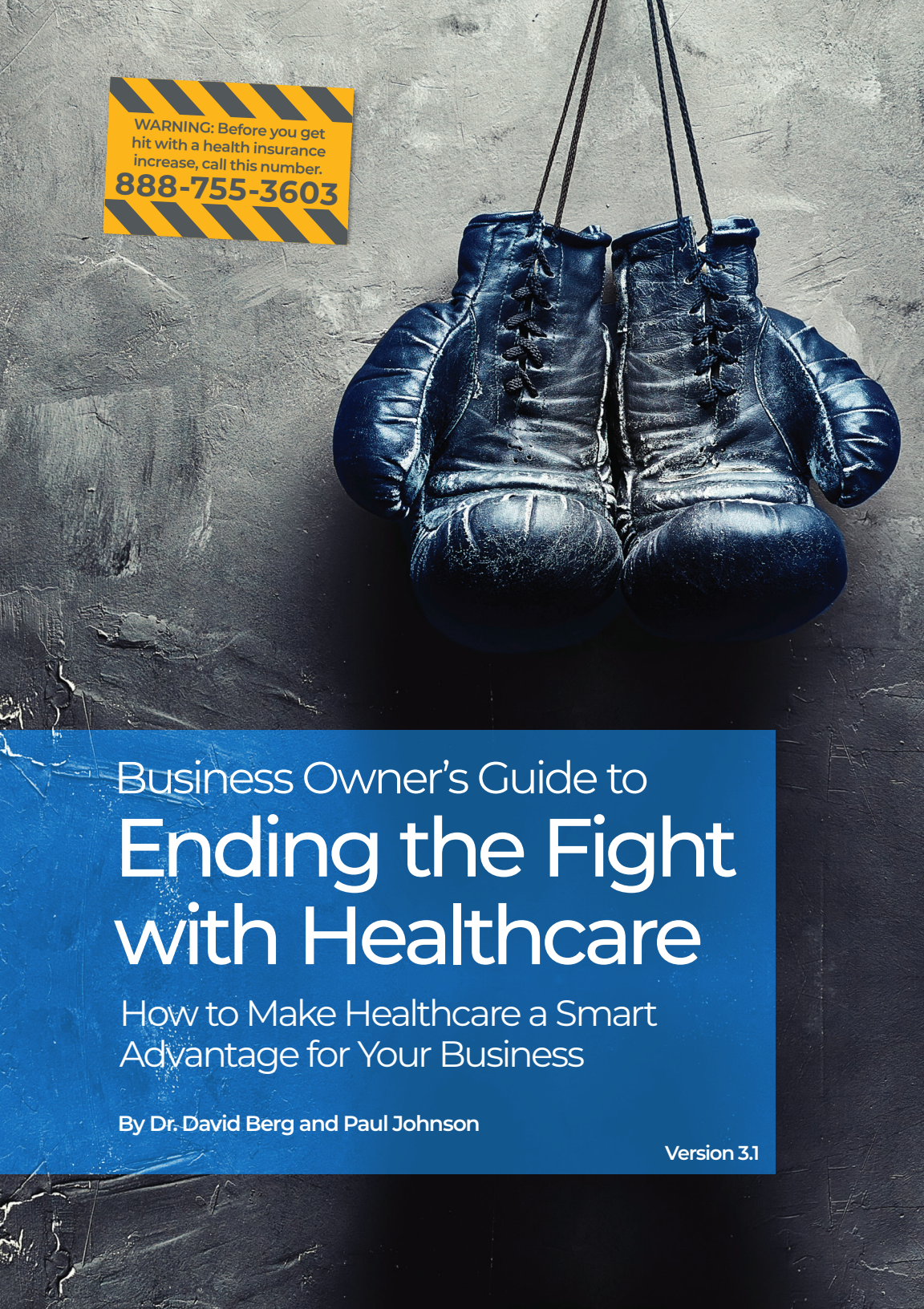

Business Owner's Guide to

Ending the Fight with Healthcare

How to Make Healthcare a Smart Advantage for Your Business

By Dr. David Berg and Paul Johnson

Version 3.1

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Let's start by keeping it simple

This is a short, practical guide on how to fix your healthcare problems. Since our first publication, we've realized that the fight with healthcare is over. At least it is for us, and thousands of other companies who now know how to leave the fight and play the healthcare game in a way that can actually be won. Yes, getting the right healthcare at the right price is possible for those who know how. We want this Guide to be the start of that journey for you and your business – your start to Ending The Fight with your healthcare.

This guide is designed for agents of change; the CEOs, the company Presidents, and even innovative Executive Directors, CFOs and HR benefit leaders, of the world. We get most excited when leaders use this information to expand their organization's or business' capabilities, and change their thinking about these challenging obstacles from "that's impossible" to "let's try something different."

You don't have time to waste, so let's cover the most important things you need to know.

If you are a quick starter, feel free to jump right to the back cover and measure your 'Healthcare Mindset'. It is the fastest way to learn the gaps between what you believe you have to accept and those new capabilities that are possible today.

Welcome to the path of lowering costs and eliminating unnecessary spending in healthcare. It leads to many more job applicants, and a proven way to attract happy, productive employees.

Forward

Yes, we fixed healthcare.

At least for our own company, and the thousands of other companies and employees who already know what is in this book. We ended the fight by playing the system in a way we know we'll win. Like me, you probably do not believe you can count on big government, or Big Brother—no matter how big, 'Blue' or 'United' they are—to make healthcare work well for you. You might even believe your elected officials and policy makers are not even close to having the true freedom or incentives they would need to make a meaningful difference. They may be very well-meaning public servants for the most part, but their hands are most times tied.

In this book, you will learn the thinking (and the actions that followed) that allow us to give all Redirect Health employees and their entire families FREE HEALTHCARE. You will learn how any entrepreneurial organization, business, forward-thinking small municipality or school district, or family can gain control over unnecessary and wasteful spending in healthcare easily and quickly.

You are likely aware current American healthcare is in crisis. Maybe you even agree there is a bigger system problem, and it needs new thinking and a complete overhaul.

I invite you to move on from your fight with healthcare. But we will need to get crystal clear about what we want the new system to accomplish. If we are not, do not be surprised if the current big interests—who are very clear—do not continue to get exactly what they want. It is a stretch to believe entrepreneurs, small business owners and regular people will have their interests taken care of when any new policy is drafted. Small business often don't have a seat at the table when the key decisions are being made, at least not in any meaningful way.

That is why we decided to build our own system, from the ground up. And why we are still very specific and clear about what needs to be accomplished, and who really matters. We are not setting out to change the nation's Medicare system (though we have some very specific and simple steps to doing this in the Appendix). There are no special interests who are going to benefit from our system. Nor will they like our ideas—which is probably why the Redirect Health system works so well. Nobody should be surprised that we do not expect any support from the status quo players of healthcare.

We want our support from the small business owners, the entrepreneurs, the innovators, the frustrated and fed up brokers, advisors, franchisors, business associations, city managers, school superintendents, accountants, and healthcare providers. We want it from the moms and dads who worry about financial ruin if a child gets sick or injured.

Hopefully, Big Brother will let us have our system and will not feel too threatened by it. So, we need you.

I would love to know your thoughts.
Visiting **www.RedirectHealth.com/EndingTheFight** is the easy way. Enjoy your read. Learn something. And please make the difference you can.

Dr. David Berg
Redirect Health Chief Executive Officer and Co-Founder
Feb 28, 2021

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Introduction

Dear Business Owner/Executive/Entrepreneur

Healthcare is a mess. It is too expensive. No small- or medium-sized company even tries to argue this point anymore.

There are so many moving parts and nothing in healthcare is transparent. No apples-to-apples comparisons. We are told we must expect rates to go up every year, and that our only option is to listen to the experts, and to the government. So, how can your business possibly challenge the healthcare status quo?

Start by understanding that without **your** leadership, it cannot happen. This guide is designed to help you as the owner or the leader—the real change agent of your company or organization—discover how to question key healthcare assumptions that just are not true. Learn about 5 healthcare rip-offs and 2 common misconceptions that will save you tens, or even hundreds of thousands of dollars every year. In fact, we have saved millions in our own company, and other businesses too. It is not that hard, if you know a few key things.

This guide will help you better understand healthcare and your organization's options. With this information, you will be able to make informed and financially prudent decisions, discover that you have more power to challenge the experts and to challenge the status quo. All you need to do is choose to use your power and know a few simple things.

Do any of us really imagine that our government or the other status quo players will solve our companies' healthcare

problems? Rather, we know it will be a free market solution that emerges from business owners and leaders like you that will get healthcare turned around and working the way it should.

Our goal is to help you understand why it is beneficial to think differently about healthcare, and to change the discussion you are having today with your employees and your broker. We want to help you have clarity, confidence, and new capability with your organization's healthcare decisions and potential. We hope you learn something valuable to use right away, that you will demand more from insurance companies, hospitals, doctors, and brokers, or maybe you'll just start asking better questions. We are evangelical in our desire for a real healthcare solution—we are hoping for a revolution of sorts. But it starts with one, and then a few, and then many organizations and companies. We know those with entrepreneurial mindsets can totally transform healthcare into a tool that gives their organizations a strategic competitive advantage that will help them grow. Isn't this what it is about after all—growing your business, creating jobs, helping our economy, AND taking care of people? If you do not do it nobody will—at least that's how we see it.

