.
 - The whole reason larger plans engage PBMs is to negotiate drug prices in a way that's beneficial to the plan.
- **Is this legislation a part of a trend in states?**
 - YES. Several states have enacted and introduced laws regulating PBMs in the last few years. Some go further than others, but at least some sort of licensing requirement has been enacted in a majority of states at this point.
 - The National Conference of State Legislatures even has a list of states and the PBM measures they've enacted: <https://www.ncsl.org/research/health/state-policy-options-and-pharmacy-benefit-managers.aspx>

NC Senate Bill 257: Regulating PBMs

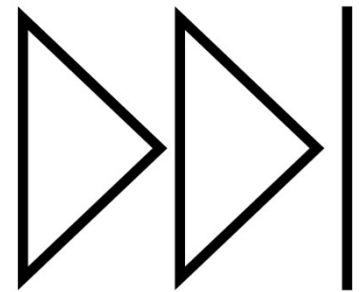
- **But what about ERISA preemption as it pertains to employer-sponsored health and welfare plans?**
 - ERISA was designed to 'preempt' state law when it comes to the regulation of employee benefit plans.
 - However, ERISA allows states to regulate issues that might impact benefit plans but not in a way that interferes with ERISA.
 - Since PBMs serve a large number of group health plans, ERISA preemption cases were pursued all the way to the Supreme Court.
 - In *Rutledge v. Pharmaceutical Care Management Association* rejected the notion that ERISA preempted an Arkansas PBM law. And Circuit courts have since followed this interpretation.
- **What can employers do at this point?**
 - **Discuss the impact of these laws with PBM and/or insurer.**
 - **Review plan prescription offerings to understand where laws may affect costs.**
 - **Potentially lobby on the issue.**



Looking Forward

Looking Forward

- Other themes/major headlines from this year:
 - ERISA preemption cases trend
- Upcoming budget could yield benefits-related (or adjacent) provisions:
 - Tax treatment of Fixed Indemnity health policies
 - Funding for Post-retirement Medical and Life Insurance
 - Additional enforcement of MHPAEA violations
 - Federal paid leave?
 - Child Care assistance?
 - Changes to Medicare?
- Working with vendors is still key in maneuvering all the legislative and regulatory changes
- NFP Benefits Compliance provides a lot of public facing guidance
 - Podcast: <https://soundcloud.com/nfpinsightsfromtheexperts>
 - *Compliance Corner*: <https://www.nfp.com/about-nfp/insights/compliance-corner>



North Carolina Hospital System Costs, Quality and Consolidations

*Jamie Crooks, Co-founder, Fairmark Partners, LLP
&
Dale Folwell, State Treasurer of North Carolina*



Hospital Concentration Impact on NC Healthcare Costs

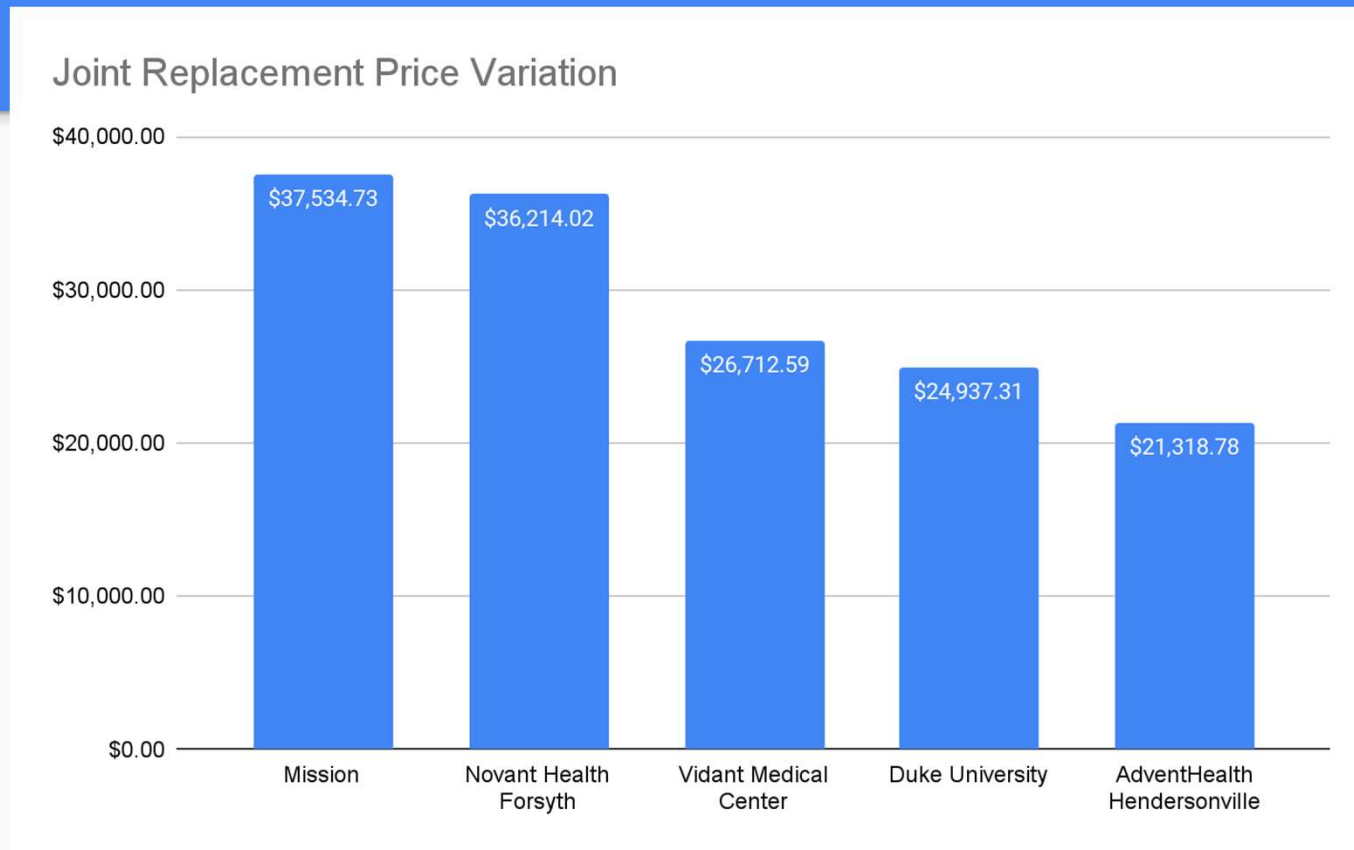
North Carolina Healthcare Costs...

North Carolinians paid almost **14 percent of the state's median income on employer-sponsored health plan premiums and deductibles**, up from around 11 percent in 2008.

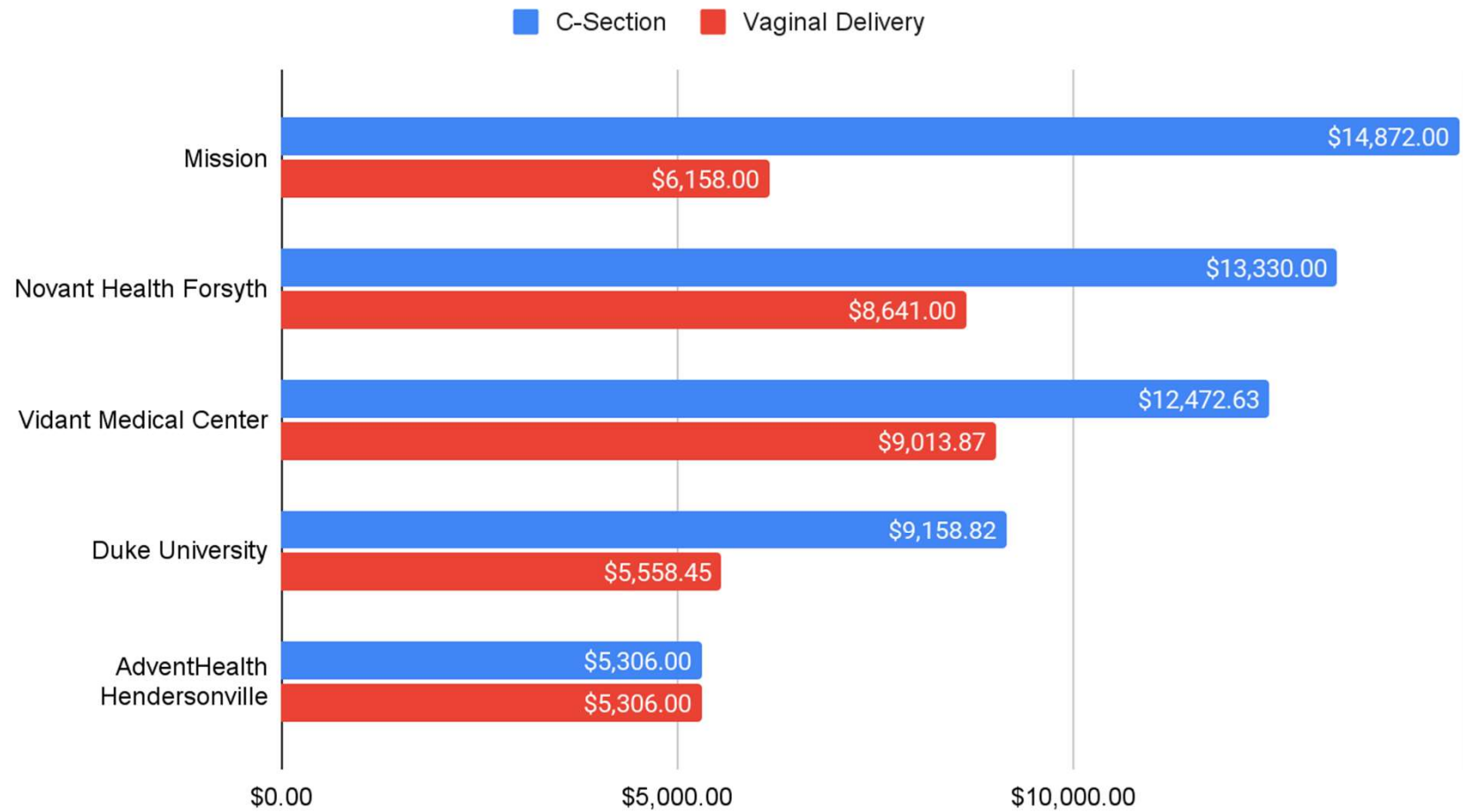
The average premium in North Carolina for an employee-sponsored family plan was **\$18,211 in 2018**, up from just over **\$12,000 in 2008**.

