

CAHR18

AUGUST 26-29

BENEFITS INNOVATION:

**The New Consumer – Centric Platforms &
Coverage Models**

PART 1

What is Consumer Centricity?

Consumer Centricity In The Modern World

Retail



Entertainment



Transportation



Travel



Retirement Benefits



Media/News



Consumer Centricity In The Modern World

Why Not Active Full Time Workers?

Part Timers,
Contractors, Partners,
Board Directors,
Extended Family?

**Retirement
Benefits**



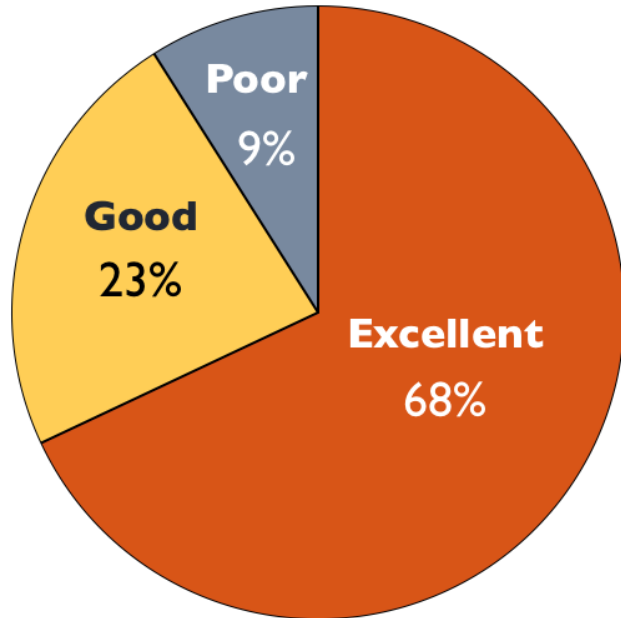
eHealth
M E D I C A R E

PART 2

Benefit Dollars Locked Up in Current Models

Benefit Dollars Locked up In Current Models

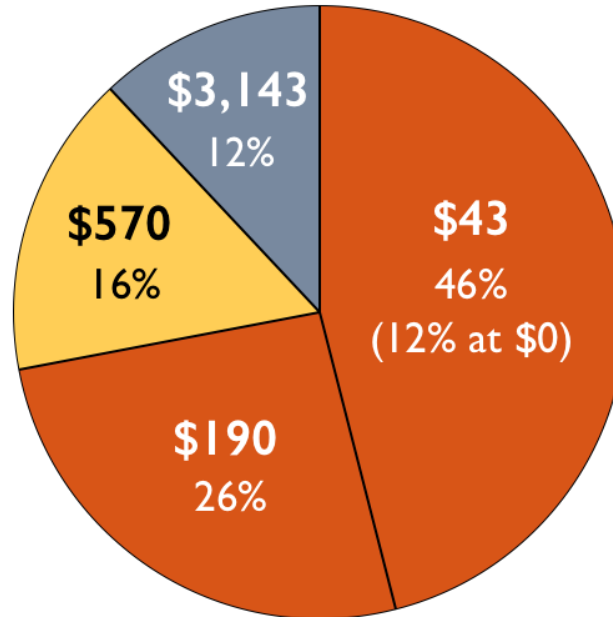
How do workers
self report health?



Sample Size: 100 million people

Source: Foundation Analysis
Medical Expenditure Panel Surveys

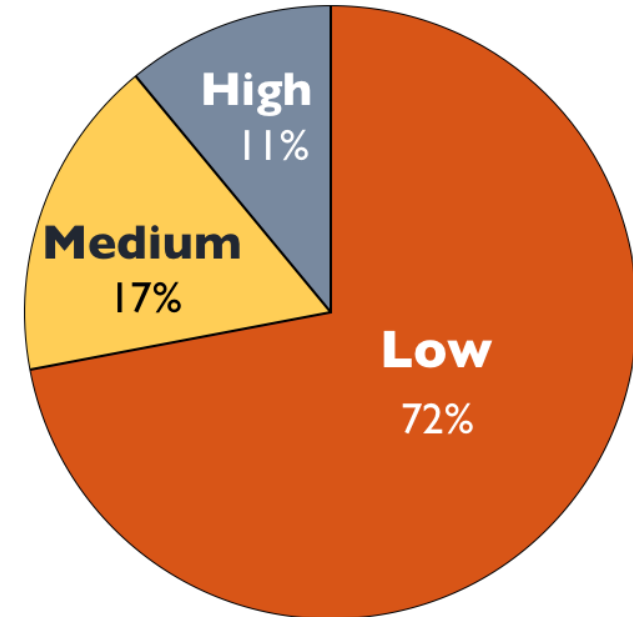
How do workers
consume? (monthly)



Sample Size: 200,000 people

Source: Axene Health Partners, 2015
Data Study

How do workers
purchase?