As you read this guide keep in mind these three things if you are going to successfully lower your costs and turn your organization's healthcare plan into something more meaningful and impactful than it is today:

1. You will need to think differently, challenge the self-interest of the experts, and demand much lower costs than you are paying now. Demand that wasteful services and administration that creates no value for you is eliminated.

2. You must have a health plan designed and built to specifically serve **your** organization, one that uses data to help you and your employees make smarter decisions every month and every year. You must own your employees' data and be able to learn from it legally and safely. This will give you the new capability to help your plan improve year over year. And it will get your people the care they need when they need it, and at the right price. And you can use this data to make sure your people get a great customer experience. With the right strategy and results-oriented execution it is easier than you probably imagine. The right data and information lowers healthcare costs.

3. There is low-hanging fruit for cost savings and creating value that is easier to get than you might be thinking—but only if you have a smartly designed company health plan. Use real data to focus on the 10% of your employees who will predictably spend 90% of the money. For the rest, just make it easy, accessible, and convenient. And make it affordable for all your employees to use your health plan. Do not be crazy and nickel and dime them with annoying co-pays and expensive deductibles for everyday care. This only makes it more likely that they will use emergency rooms and urgent cares. There, the costs to your organization will always be much, much higher. Ten to a hundred times higher even. Keep them happy and productive. Make it easy to not miss work for doctors' appointments. No one makes money when your employees are sitting in a doctor's waiting room or the emergency room…except the doctors, hospitals and insurance companies. We can show you how.

We believe in the "Triple Aim." This means that 1) a great **customer experience** for your employees should drive 2) the

best possible health outcomes and 3) **lower costs**. Meaning, if we can make healthcare convenient, truly affordable, accessible, fast, helpful and friendly, use technology better, and create an understandable and doable care plan for your employees, then you can achieve a healthier, happier and more productive workforce AND spend much less money than you are now. But as Americans, we can also buy into a higher Triple Aim. The one that believes if we improve the lives of our employees, if we lower the costs to our businesses, we make a more competitive America.

We believe small businesses, the people who work for them, and the families who rely on them drive America forward. Today, their healthcare experience just is not that great. In fact, it can be downright daunting and overwhelming to navigate. It is safe to say everyone agrees that healthcare costs, waste and unnecessary administration have gotten out of hand.

It does not have to be this way. Unnecessary and wasteful spending can be eliminated. Administration can be streamlined. You do not have to accept the status quo. There are better solutions if you want them.

Our company, Redirect Health, is changing the way healthcare is being done today, and collaborating in powerful ways with others. Every day we help employers and organizations take back control. We enable them to offer their employees and members the high-quality healthcare they will need and use—at a price they can really afford. We are transforming healthcare from a high-cost burden into a competitive and smart advantage.

Our Massively Transformative Purpose

Transforming healthcare into a smart advantage for entrepreneurial organizations, business, and people.

Today small- and medium-sized businesses have a tremendously unfair disadvantage when it comes to buying healthcare. Why “unfair”? Well, today big corporations can leverage their massive sizes to shift their healthcare costs over to smaller companies who foot part of their bill.

This gives smaller companies an unfair disadvantage in our view. We want to totally undo this in a way that gives them the upper hand and makes them the preferred place for people to work.

The game totally changes for a smaller company when its leader chooses to learn how to transform the expensive burden of healthcare into a strategic and competitive advantage for their company and their people. This is what we have done for our company, and what many others are doing using the methods we will show you in this guide.

There will be a tipping point one day. We believe it will be very soon. And when it happens, when enough small- and medium-sized business entrepreneurs, organizations and leaders take charge, it will be a game changer for America.

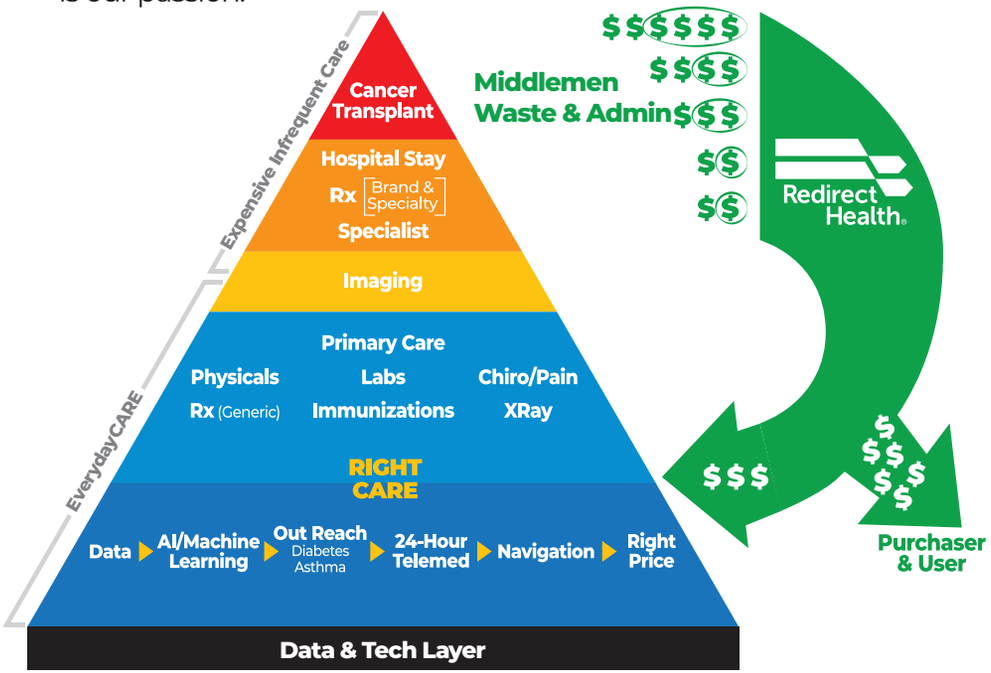
Our Moonshot

We imagine a day when any American company can have healthcare working so well and so inexpensively that they will want to provide it at no-cost to their employees and families because of the free-market advantages they will gain in their local and national marketplaces. They will utilize healthcare to attract the most talented and productive workforces from within their communities and around the world. This will further fuel their growth. They will be ready when new technologies and capabilities become available —like inexpensive gene sequencing, proteomics, artificial intelligence, sensors, and many other healthcare innovations.

Reframing our Healthcare Thinking

Redirect Health in a Nutshell

Lowering healthcare costs for America's entrepreneurial organizations and small businesses is our laser focus. Making healthcare simple and truly affordable for EVERYONE in these companies is our obsession. Helping these people gain newfound capabilities and advantage over larger competitors is our passion.

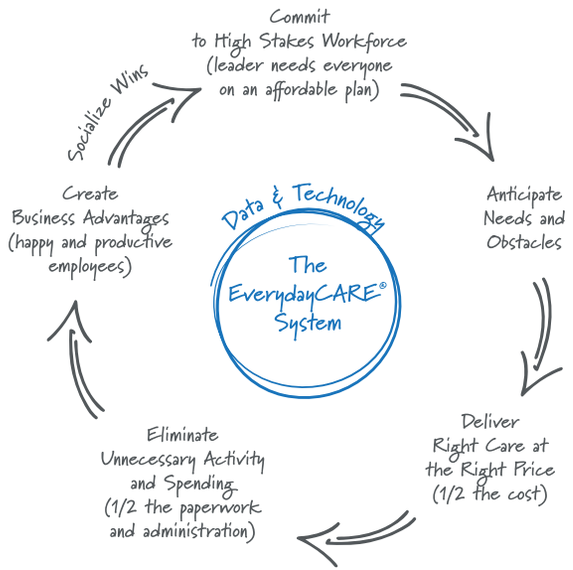


Problem to be solved:

1. **Top of the pyramid spending** leaves the lower levels (and primary care) underfunded.
2. **Lack of meaningful access** to routine medical care for low- to mid-wage workers.
3. **Forced overuse** of Urgent Cares or Emergency Rooms (or workers comp).

Solution:

1. **Redirect** spending from high-priced services to low-cost routine care (that prevents need for high-priced services).
2. **Eliminate** unnecessary activity and spending in healthcare with new technology service layer. Create new efficiencies.
3. **Leverage** medical plan into recruiting, retention and cost reduction advantages for Employers.
4. **Create a flywheel effect** that can't be slowed down easily.



Guiding Principles:

1. Purchaser & User Always First

2. Eliminate Waste, Unnecessary Services & Administration

We hope this guide gets you thinking and feeling differently about healthcare and empowers you on the path towards your organization's solution, for today and for the future. If you have questions about your health plan or your thinking, you're invited to call on us. We have dedicated Redirect Health to educating the Purchasers and Users of healthcare... in your case, companies and their employees, and organizations and their members. We will be happy to help you in every way.

