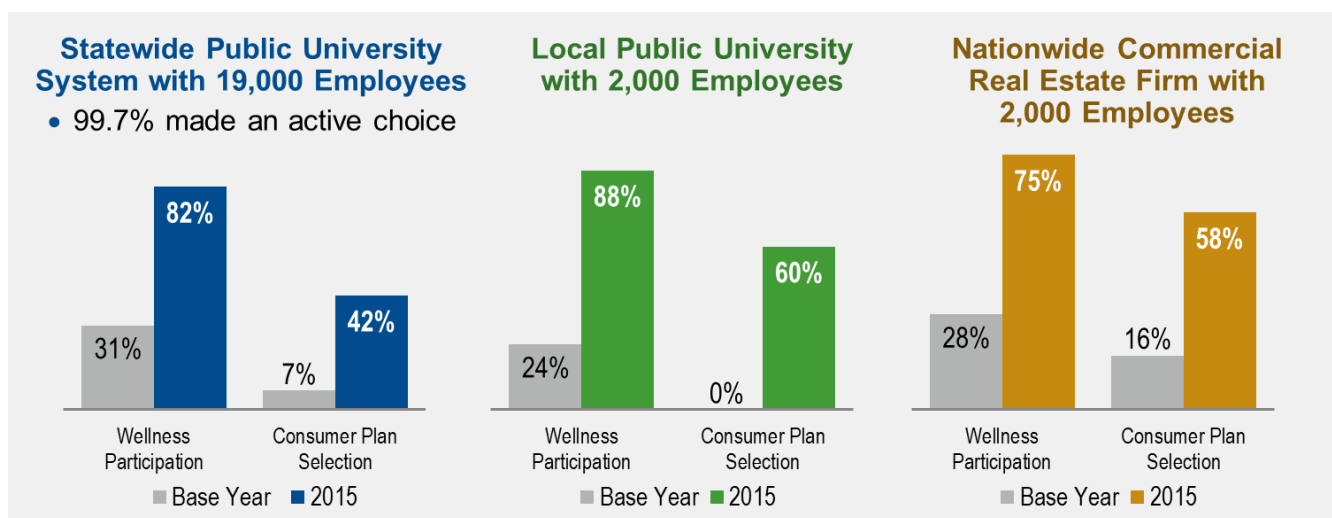


Developing Effective Health and Wellbeing Programs that Align with the Benefit Strategies

Leveraging Behavioral Economics

Segal has worked closely with clients to dramatically increase employee engagement in wellbeing and consumerism by integrating wellbeing programs with health benefit plans. Excellence in communication, incentive plan design, choice architecture, and behavioral economics led to the results highlighted below.



In our work with clients, we could use principles from behavioral science to increase participation, improve engagement and enhance appreciation for the client's benefits program.

Wellbeing Strategy

Historically, a wellbeing strategy's core concept is to reduce health care costs while improving the quality of life for individual members and their families. A major shortcoming of traditional wellbeing programs has been low engagement, resulting in a minimal impact on overall quality and total health plan cost. Health technology applications, devices, and companies have emerged in the marketplace and COVID-19 has increased the visibility of these solutions. While engagement with digital health platforms have increased, quality can differ considerably and cause reliability concerns for members.

Meaningful engagement hinges on the individuals being well informed on the program's existence, identifying a perceived benefit for participation, and overall satisfaction and convenience with the program. With rigorous vendor selection and oversight, a targeted communications strategy, and proper incentives, a creditable enrollment rate may be achieved.

The Segal approach includes matching your wellbeing needs with a solution that builds upon the current resources available to the population, partnering with best-in-class vendors in the market, creating awareness, and providing sustainable communication support.

Keep Them in the Program

Get Them into the Program <ul style="list-style-type: none"> • Health Risk Appraisals • Biometric Screenings • Self-Referrals • Predictive Modeling • Medical and Pharmacy data triggers 	Web Portal	<ul style="list-style-type: none"> • Health Coaching Modules • Tools and wearables • Health information content • Promote personal health and well-being 	ROI <ul style="list-style-type: none"> • Healthier Members • Lower Medical Costs • Reduced Pharmacy Costs • Reduced Absence • Improved Morale
	Coaching	<ul style="list-style-type: none"> • Phone based / in-person • Health education • Motivation • Access to providers 	
	Medication Management	<ul style="list-style-type: none"> • Encourage compliance with medication adherence • Certain OTC supplies made available free: e.g., Nicotine patches, gum, lozenges • Monitor medication adherence 	
	Incentives	<ul style="list-style-type: none"> • Offer incentives (or disincentives) to participate in: • HRAs • Biometric screens • Lowering risk factors • Communicate, 	