Source: [*North Carolina Health News*](#)

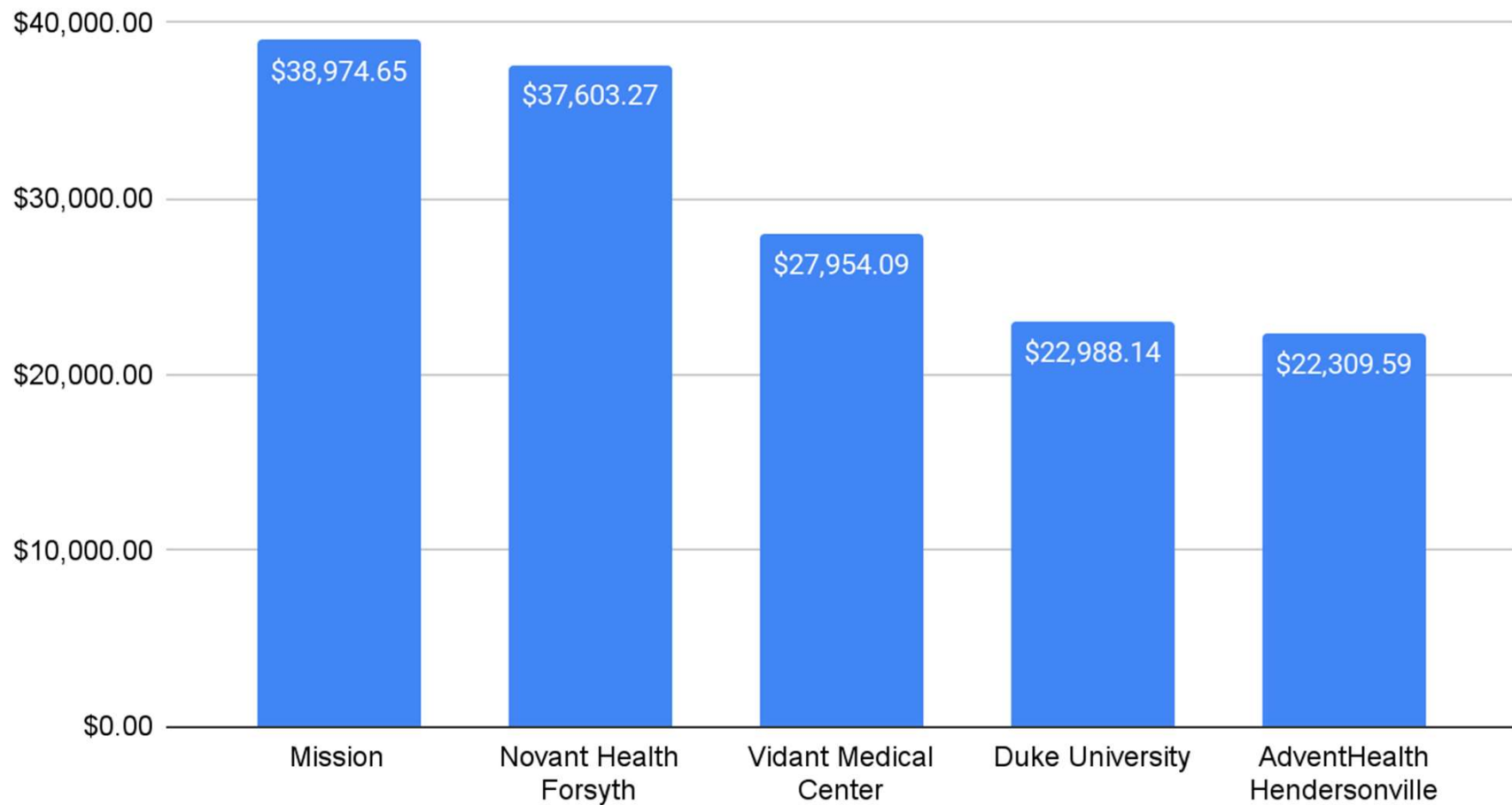
...Driven By North Carolina Hospitals' Secret Prices



