

The National Consumer Driven Healthcare Summit

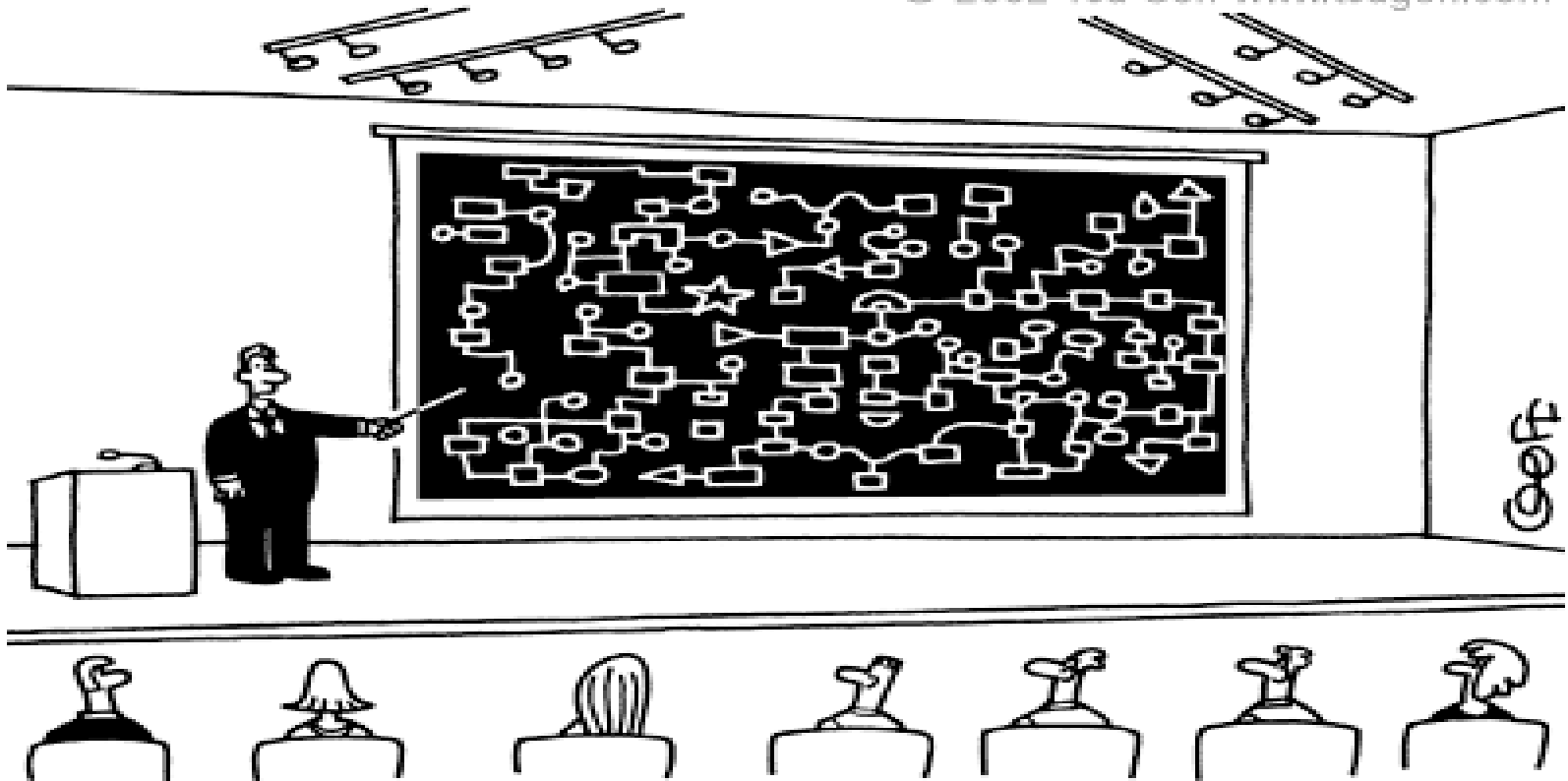
*The Leading Forum on the Role of Consumers in Transforming Healthcare*