Segal has developed several wellbeing tools that help design, develop, and evaluate a wellbeing program. Segal recommends the following steps and is fully prepared to assist, in collaboration with the client, to evaluate any existing wellbeing programs and support the design and implementation of a new wellbeing program as needed, including but not limited to:

- Performing an inventory of your current program components and local resources
- Organizing your wellbeing efforts according to your unique risk factors and risk reduction goals
- Pricing the financial impact of any medical/behavioral/dental/vision/disability benefit enhancements to support wellbeing
- Collaborating on a wellbeing business plan
- Preparing and implementing wellbeing communications

- Designing/revising wellbeing incentives to maximize participation and behavior change based on market benchmarks and behavioral economics
- Developing strategic reports to assess wellbeing program efficacy

Wellbeing Support

Segal has the ability to deploy additional assessment techniques depending on the client's needs. These are complex tools that are utilized at the request of our clients, and therefore typically require additional fees. The tools are summarized in the following table.

Client Need	What We Do?
Incentive Design & Strategy	We design the program qualification requirements, timing and incentive structure using principles of behavioral economics and behavior change science. We model program budget alternatives and perform a regulatory compliance review.
Participation Enhancement Analysis	We analyze wellbeing program participation and non-participation by demographic, organizational unit and health status, with the ultimate goal of increasing participation.
Participant Experience Assessment	We conduct focus groups with participants and non-participants to identify barriers and bridges to engagement and various motivations and perceptions about the culture and physical environment.
Development of Balanced Scorecards	We develop and populate specific metrics onto "scorecards" that are of interest to various stakeholders.
Wellbeing Vendor Reporting and Performance Enhancement	We participate in the year-end and interim wellbeing vendor analytic reporting to the client. We advise on improving analytics, engagement, participant satisfaction, outcomes and vendor performance.
High-Cost Claim Management	Segal's Clinical Solutions Practice will assess whether your care management services add value. We work with medical plan administrators to review high-cost medical cases on a periodic monthly or bi-monthly basis to determine courses of action relative to case management, disease management and care re-direction.
Clinical Audits	We audit the performance of disease management, health coaching vendors, medical management, and point solution providers.
Population Wellbeing Assessment	We conduct a comprehensive wellbeing assessment addressing life satisfaction, emotional wellbeing, financial wellness, career/job wellbeing and physical wellness. Individual participant reports provide instant feedback and referrals to applicable resources. Aggregate analytics identify which parts of an organization are thriving, which are not and how that correlates to organizational success.
Wellbeing Program and Point Solutions Vendor RFP	We help clients define their population health goals and service requirements, conduct the RFP process, evaluate proposals, negotiate performance standards and implement the new arrangement.

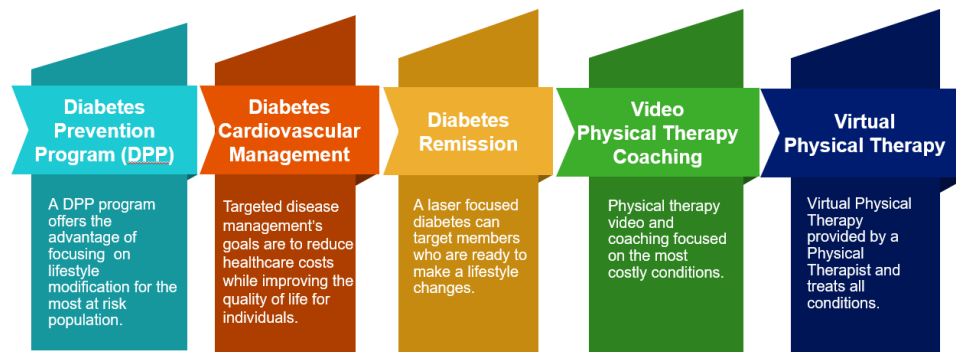
To the extent that one can prevent employees and their dependents from developing health risk factors, or reduce existing risk factors, a properly executed wellbeing strategy can reduce catastrophic and chronic health plan trend over time.

The best-in-class programs are designed to support and mitigate your most prevalent cost drivers and to work within the realistic ability of the workforce to improve their health habits. Incentives may encourage initial participation, but self-fulfillment is the real driver for long-term change of behavior. Segal's approach to wellbeing reflects the employer's understanding of motivations within their unique ecosystem.

