

### **TALON Solutions Book**

### **Empowering Healthcare Price Transparency and Healthcare Consumerism**

Drive Down Healthcare Costs While Empowering Employers and Their Employees

TALONhealthtech.com



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### About TALON

Healthcare spending has been strangling businesses for way too long. As pointed out by Warren Buffet – "Medical costs are the tapeworm of American economic competitiveness."

Driven by two principles—Healthcare Price Transparency and Healthcare Consumerism—TALON was founded to repair America's profoundly dysfunctional health insurance market. Through its proprietary set of innovative tools and services, TALON introduces free market dynamics into the fractured healthcare marketplace, drastically reducing wasteful spending, and empowering American businesses.



# The Perfect Companion for Healthcare Consumers

# All Healthcare Consumers NEED tools to help them control their costs

As the consumer-directed healthcare industry's leading medical price transparency solution, TALON enables participants to shop for their medical care and make smart, informed decisions about how they manage their discretionary healthcare spending.

### Why is this so important?

- Lack of knowledge about medical test and procedure costs leads to more than \$850 billion in inadvertent wasteful spending annually in the U.S.
- Higher claims costs by participants means higher out-of-pocket and deductible spending for employees, but it also means higher claims spending for self funded groups, higher premiums for credible, fully insured groups, and higher utilization rates for employers using HRAs.
- TALON estimates that the average employer wastes almost 41% on their annual healthcare spend on cost ineffective providers.
- Aligning financial incentives among all stakeholders—the employees, their dependents, and the employer—is critical for driving meaningful engagement, reducing costs, and reducing wasteful spending.



# Hidden variations in healthcare "discount" prices

#### Table shows negotiated discounts, same procedure, different providers

	BOSTON (50 Mile Radius)		
Procedure	Low Price	High Price	Variation
Chest X-ray	\$32	\$323	1,009%
Cholesterol Screening	\$12	\$153	1,275%
Emergency Department Visit	\$129	\$1,564	1,212%
Nuclear Stress Test	\$600	\$3,055	509%
MRI Lower Joint	\$470	\$2,056	437%
Rotator Cuff Repair	\$2,536	\$12,140	478%
Thyroid Stimulating Hormone	\$14	\$169	1207%
Diagnostic Colonoscopy	\$665	\$2,593	390%
Ultrasound, Neck	\$144	\$640	444%

Prices are for procedures only.

Source: MMS Analytics Proprietary Claims Data & Algorithms

### Employer waste in real terms

The typical employer group of 150 employees will spend roughly **\$1.7M** in healthcare claims this year.

This means wasteful spending due to high-cost providers of:

41% = \$697k

# The power of REALLY BIG data

### **3.7B** Our data engines leverage more than 3.7 BILLION medical claims annually to power our industry-leading platform.

- Machine-learning system for claims aggregation
- All-payer claims data (APCD)
- De-identified claims data sets from our
  TPA partners

### Features only TALON can offer

- The largest database in the industry—users can search TALON for over 10,000 procedure prices at most medical facilities nationwide, and more searchable procedures means greater potential savings
- **CDH software integration**—TALON is tightly integrated with the largest TPA software platforms in the industry, facilitating seamless enrollment, embedded portal experiences, and automatic transfer of claims/rewards
- **One-of-a-kind rewards programs**—patented MyMedicalRewards program gives employers the tools they need to incentivize employees to choose lower-cost care, and to have rewards automatically fund accounts like HRAs, HSAs, or E-Gift Cards
- Health plan integration—TALON supports integrations with more than 130 carriers and health plans to sync real-time deductible tracking, unique plan details, and in- or out-of-network provider directories

- Claim files from large, self-funded employer groups
- Hospital Price Transparency Files
- Machine-readable files per the Transparency in Coverage Rule
- **Portability**—TALON works across insurance carriers and health plans (130+ of them), so employees can learn how to use a single platform and bring it with them when the group switches carriers at renewal
- **Employer Dashboard**—complete visibility for HR, CFOs, CEOs, and their advisors to understand employee engagement and program success throughout the year
- **Powerful claims analytics**—industry-leading MyMedicalMetrics<sup>™</sup> is the only analytics platform on the market that can back-test every claim to identify group's savings opportunities
- Unparalleled ease of use—fully responsive web design and mobile apps for Apple and Android devices mean that users always have access at the exact moment of need, even right in the doctor's office



