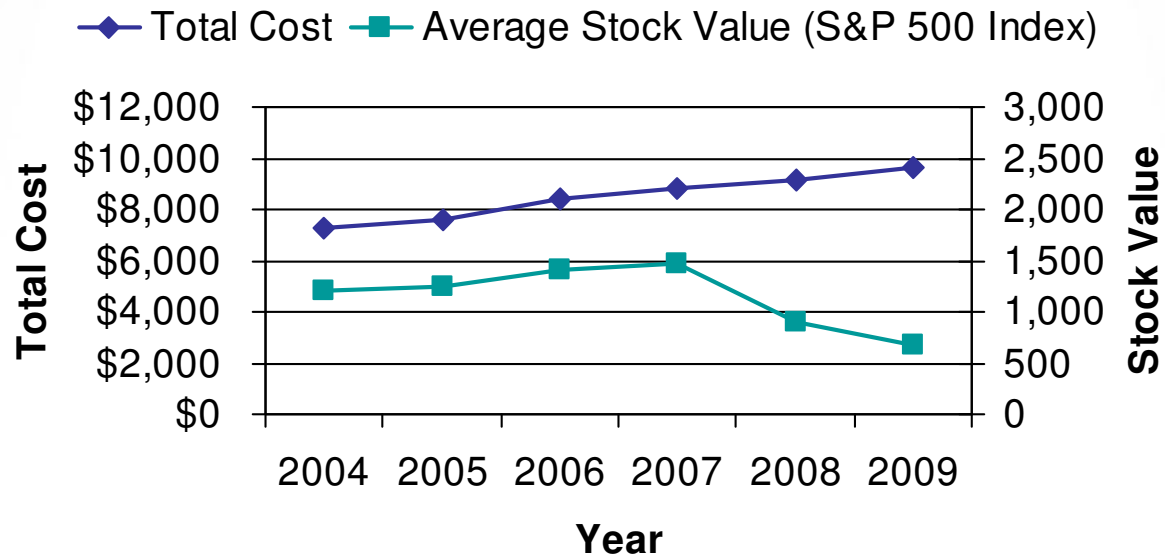


Tipping the Scales: *Changing the financing of health care with Health Earnings™*

**Kyle Rolfing, CEO
RedBrick Health**

How much does health care really cost?

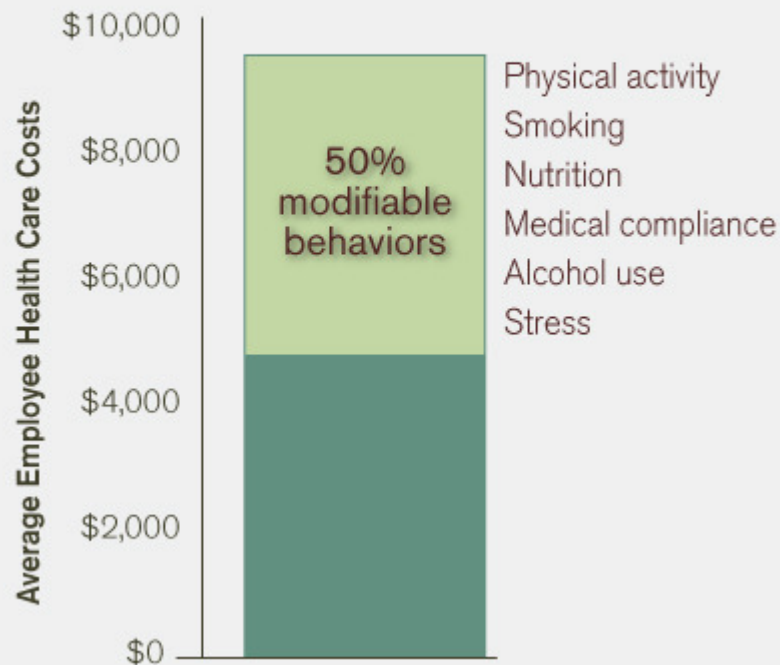
Comparison of Health Care Costs to Stock Value



Source:
Towers Perrin Health Care Cost Survey data.

We have a significant problem when it comes to health care costs

50% of health costs are driven by behaviors.