# Implementation Issues and Future Opportunities in Consumer Driven Health Care

- Jeff Brunsberg, Chief Market Officer



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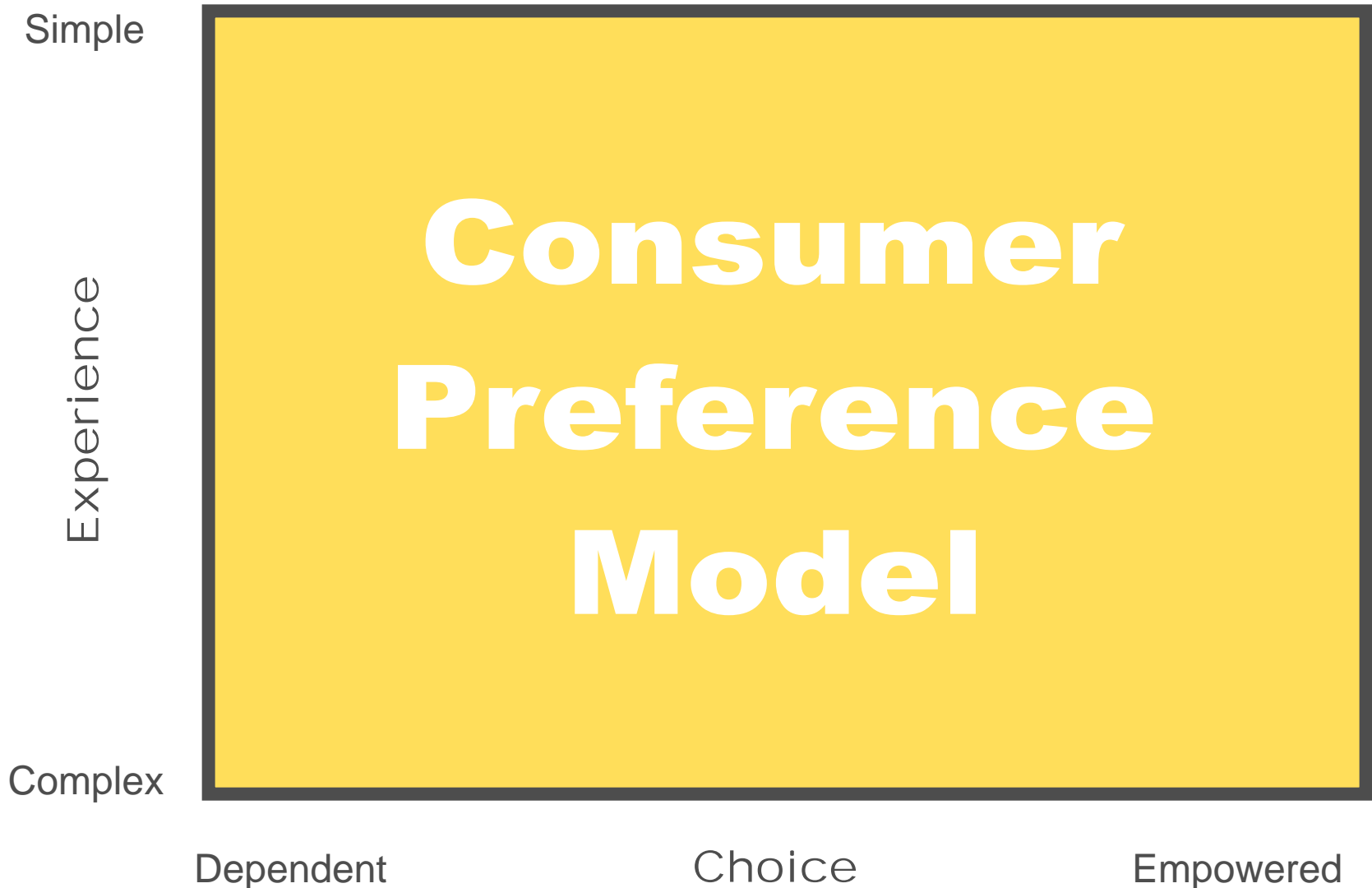
“This is how technology works in Health Care.”