# Better technology yields better results

### Employees can now access the tools they need to make informed decisions at the EXACT MOMENT they need them.

- Empower employees with integrated consumer technology for total control of their healthcare spend
- TALON tools are seamlessly delivered in mobile apps for Apple and Android devices
- Contributes to industry-leading employee engagement and program performance



# Quantify your savings potential

Share your historical medical claims with us, and we'll push them through our proprietary claims data engine to discover precisely how much waste lives in your group's annual healthcare spend.



- Leverage our line-by-line claims analysis, crossreferencing your actual experience against the largest, most complete commercial claims database in the country.
- **Reveal** every enrolled employee's instance of wasteful spending.
- **Establish** the baseline waste to target and eliminate.

### Hindsight is 20/20.

Don't let your claims history repeat itself.™

### Introducing TALON's Claims Hindsight<sup>™</sup>

# Claims Hindsight™ Report

### MMS Claims Hindsight Report

We have completed our preliminary analysis using one year's claims data for ABC Group, and we believe that there is potential to drive smart healthcare consumerism and eliminate significant wasteful spending. We define wasteful spending as the amount spent on care in excess of what one could spend for the same care at the lowest cost high-quality facility within the same geographic area. Of the \$59,342,595 in raw total claims, we were able to specifically analyze \$42,013,294, and we assess that \$40,265,332 of it could have been shopped by the patients and their care could have been received at lower costs. **The total waste is \$22,142,885, representing roughly 52.7% of the total medical claims for the group.** 

	All Time
Raw # of Claim Lines	237,422
# of Claim Lines Analyzed	206,226
Raw Total Claims Amount	\$59,342,595
Total Claims Amount Analyzed	\$42,013,294
Total Addressable Claims Amount	\$40,265,332
Identified Wasteful Spending	\$22,142,885
Hidden Wasteful Spending	\$9,133,317
Total Wasteful Spending	\$31,276,202

**\$9,294,231** (22.12%)

\$12,797,225

(30.46%)

Surgery

Pathology

Radiology

Physical Therapy

Evaluation & Management

Other Medical Services

laims Amount \$40,265,332 Spending \$22,142,885 ending \$9,133,317 dding \$31,276,202 \$8,594,994 (20.46%) \$3,207,462 (7.63%) Surgery Pathology Radiology

\$6,431,700

(15.31%)

Our analysis specifically identified a spending waste of \$22,142,885, which could be eliminated with the proper tools and incentives in place to drive employees to shop for their medical care. Furthermore, we estimate that there is an additional "hidden" waste opportunity of \$9,133,317 within the \$19,077,264 we were unable to analyze due to insufficient claim line details (e.g. absence of a procedure code on the claim). We estimate the combination of identified waste and "hidden" waste is \$31,276,202, representing roughly 52.7% of the total medical claims for the group. It is important to note that the hidden waste estimate is derived by applying the same waste rate found in the claims we could specifically analyze, so this figure could actually be slightly higher or lower than our estimate.

#### Actual Spending by Category vs Other Employers

	Actual Spending	Median Price	Net Overspend vs Median
Surgery	\$8,594,994	10,689,788	(\$2,094,794)
Pathology	\$3,207,462	1,997,107	\$1,210,355
Radiology	\$6,431,700	4,349,568	\$2,082,132
Physical Therapy	\$1,687,682	1,598,554	\$89,127
Evaluation & Management	\$9,294,231	8,437,624	\$856,607
Other Medical Services	\$12,797,225	12,698,791	\$98,434

This table compares what your company actually spent in each of the 6 major categories to the median cost of the same set of procedures and services in the same geographic area.

