



## TrendShift<sup>®</sup> Company Overview

***“The quality of a decision is unlikely to exceed the quality of the information it is based on.”***

The TrendShift<sup>®</sup> Companies (TC) have combined to deliver a superior solution to a primary problem faced by every employer in America. This problem diminishes the nation’s economic strength and impacts both the quality of life and the standard of living for its citizens. The problem is escalating medical expenses.

During the last 20 years, TC has analyzed health claim and demographic data on Employer Health Programs for over 50,000 employers in the US. These plans covered over 10 million employees and family members and represent a trillion dollars in medical claims. This research confirms that the present level of health information, guidance, and management support provided to employers is limited and unnecessarily costly.

It is well known that over 75% of group health care expenses are generated by less than 20% of the plan participants. Further, *preventable chronic conditions* are responsible for at least 50% of these expenses. What is less well known is that 59% of next year’s High Risk population will come from those presently considered Low Risk. The root of the problem is not the 20% who are seriously ill. It is those in the 80% who are trending that way and do not know it. Too little has been done to address this issue and to reduce these crippling expenses while improving the lives of plan members.

Employer Health Programs are directly affected by “legacy” medical care practices. These are fragmented across multiple providers of medical treatment. These systems are ineffective in preventing chronic illness, and inefficient in achieving individual employee health. Rather than benefiting from emergent health promotion delivery systems and practices, Employer Health Programs continue to bear the high costs and escalating premiums. This is primarily “after-the-fact” medical management of illnesses that are preventable by timely and appropriate action.

As Payers, a growing number of Insurance companies and Third-Party Administrators have made considerable effort to influence the medical delivery system. However, results have fallen well short of Employer expectations, particularly during this time of critical economic pressures. In recent periods of modest Consumer Price Index gains and pressures on Employers to hold or discount prices for products and services, trends in medical costs and insurance rates have continued to soar.

Provider networks, medical management, and disease prevention initiatives are not sufficiently controlling the escalation in cost of Employer Health Programs. This is evident even after changes to shift greater responsibility for costs to employees and their families. In fact, TC believes that a review of any Health Program’s rate trends over the past 5 years (any plan re-design, cost shifting to employees considered) will show that ***the required trend and rate stability has not been achieved***. This prompts the important question we encourage all employers to ask themselves: “How likely is our present approach to yield the improvements in results we need, this year, next year, or ever?” A growing number of prudent and reasonable Employers are losing confidence in the ability of the present Providers and Payers to deliver the “end-to-end health system solution” needed to improve group health and to control escalating medical costs.

The “end-to-end health system solution” required for Employer Health Program enhancement is available! TC will deliver it in partnership with employers’ current Payer administration and Providers of medical care.

TrendShift<sup>®</sup> Data-Directed Health and Risk Trend Management system (DDHRTM) rapidly and directly shifts each client organization’s healthcare practices in important new ways. This system results in both short and



long-term financial gains coupled with life-saving and life-enhancing results. TC has developed and perfected capabilities to bypass legacy “healthcare” systems that maintain wasteful and inefficient practices.

Emphasis is on collecting, protecting and utilizing Client healthcare data and dollars in more progressive and effective ways. TC Clients are provided the opportunity to *cap and lower organizational healthcare expense trends while improving health outcomes for group members.*

TC’s partnership with Client Providers and the Payer Administrators enhances the distinct contributions of each in the delivery of Health Programs. These essential roles are maintained, with some basic refining – changes that enable the integration of progressive new approaches to health promotion and disease prevention. The results include the effective delivery of the “end-to-end health system solution” required to achieve cost control objectives.

This Partnership with Payers and Providers improves healthcare practices and frees these important allies to do what they are best trained and structured to do. Providers effectively contract for and administer essential medical care to those who are in need. TC enables Providers and Payers to focus exclusively on core competences and areas of excellence. And, TC insures that the capital resources are in place to continue the provision of services to those in need. The key to accomplishing this new sustainability lies in the ability of TC’s combined service system to collect vital data, to identify *actionable intel*, and to support full implementation of both the advanced funding and health promotion systems.

TC acts as the “linchpin” by integrating “end-to-end health system solutions.” TC delivers true transparency and client-centric collaboration of Provider and Payer partners. A new depth of cooperation and collaboration is required to optimize results and to bend risk and expense trends favorably. The ability to support Client organizations in the customization and implementation of better health and business system solutions depends on this client-centric collaboration. Optimal results are only achievable with this vital “linchpin.”

The resulting system offers the ability to analyze data currently available, *in important new ways* and to collect and develop the missing *vital data* required to understand options more completely. These options will lead to both financial stability and health improvements. This process caps and lowers group medical expense trends while creating a new culture of health “response-able” employees.

Using technologies and tools it has developed over the past 20 years, TC allows Clients to bridge the gap between the known and the unknown. This creates a systematic approach and focus, evaluating current cost structures and future expense trends. Technology and tools, which include comprehensive data interface, audit and reconciliation, analytical healthcare report cards, and data directed employee health portals; all work in concert to deliver the most articulate analysis of current and future Employer healthcare positions.

Through this analysis and the action that it drives, TC can lower new costs and stabilize old ones. Clients learn to re-evaluate medical costs previously dismissed simply as “costs of doing business.” This new information enables both near and long-term cost savings. TC allows many of these *medical costs* to be transitioned to *Healthcare Investments*, optimizing outcomes downstream - reducing future “avoidable” expenses.