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# Consumer Preference Model





Simple

Experience

Complex



Dependent

Choice

Empowered

Simple



Experience



Complex

Dependent

Choice

Empowered

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# The Challenge





*Solution Providers*

*CDH Administrators*

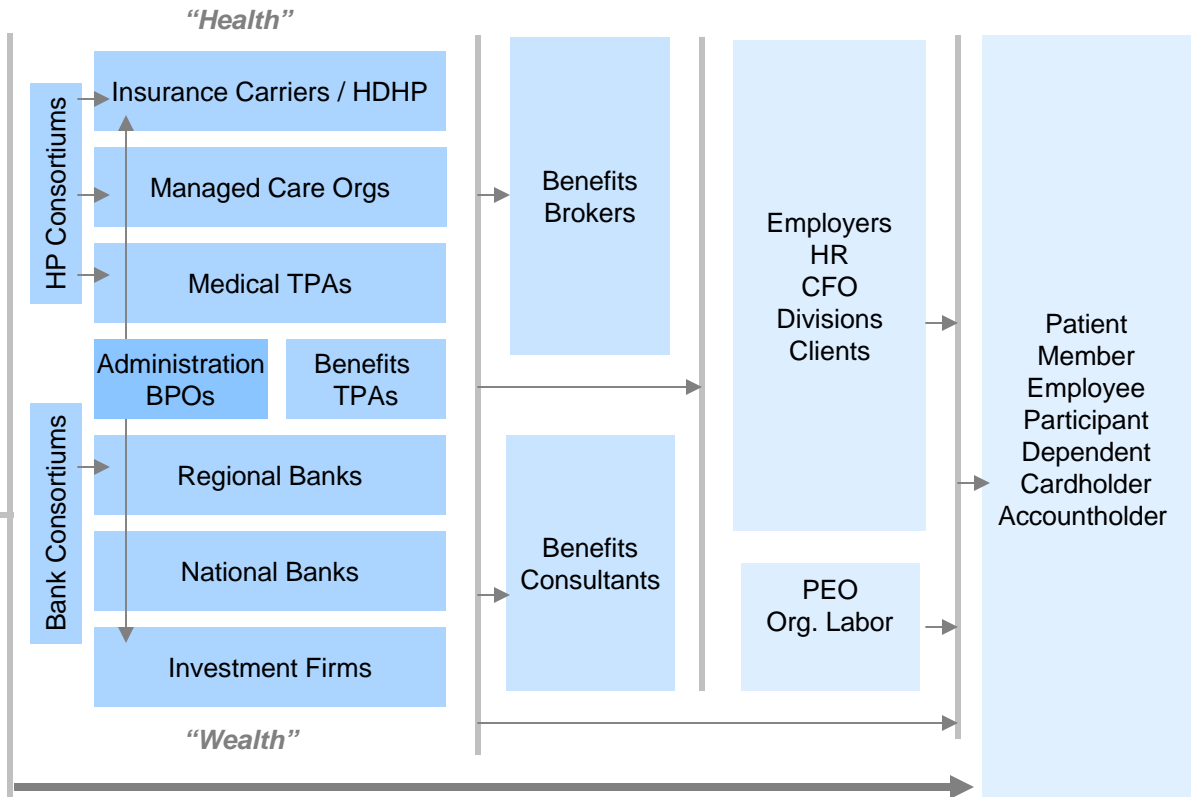
*Employer Distribution*

*Employer Clients*

*Consumers*

*Highly Integrated Processes, Data, & User Experience*

Integrators	Technology Consultants	Industry Consultants
Outsourced Technology	Horizontal Technology	<b>Vertical Technology</b>
Card Networks	BIN Sponsors	Debit Cards / Processors
Payment Processing	Fulfillment	Substantiation



*Healthcare Delivery*

Healthcare Providers (Clinics, Hospitals, Pharmacies, etc.)
Healthcare Merchants (OTC, etc.)