#### Specific Procedure Examples

Colonoscopy	Number of Claims	1,021
	Amount Spent	\$1,097,062.14
	Total Wasteful Spending	\$522,818.18
	Wasteful Spending/Encounter	\$512.06
Lipid Panel	Number of Claims	3,016
	Amount Spent	\$155,822.16
	Total Wasteful Spending	\$125,452.14
	Wasteful Spending/Encounter	\$41.60
Physical Therapy	Number of Claims	14,606
	Amount Spent	\$1,126,922.29
	Total Wasteful Spending	\$688,318.46
	Wasteful Spending/Encounter	\$47.13



\$1,687,682

(4.02%)



### SPARC<sup>™</sup> Plan Analysis

Leverage the TALON proprietary SPARC financial modeling platform to measure the Savings Potential After Recognizing Consumerism™ for your group's health plans.

#### XYZ Company Can Save \$7.5M over 3 Years in Healthcare Costs **Current Plan Proposed Plan** Individual Family Individual $\Lambda \mid O \mid N$ Deductible \$ \$ Deductible \$ \$ 13,500 1.000 2.000 6,750 Finally a health plan design HRA HRA \$ \$ 2,250 \$ 4.500 \$ Contribution Contribution that is a significant benefit to HSA HSA even the healthiest millennial \$ \$ 7,000 \$ 3,500 Contribution Contribution employees thanks to growing Employee Employee Deductible \$ \$ 2 000 Deductible 1,000 \$ 2 000 **HSA** balances 1 0 0 0 Exposure Exposure What? All employees with median • XYZ Company can save **\$7,473,982** in healthcare costs through healthcare needs also grow health plan redesign and shopping for lower-cost medical care significant HSA balances • Employees are conservatively estimated to collectively save \$201,000 out-of-pocket over the next three years through the use Employees who find of supplied tools themselves struggling XYZ Company employees can accumulate \$226,000 in HSAs after with chronic conditions 25 years of employement (\$373,000 for families) are in a better financial Why? position due to the • Proposed plan provides all employees with significantly better elimination of deductible benefits, and rewards healthy and responsible employees with exposure. growing HSA balances

Proposed plan will drive sustainable reductions in long-term costs

The Median XYZ Company Employee Healthcare Consumer is Expected to Accumulate \$226K in HSA Balances (\$373K for Families)



After a 25-year career, the typical individual will have an HSA balance of \$226K After a 25-year career, the typical family will have an HSA balance of \$373K

# SPARC<sup>™</sup> Plan Analysis

Leverage the TALON proprietary SPARC financial modeling platform to measure the Savings Potential After Recognizing Consumerism™ for your group's health plans.

#### XYZ Company Can Save \$7.5M over 3 Years in Healthcare Costs

Current Plan vs. Recommended Plan Design Change - Company-wide Effects

	Current Redesigned Plan with MyMedicalShopper				
	2019	Year 1	Year 2	Year 3	3-Year Total
Premium Contributions	\$ 7,456,620	\$ 3,283,252	\$ 3,018,911	\$ 3,032,133	\$ 9,334,295
Dollars Invested in Employee HSAs	-	\$ 1,820,000	\$ 1,856,400	\$ 1,893,528	\$ 5,569,928
Anticipated HRA Consumption	-	\$ 292,500	\$ 307,125	\$ 322,481	\$ 922,106
Total Cost of Health Plan	\$7,456,620	\$5,395,752	\$ 5,182,436	\$ 5,248,142	\$ 15,826,329
Savings from Plan Redesign	-	\$ 1,804,229	\$ 1,949,041	\$ 2,102,185	\$ 5,855,455
Reduction in Claims from Shopping	-	\$ 256,639	\$ 697,974	\$ 870,597	\$ 1,825,210
Investment in MMS plus Administrative Expense	-	(71,294)	(67,694)	(67,694)	(206,683)
Net Savings to XYZ Company	\$ -	\$ 1,989,574	\$ 2,579,321	\$ 2,905,087	\$ 7,473,982
Employee Out-of-Pocket Savings	\$ -	\$ 63,746	\$ 66,933	\$ 70,280	\$ 200,959