Evolving Vendor Marketplace

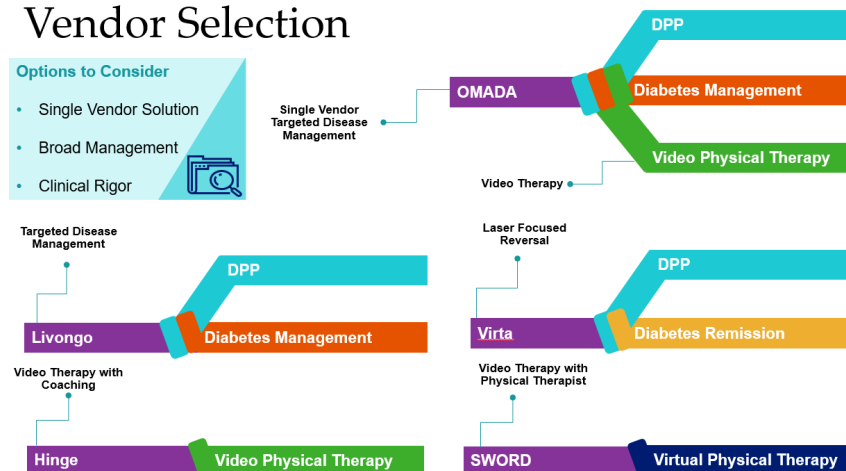
The health services marketplace for employers is evolving rapidly and becoming very complex. Segal regularly interviews vendors to learn about the value they may bring to clients and how to differentiate among vendor solutions addressing similar client challenges.

For instance, with diabetes there are multiple point solution approaches proposed by vendors as depicted in the following graphic:



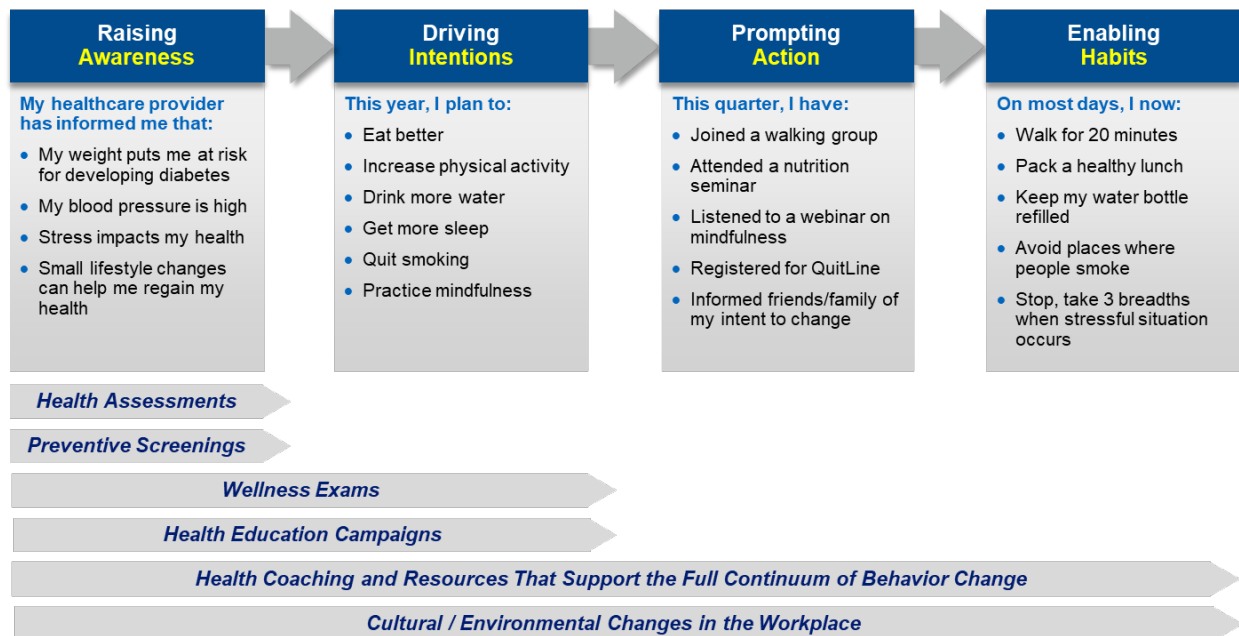
Segal characterizes the differences for clients from several perspectives: population health management approach, service delivery approach and engagement approach.