## Employee / Employer Communications

### COMMUNICATIONS

Inbound: Balances, Plan Rules, Enrollments, Claims  
 Outbound: Enrollment Materials, Statements, Reminders, Denials  
 Reports: Funding Notifications, Participation, Compliance, etc.  
 Debit Cards, Card Inserts

### COMMUNICATION METHODS

Mail, Email, Contact Center, IVR, Employee Portal, Employer Portal

### CONTENT

Health, Wealth  
 Plan Document Generation

### MEMBER RELATIONSHIP

Customer Relationship Management  
 Disease Management  
 Branding, Messaging

### CONTRIBUTIONS

ACH Employer Contributions  
 Payroll, ACH, Check Employee Contributions

### PAYMENTS/WITHDRAWALS

Checks, ACH to Employee, Provider  
 Debit/Reimb/ATM Card to Provider, Employee  
 Payroll Reimbursement  
 Payment Notifications

### PAYMENT PROCESSING

Check Processing: Print, Mail  
 ACH Processing: Bank Integration  
 Card Processing: Network, Sponsor, Processor Integration

### FINANCIAL MANAGEMENT

Accounting, General Ledger, Treasury, Cash Management

Payments, Contributions & Cash Management

## Record-Keeping Capabilities

### CLIENT / EMPLOYER

Client Employer Setup & Management  
 Fees: PEPM, Transactional, Service

### OFFERING / PRODUCT MANAGEMENT

Plan Setup: Design, Rules, Priorities, Purses

### EMPLOYEE ACCOUNT MANAGEMENT

CDH Accounts (HRA, HSA, FSA), DDA, Investment Accounts  
 Sweeps, Trades, Interest, Transfers  
 Employee Demographics  
 Enrollment: Eligibility, Elections  
 Payrolls & Contribution Schedules