#### How - Basis for our projections

1. Based on 360 enrolled employees and their dependents 2. Estimated annual premiums of \$7,456,620 3. We project a 7.8% claims reduction in Year 1, a further 13.0% reduction in Year 2, and finally a 4.3% reduction in Year 3 4. HSA investment, if any, is covered entirely by claim savings from plan redesign 5. In 2022, the maximum allowed HSA contribution is \$3,650/\$7,300 6. Proposed plan stacking: First dollars are spent from the HSA, then from the HRA, and finally out-of-pocket from employee deductible exposure 7. Based on plan design change upon renewal on 01/01/2022 8. MMS License Fees and TPA Administration Fees of \$15.67 PEPM 2019 Year 1 Year 2 Year 3 3-Year Total Savings from Plan Redesign - 1,804,229 1,949,041 2,102,185 5,855,455 922,106 Total Cost of Health Plan \$ 7,456,620 \$ 5,395,752 Current Redesigned Plan with MyMedicalShopper XYZ Company Can Save \$7.5M over 3 Years in Healthcare Costs Current Plan vs. Recommended Plan Design Change – Company-wide Effects

#### Stack Plan Design Savings Estimator

# MyMedicalRewards™ & Best Practices Guide

#### What is MyMedicalRewards?

### A proprietary, patented program that drives consumer behavior among employees, even when they are spending employer dollars!

- Leverages the intuitive shopping experience of the TALON platform in combination with customizable reference price benchmarking to create a simple-to-use incentive program.
- Employees can earn rewards for choosing high value providers of medical care, which are seamlessly communicated to your company's TPA as a contribution to a tax-advantaged employee account, such as a health reimbursement arrangement (HRA), health savings account (HSA), or as an E-Gift Card.



- Employers can further drive engagement with activity rewards for enrolling, connecting and downloading the mobile app experience
- Lastly, you can give rewards for fitness with our integration of Fitbit and other wearable devices (eg Apple Watch etc), integrated with Google Fit.



# MyMedicalRewards™ & Best Practices Guide

#### Why should we use MyMedicalRewards?

- Align the financial incentives of your employees with those of your company
- Increase employee engagement and consumer incentives for your health plan
- Reduce your company's expected HRA utilization rate, without reducing the total potential HRA coverage for employees
- Make your company's HRA contributions conditional, thus motivating even your high-cost claimants to shop for their care
- Keep employees engaged and incentivized to both stay fit and shop throughout the plan year, regardless of whether they are spending their own deductible dollars, funds from their HSAs, or employer-funded HRA dollars

### How does MyMedicalRewards work? Very simply!

- Employers determine the percentage of shared savings they are willing to give back to employees for smart shopping behavior, and how they want to pay out those rewards (i.e. HRAs, HSAs, FSAs, E-gift cards), and the rewards for engagement and fitness activities.
- 2. Employees shop for their medical care on TALON's MyMedicalShopper tool.
- 3. Employees receive their medical care at a qualified, high value provider.
- 4. TALON retrieves employees' EOBs, and then verifies the reward earned and issues it to the appropriate employees.
- 5. Employees may also receive rewards for meeting other program goals.



### Best Practices Guide:

The purpose of this guide on the following pages is to outline how the MyMedicalRewards (MMR) program can be configured to achieve the best results across several different plan design scenarios.

- MMR is a very flexible program that accommodates creativity and a wide range of configuration specifications, but we believe that striving for simplicity often yields the highest employee engagement.
- This guide will consider several plan designs and highlight best practices for leveraging MMR for driving savings within each of them.

# MyMedicalRewards Program Parameters

- 1. Reference Price Benchmark—the defining threshold between low- and high value
- 2. "Savings" Share—the percentage of savings to be shared between employer and employee
- Reward Cap—maximum reward allowed per procedure

#### 4. Activity Rewards

- a. Enrolling in TALON's MyMedicalShopper tool
- b. Connecting Health Plan
- c. Downloading and Using Mobile App
- 5. Fitness Rewards (with Fitbit<sup>®</sup> and GoogleFit Integration)
  - a. Fitness Daily Step Goal
  - b. Fitness Daily Step Reward

#### 6. Target Account Plan

- a. Health reimbursement arrangement (HRA)
- a. Health savings account (HSA)
- a. Other account/location