Vendor Selection



Ultimately, wellbeing programs are most successful when they help employees move along a pathway that leads to healthy routines that can be repeated on a daily basis, as illustrated in the chart below. Along this pathway, a best-in-class wellness program raises awareness, drives intentions, prompts specific actions and most importantly, helps participants create sustainable healthy habits. Specific wellness offerings, such as those arrayed along the bottom of the chart, can nudge employees to move along the path, ensuring success for both the organization and its employees.

Segal's Pathway to Sustained Health Improvement



Segal's Value Enhancement Process

Our basic ROI analysis approach is conceptually simple and actuarially sound:

- **Phase 1:** Measure financial ROI for the current program in place
- **Phase 2:** Discover value enhancement opportunities

With the ROI Analysis:

- We identify investments and incremental operating costs from wellbeing initiatives
- We forecast health plan, sick leave and short-term disability costs during the “post-implementation period” from “pre-implementation period” baseline costs. This develops an expected cost profile assuming changes were not implemented
- We control for known effects unrelated to the wellbeing initiative
- We avoid using “implied savings” from enhanced worker productivity in our analysis
- We compare actual post-implementation costs to forecasted expected costs

Segal's Health Analysis of Plan Experience (SHAPE)

At Segal, we believe that data – the analysis and understanding of medical and pharmacy claims and utilization – is the key to monitoring plan efficiency, ensuring cost effectiveness, enhancing quality of care and determining program/plan actions, if any, that may need to be taken. A critical component of implementing a meaningful health benefits program is understanding the underlying population health: What issues are particular to the population? How do they compare to similar groups in terms of medical diagnoses and utilization patterns? Which tools will be most effective in managing medical care?

Data mining and predictive modeling tools can provide the answers. However, the granularity of reporting is directly related to the specificity of the data provided by your benefit carriers/plan administrators. Segal will work with your carriers/administrators to obtain the claims detail needed to produce meaningful reports. Working with clients who have had vendors reluctant to provide data, we have had success establishing standard and ad-hoc reporting parameters and timelines for our clients. Reporting requirements are typically included as a minimum requirement in the RFP. This usually includes a statement that at least once per plan year the vendor must provide one full year of claims detail and eligibility data. The requirement is also incorporated into the contract and enforced through performance guarantees.

Segal's Health Analysis of Plan Experience (SHAPE) aggregates financial and population health information from multiple carriers and other sources in a single, user-friendly application to help you make more informed, timely decisions about your health benefit programs.

One of the most advanced tools of its kind, SHAPE provides the ability to drill down into plan experience data, allowing for a virtually limitless set of analytical possibilities. With this proprietary tool, clients could benefit from:

- **Proactive monitoring of health trends and savings opportunities:** Segal's team of clinicians, data informatics analysts and consultants proactively monitor each client's data, searching for trends or anomalies and proactively informing clients if cost savings opportunities are found. When we find savings opportunities in one client, we take the initiative to look across all clients to uncover similar results for them.
- **Deeper, richer analysis:** Unlike some competitors, Segal gains unlimited access to historical data, allowing for a deeper and richer level of analysis. If the vendor terminates, historic data is maintained in SHAPE. Segal obtains national best practice information because we can query data across clients, markets and geographies, enabling us to make more robust comparisons and analysis.
- **Speed and flexibility:** When data is maintained in SHAPE, there is no need to send separate request for special studies. Clients have the ability to drill down into health data to understand the underlying root causes driving costs – whether it be to answer granular questions about a specific provider's billing practices or to analyze broader trends in inpatient admission rates for different groups within a population.
- **A holistic view of their plan's strengths and potential weaknesses:** Clients gain a holistic, integrated view of all benefit coverages from a financial, clinical and operational performance perspective.

The data warehouse enables clients to answer a wide range of questions such as:

- What is driving cost and utilization trend?
- What viable plan design alternatives will result in:
 - Significant claims cost reductions?
 - Increased member satisfaction?
- Which possible disease management and/or wellbeing programs would yield the most benefits?
- What is the ROI from existing wellbeing and disease management programs?
- How does membership compliance with treatment protocols compare to norms?

The power of this capability is in the variety of its scope. You can get answers to very granular questions, such as whether any providers are exhibiting atypical billing practices for specific procedure codes. Conversely, you can analyze the data at a high level, such as whether there is a significant difference in the inpatient admission rate for different groups of members. The data warehouse's capabilities include standard reporting, robust ad hoc reporting and value-added data enhancements, such as individual risk scoring, disease classification algorithms, grouping of prescription drug experience into Segal's proprietary Disease Indications and thorough care gap compliance monitoring.