TC will demonstrate its ability to improve medical risk and expense trends – all of this done without adding incremental costs or risks of any kind. Once leaders understand these services and the opportunity each presents, TC will assist in the implementation process. The following components are key parts in this solution. Each integrates and complements the others, forming a service that is truly sole source. Each is integrated in the order that is most appropriate for the Client, in accord with that organization’s unique priorities and objectives.



**Component 1 – TrendShift® Data Connect:** TC connects directly with your Payer data and runs data analytics that uncover important new information. The objectives are 1) to deepen Client understanding of current trends and 2) to take immediate action on areas that lower healthcare expenses and begin saving millions of dollars. The action steps will commence immediately (Q1).

This service connects directly to the Payer’s system and audits the integrity of all current claims data in a unique way. The process starts with an authorization letter to facilitate “partnering with” the Payer and to gain full cooperation. Upon receipt of available data, Client data sets are promptly reviewed and TrendShift® analytics are run.

While overpayments and costly errors are always identified, the primary focus is on forward looking system corrections and realistic options for Payer reconciliation. the preparation of a TrendShift® Healthcare Report Card. Where Client data is sufficiently comprehensive this Report Card will present a comparison of current medical care practices with industry best practices. In its analysis of more than a trillion dollars of Employer Health Plan claims, TC has identified efficiencies which produce substantial savings in key areas of standard healthcare practices.

#### **Data Connect Overview**

**Audit - Data Integrity – Overpayment Recoveries, Corrections and Provider Cost Differentials**  
**TrendShift® Healthcare Report Card – Efficiency Analytics:**

- Rx Drugs – Cost Option Comparisons
- Lab Testing Costs + Efficiencies
- Physician Consultation + Non-emergent Surgery Costs
- Proactive Health Promotion & Disease Prevention Costs and Effectiveness
- Preventable/Modifiable Chronic Condition Costs
- Healthcare Investments vs. Medical Costs
- Pre-funding Options: Healthcare – Worker’s Comp
- Dependant Eligibility + Spousal Advantage Options

These analytics produce Corporate Risk Trend Reversal Recommendations. These are strategic data analytics that utilize Data-Directed Health and Risk Trend Management to identify 2-4% cost reductions of total medical claims annually (trend on trend).

**Component 2 - TrendShift® Data-Directed Health and Risk Trend Management:** A primary objective for Employers who seek to contain and improve healthcare costs is to ***prevent the preventable***. While there is no reasonable argument to the contrary, large gaps exist in today’s health systems with respect to accomplishing this. Closing these gaps requires progressive incremental improvements in health and risk trends. This cannot be accomplished without implementing a system that captures more essential health and risk trend data. TC’s extensive audits of hundreds of thousands of employer groups found their health and risk trend data to be less than adequate. TC has since identified and partnered with the system that fills this gap. This program – LifeStrive® - provides a health promotion and disease prevention system that is fast gaining industry recognition as the most progressive available. It offers employers the opportunity to understand their group’s risks and associated trends at levels not previously available. .

Implementation of the **MyLifeStrive® Personal Health Portal System** is seamless and places very little demand on human or capital resources. In fact, it can frequently be provided at no net cost to Clients given TC’s innovative approaches and components. This system ensures that Clients are capturing and protecting the vital health and disease trend data required to predict and prevent the illnesses that devour two thirds of every healthcare dollar.



A brief overview of the personal health portal system will demonstrate the unique approach. The system benchmarks health and risk trends and enables annual tracking of employee health trends. At the same time, the system provides every employee with 24-7 guidance and support, based on individual needs. The guidance within the system is reinforced and strengthened by collaborative social networks, focused on **empowering health response-ability**. TC will demonstrate how the implementation of its system will bend medical expense trends in the 2-4% range annually, while reducing absenteeism and improving productivity.

The current data and analytics available to Clients are important to optimize. The data and analytics not yet available, that TC can provide, are **VITAL!** It's this information that guides our Clients to the financial stability needed to optimize Employer Health Programs and ensure sustainability.

**Component 3 - TrendShift® Advance Funding Model:** Where Client's priority is to stabilize and bring predictability to healthcare and workers' compensation benefits budget; this is an area which receives immediate attention. Simply put, if a Client qualifies for this financial instrument, it is in its best interest to activate the program.

This program allows organizations to stabilize and bring measured savings in the costs of all health benefit programs for three-year periods. It guarantees a financial and risk management structure that incorporates sophisticated and accurate cost trend analysis and modeling technology, cash flow and earnings analysis, and an advanced funding component.

These elements combine to produce savings that enable the implementation of Data-Directed Health and Risk Trend Management (DDHRTM) while maintaining monthly remittance costs below current levels and trends. This program is for both fully insured and self-funded Employers in public and private sectors, and has applicability for HMOs, PBMs, IPAs, TPAs, stop loss carriers, brokers and consultants.

**Where there is interest in:**

- 1) establishing a fixed healthcare budget for three years, that includes DDHRTM, while maintaining monthly premiums below current remittance trend,
- 2) benefitting from measured savings in both variable and fixed cost environments,
- 3) having a level fixed monthly premium/remittance that best fits cash flow needs,
- 4) using capital markets to pre-fund healthcare and workers' compensation expenditures for three-year increments without incurring debt or putting assets at risk AND allows Employers to earn interest and build surplus reserves in a Trust,
- 5) ensuring health plan benefits improve without incurring any additional costs...

**This program is a MUST for you to learn more about.**

The TrendShift® Companies look forward to a future that is healthier financially and physically for Client organizations and for every group health plan member.

Erik Watts – Chairperson, TrendShift® Companies