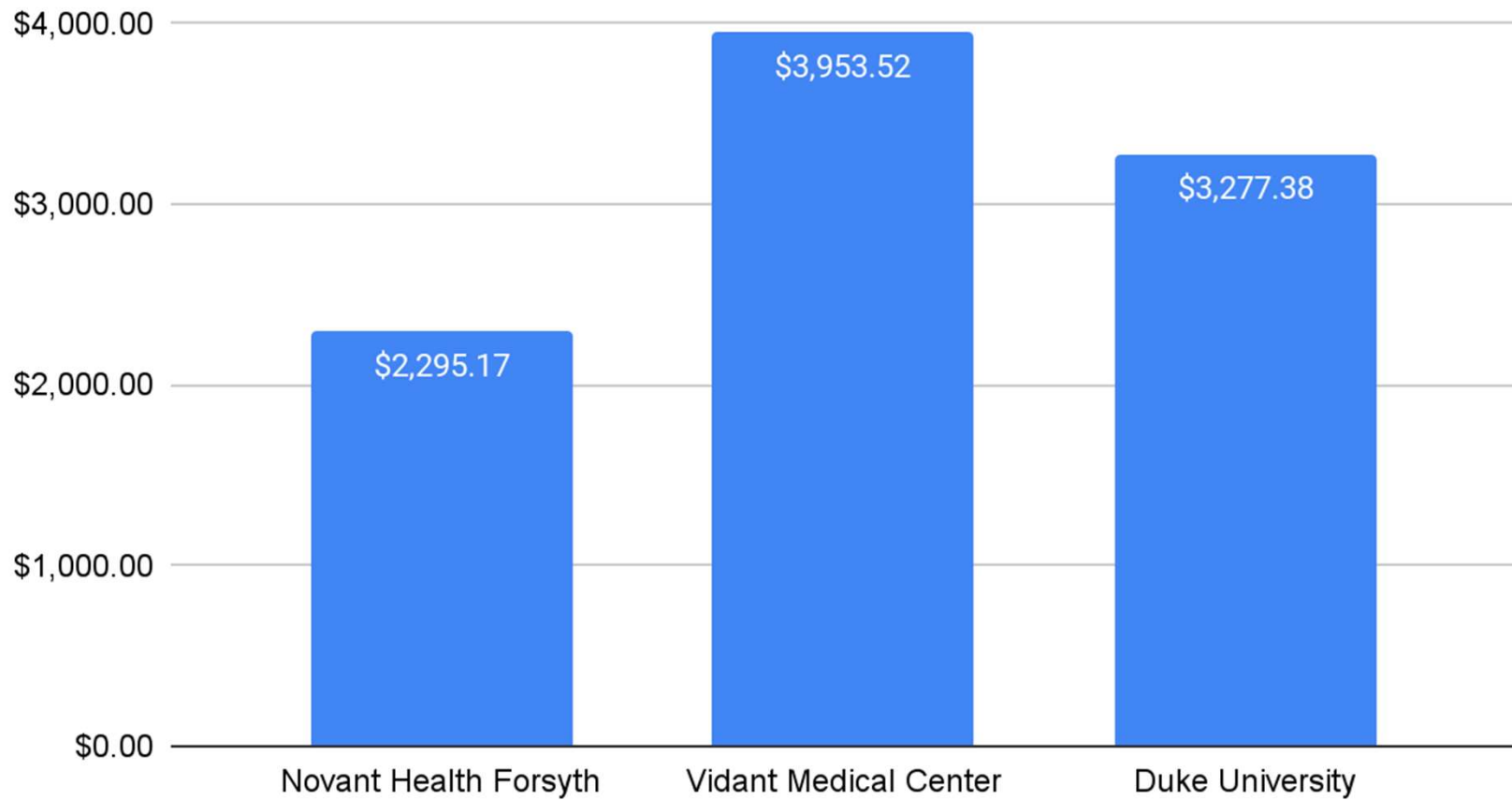
Maternity Price Variation



Angioplasty Price Variation



CT Scan Of Abdomen & Pelvis Price Variation

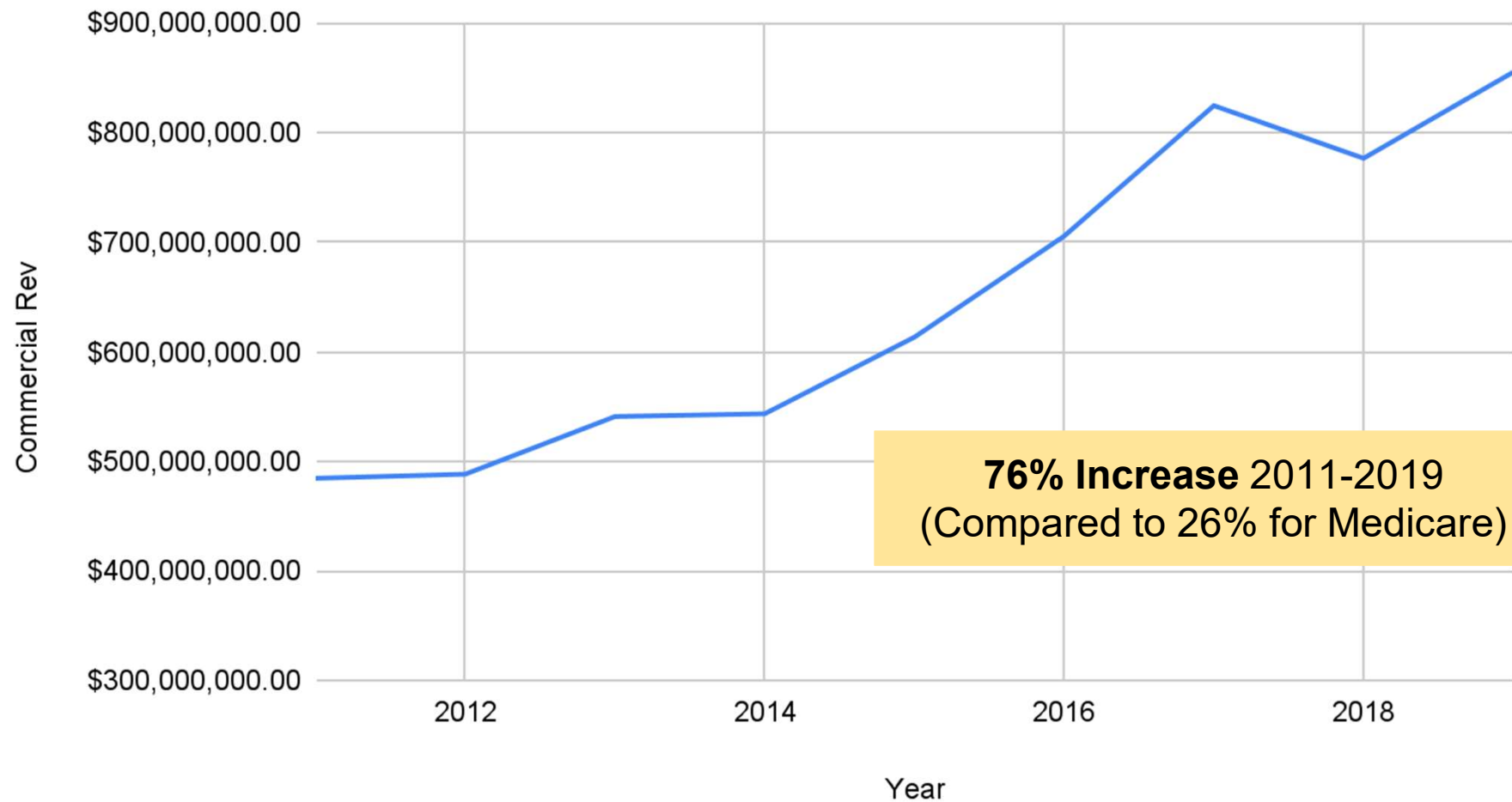


Note: Mission and AdventHealth did not post prices for this procedure

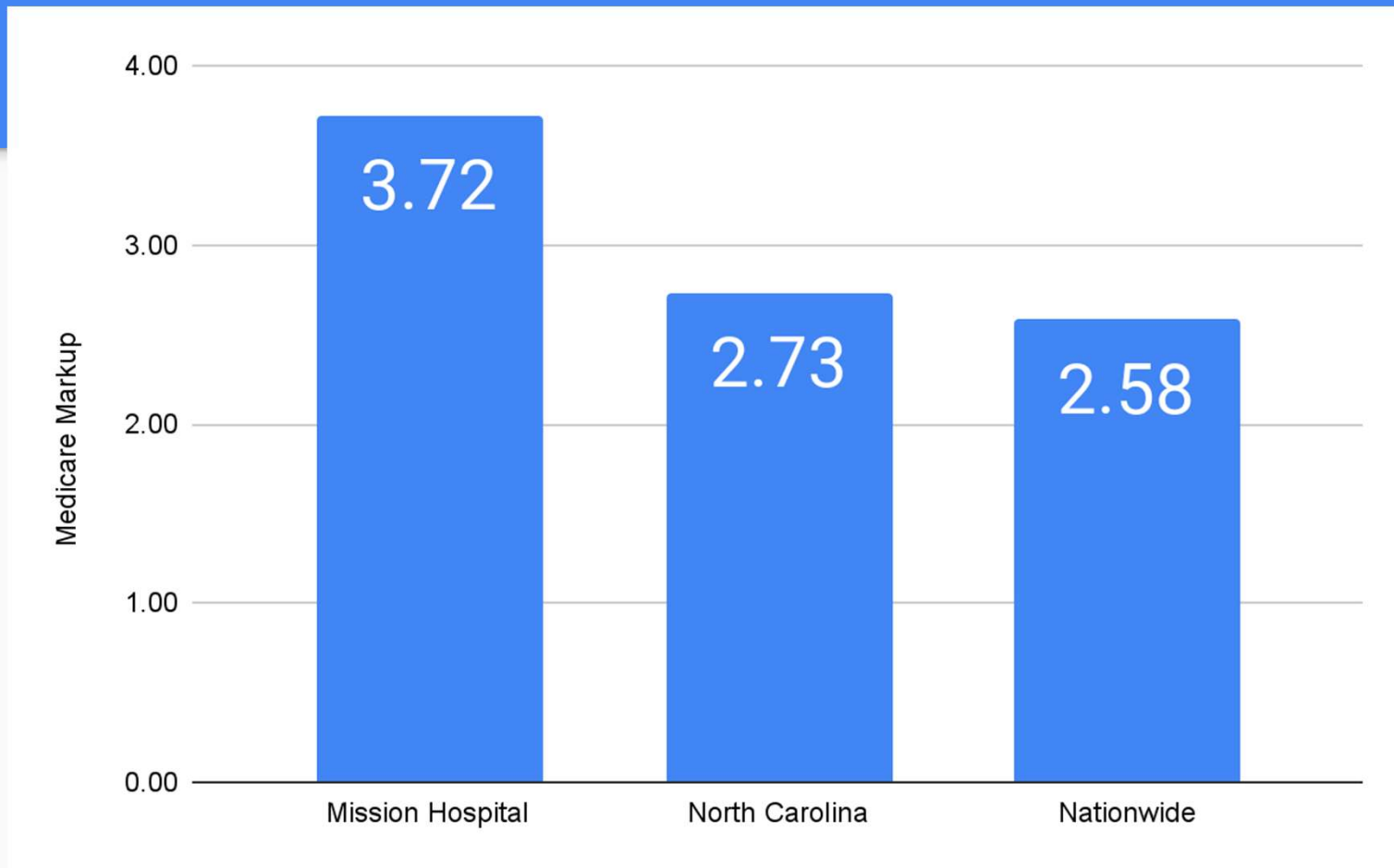
Our Focus

1. Antitrust cases against hospitals using their market power to engage in anticompetitive conduct. (HCA/Mission, Hartford, etc.)
 - a. Anti-Steering / Anti-Tiering
 - b. All-or-nothing
 - c. Exclusion of competitors (including non-competes, referral restrictions)
1. Hospitals using balance billing, price opacity, and other tactics to punish reference based pricing, high-deductible plans, or those operating outside agreed upon “networks” (Vidant, Surprise Billing Cases)