The Redirect Health Story: "Thinking the Unthinkable" and Challenging the Status Quo

By 2007, my friend and former Phoenix Mayor Paul Johnson, my wife and Medical Director Dr. Janice Johnston, and I realized that the escalating cost of health insurance for our businesses (and all the uncertainty we experienced) had to stop. It was threatening us and the businesses of our friends. And the people on our teams hated their experiences when they tried to see their doctors and pay the out-of-pockets. Economists were pointing out that for businesses to remain competitive in the national and global economy, for Arizona and America to have economic strength, we had to get a handle on healthcare costs. We decided that we did not feel good about sitting back and accepting what was happening. Nobody seemed eager, willing, or able to help us. So, we chose to do something about it ourselves.

We started with our own companies and employees. With our friends' companies and their employees. With our own families, money and time.

Redirect Health did not begin as a theory or in the office of an actuary. It didn't even begin as a business selling healthcare. It began because our own companies' health insurance costs kept rising too much every year, usually over 20% annually. We as business owners became exhausted and terrified of the future. In 2007, we started on the path of transforming the initial failure we felt for having been beaten by the very healthcare system we worked in.

Yes. Our business was in the business of providing healthcare! And we could not make the arithmetic work when buying health insurance for our employees.

You see, even though we worked in healthcare, and our clinics had performed over 1 million doctors' appointments by this time (over 3 million at the time of this writing), we still struggled to make health insurance affordable for our own employees and our families. In our own entrepreneurial way, we began analyzing our companies' healthcare plans with the intent on fixing them.

Initially, we assumed we had an insurance problem—that we just did not have the right insurance. This myth was dispelled quickly.

We decided to look at our companies' health insurance problems just like any other business problem we had, and to apply our typical business thinking to create a business solution.

Demystifying the complexity took some time and was a lot harder than we thought it should be. Other than that, it required the same type of critical thinking many common business problems and solutions require. But, because health insurance cost was our second largest expense item, this problem was REALLY worth understanding and fixing.

We took a chance. We moved away from allowing our insurance company to manage our healthcare. In those early days, we started paying doctors and hospitals directly for our employees' healthcare. What we learned blew us away. We never could have imagined the huge differences in cost between a doctor's visit or a service in a hospital versus the exact same doctor's visit and service across the street outside

the hospital. We learned how easy it was to overpay five to twenty times more for the same service, just based on where it's performed. And now it is even worse. We routinely see charges thirty to a hundred times the price when a hospital-owned facility is used. Price gouging and trickery in healthcare billing is more rampant than ever. It really seems like the big healthcare companies are all working together, using ridiculous pricing, to scare us into paying too much.

Our eyes were opened when we learned the real costs for our own employees' care, and how much less it could cost if we used some basic business strategy and logical system thinking—if we just paid attention. We still had insurance with the insurance carrier we had used for years, but only to protect us if anything catastrophic happened. We soon learned that healthcare was more affordable than we thought, unless we went to a certain hospital system in our community or used our insurance the wrong way. Using our insurance for the small expenses was a big mistake we stopped making quickly. We just didn't know at first.

It became obvious that nobody in the system had any incentive to really help us use our health insurance in a smart way. The insurance company, the hospitals, the doctors, the drug companies, and the myriad of middlemen all benefited from our unwise and forced decisions. This was especially true when our employees were sick or even just scared.

We created a primary care strategy focused on helping our employees get the exact right care they needed, while understanding their healthcare options and costs.

Remember, we do healthcare delivery for a living. We are doctors. So, we could quickly learn how to eliminate unnecessary spending.

We educated our employees and incentivized them when they used providers and hospitals who would collaborate with us and who were reasonable and transparent with their pricing. We helped our employees a lot. It was hard work initially, and often frustrating, but it was also always rewarding and appreciated. And it surprised us how it helped us spend so much less money and time.

Now, with the many new processes and technology we have built, it is very easy for us to get fair and right pricing and tap into the hundreds of free payment assistance programs around the country. It is getting continually easier to make companies' employees' out-of-pocket costs go many times farther.

In those early days, we began to manage our own data, and tracking and monitoring our costs. It was initially a rudimentary system. And it worked very well.

In our first year, because we were looking at our data in a strategic way for the first time, we saw that our insurance company had spent nothing on our employees' healthcare claims that year. There were administration costs, but no claims exceeded the deductible. Our insurance company's claims costs were essentially $0. They had paid nothing all year. Naively, we believed that this would result in lower premiums for the first time ever. Who wouldn't logically think this?

But then the big surprise. Our insurance company sent us a

23% increase in premiums after they had just paid nothing in claims! They did lower the increase to "only 17%" a few days after we complained and asked for some rationale. They told us the same thing they told everyone else: It was because of "market trend."

Strangely, they did not seem to see our lowered cost as a benefit for them—they told us they actually saw it as a risk. We were astonished, but more resolved than ever that we needed to fix this problem. We later learned that our actual claims costs had no effect on our future insurance costs, because we had the wrong insurance for our company. More on getting the right type of insurance later—and it should not surprise you to learn that it is not what your broker and insurance company make the most profit on.

Through more intense analysis of the many contradictions we were seeing, and by asking many questions of many types of people in the health insurance, hospital, specialist and broker businesses, we created a new healthcare program for our companies, the early prototype for Redirect Health.

Taking what we were learning to market and providing our solution to other businesses around the country was not the plan at the beginning. It was only to help our own employees and business. But then we saw friends who needed help with rising health insurance costs during the Great Recession in 2009 and 2010. We learned so much and we will teach you in this guide so you can know it too.

Over the course of the following twelve years after we started, Janice, Paul, I, and many of our friends still pay less per employee for healthcare than we did when we started. The

stats are quite unbelievable, and impossible we are told—though we have been repeating them year over year.

This money has been reinvested back into our companies and back into the economy. We grew our businesses, and it was growth that required more employees and served more people. Our new healthcare savings provided more than enough funding for adding better care for more of our employees and their families. Today, we would not even think of giving up the advantages our companies realize by having solved healthcare for them.

When we saw the beauty of the system we had created, we wanted to share it with many more than just our friends. So, we created Redirect Health to help other entrepreneurial organizations, small businesses and individuals lower their healthcare costs by eliminating unnecessary and wasteful spending. We do not want you to even have to think about healthcare costs, unless it is thinking about how to leverage your new healthcare capability into a massive competitive advantage.

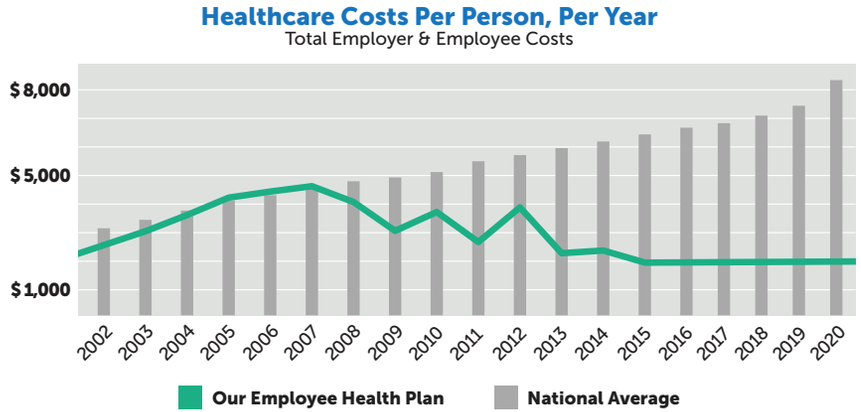


Figure 1 | Healthcare Costs for Our Employees vs. National Averages

Section 1

Things to know

The root cause of why companies and individuals pay too much for healthcare

Delegation into a Conflicted Model

After many years of studying the healthcare problem and learning with our own companies and our friends' companies, we find ourselves somewhat reflective. How is it that we can now predictably have lower healthcare costs every year AND a much-improved healthcare experience for anyone's employees and their families when it was so abstract and difficult for us to imagine for ourselves for so long? To understand this, we should start with where our thinking used to be. What was the reason we were so stuck, and our businesses were burdened with high costs, low service levels and projected increases in premiums years into the future?

Our conclusion? Somewhat embarrassingly, we had relied on the industry experts to tell us the answers. The experts who profited from higher costs. Experts whose financial interests conflicted with ours. We had only ourselves to blame. We knew better.

Upton Sinclair was so right when he said:

"It is impossible to prove something to someone whose salary depends on believing the opposite."

It really is explained that easily. We had delegated our own thinking to others—to our brokers, insurance companies, hospitals, doctors, and our politicians. Not to mention our media, who need all those billions of advertising dollars. And we had delegated our decision-making in a way we never would have even considered, given the size of the expense. For some crazy reason, we had expected these massive institutions

to affect change that would benefit our interests, when their financial interests were not aligned with ours.

We had bet against human and institutional self-interest. Wow, were we dumb about this. But challenging the experts in healthcare was unthinkable for us back then.