#### **MMR Program Configuration Template**

Parameter Description	Value
Reference Price Benchmark	25-75%
"Savings" Share	5-100%
Reward Cap (maximum per reward)	\$
Enrolling in TALON's MyMedicalShopper	\$
Connecting Health Plan	\$
Downloading & Using Mobile App	\$
Fitness Daily Step Goal	# of steps
Fitness Daily Step Reward	\$
Target Account Plan Type/Name	

Employers can customize their MyMedicalRewards program across each of the six parameters listed above. High-Deductible Health Plans (HDHP) have become popular tools for employers to reduce premium costs while still covering employee deductible expenses to some extent. Unfortunately, this strategy is only a short-term fix to a deeper systemic problem; health insurance premiums will continue to rise as long as the underlying medical claims continue to increase in cost. MyMedicalRewards creates an incentive system that tackles these rising costs head-on, by rewarding employees when they try to shop responsibly for their medical care, even when they're spending their employers' money from an HRA. MMR also enhances the consumer incentive for other plan designs that do not include Consumer-Directed Health Accounts, as it creates additional motivation for employees to engage with the plan and choose lower-cost care.

# How do I leverage MyMedicalRewards best for my plan design?

MMR can boost consumerism and improve employee engagement for a wide variety of plan designs. We outline a few of the most effective applications of MMR to consumer-driven health plans on the following pages.



#### Health plan deductibles:

- \$7,050 for individual plans
- \$14,100 for family plans

#### **Employer-funded HSA contributions:**

- \$3,650 for individual plans
- \$7,300 for family plans

#### Rewards-enabled<sup>™</sup> HRA ("2nd-dollar"):

- \$0 up to \$3,400 for individual plans
- \$0 up to \$6,800 for family plans

#### **MMR Program Configuration**

Parameter Description	Value
Reference Price Benchmark	50% (median)
"Savings" Share	65%
Reward Cap (maximum per reward)	N/A
Enrolling in TALON's MyMedicalShopper	\$ 250
Connecting Health Plan	\$ 250
Downloading & Using Mobile App	\$ 250
Fitness Daily Step Goal	10,000 steps
Fitness Daily Step Reward	\$ 5
Target Account Plan Type/Name	HRA

Health plan pays after deductible is met	PLAN	\$7,050
<b>3rd \$ expenses paid by employee OOP</b> (if HRA not yet fully funded)		
<b>2nd \$ expenses paid from</b> <b>Rewards-enabled™ HRA</b> (balance starts at \$0 and increases as rewards are earned)	HRA	\$3,400
<b>1st \$ deductible expenses paid by employee OOP</b> (funds available from employer- funded HSA)	HSA	\$3,650

# **#1** Case #1 Explanation:

The Ultimate Health Plan<sup>™</sup> generates the maximum employee engagement, while still maintaining a potential out-of-pocket exposure of \$0 to the employee over the course of the plan year. This is accomplished by leveraging a health plan with maximum-allowed annual deductibles but offsetting that deductible exposure first with an employer-funded HSA (funded to the annual maximum, \$3,650/\$7,300), and second with a Rewardsenabled<sup>™</sup> HRA.

The Rewards-enabled HRA begins the plan year with a balance of \$0; this is a contrast to a traditional HRA, which is typically pre-funded in full by the employer, carrying the full risk of the maximum HRA amount. Instead, the Rewards-enabled HRA allows the employee to earn their HRA coverage balance throughout the year. In this case we recommend issuing \$250 for each of the three Activity Rewards

(Enrolling, Connecting, and Downloading & Using), which gives the employee the opportunity to fund the HRA up to \$750 at the beginning of the plan year.

We also recommend using a Reference Price Benchmark of 50% and a "Savings" Share of 65% to generously reward employees for each instance of responsible shopping throughout the year. Configuring the MMR program in this manner will give most engaged, carefully shopping employees the opportunity to fully fund their HRA with rewards earned on typical medical utilization.

As a bonus feature to drive employee engagement with TALON's Fitness Rewards, we recommend including a \$5 Daily Step Reward for reaching a Daily Step Goal of 10,000 steps.