HCA-Mission Commercial Revenue Over Time



HCA/Mission: Prices 36% higher than NC Average

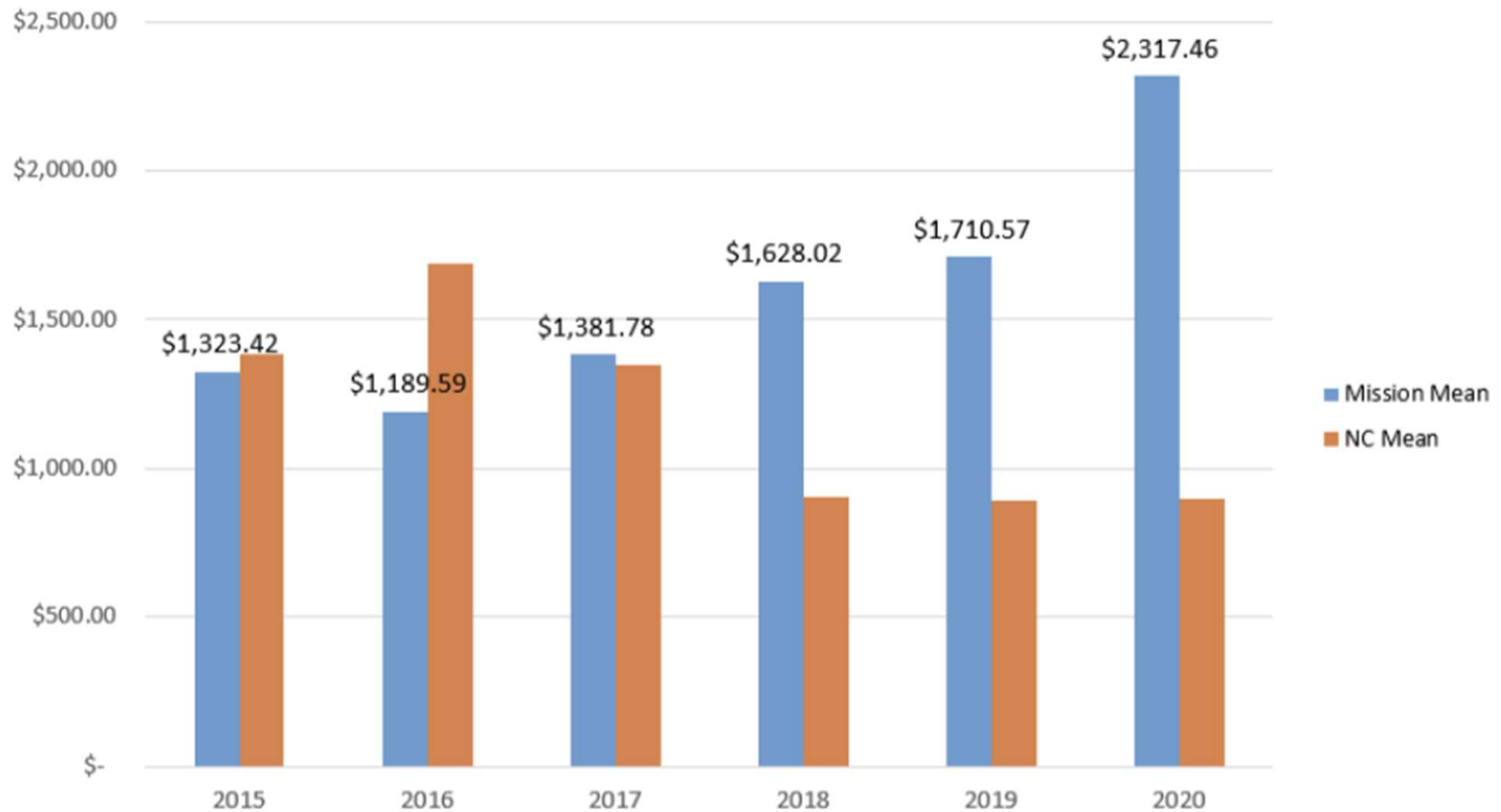


HCA/Mission: Procedures Markups

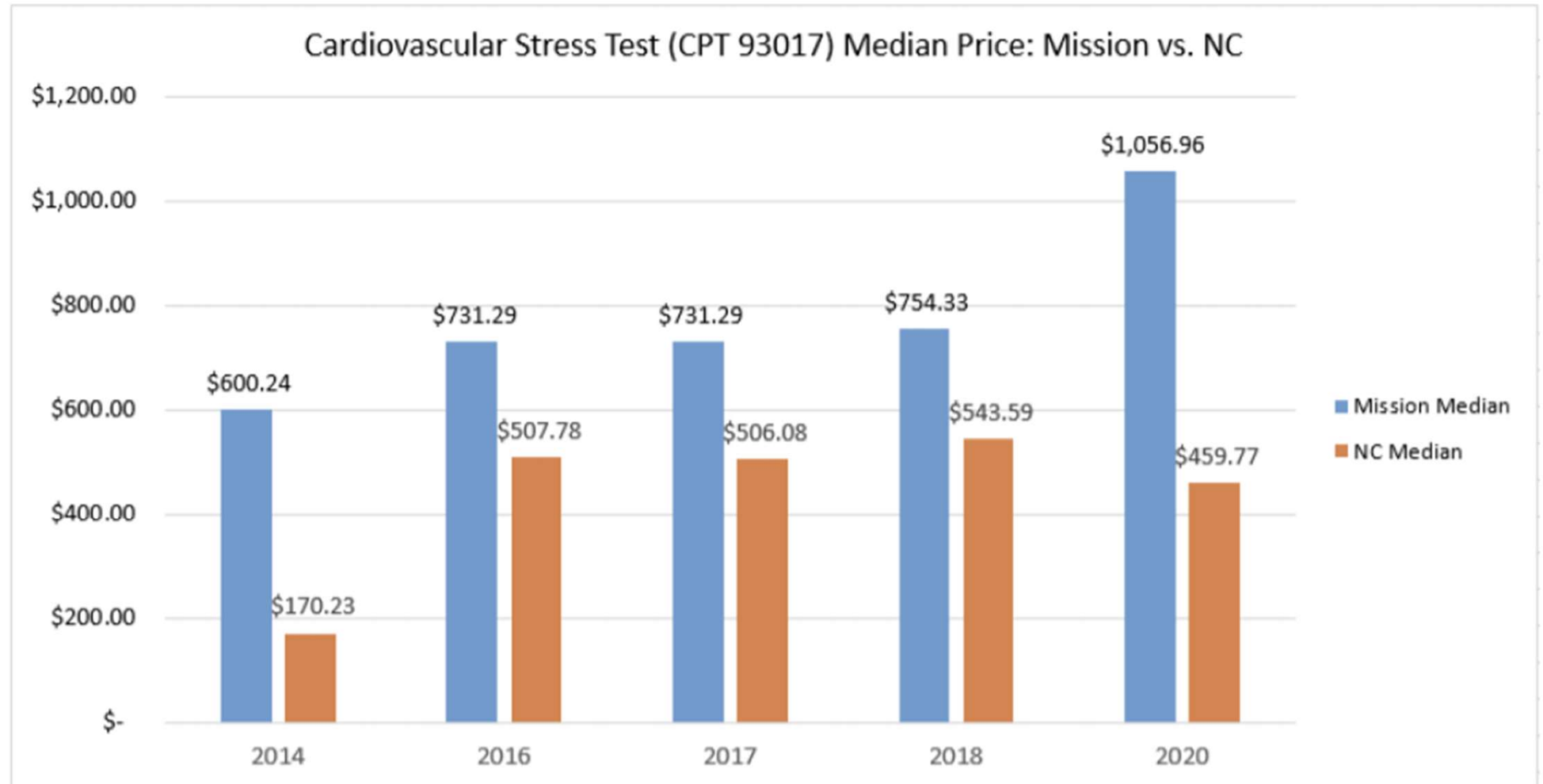
Service	Mission Average	Asheville Average	Markup
Metabolic Panel	\$77	\$35	120%
Pulmonary Function Test	\$208	\$123	69%
Lower Limb MRI	\$2,755	\$1,764	56%
CT Scan	\$4,107	\$2,723	51%

HCPCS 29826: Shoulder Arthroscopy

Shoulder Arthroscopy (CPT 29826) Average Price: Mission vs. North Carolina



HCPCS 93017: Cardiovascular Stress Test



HCA/Mission: Overutilization

Mission is in worst **98%** of US hospitals for performing unnecessary procedures.

Mission also overcharges for these unnecessary procedures

- Ex. Knee arthroscopy is **30-50% more expensive** at Mission than NC average



**Harvard Health
Publishing**
HARVARD MEDICAL SCHOOL

**Knee arthroscopy: Should this
common knee surgery be
performed less often?**



Arthroscopic surgery for knee pain

A highly questionable practice without supporting evidence of even moderate quality

Our Focus

1. Antitrust cases against hospitals using their market power to engage in anticompetitive conduct. (HCA/Mission, Hartford, etc.)
 - a. Anti-Steering / Anti-Tiering
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1. Hospitals using balance billing, price opacity, and other tactics to punish reference based pricing, high-deductible plans, or those operating outside agreed upon “networks” (Vidant, Surprise Billing Cases)

Hospitals Using Balance Billing & Pricing Opacity

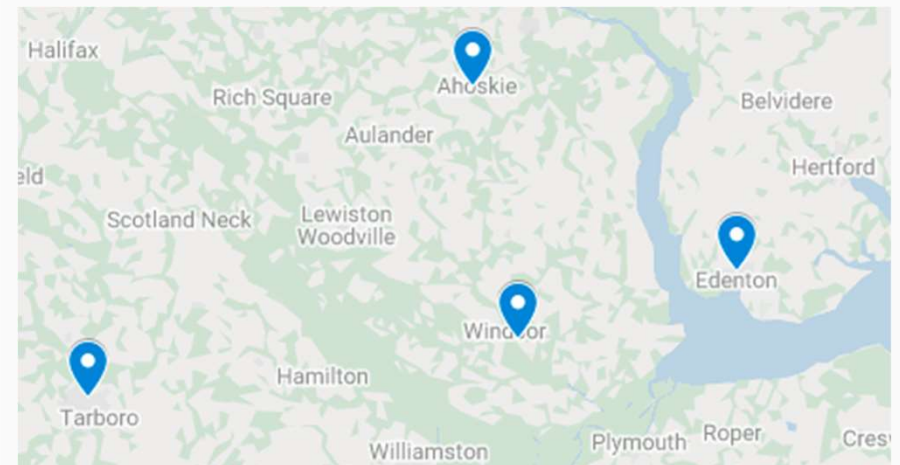
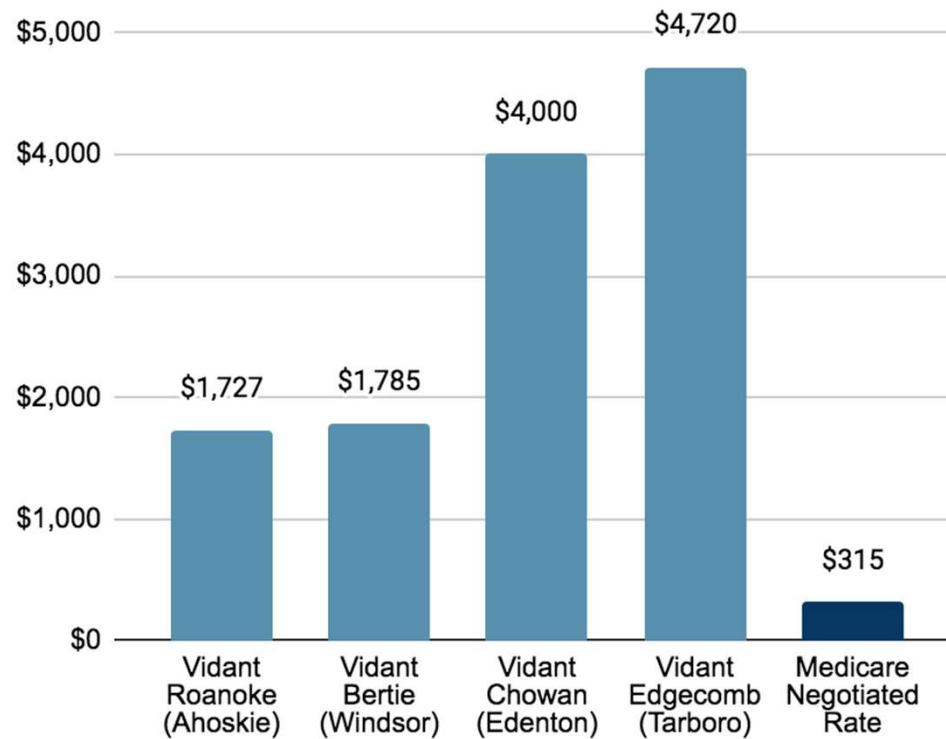
77. Mr. Cansler was shocked and surprised to receive a bill for over \$3,000 for a short visit to an in-network hospital.

78. Mr. Cansler did not receive an itemized bill until September 2019, more than a year later and after he raised concerns. That itemized bill detailed that the \$4,000 charge was for “HB-CT ABDOMEN AND PELVIS W/O CONTRAST.” The bill listed the allowed amount for this procedure as \$3,576 with Blue Cross paying \$456.61 of that amount. This left \$3,119.39 which Vidant Health claimed Mr. Cansler was required to pay for that CT scan.

97. Mr. Cansler attempted to continue to negotiate with Vidant Health but was repeatedly rebuffed. Vidant Health’s Risk Management Senior Administrator, Jamie Grady, claimed in a letter dated December 12, 2019, that EMTALA prevented Vidant from providing any cost information to patients prior to treatment.

Vidant: Chargemaster Rates

CT Scan Chargemaster Rates



NCBGH Employer Initiatives

Interest sign-up form: Spring.NCBGH.org -> Polls/Survey -> Workgroup/Committee Interest Form

- **“Return” to Routine Screenings Campaign**

Status: Need members for Campaign Focus Group prior to roll-out

- **Oncology Roundtable for Employers**

Status: 3 sessions completed. Follow-up info will be sent to employer members soon.