Your broker is probably the expert you listen to and rely on the most when making health insurance decisions. You ask them to help you gather information about your options, help you understand and pick the best option, and then help you communicate with your team.

They can be invaluable for a smooth and confident experience for your people. Understand this however, they can be in a conflicted position. Meaning they can make more money when they recommend more expensive options. Most are good people, but their financial interests cannot be totally aligned with yours in the traditional way of doing business. But you can make it so they are less misaligned. You can use their expertise and knowledge for your benefit. Make this your goal when working with them. Always think for yourself and make your own decisions.

In Section 2, we will share the questions to always ask and the things to always demand to gain back power and protect yourself from today's conflicted health plan model. Here is a quick tip to get you started:

> *Ask your broker to only talk to you. We have already said they can be very valuable, but one that even slightly scares or worries your HR benefits personnel should be given no more than one warning. Creating fear of the "what if" in your people who report to you is the #1 tactic used to control your decisions about which healthcare plan you ultimately choose and how much you pay and tolerate. Insist on a contractual obligation that your broker not receive any undisclosed commissions or hidden reimbursement. All-expenses-paid safaris and cruises are common ways insurance companies secretly pay your broker so they will recommend you buy more of their products. Many of the best advisors Redirect Health works with only take a flat fee and have equal disdain for these common dishonest practices. They do exist. Find the right broker or advisor who agrees to be aligned with your financial interests – and who agrees to disclose in writing every benefit they get because of your healthcare plan.*

Before you can fix your healthcare cost and complexity problems, you must accept this step: **Think differently, and challenge what you have been told!**

Here is an important and radical thought you want to have right now: **You can lower your healthcare cost AND increase your employees' benefits and service levels.** And then use the savings to grow your business.

To fix healthcare for your company you must find a way for your people to always get the RIGHT CARE at the RIGHT PRICE. It is the core of what must happen. This demands commitment, courage, and innovation sometimes, but no more or different than what every business leader is already used to doing every week. It demands critical thinking, and a logical amount of skepticism.

And yes, you may need to fight for it a bit as you're breaking away from the status quo, and get in the face of a broker or two, or even your HR manager or CFO if they are telling you it's impossible. It is certainly possible, and many companies have already broken away. They spend much less on healthcare than

they used to so everyone in their organization can use it—less than you do, if you use health insurance the traditional way. What an advantage they have created for themselves.

Please do not misunderstand us. We believe that listening to and gathering information from the various traditional experts will always be important, and they really are experts in most cases. But, to successfully get a healthcare plan that truly serves your company you must **design your own plan around your needs**. Keep reading and we will guide you.

You can do lots of what we will show you all by yourself, like we did. But of course we'd be happy to partner with you, and do the heavy lifting. And save you time so you can focus on running and growing your business.

To start your journey now, just choose for yourself that you want all your employees to get exactly the right care they need, when it is needed, and always at the right price. Then you demand that the system deliver this to you. You will have to go around some of the experts and make your own important decisions, but we can help. There is no sense continuing to read this book if this desire and way of thinking is not for you. Redirect Health can lighten the load a lot, and actually make it easy and fun at times. Tightly working together is necessary for lowering healthcare spending. This is not a secret any longer like it was back in 2007, or even 5 years ago. Many small businesses all over America in many industries are already doing it.

With the help of Dan Sullivan of Strategic Coach®, we've created a **Healthcare Mindset Scorecard** at the back of this book. It will help you understand and improve your thinking so you can get clear on what you want from your health plan, no matter the size of your organization. You can also assess your healthcare mindset online at **www.RedirectHealth.com/EndingTheFight**

Three facts you must know to control unnecessary costs

Of course, there are more, and there will always be debate over which are most important. Healthcare is a complex system after all. If you understand these and create meaningful solutions for them, you will see a huge impact for your company.

#1: Your sickest 10% will spend 90% of your company's healthcare claims dollars.

Be strategic. Be smart. Stop for just 30 seconds and think hard about the implications of this fact.

Your sickest 10% will spend 90% of your company's healthcare claims dollars.

It is such an important thing to know when designing and executing your company healthcare plan if you want to lower your costs and keep them from rising every year. Hardly anyone knows this and uses it to their advantage. And remember, there is very little direct incentive for others to tell you this if their income is affected.

It's obvious, isn't it? If you want to meaningfully impact healthcare costs for your company you will need to lower costs for this 10% of your employees (and their families) who are the sickest and most in need. After all, they will predictably spend 90% of your company's healthcare money. It is simple budgeting math, isn't it? A typical business accounting problem with a business solution. You've been here, done that before.

Now here is what you might not know: The vast majority of these people who are part of this 10% typically have asthma, diabetes, mental health and pain or narcotic issues.

That is usually it. And many times, you never meet them because they are the spouses or kids of your employees. The good news is that we can predict who the 10% are BEFORE they have issues and spend nearly all your money. Then we can make sure the money is spent wisely, so you can save that much more. The most powerful lever you have is eliminating the unnecessary and wasteful spending for these 10% who will spend 90% of your money. On top of that, the healthcare experiences and outcomes for these people will be even better when the wasted time and money is removed. Knowing your people and how they spend your healthcare dollars is very important. It is always better to hand this private information to a third party you trust. Appropriate and respectful privacy should always be maintained.

Taking care of this 10% thoughtfully and wisely is a big driver of the healthcare savings we find our clients through Redirect Health's Direct Primary Care strategy. It is not something any insurance company, hospital, drug company or middleman is going to like to hear.

Look at the illustration below and we bet you can figure out where the greatest opportunity to lower costs and improve health lies. Hint – look at the red.

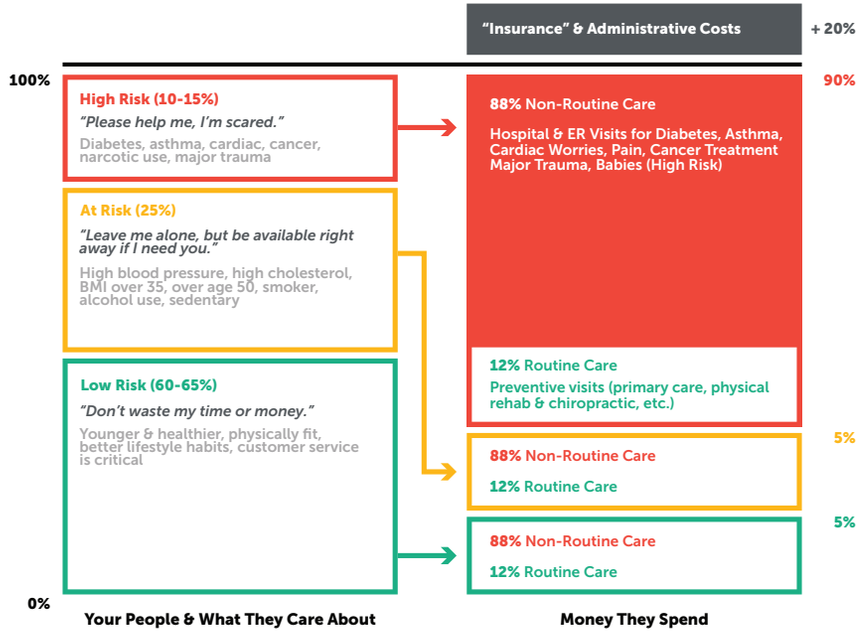


Figure 2 | Understanding Where Your Healthcare Dollars Go

#2: Approximately half of all healthcare costs occur in hospitals.

This is a second very important thing you must know and digest. When a service is performed in a hospital, it will typically be at a price five to a hundred times higher than if that exact same service were performed across the street, outside of the hospital. For example, in Arizona, a low back MRI done in a hospital will cost $1,500 to $3,600 (and even more if you do not know better). This exact same MRI

performed across the street, outside the hospital, will cost only $300 to $400! A foot X-Ray can cost you over $1,200 in a hospital emergency room. The fair price is $25 to $40 across the street in every city in America (at least until that hospital buys that x-ray facility and raises the price). That's more than a 30x lower price that anyone can access if they knew it existed!

Similar ranges of immense differences are seen with every other service that could be done outside a hospital (e.g. blood tests, specialist consults, breathing treatments, chest x-rays, etc.). We will show you some later. It will shock you like it did us.

Today, this knowledge helps us lower healthcare costs to the right amounts and keeps them from rising year after year like before.

Here is something else you probably did not know: The large majority of your costs for your sickest people (the 10%) will happen in hospitals. And much of their care can actually be proactive and performed at a small fraction of the cost outside the hospital. But only if timely resources and easy access to people who know their way around the system are available to them. That is why Redirect Health's Primary Care and Care Logistics specialists are always available 24/7/365, in English and Spanish, and with relevant records and a medical team at their fingertips.

We know you're wondering, "Why on Earth would one of my employees go for a $3,600 MRI at a hospital when an equally good MRI existed across the street for $300? Or why would they be willing to be charged $1,200 in an emergency room for an x-ray for a sprained ankle when across the street it would cost $30?"