# The Traditional "Second-Dollar" HRA Plan

#### Health plan deductibles:

CASE

- \$3,000 for individual plans
- \$6,000 for family plans

#### Rewards-enabled<sup>™</sup> HRA ("2nd-dollar"):

- \$0 up to \$1,500 for individual plans
- \$0 up to \$3,000 for family plans

#### **MMR Program Configuration**

Parameter Description	Value
Reference Price Benchmark	50% (median)
"Savings" Share	50%
Reward Cap (maximum per reward)	N/A
Enrolling in TALON's MyMedicalShopper	\$ 100
Connecting Health Plan	\$ 100
Downloading & Using Mobile App	\$ 300
Fitness Daily Step Goal	10,000 steps
Fitness Daily Step Reward	\$ 5
Target Account Plan Type/Name	HRA



Case #2 Explanation:

The Traditional "Second-Dollar" HRA HDHP is one of the most common consumer-driven health plans in the market, and before MMR, it suffered from minimal levels of consumer incentive. MMR effectively turbocharges this traditional plan by forcing employees to engage with TALON's MyMedicalShopper tool and choose lower-cost care throughout the plan year to fund their Rewards-enabled<sup>™</sup> HRAs. This plan design tweak generates moderate employee engagement, while still limiting the potential out-of-pocket exposure to the employees with the HRA.

CASE

The Rewards-enabled HRA begins the plan year with a balance of \$0; this is a contrast to a traditional HRA, which is typically pre-funded in full by the employer, carrying the full risk of the maximum HRA amount. Instead, the Rewards-enabled HRA allows the employee to earn their HRA coverage balance throughout the

year. In this case we recommend issuing \$100 for the first two Activity Rewards (Enrolling, Connecting) and \$300 for the third (Downloading & Using), which gives the employee the opportunity to fund the HRA up to \$500 at the beginning of the plan year.

We also recommend using a Reference Price Benchmark of 50% and a "Savings" Share of 50% to generously reward employees for each instance of responsible shopping throughout the year. Configuring the MMR program in this manner will give most engaged, carefully shopping employees the opportunity to fully fund their HRA with rewards earned on typical medical utilization.

As a bonus feature to drive employee engagement with TALON's Fitness Rewards, we recommend including a \$5 Daily Step Reward for reaching a Daily Step Goal of 10,000 steps.





# What is TALON's MyMedicalShopper™?

#### A revolutionary healthcare comparison shopping platform

- Industry's leading real-time medical shopping tool
- Proprietary machine learning technology adds "secret sauce" to more than 3.7 billion annual medical claims in our massive data warehouse
- Comprehensive solutions that empower consumerism and reward employees for choosing lower-cost care
- Tools to identify over 41% of total medical cost as wasted spending
- The only platform demonstrated to the departments responsible for the development of the Transparency in Coverage Rule

### Why MyMedicalShopper?

Because prices paid for medical tests and procedures by employer-sponsored health insurance patients vary wildly across healthcare providers.

- Our data shows we often pay 5 to 20 times more than we need to
- Significantly reduce annual healthcare spend and future premiums
- Annual wasteful spending due to high-cost providers of:
  - \$470,000 per year for typical groups of 100 employees
  - \$9.3 million per year for typical groups of 2,000 employees
  - \$47 million per year for typical groups of 10,000 employees
- Seamless mobile apps for Apple and Android make shopping easy!
- Patented MyMedicalRewards<sup>™</sup> program drives employees to shop for their care, even when spending employer dollars
- Employer Dashboard with MyMedicalMetrics™ monitors engagement and highlights savings
- MyMedicalMetrics<sup>™</sup> provides actionable insights and deep analytics to compare your group's claims experience to the greater population

Empower medical consumers so they never overpay for healthcare again.

### Who should use MyMedicalShopper?

Self-funded or fully insured employers who want to reduce their annual healthcare spending, especially those who want to leverage compliance with the Transparency in Coverage Rule.