- **Hospital Cost/Quality**

Status: Seeking employers to work with Leapfrog data and meet with hospital senior executives

- **New: High Cost Claims Purchaser Advisory Council**

(National Alliance employer council)

- **Roundtable on Cell and Gene Therapy Employer Impact**

(coming)

- **New Committees: Membership, Forums, Website**



Polls during the Forum

spring.NCBGH.org -> Polls/Survey

To let us know your interest in a
workgroup, committee, or roundtable



Wellness Award

In honor of NCBGH's founder, Chris Coté...

The first annual
Culture of Wellness Award
in honor of
Chris Coté, NCBGH Founder

*A statewide award recognizing the
best employer wellness programs*

Award committee

*North Carolina Business Group on Health
in partnership with Cigna*



Culture of Wellness Award

7 Award Components

- Leadership Commitment
 - Culture, Foundation, Policies
- Program Offerings/Tools/Incentives
- Strategic Planning/Communications
 - Reporting Metrics/Evaluation
- Organization Engagement Data
 - Innovation/Technology



Culture of Wellness Award

Small/Midsize Employer

**Congratulations to
Cleveland County Government**

*Rebecca Rhinehardt
Safety, Risk, & Wellness Coordinator*



Culture of Wellness Award

Large Employer

Congratulations to

Alex Lee

Kim Davis, Sr.

Director HR Operations, Compensation & Benefits



Innovation in Employer Health/Wellness Benefits

Format

Each Innovator will be given just 5 minutes
to convey their innovative product/service

*(They'll need to be quick...
Microphones will cut off at the end of 5 minutes!)*



Innovator #1: Progyny





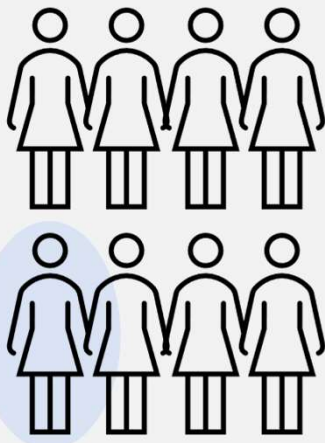
NCBGH

NORTH CAROLINA BUSINESS GROUP ON HEALTH

Sean Bisig and Wendy Wright
VP Business Development



The need for a fertility benefit is urgent



Impacts 1 in 8 people...

1 in 4	Arthritis
1 in 7	Chronic kidney disease
1 in 8	Infertility
1 in 11	Diabetes
1 in 13	Asthma
1 in 20	Depression
1 in 230	Cancer

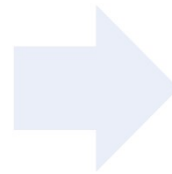
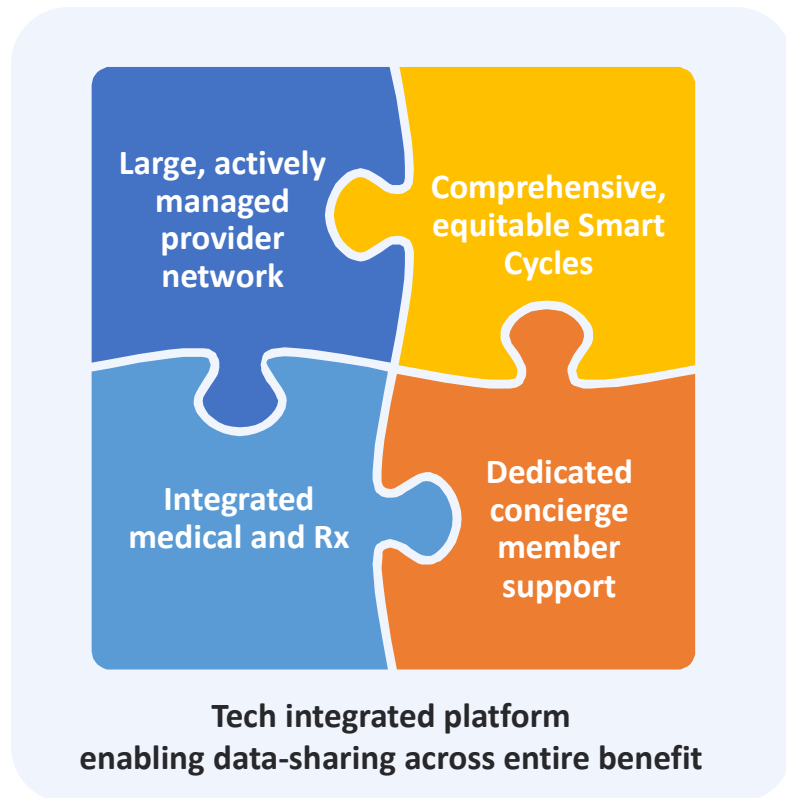
**...more than diabetes,
asthma, depression, cancer**

- **Starting to have families later** when it's harder to have a baby
- **Diverse paths** to parenthood
- **Egg quality and quantity** declines with age
- **Male infertility** accounts for 1/3 of cases
- **Black women are 2x as likely to experience infertility** yet half as likely to seek treatment
- **Economic impact:** \$33.7 billion due to multiples; \$5.7 billion due to lost productivity

1. Technavio Market Research, March 2017; Harris Williams & Co. Fertility Market Overview 2015; CDC Data, Statistics and Surveillance, retrieved December 2017. | 2. Birth of the Biological Clock, <https://www.st-andrews.ac.uk/news/archive/2010/title46684.en.php> ; Maternal age and fetal loss: population-based register linkage study. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC27416/> | 3. Lemos, E. V., Zhang, D., Voorhis, B. J., & Hu, X. H. (2013). Healthcare expenses associated with multiple vs singleton pregnancies in the United States. American Journal of Obstetrics and Gynecology, 209(6). doi:10.1016/j.ajog.2013.10.005, adjusted for medical inflation; <https://www.ncbi.nlm.nih.gov/books/NBK11358/>; EMD Serono, Employers and Evidence Based Infertility Benefits <http://resolve.org/wp-content/uploads/2017/09/employers-and-evidence-based-infertility-benefits.pdf>

Progyny: A more efficient fertility benefit delivering superior outcomes

Progyny's Fertility and Family Building Benefit



Superior clinical outcomes

- More live births
- Faster time to pregnancy
- Fewer miscarriages
- Fewer twins and triplets
- Better supported employees, high employee satisfaction

Increased claims stability, cost-savings

- Multiples and high-risk maternity/NICU cost avoidance
- Medical and pharmacy savings

Strong growth and retention across 30+ industries



Innovator #2: Calibrate

Calibrate



Innovator #3: Grail

GRAIL





Galleri Overview

Mark Russo
Director, Employer Partnerships

2022



GRAIL'S MISSION:

Detect cancer early,
when it can be cured.

Headquartered in Silicon Valley
at the heart of the intersection
of the life sciences and
technology industries



Formed in 2016 from a world-
class team of leaders,
scientists, clinicians,
engineers, and other experts

Unscreened cancers represent ~71% of cancer deaths

71% Deaths due to cancers **without available screening**

Including, but not limited to:

Pancreas, Liver, Bladder, Brain, Esophageal, Kidney, Ovarian, Melanoma, Stomach, Endometrial, Oral, Cervix, Larynx, Thyroid, Intestine, Vulva

29%

Deaths due to cancers with available screening*



Among individuals 50-79 years old.

Assumes screening is available for all prostate, breast, cervical, and colorectal cancer cases and 33% of lung cancer cases (based on estimated proportion of lung cancers that occur in screen-eligible individuals older than 40 years)

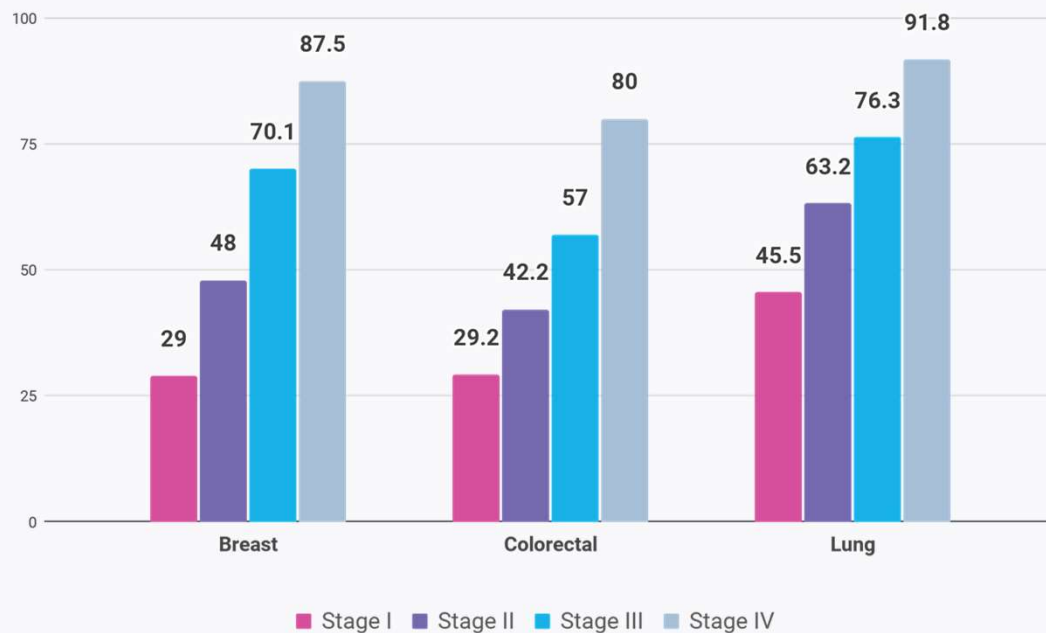
Data on file from Surveillance, Epidemiology, and End Results (SEER) 18 Regs Research Data, Nov 2017 Submission. Includes persons aged 50-79. Estimated deaths per year in 2020 from American Cancer Society Cancer Facts and Figures 2020.

Available at: www.cancer.org/content/dam/cancer-org/research/cancer-facts-and-statistics/annual-cancer-facts-and-figures/2020/cancer-facts-and-figures-2020.pdf

* USPSTF (United States Preventive Services Task Force) A, B or C rating

There are significant treatment costs associated with late stage cancer

Cost of Medical Care by Cancer and Stage (Banegas 2018)



2X more

Treatment of
late stage cancer
can cost 2 times more than
early stage cancer



Introducing Galleri™

Multi-Cancer Early Detection Test

Galleri is clinically proven to **detect >50 cancers** through a **simple blood draw**.