If your health insurance worked well, and the data and pricing transparency existed and was available to you (which it can

be), and your employees and their doctors knew and were incentivized accordingly (which they can also be), then, of course, your employees would go for the best value. But if you are in a health insurance system that benefits from your people not having the data and transparent prices, well, how could your employees really make any other decisions? And you probably didn't know this, but increasingly your employees' doctors now work for the local hospital system and they have a contractual obligation to send your employees to the higher-priced MRI and specialist at the hospital they work for. And nobody even knows they work for the hospital. We will discuss this major problem that you want to avoid later in this guide. It is so important for getting the right prices and eliminating unnecessary spending.

#3: The law mandates that insurance companies spend 85% of your premiums on paying providers and suppliers of healthcare (hospitals, doctors, labs, pharmaceutical companies, etc.)

This is a third very important thing you want to know if you want to have any chance of stopping the large price increases every year. Read this again:

The law mandates that insurance companies spend 85% of your premiums on paying the providers and suppliers of healthcare (hospitals, doctors, labs, pharmaceutical companies, etc.)

This means that 15% of your premium is what your insurance company gets to keep by federal law. It also means that if the healthcare costs are not high enough, then your insurance company must give you back some of the premium you paid at the end of the year.

Ok, here is another place where you should slow down for 30 seconds and really think about this fact and the important implications. Just 30 seconds.

If it is not coming to you, it's ok. It took us almost a year to see this one, and virtually no one gets this at first. Ask yourself: "What is the benefit to an insurance company if they actually helped you avoid the higher-priced hospital-owned services in their emergency rooms, urgent cares and imaging centers? Don't higher hospital costs also result in their 15% being a larger amount?" Yes, they do. There is no long-term incentive for insurance companies to lower costs because their profits are tied to higher costs. The common way to grow insurance profits is to charge higher premiums to you and then allow medical costs to use up the 85%, but not more, of your premium amount. This way the 15% they get to keep is maximized. And this is why insurance costs can only go up every year. Never down.

After asking these questions you may realize what this means: Your insurance company's financial interests cannot be aligned with yours. After all, what would Wall Street and shareholders say, and how would insurance company stock prices react, if the cost of care decreased and the 15% they got to keep was lowered? We all know the answer. The elimination of unnecessary and wasteful spending cannot really benefit the insurance industry, at least not with today's laws. In fact, we see many hundreds of billions of dollars of incentives every year for the health insurance industry to keep the costs of care for your employees as high as you and other businesses will tolerate.

In the early days, when our own companies dramatically lowered the actual cost of our claims, our insurance company

still increased our rates! The nuanced full explanation for this far exceeds the scope of this guide but suffice it to say that no reasonable business leader would consider it to be fair or logical.

We have since learned that there are many non-traditional insurance companies who will insure healthcare risk, and they benefit from keeping claims costs low. They are AAA rated, but most commission-based brokers don't tend to recommend them, so they remain unknown. Flat-fee advisors recommend them often. These solid insurance companies exist in the world of the federal law called ERISA. They are often called "re-insurance" or "self-insurance" or "stop-loss insurance." We won't bore you with the details of this, but suffice it to say, you must get your company out of your state's jurisdiction to have the flexibility to do the things you need to do to lower your healthcare spend. Federal ERISA law is much more fair to small and big business.

The insurance companies that work well with ERISA plans do not spend much on TV commercials and broker commissions so you're not likely to recognize their names. These insurance companies are focused on less expensive defined benefit and stop loss coverage for real risk, just like life insurance or auto insurance. But we do believe in the power of a free market. We believe once enough businesses begin to demand the right type of insurance for their business and their people, imbedded in a better more strategic healthcare plan, even the traditional insurance companies will adapt. They don't today, because they do not need to yet.

And remember to make sure to put a smart primary care strategy in front of any health plan you choose.

Five expensive healthcare rip-offs to avoid (or at least minimize)

In this section, it may seem like we are picking on hospitals a bit harshly. We agree, but this is where the bulk of your healthcare claims dollars go. This is the place your company could use the most protection. This is where the price gouging that you and your people experience occurs. And this is where the insurance and drug companies work together against you the most.

If we do not control this, then nothing else we do will matter a whole lot. This is where Redirect Health's collaboration makes a big difference for getting the RIGHT CARE at the RIGHT PRICE.

The vast majority of hospital leaders and workers we know are very caring and honest people. They are also smart and doing exactly what they must to survive in the current healthcare environment. They are good people in a bad system. They have no choice or ability to do otherwise anymore.

The good news—You have a choice about whether you continue to play this rigged game. Like the title of this guide says, you can now end your fight with healthcare anytime you want.

Rip-off #1: Hospitals with the greatest market share successfully demand and negotiate much higher prices in your community.

With no added quality or value, hospitals negotiate much higher payments from every insurance company if they have stronger negotiating power in a region. The table on the next page shows what one major insurance company pays for various services at different hospital systems in Arizona. This data is all available online, though it is difficult for the

average person to find and assemble. And these price differentials are increasing as hospital systems consolidate and buy doctor's practices.

We have looked at similar data for other US cities and states and have seen the same differences in pricing and value. In fact, the price gouging is growing everywhere. Transparency is lacking. We can't help but question the integrity of the way hospital pricing occurs when we look at this data around the country.

Why?

	Non Hospital	Hospital W	Hospital X	Hospital Y	Hospital Z
Lumbar MRI	$400	$1,291	$1,351	$1,707	$3,469
Colonoscopy	$734	$2,000	$2,100	$3,200	$3,500
Gall Bladder Removal	$3,200	$6,000	$6,100	$7,800	$13,900
Vaginal Childbirth	N/A	$7,400	$9,500	$12,000	$10,500
Cesarean Childbirth	N/A	$12,000	$15,000	$19,000	$18,000
Knee Replacement	$15,600	$29,000	$32,000	$46,500	$44,000
Laminectomy	$5,000	N/A	$16,500	$22,500	$20,000
Spinal Fusion	$17,000	$30,000	$33,000	$44,000	$38,000
Coronary Bypass	N/A	N/A	$77,000	$89,000	N/A

Figure 3 | Comparing Hospital Pricing in Arizona

You are likely saying, "No way can this be true. This would be illegal, or at least the media would be reporting it!" Well, it is true, and maybe it will be illegal someday. The media is starting to ask more questions and we are seeing more and more stories exposing this kind of price discrepancy. The problem is the media seldom knows how to ask the right questions and to connect the dots in the most meaningful ways. Remember, the experts who control healthcare are very

smart and have lots of financial incentive to stay a few steps ahead of the investigative reporters.

Also, remember there are billions of advertising dollars spent on every TV network and every major news publication. Money controls the narrative. Bottom line? You should not expect any meaningful journalism about this topic any time soon. Even if a well-meaning journalist tried to report this story they would be stopped by their editor. Risking healthcare advertising dollars cannot make sense today.

A December 2015 study by researchers from Yale, University of Pennsylvania, and Carnegie Mellon University analyzed billions of hospital claims paid by commercial insurance companies to hospitals. It concluded that costs could be up to twelve times higher in hospital systems with larger market share that could negotiate higher prices. This study is condemning enough, and the media should be applauded for picking it up for a couple of days. But the real story was totally missed in our opinion when no mention was made of the cost differences for procedures that never had to be done in a hospital system in the first place—the more routine services like MRI's, x-rays, lab tests, colonoscopies, etc.

Our experience shows us this is where the greatest waste and price gouging exists, and this is exactly where every one of our business owner clients find the greatest opportunity for savings that deserve to go to their bottom-lines, or in their pockets.

Rip-off #2: Hospitals are 'buying' doctors so they can fill beds and raise prices.

It is true. Hospitals in the United States are buying up control of both primary care physicians and specialists in every

American city and town around their hospitals. These doctors are then obligated to make sure their patients (who are your employees!) have services referred to the hospitals that employ them, and at a cost to you that is always significantly higher than if done across the street outside the hospital.

Hospitals directly lose about $165,000 per year for every primary care doctor they hire, and about $300,000 per year on average per specialist they hire. Think about why they might want to buy a doctor's practice, knowing that they will lose money. Surely part of the answer is because of increased market share, so they can negotiate higher prices and fill operating rooms, MRI machines and overnight beds. It is that simple to explain, unfortunately. It is easy for a hospital to make up the losses on any individual doctor if they refer services inside the hospital at five to a hundred times the price compared to the same services outside the hospital system.

Doctors employed by hospitals do not have to order many $3,500 MRIs (with a fair price of $400) to make up for the hospital's loss from buying their practice.

To eliminate unnecessary spending in your health plan, you must sidestep this problem.

Rip-off #3: Urgent cares are now owned by hospitals.

Urgent cares have not always been owned by hospitals, but they are now more and more. Just look as you drive around any town in America, and you will notice it everywhere.

When an urgent care is owned by a hospital system, it is the perfect entry point for funneling services and profitable patients (again, your employees and your money) to the hospital by doctors who are employed by the hospital. Urgent cares have become mini-emergency departments for your

community hospitals. And, as we have seen, services done at hospital rates are always much higher, five to a hundred times higher. Also, don't be surprised if more services are performed once a routine matter is assessed in a hospital-owned urgent care.