### REGULATORY & COMPLIANCE

HIPAA, Privacy, Regulation E, Patriot Act, Non-Discrim, SOX

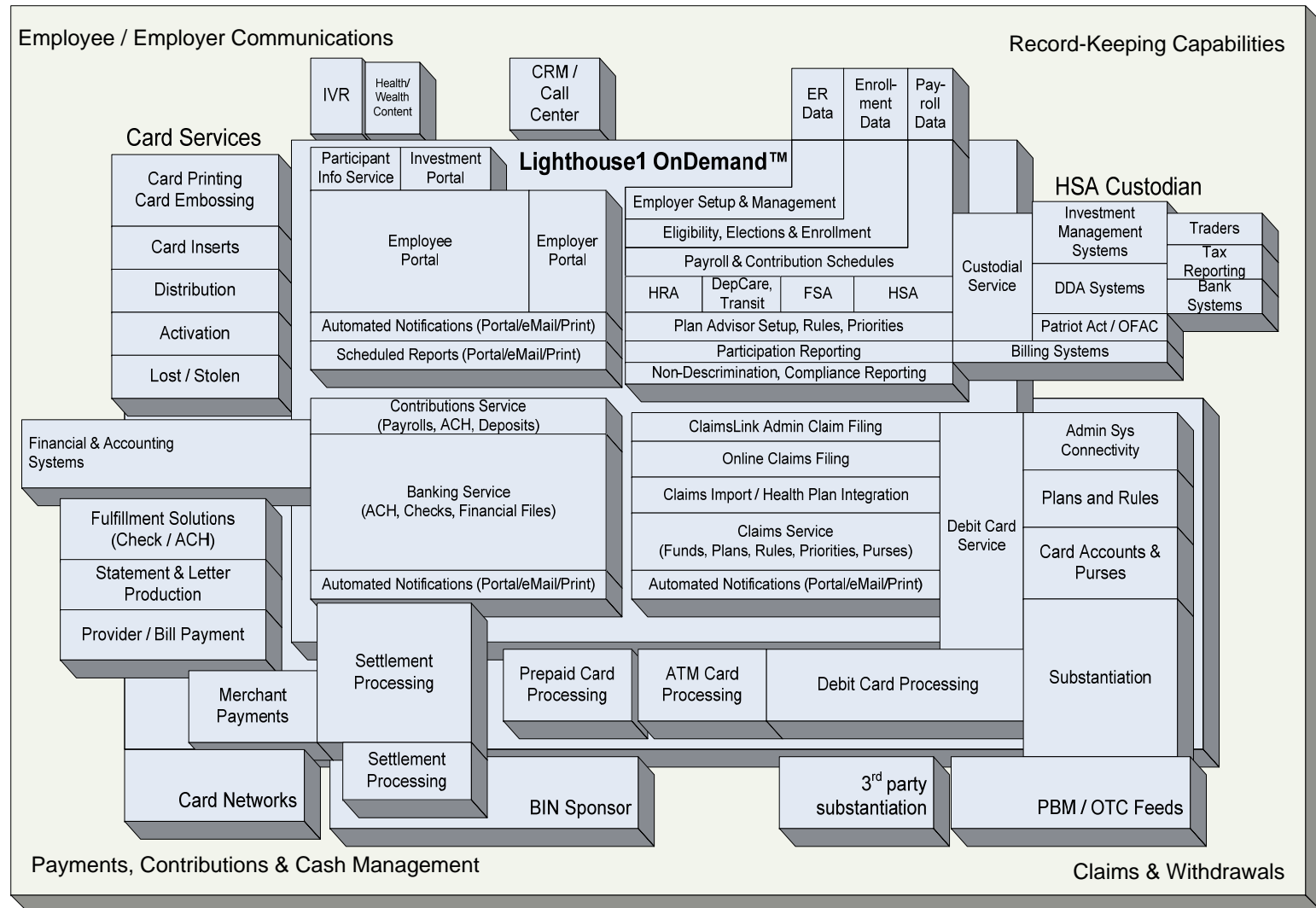
### CLAIMS RECEIPT

Administrator, Online, Debit Card, Import/Integrate  
 Notification of Receipt

### CLAIMS SUBSTANTIATION

Account Identification: Rules, Priorities, Purses  
 Funds Availability  
 Substantiation: Manual, Auto  
 Approval / Denial  
 Notification of Approval / Denial

Claims & Withdrawals



### Lighthouse1 Balanced Scorecard Benchmark Report

Overview of Key Measures

**Financial Performance**  
Example Measure: The Annual Revenue Growth Rate as measured by participant counts in January 2007 and January 2008

**Customer Satisfaction**  
Example Measure: Customer Turnover Rate as measured by employer clients with active plans at year end 2007 with no active plan in 2008

**Learning & Employee Growth (Innovation)**  
Example Measure: Q1 2008 Service Request Volume per 1,000 active participants on March 27, 2008

**Operating Processes**  
Example Measure: Debit Card, Claims Exchange, Imported Claims, and Participant/Online Claims divided by total claim volume in Q1, 2008

Client Results

Client Secret Code	Financial Performance Annual Growth		Customer Satisfaction Turnover Rates		Learning & Employee Growth Service Request Volume		Operating Processes Automated Claim Entry	
	Value	Quartile	Value	Quartile	Value	Quartile	Value	Quartile
<b>1774</b>	<b>22.9%</b>	<b>2</b>	<b>3.3%</b>	<b>2</b>	<b>13.5</b>	<b>2</b>	<b>95.9%</b>	<b>1</b>
A	145.5%	Best	A	0.9%	Best	A	5.6	Best
B	38.8%	Q1-Q2	B	2.1%	Q1-Q2	B	11.0	Q1-Q2
C	21.6%	Q2-Q3	C	4.3%	Q2-Q3	C	18.7	Q2-Q3
D	14.2%	Q3-Q4	D	8.9%	Q3-Q4	D	34.9	Q3-Q4
E	0.4%	Worst	E	12.9%	Worst	E	80.8	Worst

Benchmark Information

Q1 Result is in the top 25%

Q2 Result is better than average and in the second 25% of results

Q3 Result is worse than average and in the third 25% of results

Q4 Result is in the bottom 25%

A - Best Best result of all customers

B Result at the bottom of Q1 and top of Q2

C Result at the bottom of Q2 and top of Q3

D Result at the bottom of Q3 and top of Q4

E - Worst Worst result of all customers

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Thank You



- The leading technology for CDH reimbursement account administration
- The only enterprise-class, multi-tenant Software as a Service provider
- Based in Minneapolis, Minnesota
- Founded in 2003
- Holding company also owns the largest (\$4B) privately-held Midwest bank (State Bank & Trust, Fargo, ND)
- 95 employees + 19 onshore/offshore contractors
- 42 administrator customers from 500 to 500,000 employee accounts
- >2 Million contracted members, >15,000 groups

## Strategic Partners



## Delivery Partners