When cancer was detected, **Galleri identifies the location of the cancer with high accuracy**, helping inform next steps to diagnosis.

Liu MC et al, Ann Oncol. 2020;31(6):745-759. DOI:10.1016/j.annonc.2020.02.011.

Compelling results supported by large clinical studies

A simple blood draw can lead to unique results



50+

**cancers
detected,**

including cancers
employees aren't often
screened for



0.5%

**false positive
rate,**

to optimize safety and avoid
unnecessary medical
procedures



93%

**accuracy in predicting
location of the cancer,**

directing diagnostic
work-up

A comprehensive and consumer-oriented test experience

Awareness & Education



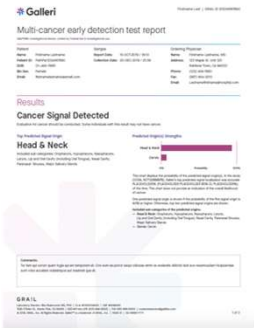
Eligibility Verification & Test Ordering



Kit Delivery & Blood Draw



Return of Results



Sample Test Report



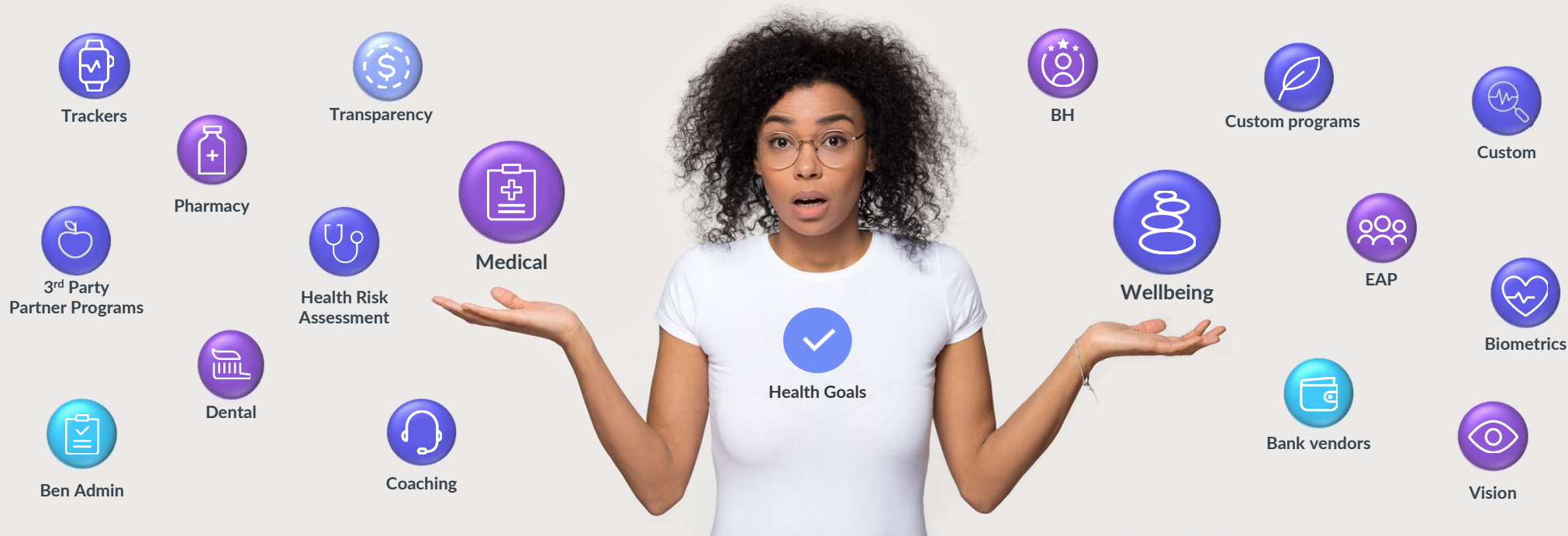
Castlight

Castlight Health Innovation Overview

2022

The problem: health & benefits are complicated

Members lack awareness and knowledge for meaningful use



Of employees don't understand their benefits



Of employees make use of their benefits

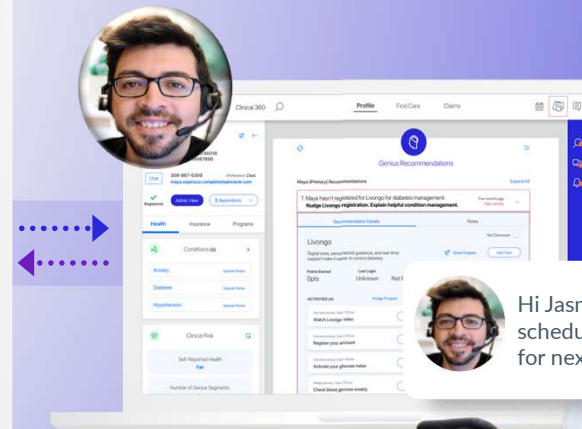
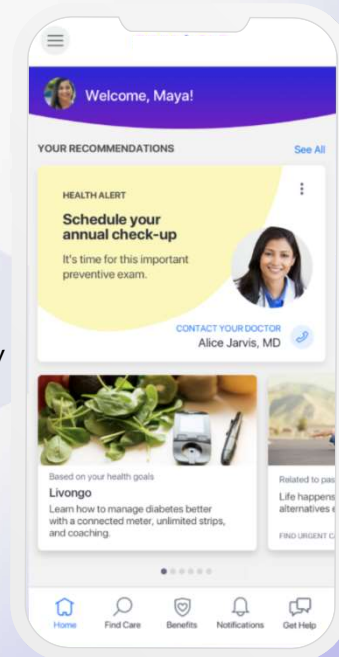


Of employees want help understanding and navigating their benefits



The solution: Whole Health Navigation

Wellbeing, personalization, ecosystem & concierge/advocacy



Hi Jasmine, you're all set! I've scheduled your annual check-up for next week.

For Your Employees:
Digital, self-service with high-touch Care Guides

For Employer:
Simplified benefits management
& flexibility for the future



The solution: high-tech & high-touch navigation

Digital when members want it, human when they need it

Transparency

Personalized care guidance

Digital home for health providing timely, relevant guidance to drive informed decisions with out-of-pocket cost based on Carrier, Plan Design, Accumulator, and Network Price



Meets Transparency in Coverage Requirements*

Wellbeing

Irresistible healthy habits

Connect the full range of your employees with a consumer-grade wellbeing experience including challenges, incentives, rewards, and claims-based data personalization



Ecosystem

One place to go

Connected, fully integrated ecosystem simplifies navigation for employees to utilize all their health, wellness, and benefits vendors, all in one place



Advocacy/Coachin g

Care Guides

Connect employees to the right benefits and care with one-to-one live clinical expertise and support, steering them toward their next best action



Maximize employee engagement

with unrivaled data sources powering personalization

Take what we know...

Employer Eligibility File

Search, Page Views, etc.

Medical & Rx Claims

Dental Claims

Behavioral Health Claims

Health Goals

Biometrics

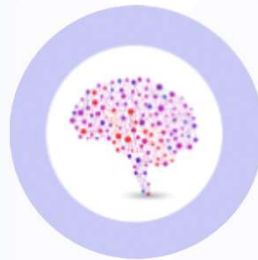
Program Activity

Health Risk Assessment

USDA, Census, CDC

Apply machine learning &
artificial intelligence...

to segment member
into 240 unique
clinical segments



Algorithms run daily
to improve
personalization

Learn rich insights about each member...

Gaps in Care

Poorly Managed Condition

At Risk for Clinical Condition

Relevant Wellbeing Benefits

Relevant Health Benefits

Prescription Adherence

Over Utilization of ER

Barriers to Care (SDoH)



Data source categories:

Platform Clinical Wellbeing SDoH

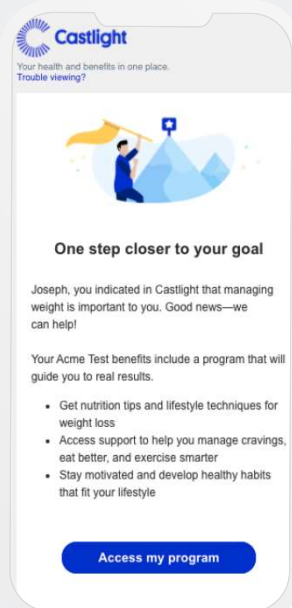
Personalize member outreach

by putting your employees' needs at the center of the experience

...send targeted messages, reinforcing across channels

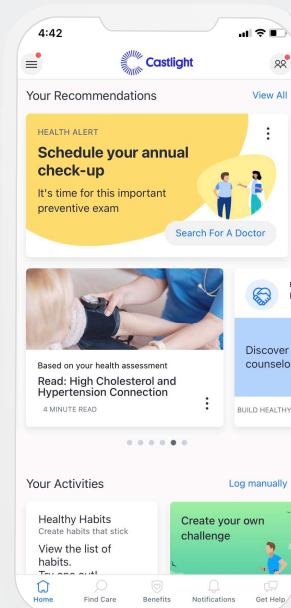


Outbound Communications



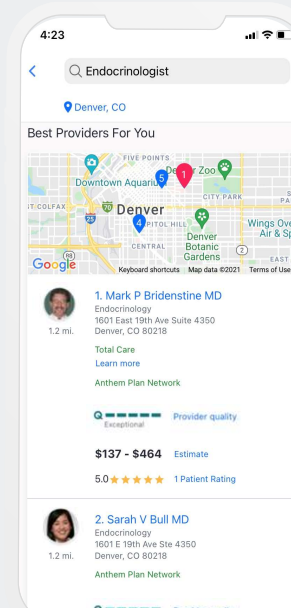
Targeted emails addressing individual care needs and promoting employer-sponsored benefits

Prioritized Recommendations



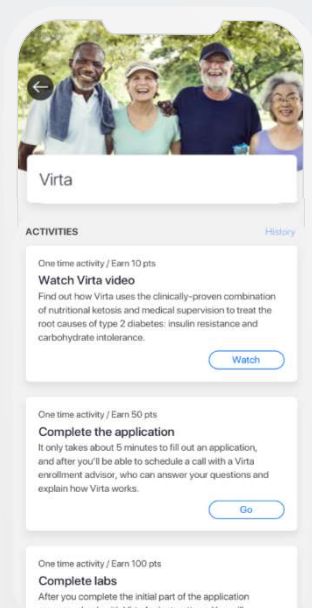
Home page directs members to personalized high-value content & recommendations

Provider Steerage



Personalized recommendations guide to the right high-quality, cost-effective providers

Program Promotions



Integrated digital programs and relevant nudges optimize member utilization

High-tech powers high-touch

providing an app in your pocket, a Care Guide in your corner



Increase Engagement:
Meet people on their terms



Shorten path from sick to well:
Dedicated support for
clinically complex



Bend the cost curve:
Up to 39% medical savings
post Care Guide interaction

The laptop screen shows a patient profile for Maya Espinoza, a 45-year-old female from Denver, CO. Her user ID is 1234567890. She is registered for the Livongo program. The screen also displays her conditions (Anxiety, Diabetes, Hypertension) and clinical risk (Self-Reported Health: Fair). A magnified view of a recommendation card is overlaid on the screen, showing the following details:

Genius Recommendation

Maya (Primary) Recommendations

1. Maya hasn't registered for Livongo for diabetes management.
Nudge Livongo registration. Explain helpful condition management.