And if the urgent care can help increase hospital market share, that will mean the hospital should be able to negotiate the ability to charge the higher hospital rates for urgent care services AND to find your sicker employees for the best profits. Of course, they do this. They are a business and need to boost profits like every business does.

Again, the doctors, nurses, and others working in hospitals and urgent cares are good people. It has just all evolved into a very bad system. They are doing what a bad system would make anybody do to survive.

We do understand your frustration with spending your company's money on this. We will assume you agree none of us should be forced to play in this rigged game if we do not want to.

Rip-off #4: Huge price differentials in common prescriptions.

The medications that are prescribed to your employees and their families always have price differentials that are frequently very large depending on the pharmacy selected, the insurance company contracts, and how the doctor writes the prescription. For example, a simple antibiotic prescription can range from $4 to over $50 for the generic form, and to over $1,000 for a name brand medication. And this is all for the same drug if your employees do not know better and allow their doctor to prescribe the brand name instead of the generic equivalent. But sometimes their pharmacy may

switch the prescription to the brand name if your employees' doctors are not paying attention. This is legal to do, and it happens often. There are easy ways to get the lowest price (and the best value) if your plan is designed with this protection in mind. Unfortunately, in the current conflicted model of healthcare, it does not pay for anyone to help you or your employees.

There are free apps and websites that will supply your employees and their families with free coupons that can guide them to the best value and fair prices, and at the same pharmacies they are using now.

Currently, CleverRX.com and GoodRX.com do a great job with this. Of course, having smart incentives in your health plan structure that reward everybody for caring about proper pricing is an important part of lowering costs and ensuring best value for your company too.

We became so frustrated with navigating all the tricks and schemes of the drug and pharmacy companies—and Pharmacy Benefit Managers (PBMs), the middlemen of prescription drugs—we eventually just built our own system. We stripped away 100% of the middleman costs, leaving only the real rock-bottom costs and the meaningful data we need to ensure the right care is happening and at the right price, every time.

We have discovered that there are several thousands of commonly useful and valuable drugs that can cost under $10 if you know how to eliminate the middlemen. This is again when having a smart primary care strategy always pays for itself – meaning someone who orders the prescriptions and monitors that they are actually filled correctly by the pharmacies.

A friend of mine from Canada was lamenting about how drug prices were a rip-off in the US. His proof? He had just paid over

$350 for four prescriptions at a pharmacy while visiting Florida, when he usually only paid $110 in Toronto. A quick text into the Redirect Health member portal resulted in a return text minutes later indicating the real cost for all these medications was just $23.50—and at that same pharmacy in Florida! You see, eliminate the hidden middlemen and the non-value-add mark-ups and tricks, and the vast majority of medications become instantly more affordable for more people.

Rip-off #5: High-deductible insurance plans that partner with a hospital system.

Beware of insurance plans that seem too cheap and have large deductibles or many restrictions for using services. Often these insurance plans have $5,000 or $7,000+ deductibles (up to $10,000 to $15,000 for families) and require that the services are performed exclusively at a particular hospital chain's facilities (imaging centers, specialist offices, urgent cares, ambulatory surgical centers, operating rooms, primary care offices, etc.). This would not be important except you now understand that the costs of services at the hospital rates will be artificially much higher in nearly all instances. And where do you think the doctors who work for the hospital will be obligated to send your employees for services? The answer: Of course, to the hospital-owned facilities that employ them and have been able to negotiate higher prices.

With the higher deductible plans you choose; it will be your employees and their families who must pay the first part of these higher prices. Do not be surprised if your employees cannot afford to use the insurance you provide them and start getting upset when they get into financial trouble.

Did you know that over 60% of all personal bankruptcies in America happen because of medical debt? When we ask this question to audiences, no one is surprised. However, here is what

shocks nearly everyone—around 75% of those who filed for bankruptcy due to medical debt **had insurance**! These people went bankrupt because they could not afford the excessively priced services before the insurance kicked in.

We believe it would be a logical argument to say that most of these people should not have purchased the kind of insurance they did. They certainly were not protected by "having insurance" like they expected.

At the very least, ask the insurance company you are considering for its negotiated fee schedule with the hospital systems your employees will have to use. Unfortunately, nearly every hospital and insurance company will refuse this reasonable request today. But the pressure is on. This issue is definitely in the cross hairs of Washington now, and rightly so. However, expect a long, drawn-out fight with hospitals and insurance lobbies in Congress and the courts.

With so much personal bankruptcy being caused by medical debt, it is important we understand how to avoid unnecessary and wasteful spending, and the intentional price gouging. At least give your employees a fighting chance by letting them know where the right pricing is in the system, so they can get to it themselves. Hint: It is never in a hospital-owned facility, including their retail urgent cares and imaging centers.

Tip: At the very least, ask the insurance company you are considering for its negotiated fee schedule with the hospital systems your employees will have to use.

Your broker, doctors, hospitals, and insurance company will not guide you away from the price gouging naturally, but they

could. Walk away as much as you can if they will not. And realize that the high prices you pay are ultimately in their best financial interest because it raises their commissions, fees, and premiums you pay.

The reason for the cheap premiums when an insurance company and a hospital system join forces with a joint product is often because the hospital associated with the insurance plan is expecting to make money someplace else, often through the deductibles of your employees for services that are priced much higher than they would be outside the hospital. This lack of transparency makes it very easy for your employees to be tricked into higher out-of-pocket costs. This really does happen all the time, and in every town and city in America. And it leads to surprise medical bills and unexpected bankruptcies far too often.

Employers are now seeing these plans using low copays (or no copays) for routine primary care to encourage people to stay inside the hospital system. This is the opposite of a smart primary care strategy that is designed to eliminate unnecessary spending in the hospital-owned facilities. Hopefully it make sense to you that hospital-owned primary care leads to services being referred to a hospital, when they could be done outside the hospital for a small fraction of the cost.

Your employees will be told they have to go to a specific hospital system even though the rate without insurance will usually be much less outside the hospital system. Do not let your employees be surprised by huge fees charged before their deductibles are reached. We have seen so often with these high-deductible hospital plans that it is far less expensive for your employees to not use their

insurance card and more simply pay cash for their services at lower-priced facilities, and with an even better overall customer experience. Why should your employee pay $1,500 to $3,600 out of their own pocket for an MRI when they could get one for $400 or even less by not using their insurance? The answer is the bad system only allows them to know this after their doctor ordered the MRI and they receive the higher-priced bill several weeks later.

At the very least, if you are going to select this kind of health plan for your employees, demand to know the prices your insurance company has negotiated with the various hospitals and facilities, so your employees and their families don't get stuck with a surprise medical bill they can't afford. Demand to know so you can warn your employees.

If your insurance company will not give you this negotiated pricing in writing, talk with us and we will help you. You will be surprised at how much power you can gain back when you are ready to switch brokers or insurance companies. We would encourage you to exercise your power to switch if you cannot get the negotiated prices your employees will be asked to pay at each hospital before you sign up and enroll. This is a very reasonable request. And what they will pay at each hospital will be different depending on the hospital's negotiating power and side dealings.

Two misconceptions about healthcare that we should all think differently about

Misconception #1: Americans spend $3.6 trillion per year on healthcare (and rising)

$3.6 trillion is about 18% of our GDP and ranks us terribly when compared to other developed countries for overall healthcare system cost. Well, we believe there is a major problem with these stats.

Canada ranks superior to the United States, spending less than 12% of its GDP on healthcare. But this is misleading, so we are calling it out. I lived in Canada for 23 years. I trained there, practiced there, owned a company there, and was a patient there. I have many family members and friends there. We see many Canadians who come to us for common healthcare because it simply is not available to them in Canada. It can really be bad to need healthcare quickly in Canada.

In our opinion, there is no way that the Canadian healthcare system matches up to the US healthcare system for quality and accessibility and true effectiveness. Not even close, from our experience. The most privileged people in Canada wait for services that the poorest and most average Americans get right away very successfully every hour of every day. Americans would not tolerate what we've seen the most advantaged Canadians put up with routinely.

So how can Canada's higher world ranking in healthcare spend relative to GDP be explained?

First, let us challenge this belief and ask this question: Do we really spend $3.6 trillion on healthcare? Or is a large portion of this money spent on something that is not really healthcare but is simply called "healthcare"? Are there healthcare industries that count on revenue and profits caused by something other than real healthcare? Yes, there are.

Here's our take, but do your own research because there will be lots of disagreement on this opinion from the status quo players in healthcare. Remember Upton Sinclair's quote about the difficulty with getting someone to believe something that would lower their paycheck?

Figure 4| Breaking Down Healthcare Spending

We believe true healthcare costs in the United States are only about $1.2 trillion (less than 7% of GDP). The problem is there is a lot of profit to be made by industries that know how to organize and structure their systems to capitalize off increasing waste and administration. And then there are profitable poor planning and inefficiencies tucked neatly into the American health system. There are a lot of middlemen who have figured out how to be paid very well. This simply is not the case to the same degree in Canada.