# How much can I really save on procedures?

	Comprehensive Metabolic Panel	MRI of the Lower Joint	Nuclear Stress Test
Lowest Price Paid	\$ 18	\$ 499	\$ 1,416
Highest Price Paid	\$ 304	\$ 1,655	\$ 7,282
You Can Save	\$ 286	\$ 1,156	\$ 5,866
Distance between providers	0.9 miles apart	0.9 miles apart	14 miles apart

### Introducing a suite of solutions for empowering consumerism and driving huge savings in healthcare

1:27 AM	TALON	0
	RTHROSCOPY/SURGERY: AI TERIOR CRUCIATE REPAIR	DED
56,708	NORTH SHORE MEDICAL CENTER Anths and MEDICAL CENTER IN SALER, MA - Ismin Di Shaw all locations (3) Tholane: Grant	four less (1),40 Details
56,708	MEN ENGLAND BAPTIST HOSPITAL Acidum Crossing, NA -Junice	Your Tex
\$7,905	Refere Deelert	Details
56,708	MOUNT AUBURN HOSPITAL CARBRIDGE, NA -Emilia	four time
18,034	(2) Show all locations (2) (2) Proteom: Gwat	Details
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56,708	THE GENERAL HOSPITAL CORPORATI BOSTOL MA -2 value	ON
\$21,886	Professor Excellent	

MyMedicalShopper™ Comparison Shopping Tool

- Makes shopping for medical care as easy as a Google search
- Unlocks savings on more than 10,000 medical tests and procedures

MyMedicalMetrics™ Enhancement to the Employer Dashboard

- Empowers administrators to make data-driven decisions not guesses
- Provides actionable insights for strategically driving down costs



### MyMedicalRewards™ Dynamic Employee Funding

ZIP Code		Search Radius		Network Status	
© 03801		50 miles	~	In-Network Only	
Facility Search		Price Type	Sort		
Q Search by name		Encounter Estimate	~	Delas Laura Ulah	
ults within 50 mi. of (		EncounterEstimate		Price: Low to High	
	03801 INMED DI	AGNOSTIC SERVICES OF M			
ults within 50 mi. of t	03801 INMED DI	) (			Your Rew
ults within 50 mi. of 1 In-Network	03801 INMED DI	AGNOSTIC SERVICES OF M			

- Drives consumer behavior, even when employees have little to no out-of-pocket exposure
- Combines reference price benchmarking with MMS shopping tool experience to reduce costs

### Seamless Health Plan Portal Integration to Deliver Personalized Consumer Experience



- Brings consumer empowerment to every member of a group's health plan
- Patients can access tools to make informed decisions in their precise moment of need

### What makes TALON's MyMedicalShopper different from other tools?

- The sheer quantity of our data—Analyzes more than 3.7 billion post-adjudicated claims annually to determine prices paid for more than 10,000 medical tests and procedures
- ✓ Ease of use—Seamless website and mobile apps for Apple and Android provide easy access
- ✓ Portability across health plans—Works across 130+ insurance carriers and health plans
- Health plan integration—Shows in-/out-of-network providers & real-time deductible
- Behavioral Engagement—Reach and engage every employee through our behavioral economic expertise
- Employer Dashboard—No other solution arms employers with actionable insights
- Plus much more—Go to TALONhealthtech.com, or contact us to learn more!

# Retrospective Shopping™

MAND SCURFIELD	Allowed Amount \$482.03
e of Service ent Name	Your Responsibility \$482.03
You could have saved up to \$291	by shopping for care!
SMARTCARE, LLC	\$191.08
ATLANTA, GA ~19 miles	Estimated Price
WEST GEORGIA ENDOSCOPY CENTER	\$276.69
CARROLLTON, GA ~42 miles	Estimated Price
TANNER MEDICAL GROUP INC	\$332.17
CARROLLTON, GA ~42 miles	Estimated Price



### **Retrospective Shopping**

- Keeps employees aware all the time of potentially missed savings opportunities due to high-cost medical providers
- Reviews your latest Explanation of Benefits (EOB) claim line-byline, running a detailed comparison of prices for those procedures, to identify potential missed savings opportunities at alternative providers nearby
- If a missed savings opportunity is identified, TALON will confidentially notify you via email, text, or push notification
- Securely displays up to 3 alternative providers where additional savings were available, and how much additional out of pocket savings could have been achieved
- Allows you to immediately shop for the primary procedure within the EOB claim, and see the alternative providers for continuous awareness and future engagement

# MyPlanGuide

#### MyPlanGuide<sup>™</sup>

### 串

# MyPlanGuide

Choosing a health insurance plan can seem complicated, but when you know how to compare your options the right choice can become obvious. MyPlanGuide <sup>™</sup> walks employees through health plan comparison, addressing both the wealth and health considerations needed to make the best decision possible.