Health care financing

- Reactive vs. proactive
- Pays for illness vs. health
- “Everyone pays” vs. individual accountability

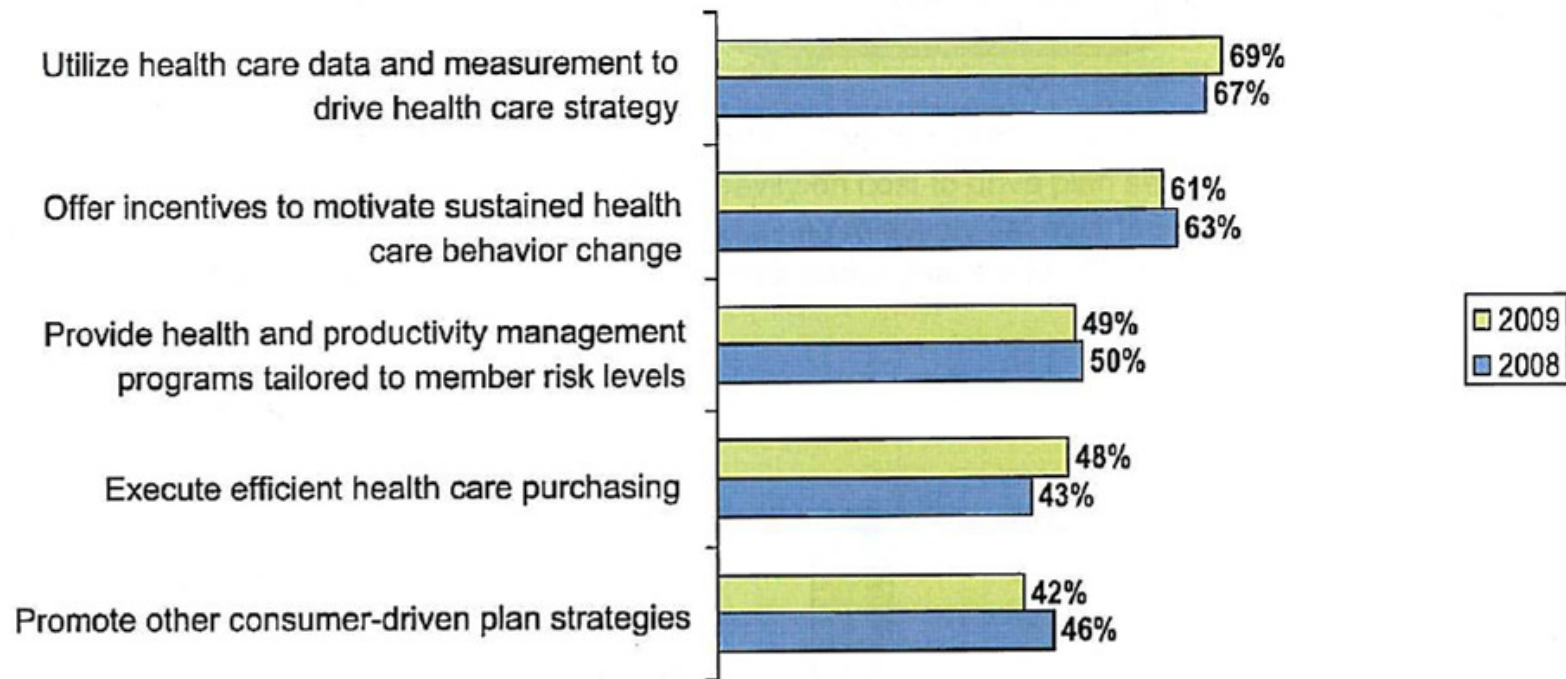
The results

- Costs rise
- Health status declines
- Productivity suffers

WHAT CAN EMPLOYERS DO TO CHANGE INDIVIDUAL EMPLOYEE BEHAVIORS?

What employers are doing to try to promote engagement

Top Ranking Health Care Tactics



Source:
Hewitt Health Care Report, 2009.

Efforts to engage are not having the desired effect

A “sickly response”

- 4% of smoking employees participated in employer-sponsored smoking cessation programs
- 5% of overweight employees joined workplace weight control programs
- 10% of employees with chronic conditions participated in employer-promoted disease management programs

Source:

Survey Findings: Two Roads Diverged: Hewitt's Annual Health Care Survey 2008.

CDHC – connecting financing to health care decisions works!