Sample Size: Over 20 million people

Source: Weighted From Entire Individual
and Small Employer Markets

Benefit Dollars Locked up In Current Models

1. Hospitalization or Outpatient care is Rare:

- 96% no Hospitalization in a year; 61% no Outpatient care in a year

2. No Regular Doctor:

- 22% – 46% of Men and 13% – 32% of women

3. No Doctor Visits:

- 37% of young adults did not visit a doctor even once during the year

4. Cash Prices worth shopping for:

- 25% of the time lower than plan co-pays

Benefit Dollars Locked up In Current Models

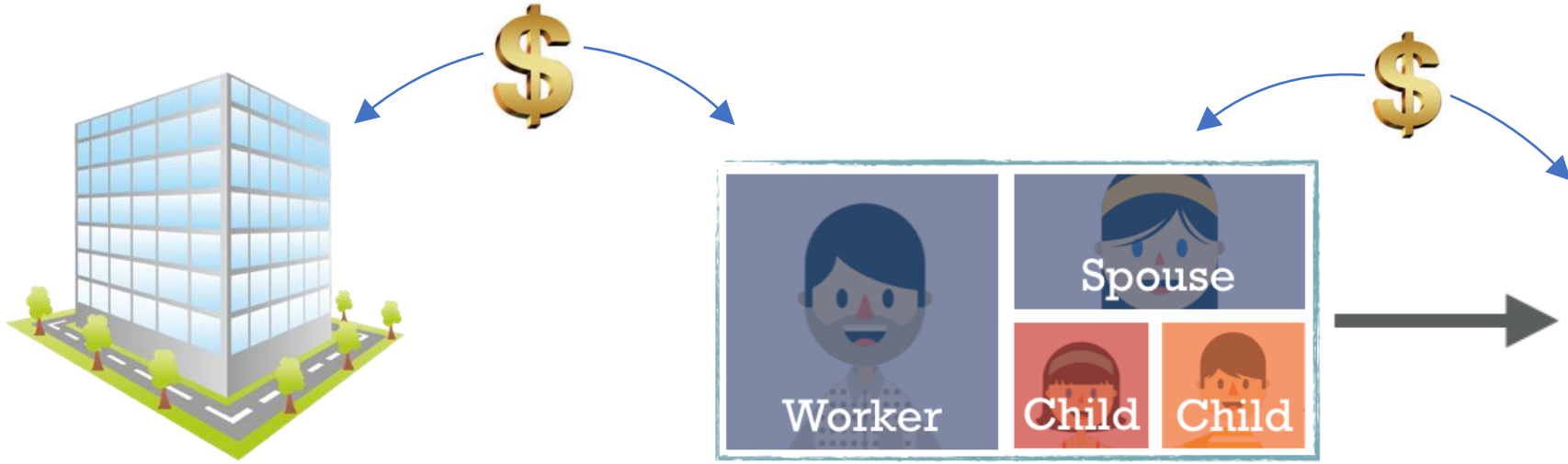
EBRI Workplace Benefit Survey –Mid-size and Large company worker increasing cost sharing:

- 68% - take better care of themselves
- 83% - generic drugs more often
- 56% - talk to the doctor about options and costs
- 34% - look for less expensive providers
- 33% - not skip medication
- 32% - look for less expensive coverage

PART 3

Consumer Centricity

Consumer Centricity in BENEFITS



1. Defined Contribution vs: Defined Benefit

2. Consumer Vs: Family Choices

3. Ownership vs: Participation

4. Values from Aligned Incentives vs Employer "meddling"

Very Large Risk
Pool ~20 M
Americans

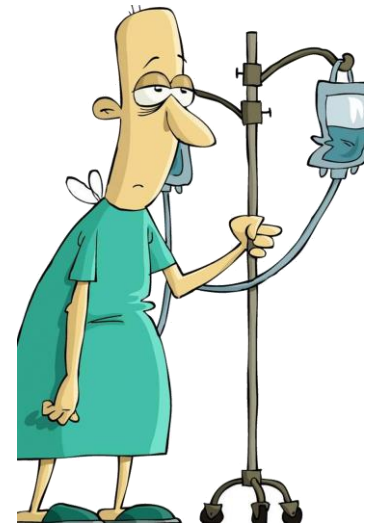
*Direct-to-Consumer
Market*

*Over 170 Carriers
3,000 Plans*



Consumer Centricity in BENEFITS

How Can Consumers Have More Clout Than Companies?



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Consumer Centricity in BENEFITS

How Can Consumers Have More Clout Than Companies?