#### Short-term Impact

Here's how the two plans compare:

In total we estimate that choosing the Cigna HSA Base Plan plan will save you \$9,386 this year.



	Cigna PPO - High Plan	Cigna HSA Base Plan
Paycheck deductions (annual)	-\$8,880	-\$790
Additional medical costs (estimated) <u>Edit</u>	-\$114	-\$568
What you pay (estimated)	-\$8,994	-\$1,358
Employer HSA contribution		\$1,750



Care to see your balance grow even faster? Use the slider(s) below to change your personal contribution to your HSA:



# TALON's Customer Success Story #1

#### Background

The following represents the two-year experience of one employer group who provided TALON's MyMedicalShopper comparison-shopping platform to its employees. We've chosen to highlight this particular case because it falls in the "typical" or "average" range across a wide variety of measures, both for the group's profile as well as their experience with their TALON solutions. While there is a wide range of variables that can affect a group's experience, we believe this particular case is instructional for a number of reasons:

#### 01

Based on the deductibles and out-of-pocket maximums for this group's plan, as well as the design of the incorporated health reimbursement arrangement, these employees faced roughly average financial responsibility for their medical costs (compared to both their specific geographic region and the U.S. overall).

#### 02

With an employee headcount in the 50–100 range, this group falls into one of the most common "buckets" for employer size in American business. They also fit the standard definition for "large group" by most state definitions and are considered "credible" by their insurance company. This means that this group's health insurance premiums are affected by their actual claims experience.

#### 03

Compared to other groups using TALON solutions, this group witnessed roughly average rates of employee engagement, use of the tools, and estimated savings.

TALON implemented its shopping tool only with a group in New England with fewer than 100 employees spread across four states on 6/1/16. This group represents a typical, middle-of-the-road case study, as their plan design included moderate, but not extreme, consumer incentives (essentially a \$5,000/\$10,000/\$12,000 three-tier deductible plan with an HRA that covered roughly half of the deductible exposure). In the three years prior to implementation, this group saw double-digit increases in their health insurance premiums every year. shoppers realized savings of \$89,785

from an expected spend of \$379,105

OR ROUGHLY 22x ROI or 24% OVER TWO YEARS

Total TALON license fees for this group: **<\$4,000** 



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# TALON's Customer Success Story #2

#### Background

The following represents the first-year experience of an employer group who provided TALON's MyMedicalShopper comparison-shopping platform to its employees. We've chosen to highlight this particular case because it highlights the massive savings potential that a group can realize with even modest employee engagement, shopping activity, and savings rates.

This group had more than 225 employees enrolled on their self-funded health plan, spread across 25 different regional locations. The group's HSA-qualified health plan promoted moderate consumer interest, with deductibles of \$3,000/\$6,000 (individual/family), employer-funded annual HSA contributions of \$820/\$1,180, and no copays.

#### Group experience overview:

- Employee enrollment rate in MyMedicalShopper tool: 84%
- Employee shopping rate over first year: 24%
- Annual medical claims total for group: \$2,256,898 (We estimate that these same employees would be expected to pay roughly \$2,373,778—based on median prices paid for care—for these same exact services if they hadn't engaged in shopping for and choosing their medical care.)
- Total savings potential realized: \$116,880
- Total savings potential missed: \$681,328
  - This figure represents the claims dollars that could have been saved in addition to the \$116,880 actually realized by the group.
  - The group realized roughly 14.6% of their total estimated savings opportunity.
  - The average active shopper saved 22% on their annual medical spend.

### shoppers realized savings of \$116,880

from an expected spend of \$2,373,778

OR

~8x ROI

Total TALON license fees for this group: **<\$15,000** 



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# THANK YOU!

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