- **6.5%** decrease in pharmacy costs¹
- **11%** decline in overall prescriptions¹
- **13%** increase in overall generic utilization¹
- **31%** increase in the use of pill-splitting²
- **100%** increase in the use of mail order pharmacy services²

5-10%
fewer ER
visits³

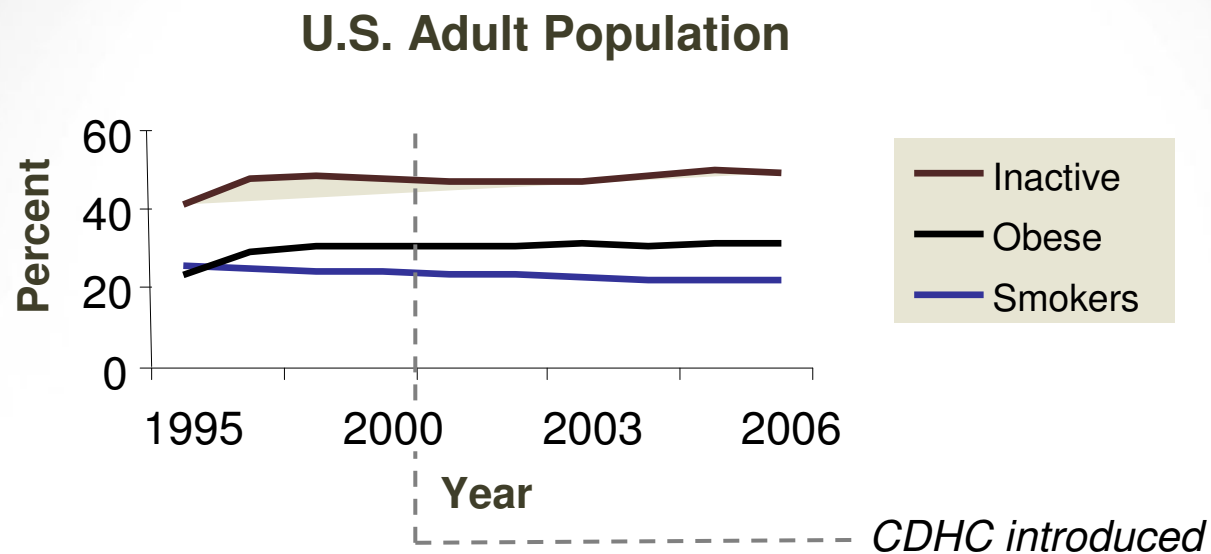
36% increase in
members taking
annual preventive
exams³

- **12%** fewer inpatient admissions³
- **30%** fewer inpatient hospital days³

Source:

¹ Aetna CDH book of business. ² UnitedHealth book of business. ³ 2007 Health Spring Meeting, Session 89: CDHP Experience Update.

However, the impact to health status is less evident



While CDHC has impacted individual health care decisions, it does not appear to have much impact on the individual health behaviors that drive increased medical costs.

Source:
Centers for Disease Control and Prevention, National Center for Health Statistics.

CONSIDER 401(K)

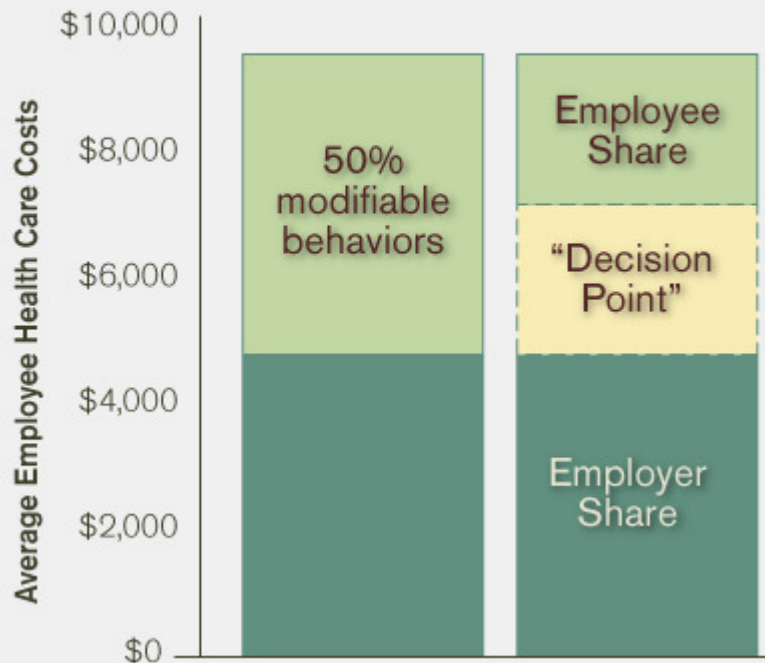
A different approach – Health Earnings™

We need to **EARN**
the
CHANGE we seek in
health care.