We are not saying there is not any waste, administration, inefficiency and poor planning that lead to unnecessary and wasteful spending in Canada—we are just saying the financial incentives are much different. These unnecessary things just do not pay as profitably in Canada as they do in the United States. We are also not saying Canadian healthcare is better

than here in America. Again, we believe it is far superior in America. In fact, the US is where the entire world comes (if they can) when their country's healthcare system lets them down. We are just saying in the United States we allow big industries to earn humongous profits off unnecessary and wasteful spending and Canada does not.

"Waste" is a bit abstract, so let's get specific with our MRI example. In Canada, a single MRI done for $300 to $400 outside a hospital, isn't performed numerous times at the hospital down the street at a much higher cost. However, this routinely happens in American hospitals.

Another example: A gall bladder surgery that can be performed for $3,200 will not be allowed to be performed non-transparently at another hospital for $14,000 just because the hospital system used its larger market share and negotiating power. This happens routinely in the United States. These wasteful dollars get added to our $3.6 trillion number. At Redirect Health, we call this difference in cost "waste," not "real healthcare."

"Poor planning" is also a bit abstract. But imagine the diabetic child of one of your employees running out of their 90-cent glucose monitoring strips. These testing stripes are essential for her mom knowing the correct dose of insulin. It would not be uncommon for this situation to lead to a $50,000+ hospital admission, and significant risk to health and life. And disruption to your business. So, you tell us, was this $50,000+ of revenue that the hospital made because of a need for "emergency healthcare," or was it really because of "poor planning" designed into a system that limits diabetic supplies? You can prevent this in your plan. You are paying too much if you are not being smart about this in your plan design. Yet another reason for having a smart primary care strategy in front of whatever insurance plan your company has.

Maybe we would be going overboard if we claimed that this design was on purpose, but the fact remains that the limiting of basic inexpensive everyday care, education and diabetic supplies ultimately benefits the profits of the status quo players in healthcare. This amount is also added to America's $3.6 trillion healthcare spend.

Canadian private insurance companies simply cannot demand double-digit premium increases from employers every year to pay for this waste, administration, inefficiency, and poor planning as is tolerated by most businesses in the United States.

To really get control of your company's healthcare costs you must finally decide you will not tolerate it any longer. You will find that your company's "waste and administration" bills will decrease dramatically the first year you do this. Start by calling it what it is. The cost of it certainly should not be lumped together with real healthcare spend.

Misconception #2: The Healthcare System is broken

Like most people, we used to agree with the commonly stated premise that the healthcare system was broken. We now have concluded that the American private healthcare system is working very well for what it was designed to do. We know that this sounds a bit contrarian so let us explain.

It is our belief that the healthcare system of today in America is run and controlled by trillion-dollar industries with multi-hundred billion-dollar companies that are publicly traded and have lots of influence over the look and action of our governments and media. With all the media and talk about the expense due to Obamacare, it surprises most when they learn that the very best sector in the world to have invested in from 2009 to 2020 is US insurance, pharmaceutical, hospital and other related healthcare stocks. For the most part, the percent growth in these stocks during that period surpassed the Dow by four to five times. And the Dow did very well during that period—it tripled!

These public companies have a goal (and fiduciary duty) to grow revenue and profits (and share prices) by any legal means. Complexity, non-transparency, waste, and administration are not illegal. The legal price gouging becomes easy with these things in play. The way we see it, this makes legal price gouging somewhat mandatory by law since it increases shareholder return and is not illegal. It may be ethically wrong, but it certainly isn't illegal – especially if the other companies are doing it also.

Since these companies can easily leverage their size and influence to gain control, we believe it is reasonable to conclude that today's US healthcare system is working perfectly for what it is designed to do—return shareholder value to these companies. It is just not working that well for the rest of us. But that does not mean it is broken. Maybe it is just not designed for you and me, and our businesses—maybe it is not designed to provide simple and truly affordable healthcare.

Of course we detest this. Are there any business owners or their employees who still feel the healthcare system exists primarily to serve them? If the system did exist for you, wouldn't you expect to see much more transparency in pricing, and premiums that did not go up 10 to 40% every year? Wouldn't we expect technology to lower our costs like it does in every other industry? And your employees would be able to get their appointments easier, they would have more access to their doctors via the phone and text, their appointments would be on time, etc., etc. In a nutshell, healthcare would be much simpler, more convenient, more affordable, and more accessible when your employees needed it.

And if the healthcare system was designed for you, then you would not have the hassle, frustration and feeling that you were being taken advantage of at every renewal time. Clearly, the system is not designed to serve the employer and employee. But this does not mean it is not doing what those with the power want it to do. Stock prices going up do not lie.

The more we have studied it, the more we see that the only two stakeholders in the entire healthcare system who are aligned for costs, quality and customer experience are the purchaser of healthcare (the employer) and the user (the employee and their family). All other stakeholders (hospitals, doctors, insurance companies, brokers, pharmaceutical companies, the many middlemen and even many of our politicians and media) are incentivized to do things and make decisions that are not aligned with the employers and employees of America. At the very least, there are many things that happen in the healthcare system that do not benefit the employer and employee but do benefit these other stakeholders in the system. But there is a secret that is not commonly known:

When an employer and employees team up together, and recognize their aligned interests, they gain great new capability for lowering healthcare costs, getting better quality and results, and having the customer experience they want.

Even though it could seem that the more organized stakeholders of healthcare (the hospitals, insurance companies, brokers, doctors, etc.) are conspiring to take advantage of employers and their employees, we would encourage you to instead consider that the people running the system are most times very good people who want the best and want to help. Often, it is why they got into healthcare in the first place. It is just unfortunate that the system they work in essentially has them do what they do, often without even knowing how their actions, both kind and reasonable, are contributing to the overall harm caused by the complex and non-transparent system. The good news is your company does not have to play in that complex non-transparent system if you do not want it to.

We will show you how in this next section.

Section 2

Actions You Can Take

Ask your broker and insurance company for these 3 things regardless of which healthcare option you choose

#1: Negotiated prices with the hospital systems

This is worth repeating, always ask for the prices that your employees and your plan will be charged at the various hospital systems. It will be different at each of them. Your employees will consider you a hero if you can help them understand where the surprise bills are before they get dinged. You can give them access to a health plan that easily and proactively guides them to the right care they need, at the right prices. We hear continually from business owners who have done this about the endless thank you's they get from their employees. Isn't it kind of logical that we should all be able to know what something costs before choosing a facility or doctor? We think so, too.

You will probably be told that this pricing information is not available, or it depends on what procedures are performed, or that the information is proprietary. Keep asking, and encourage other business owners and leaders to ask, and encourage your politicians and media to ask for you. We believe it is your broker's job to get this for you and your employees...and of course you want this.

Every day, we get as close to the real pricing as we can for Redirect Health clients and employees. And we share this information before they make a commitment to a service or procedure in a hospital or anywhere else. So, it is possible. We can't be the only one in America who has figured this out. We have been getting the right and fair prices for healthcare for a dozen years, ever since we decided we wanted them.

#2: Access to YOUR data

Now, here is the most important thing your company can ask for and must get that will have the greatest impact on your company getting fair healthcare costs now and in the future—**your complete data in actionable format.**

Nothing is more important for long-term control of healthcare and insurance cost. There are several things we have already mentioned in this guide that are important, but this is the single most important thing for **lowering healthcare costs in the future**. And this is what can give you the confidence that you can safely budget for healthcare costs to stay relatively level year after year. You read that right: no increases year over year can be expected if you control your data in a meaningful way. At Redirect Health we have not seen an increase in our healthcare spend in over a dozen years. Data matters in the game of controlling healthcare spend.

In fact, we create a 5-year rolling forecast plan for Redirect Health that has us saving more money overall every year. We do this for countless companies and the results are similar.

This one thing should be non-negotiable: You must own your own data. If an insurance company will not agree in writing that all your data belongs to you, regardless of whether you renew with them in future years—especially if you do not renew—then walk away. You cannot let yourself be held hostage to not having your past data when you want to price

Tip: You must own your own data. If an insurance company will not agree in writing that all your data belongs to you, regardless of whether you renew with them in future years—especially if you do not renew—then walk away.

your company's healthcare plan with another insurance company in future years.

When you rebid your insurance, if competing insurance companies do not have your data, they must guess at the risk. This places them at a disadvantage relative to your current insurance company.

This causes the competing insurance company to add a buffer to their quote to protect themselves. So you pay more every year. A new insurance company may decide to "buy" your business and take a chance without seeing the prior data. Why not? They can always just raise your rates more next year to make up for it since the data will then belong to them.