Government Covered
Consumers



REAL CLOUT

NEGOTIATED UNDER LAW
120 Million Consumers

Very Large
Employers



REAL CLOUT

CAN SEPARATELY NEGOTIATE
1,900 US Companies

Small Employers &
Consumers



REAL CLOUT

MUST BE POOLED TOGETHER
62 Mil Consumers

Medium Sized
Employers



NO REAL CLOUT

CANT POOL TOGETHER
56 Mil Consumers

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COST SHIFT

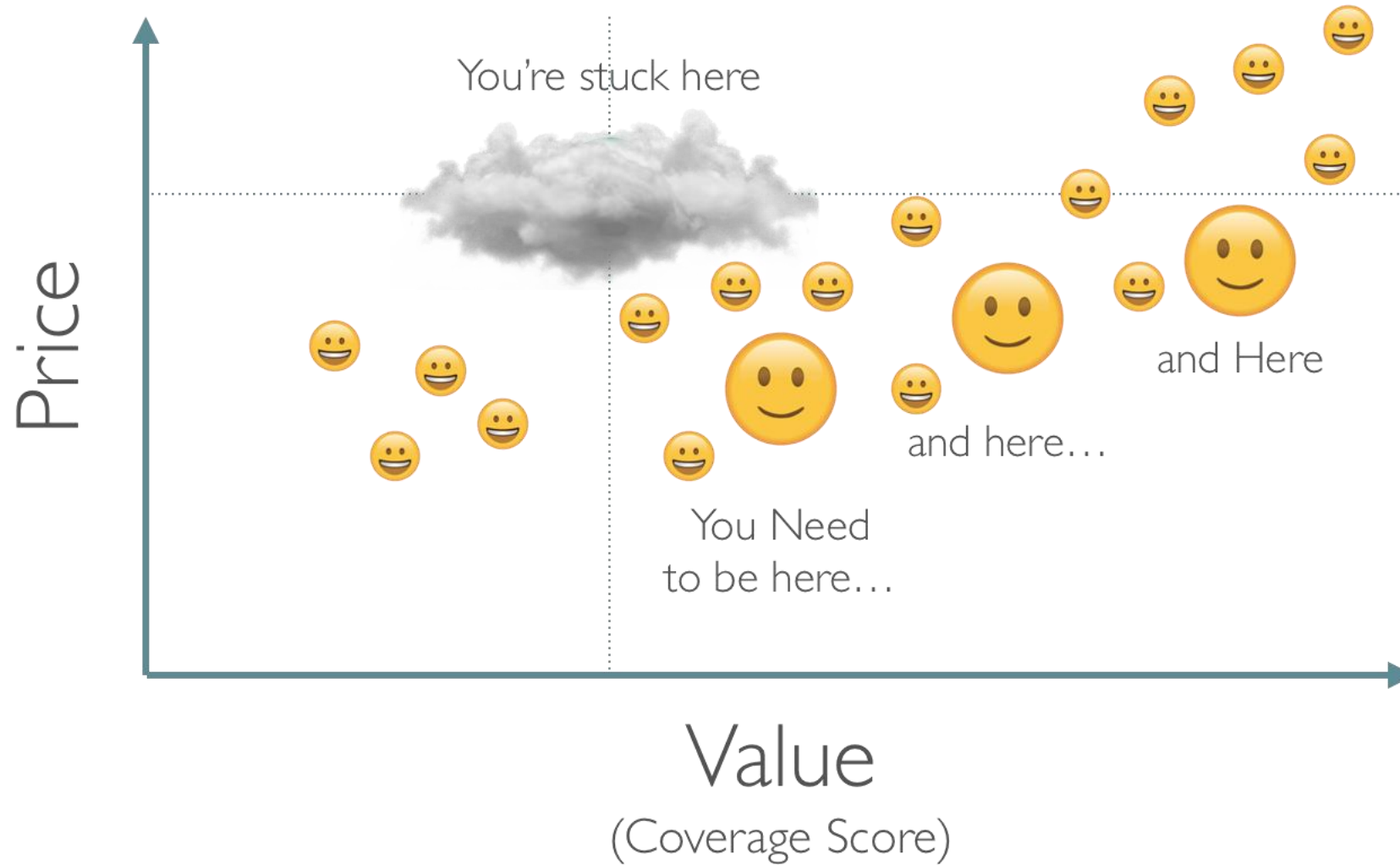
COST SHIFT

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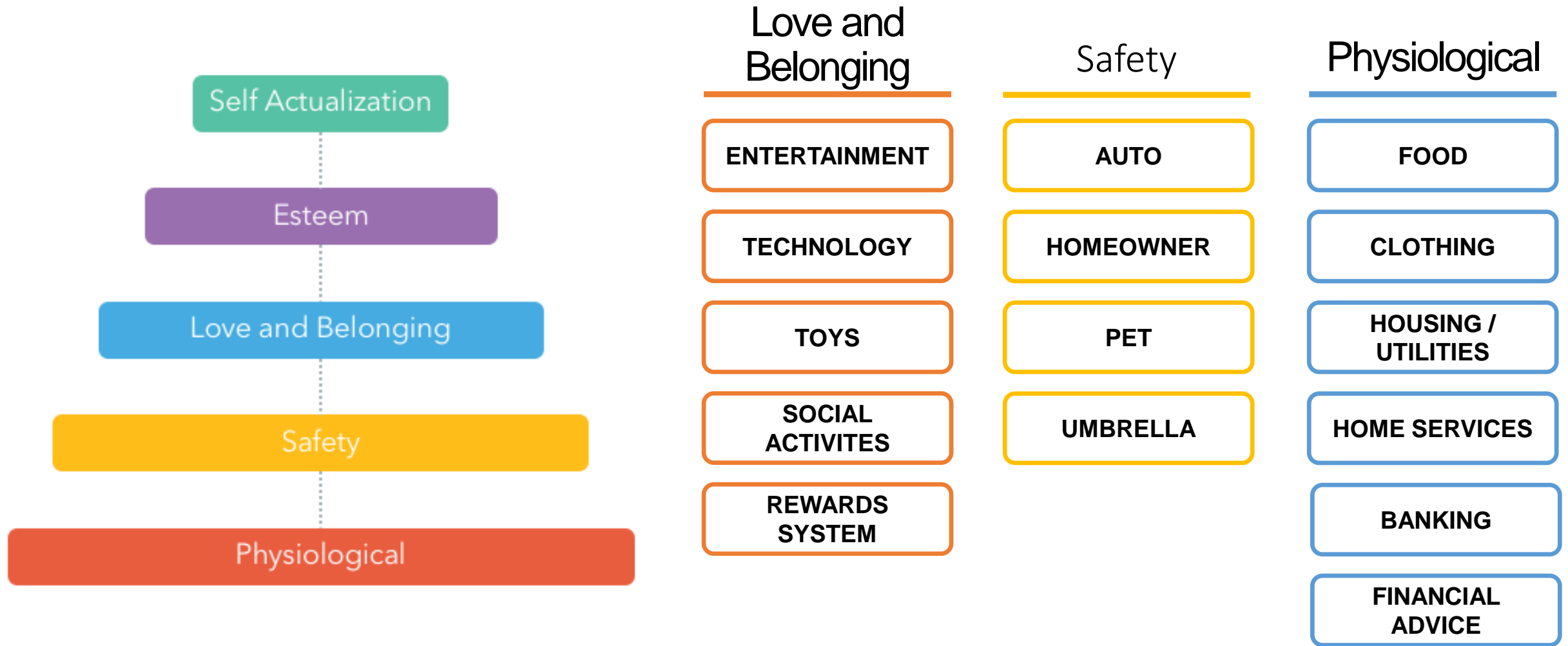
PART 4

**What Happens with Freed
up Value?**

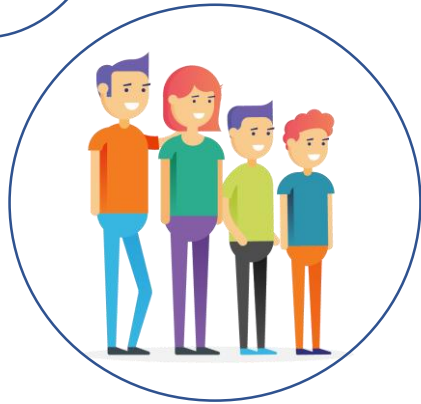
What Happens to Freed Up Value



What Happens to Freed Up Value



What Happens to Freed Up Value



The future could
facilitate **50% -75%** of total
compensation

Love & Belonging

CAR PAYMENT

MOBILE PHONE

TECH (TV +
INTERNET)

ENTERTAINMENT

SOCIAL ACTIVITIES

GYM

TUITION

PTO / VACATION

14% - 21%

Safety

RETIREMENT

HOMEOWNERS INS.

AUTO INSURANCE

EARTHQUAKE INS.

LIFE INSURANCE

DISABILITY
INSURANCE

MEDICAL
INSURANCE

VISION INSURANCE

15% - 20%

Physiological

BANKING (LOANS)

BANKING (SAVINGS)

HOUSING

HOME SERVICES

UTILITIES

FOOD

CLOTHING

COMMUTER
BENEFITS

10% - 40%

THANK YOU

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