The first step to earning the change we seek requires an employer decision...

Who should pay for costs attributable to behaviors?

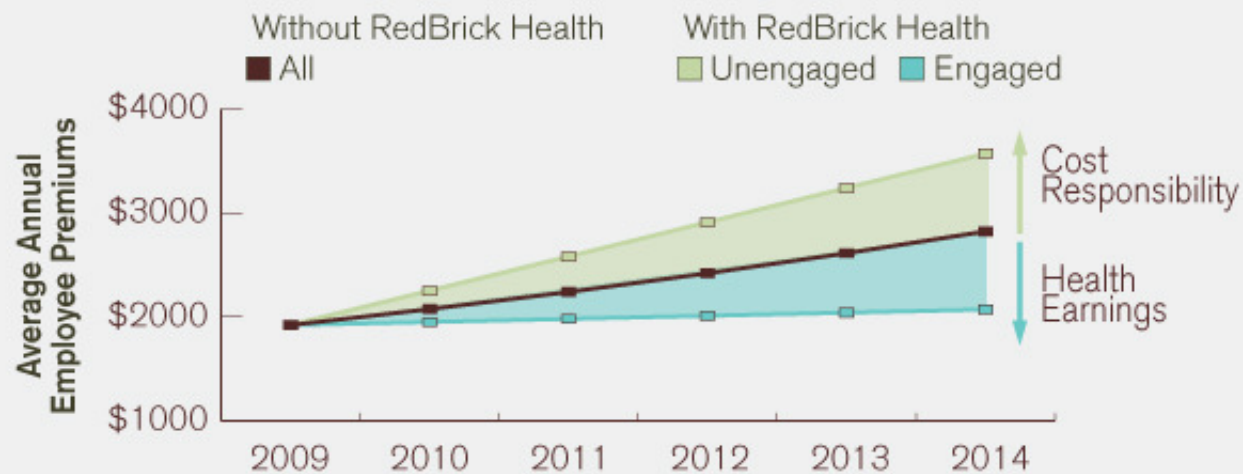


Are you ready to align costs to employee behaviors?



...which ultimately creates a unique experience for each employee

Under the Health Earnings approach, individuals are rewarded based on their efforts.



Why offer incentives?

- Grab attention
- Reward behaviors
- Increase participation

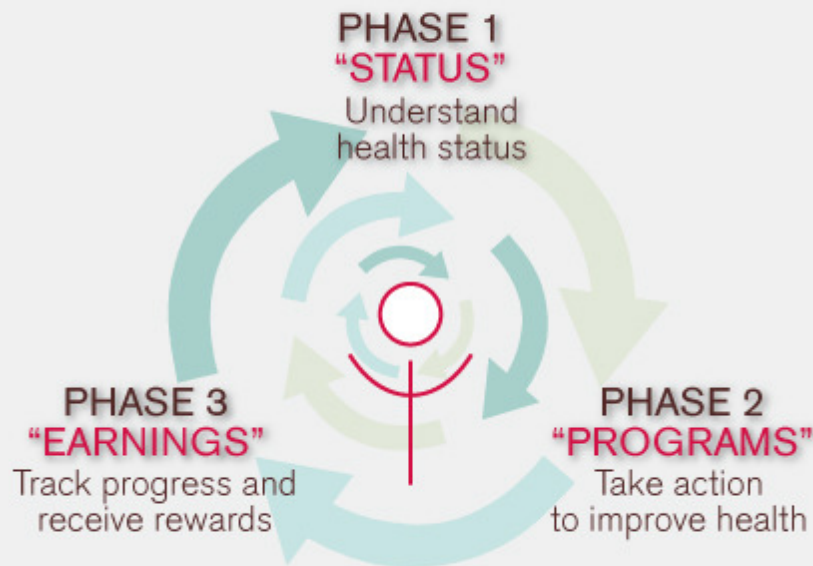
Ultimately, it's not about incentives. It's about a FAIR and SUSTAINABLE way to change health care financing.



CONSIDER HOME OWNER'S INSURANCE

One-to-one outreach makes it easy for consumers to engage...