Recommendation Details

Livongo
Digital tools, personalized guidance, and real-time support make it easier to control diabetes.

Points Earned
0pts

Last Login
Unknown

Registered
Not Registered

ACTIVITIES (4)

- One time activity / Earn 125 pts
Watch Livongo video [Nudge]
- One time activity / Earn 125 pts
Register your account [Nudge]
- One time activity / Earn 125 pts
Activate your glucose meter [Nudge]

Benefit Details

- Receive an advanced and unlimited test
- Get live help from a diabetes coach
- Learn to stay on top of type 2 diabetes
- Provided by your insurance at no cost to you
- If you visit a doctor, you can get help to manage your diabetes

A circular inset image in the top right corner shows a smiling woman wearing a headset, representing a Care Guide.

Solving many persistent problems

Whole Health Navigation is a comprehensive solution



Employee

Employer

- ✓ Simplifying the member experience
- ✓ Increasing member engagement
- ✓ Improving employee health
- ✓ Lowering healthcare spending*
- ✓ Creating flexibility for future benefits changes w/o disruption
- ✓ Gaining insights to analyze program performance
- ✓ Simplifying communication strategies

**One place
to go**

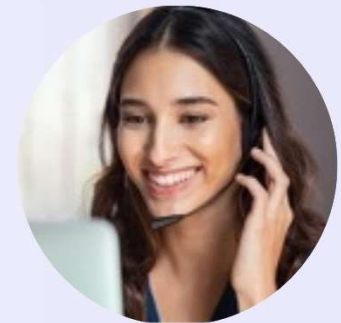


**Digital home
for health**

**Data-driven
personalization**



**High-tech &
high-touch**



**Expert team
of Care Guides**

Technology coupled with dedicated experts delivers an engaging, personalized navigation experience for every member, accessible in the palm of their hand

*Impact of Castlight on Healthcare Costs, SBA, May 2021

Bringing Castlight and Vera Together to Meet the Challenge



Digital Navigation Leaders

Live Expert Care Guides

Proven Member Engagement Model

Wellbeing Ecosystem



Advanced Primary Care Pioneers

Integrated Care Team

In-person & Virtual Care

Proven Success in Risk-Based Models

Complete Healthcare Solution

How can we help?

- Trying to simplify benefits programs
- Improve employee experience
- Increase employee engagement
- Improve health outcomes
- Lower healthcare spending
- Reduce barriers due to SDoH
- Concerned about transparency in coverage
- Creating flexibility for the future

Responding to RFPs for...

- Navigation
- Wellbeing
- Advocacy
- Transparency



Joe Dunlop

Castlight Sales Director

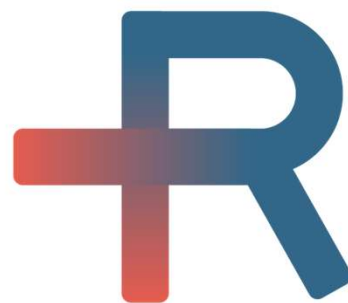
Southeastern US

jdunlop@castlighthealth.com

(336) 430-8924

Innovator #5: Reserve Therapeutics

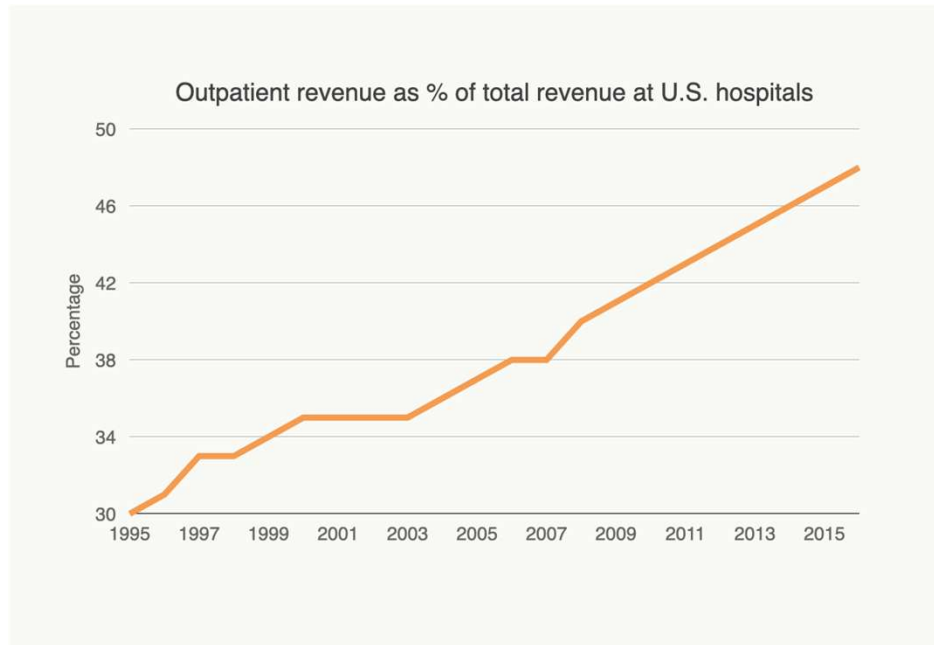




RESERVE THERAPEUTICS

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Hospital outpatient costs are soaring and creating financial toxicity for patients



Outpatient spending now exceeds inpatient spending at most U.S. hospitals



RESERVE THERAPEUTICS



As Drug Costs Soar, People Delay Or Skip Cancer Treatments

March 15, 2017 · 5:00 AM ET

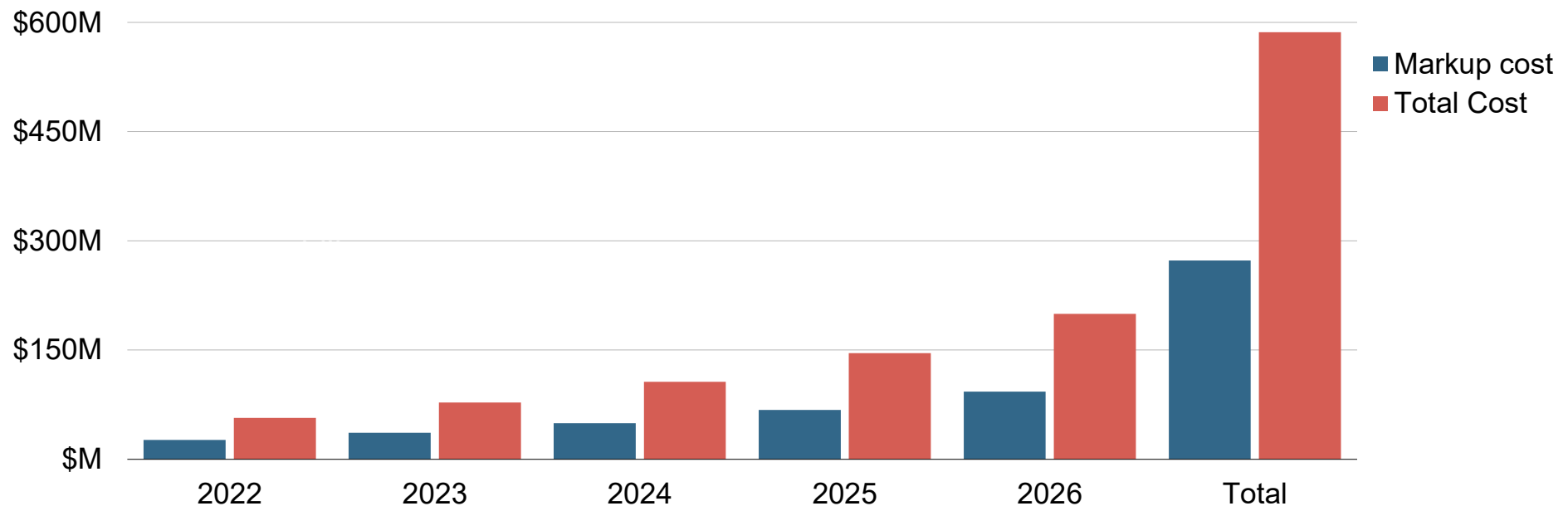


Krahne, here with his wife, Audrey, says that delaying cancer treatment because of its cost "was an educated risk that we didn't take lightly."

Robert Durell for Kaiser Health News

The core issue fueling commercial costs is the unreasonable mark-ups of devices and drugs “camouflaged” in hospital outpatient bills

Specialty infusion drug costs for a jumbo employer (60K employees)



Eliminating markups would generate **\$275M** in employer savings (=**\$69 PEPM** or 6% of total plan costs!)