The Comprehensive, Integrated Health Earnings System



Phase 1

- Biometric screening
- Health assessment
- Personal profile

Phase 2

- Personal HealthMapSM
- Health Programs
- Recommended Care

Phase 3

- Online Tools
- Health Record
- Incentive Reward Bank

ONE-TO-ONE
OUTREACH



...and creates a consumer experience tailored to individual needs and abilities

REDBRICK HEALTH Personal HealthMapSM
 Prepared for: **Charles Jones**, 68122445
 As of: December 16, 2008 10:20:45 AM

My Health Score
 My Health Score: **578**
 Total Potential Score: **910**
 My Health Rating: **Poor**

What does my score tell me?
 Your Health Score is derived from the answers you gave on your Health Assessment and the results of your Health Screening. The higher your Health Score the better your health.

Earn Money for Participating
 In addition to improving health, employees enrolled in Redbrick Health may be eligible for other rewards, such as cash rebates or prize drawings. Check your SAFE for details.

Here's what you can do

- Participate in a Health Program here from Jan-Mar 2009
- Actively participate in a Health Program here from Jun-June 2009
- Actively participate in a Health Program here from July-Sept 2009
- Actively participate in a Health Program here from Oct-Dec 2009
- Receive my Recommended Care

My Health Screening Results
 The results shown here are based on the health screening results we received on November 1, 2008.

Metric	Healthy	My Value	HealthRisk?
Body Mass Index (BMI)	<25	30.5	Yes
Blood Pressure	<120/80	118/82	No
Blood Sugar (Glucose)	<100	132	Yes
Total Cholesterol	<200	280	Yes
Good Cholesterol (HDL)	>=60	45	Yes
Blood Cholesterol (LDL)	<100	142	Yes
Risk of Good to Total	<3.5	5.4	Yes
Triglycerides	<150	196	Yes

My Recommended Care
 We've identified the following health concerns:

- Diabetes
- Overweight
- Cholesterol

Get your Preventive Care
 When was the last time you had your preventive care exams? If it's been over a year, set up an appointment to discuss these recommended tests:

- fast A1C
- Diabetes
- lipid test
- prBNP/echo
- Cholesterol
- Bodpod/BIA test

My Plan
 The following program(s) will help you better manage your health by improving your identified health concerns. These programs are paid for by your employer. Call Redbrick Health to get started.

Balancing Life with Diabetes (already enrolled)
 A health coach will reach out to you over the phone to create a plan to help you manage Type 1 or Type 2 diabetes.

10,000 Steps (not enrolled)
 Receive a free pedometer and start counting your steps! Your goal: 10,000 steps a day. You can also earn steps for other activities, like bowling or gardening. Stay active. Feel better.

Have Questions?
 If you have questions or want to learn more, call Redbrick Health at 1-800-555-5555, Monday-Friday, 9 a.m.-6 p.m. CST, or visit us at www.redbrickhealth.com.

Personal HealthMap is a tool to help you manage your health. It should not replace the care or recommendations your doctor provides.

Personal HealthMapSM

- Actionable, evidence-based plan for health
- Driven by health opportunities not health status
- Continuously evolving
- Connects health opportunities to health earnings

ONE-TO-ONE
OUTREACH



Consumer support allows employers to focus on achieving business goals

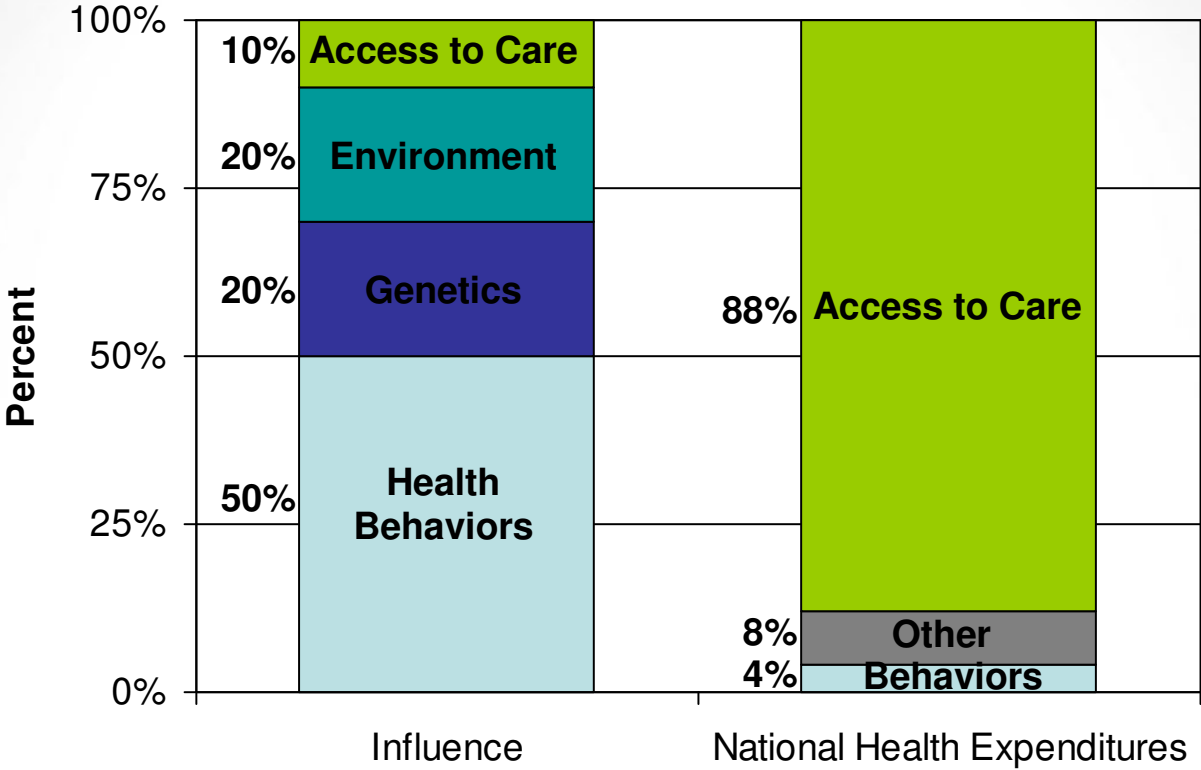
Be an independent, trusted advisor for health care consumers

- Provide health and health care guidance and support
- Integrate with other health benefits
- Provide one-stop comprehensive support