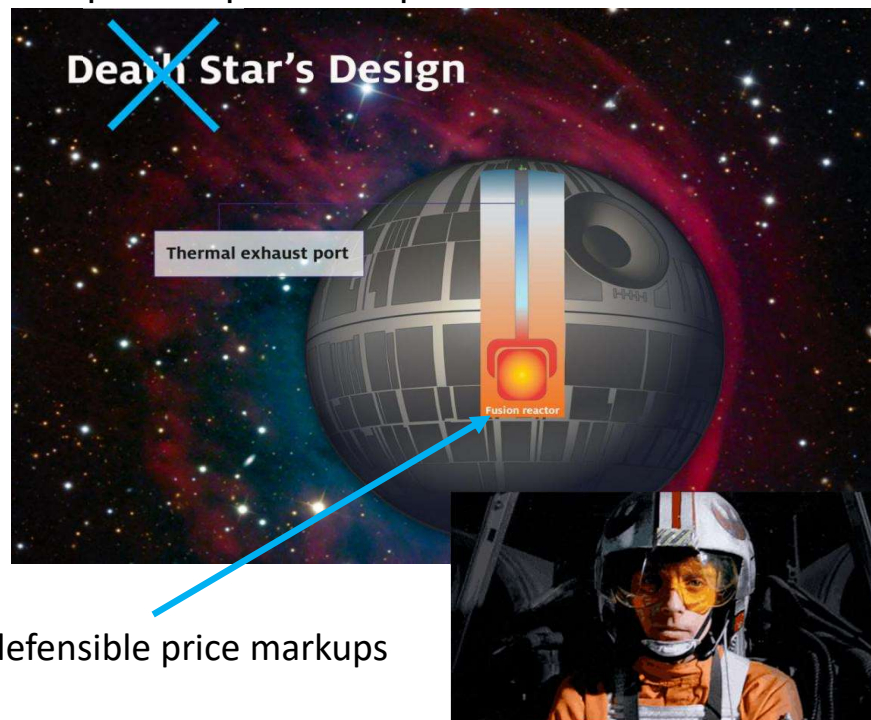
We can solve this problem if we attack it directly

We don't need more of these solutions..



We need this one...

Hospital outpatient department



RESERVE THERAPEUTICS

Panel Discussion: *Cell & Gene Therapy – The Employer Impact*

Please Welcome

Moderator

*Marianne Hamilton Lopez
Senior Research Director for Biomedical Innovation
Duke-Margolis Center for Health Policy*

Panelists

Abhi Gupta, Senior Director, Global Gene Therapy Business, Pfizer, Inc.

Angie Smallwood, Manager – Health & Welfare Benefits Strategy, Volvo



Cell & Gene Therapy – The Employer Impact

North Carolina Business Group on Health's Spring Forum

Moderator: Marianne Hamilton Lopez, Duke-Margolis Center for Health Policy

Panelists: Abhi Gupta, Pfizer and Angie Smallwood, Volvo

May 6, 2022

Duke-Margolis Disclaimers

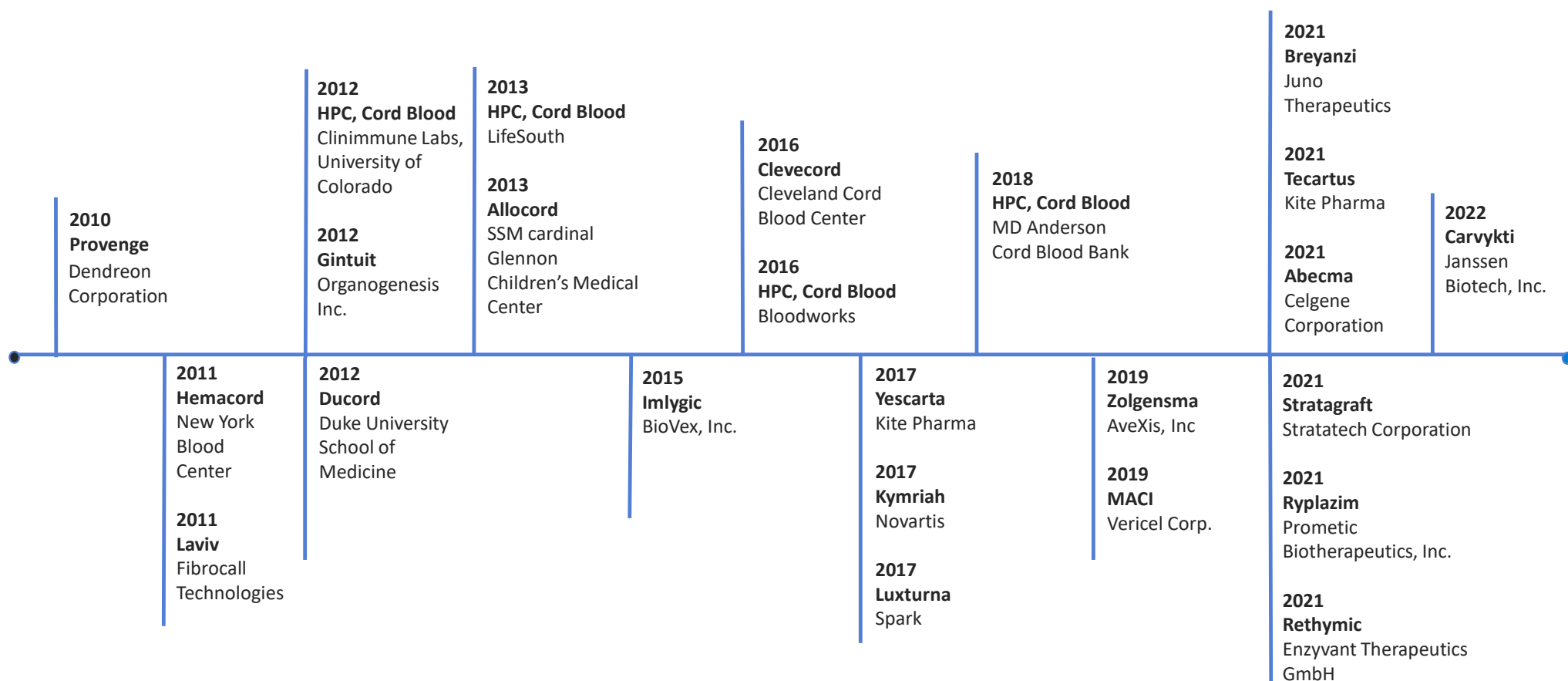
Anti-Trust Compliance Policy: Call participants are committed to free and open competition in the marketplace and compliance with all applicable laws, including compliance with antitrust and competition laws. Meetings, communications and other activities are not intended in any way to limit the individual competitive decisions of the Members or to restrict competition among them. It is the responsibility of all call participants to be guided by this policy of strict compliance with the antitrust laws. Meetings, communications and other activities shall not be proposed for, or used for the purpose of, reaching or implementing any agreement concerning the competitive activities of others. Any call participant who has a question regarding compliance with the antitrust laws or any aspect of the meetings, communications or activities should promptly consult the participant's own legal counsel.

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Landscape of the cell and gene therapy market

- There are roughly 400 cell and gene therapies in the pipeline in the U.S., ranging from early to late stages of clinical development
 - Focused on a variety of diseases and conditions from cancer to genetic disorders to neurologic conditions.
- Cell and gene therapies offer potential cures for previously incurable diseases, but also carry extraordinarily high price tags.
 - In addition to the high cost of the drug itself, these therapies often require significantly more care coordination before, during, and after administration.

Cell and gene therapy approvals are increasing



Costs for gene and cell therapy products on the market today

DRUG NAME	MANUFACTURER	INDICATION	COST
Luxturna (voretigene neparvovec-rzyl)	Spark	Inherited retinal disease	\$850,000/ for both eyes
Kymriah (tisagenlecleucel)	Novartis	Acute lymphocytic leukemia Diffuse large B-cell lymphoma	\$475,000 \$373,000
Yescarta (axicabtagene ciloleucel)	Kite	Large B-cell lymphoma and Follicular lymphoma	\$373,000
Zolgensma (onasemnogene abeparvovec-xioi)	AveXis	Spinal muscular atrophy	\$2.125 million
Tecartus (brexucabtagene autoleucel)	Kite	Mantle cell lymphoma	\$373,000
Breyanzi (lisocabtagene maraleucel)	BMS	Large B-cell lymphoma	\$410,300
Abecma (idecabtagene vicleucel)	BMS and bluebird bio	Multiple myeloma	\$419,500

Source data: "Cost management for sky-high, high-cost gene therapy." Prime Therapeutics. August 2021.

Challenges for employers

- The overall costs of cell and gene therapies for employers will continue to grow as more come onto the market for an onslaught of diseases (i.e. higher premiums, deductibles, co-pays).
- Employers may need to change how they are designing employee benefit packages to anticipate one-time, ultra-high-cost treatments, particularly if employers are absorbing the entire cost all at once.
- There is also uncertainty around the long-term durability for cell and gene therapies, so it is unlikely to know what the long term outcomes will be for employees.

Mechanisms for payers to manage spending

- Health plans are using tools like stop-loss and reinsurance as well as implementing payment models to manage the extreme risk of high-cost, low-utilization products, including stop loss or reinsurance policies.
- Value-based payment models, which link reimbursement to performance measures, have been used by public and private payers to address the budgetary impact of high upfront costs.
- One example is Cigna's Embarc Benefit Protection platform, which carves out coverage for cell and gene therapies
 - Employers that adopt platform pay a per member, per month fee to participate
 - Program is designed to alleviate high cost-sharing for patients and prevent shock claims for employers

Potential benefits of moving toward innovative payment models

- Supports post market evidence collection systems, leading to an improved evidence base for clinical decisions.
- Better post market evidence can inform both clinical decisions and payer-manufacturer negotiations, creating a richer foundation for difficult discussions about pricing and coverage.
- Linking payment to outcomes enables manufacturers to share in risk associated with how the therapy will perform in practice over the long term and will create stronger incentives to improve new technologies over time and refine how they are used.
- Increasing focus on patient outcomes could reinforce broader trends toward value-based care and payment reform that focuses on achieving the best patient outcomes at the lowest cost.

Discussion questions

- Are there existing strategies for employers to manage high cost therapies that could be leveraged for forthcoming cell and gene therapies?
- Are there ways in which employers can share patient information with the payer to have a better assessment of costs?
- How can employers and payers work together to address patient portability?
- How can employers create sustainable benefit packages that incorporate orphan treatments?
- What kinds of wellness programs should employers include in benefit designs to help mitigate the costs associated with cell and gene therapies?