INDEPENDENCE



Health status determinants vs. national health expenditures

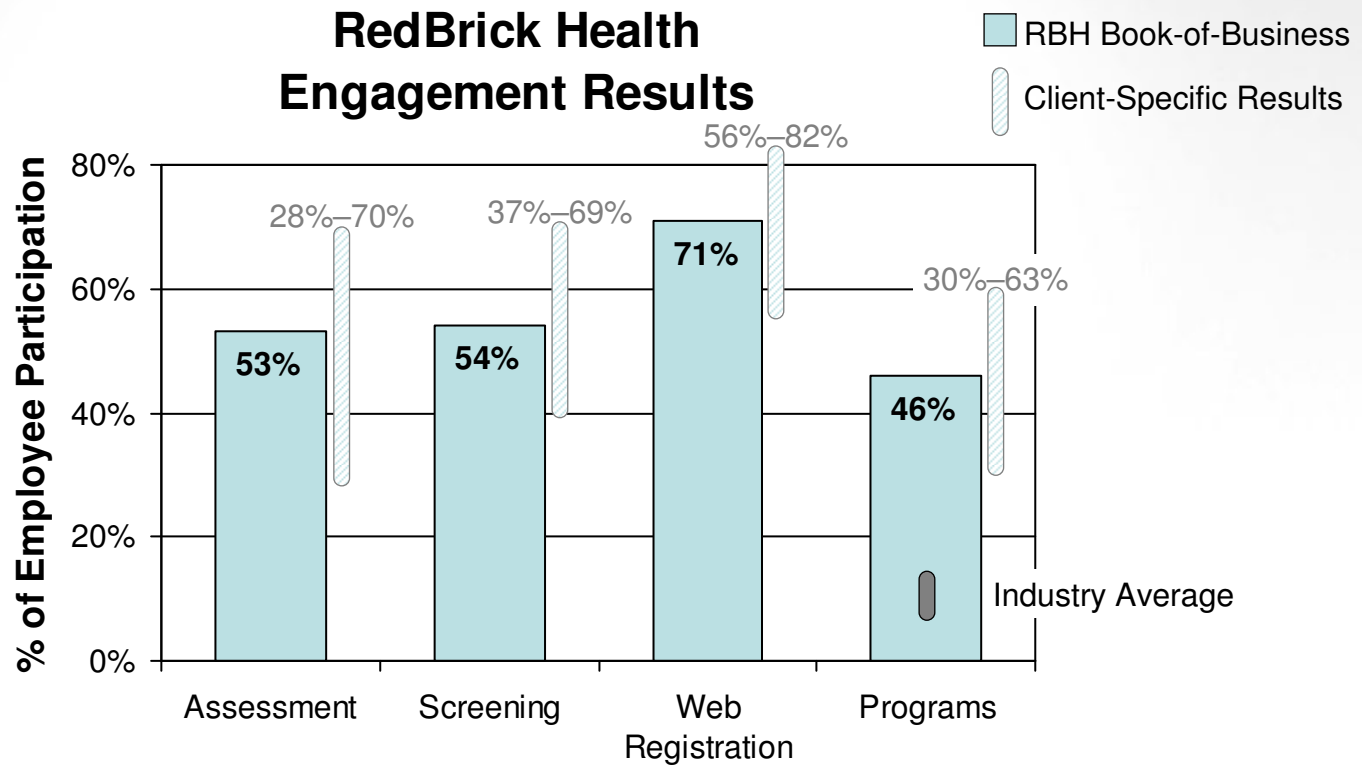


Source:
Health & Health Care 2010, IFTF, 2003.

Health Earnings™ is delivering results for our clients



Increased participation, better health, and reduced health risks



Notes:

Reflects book-of-business YTD program participation and task completions through December 31, 2008 for health plan enrolled participants.

Increased participation, better health, and reduced health risks

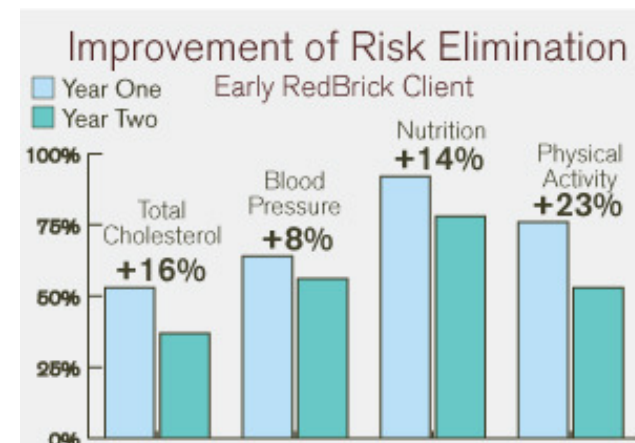
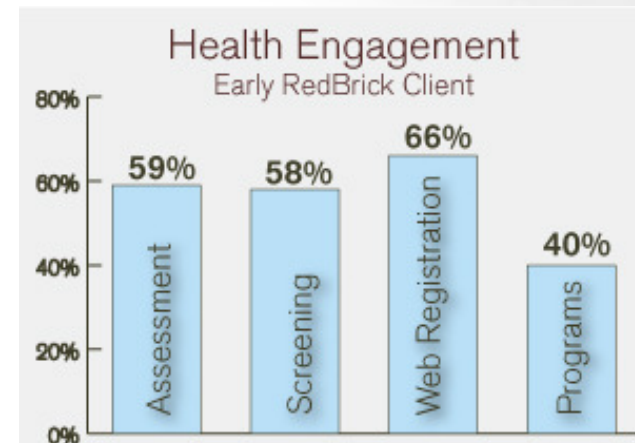
Population health improvements

- 19.6% risk reduction for heart disease, diabetes, metabolic syndrome and cancer
- 7.0% reduction in those falling below Surgeon General guidelines for physical activity
- 6.2% reduction in those falling below U.S. Department of Health nutrition guidelines for daily fruit and vegetable consumption
- 9.5% reduction in smoking prevalence
- 4.9% decrease in population considered overweight or obese

Increased participation, better health, and reduced health risks

“My cholesterol and blood pressure were down compared to the initial assessment. My exercise program and diet changes have become ingrained as habit.”

— Ray, Pharmacist
20-Year Employee



Notes:
Improvement of risk elimination capture year-over-year results for repeat participants.

We need to **EARN**
the
CHANGE we seek in
health care.



ONE-TO-ONE
OUTREACH



INDEPENDENCE



Questions?

Please contact Kyle Rolfing
krolfing@redbrickhealth.com