Most traditional insurance companies will tell you they cannot give you this data. If you dig deeper and demand it, they may say federal law prohibits them releasing it because of the HIPAA privacy laws and the possibility that you as an employer might use it for retribution or treat an employee unfairly. They may tell you it is in your best interest not to have it. It is such an easy way for them to keep control... to be like Big Brother. The truth is they do not want you to have the data because they do not want it given to their competitors to see if they could lower your costs. Push harder. Challenge the status quo. You can have your data. Redirect Health clients always have their data in actionable format. We demand this on their behalf. By providing the front-end smart primary care strategy, Redirect Health not only collects the important data, but many times we also create the data in the first place.

Unfortunately, it is likely that you will not be able to get your past data from your current carrier if you have the traditional type of contract. If this is the case, do not get mad. We understand. It infuriates us too. Just make sure you gain the

right to your data with your next contract, whether or not it is with the same insurance company.

And please remember, the data needs to be in actionable format, meaning it needs to be able to be stratified and separated in any format you may want now and in the future. As your company's health plan grows and as your understanding of better ways to analyze your data improves, you will always want lots of flexibility. In your contract, make sure your complete data will be delivered in Excel format, or other standardized format any insurance company or third-party administrator (TPA) can use to give you competitive pricing.

It is okay if it's just raw transactional data, but make sure that it's complete. Giving you incomplete data or in PDF format is not acceptable. There could be many tens of thousands of lines of data. Again, watch out for Big Brother saying privacy laws prevent you from having this data. This is only partly true. There is nothing wrong with you having the data, so long as the identifying information like name, age, sex, address, department, etc. is not seen by you and is properly protected. It is perfectly appropriate for another insurance company (or a third-party administrator) to see this data, or for you to hire another company like Redirect Health to help you analyze your data. And for you to use your data to get smarter with predictions your company needs and will want to do in the future. Every insurance company and third-party administrator knows how to safely take possession of this data. Of course, privacy laws and just plain commonsense need to be respected. It really is easy unless your broker or insurance company does not want it to be.

A common trick is to only give you "de-identified data," meaning the names have been stripped off. This will not help the next insurance company understand the risk well enough. For instance, they would not know if a sick employee (or family member with cancer) was still on the plan or if they have left the company. You must always get your complete transactional data that is fully identified so that you can get the best pricing at renewal time, especially if you are considering a different carrier. We never accept de-identified data. But also, we never let our clients look at any part of their data that could allow them to identify who an employee is and match with any medical records. Privacy should be respected. It is the legal thing to do. It is also the decent and right thing to do.

Only by having your employees' data available to you in actionable format will you or your broker be able to negotiate fair insurance pricing in the future. It is important to know where the low-hanging fruit exists for year-to-year savings and to protect your company from unfair pricing in future years.

#3: How much your broker gets paid

We did not know for years that brokers had the ability to add any commissions they wanted to insurance bids. And we did not know insurance companies changed commissions on brokers routinely to force them to influence business owners into a new product. And we did not know brokers received various perks like cruises, or safaris, or trips to Tahiti for playing the game well and encouraging their clients to switch to particular insurance plans.

This is why you must demand your broker always discloses everything they receive in the form of incentives, commissions, trips, and vacations, etc. Put it in writing.

There are so many tricks designed to influence CFO's and HR managers. Every time we think we have seen it all, a new one pops up. A common one is for a broker to add so much extra commission to all the other options so the one option (the one with the trip maybe?) looks much more attractive.

Do not fall for it. Always demand full disclosure on all the ways your broker gets paid. Simply move on to another broker if they will not honor this reasonable request for logical disclosure.

Here is the good news, though. Increasingly more advisors have chosen to not operate in this "conflicted broker" model. Instead they take on an advisory role, which is similar to a fiduciary role. There are ways to protect yourself, but it is harder if your broker will not guarantee in writing that extra commission and incentives are not being added without your approval.

Three steps you can take now to transform your healthcare costs into a smart advantage for your company

Think differently. Challenge the status quo. Realize that the problem never was what you thought it was...and then decide to do something about it.

#1: DECIDE TO THINK DIFFERENTLY AND BECOME A SKEPTIC

Decide that you are done with the way healthcare is purchased today. Decide it is time to consider what your company would look like if you were to take on a different mindset about healthcare and what you will tolerate and pay for. Consider the difference if you were to apply a more entrepreneurial mindset and skillset to your healthcare problem.

Want help learning how to evaluate and score your healthcare mindset, and your company health plan? First, go to **www.RedirectHealth.com/EndingTheFight** or flip to the back cover of this book and complete the **scorecard**. In under 5 minutes, you will be able to score your current healthcare mindset and health plan and know what to do to improve—immediately. You will not think about your company's health plan the same way after you know your score.

#2: UNDERSTAND THE LAW AND WHAT YOU DON'T HAVE TO DO

Most business owners do not truly understand the difference between what the Affordable Care Act law mandates they **MUST** do vs. what they might **WANT** to do for strategic reasons. Or what their insurance company policy tries to make them do.

Despite what you've likely been told, it does not have to cost your business much to comply with the Affordable Care Act. Although it has not been the narrative you have heard, companies have always been able to deal with Obamacare very inexpensively (and we suspect it will be the same if the law is eventually changed).

Getting your health plan out from under your state's laws and into federal ERISA law makes it fairly easy to make the Affordable Care Act nearly irrelevant.

#3: DESIGN AND BUILD A HEALTH PLAN THAT WORKS FOR YOUR COMPANY

Many company health plans are structured so that most of the savings and benefits stay with the insurance companies and middlemen if all works well. We don't like this. We believe your best company health plans will be designed and built so

that your company and your employees pocket the savings if costly waste, inefficiency, administration, and poor planning are eliminated.

Here is a summary of some key principles and strategies that Redirect Health always creates in our clients' health plans to make sure it can work for their companies and their employees predictably. Please use any of them in your company's health plan but know that there are synergies between the parts that likely won't happen if you only use some and not others. A complete system approach always works best.

Paying for Routine Everyday Care —Always have $0 Copays

We know from our own studies that charging people any copays for routine everyday care will cost your company much more money and employee satisfaction than might seem intuitive. We never recommend these copays in our clients' health plans. By everyday care we mean the 90% of the care that 90% of their people will need and use, 90% of the time. We call this the routine "EverydayCARE®." It is the smart primary care strategy every health plan needs to have sitting in front of whatever health plan they have today. Or maybe it is embedded already?

EverydayCARE includes strategic 24/7 primary care, physical medicine & injury care, rehabilitation (including chiropractic), xrays, basic labs, and immunizations. It would also include preventive services (including mammograms and annual physicals). There are never any out-of-pocket cost for these routine everyday services. This is important for avoiding the very high-dollar services.

Making these EverydayCARE services meaningfully accessible and affordable is necessary to avoid the high costs of healthcare in the more expensive hospital systems. We know if simple and truly affordable routine EverydayCARE is not available to employees, then some care will happen unnecessarily in hospital-owned facilities at a much greater cost, with no improved value.

But do not be tricked. The reason for having no copays is to help keep your people away from hospital services whenever possible. Be careful—we have seen companies fooled. This 'no copay' tactic is now being used by insurance-hospital partnerships as a 'loss leader' to guide people toward the more expensive hospital services. This is a relatively new phenomenon you should be wary of and avoid.

Paying for Unexpected and Expensive Care

For more expensive and less predictable hospital and catastrophic care (e.g. hospital services, specialists and brand name prescriptions), we work with our clients' advisors to set up the right kind of structure with the best insurance options that let employees pick what fits best with their financial and risk needs. The right structure also lets our clients own their employees' data. They do not analyze the data themselves (we do that continually and will describe more about that next). Routine EverydayCARE services represent around 90% of all the volume, but only about 10% of our clients' total health plan claims costs. Insuring it, especially with the wrong type of insurance, is not wise and can cost the plan a lot of money. Insuring these routine EverydayCARE services and having irritating copays (even low ones) often leads to much financial hardship for lower-wage employees. Having an employer pay this part always makes the most sense. Never let insurance

touch employees' routine EverydayCARE. It will add much unnecessary cost if it did.

Plan Design that Guides and Rewards

Wise incentivization matters. Your employees really have no reasonable way to know or remember how to use the healthcare system smartly anymore. Not on their own, anyway. It has become much too complex for even your smartest and brightest employees.

'Health care consumerism' really is hard, and we would argue it is not practical any longer.

We often see employees getting in trouble with high medical bills because they thought they could navigate the current health insurance system the same way they did years ago. They often do not realize things have changed significantly until they have a $5,000 bill to deal with and cannot pay their rent because of it.

America's health insurance system has evolved to be very complex and is full of trickery and price gouging opportunities for the hospitals and other big middlemen corporations. It is the rare lay person who should feel safe navigating it on their own—unless they have at least several thousand dollars to spend in case they fail. We learned many years ago that it was more effective, less costly, and more predictably successful to simply give employees and their family members access to 24/7 specially trained "Care Logistics" people who always have the right data and medical records in front of them. The system is changing and getting harder. Keeping up with the growing complexity and new tactics requires skill and knowledge unlike even a couple of years ago.

For Redirect Health clients, their employees and their families, our "members" are highly incentivized to do one thing: use the

App or call/text a 24-hour 888 number (English or Spanish) and let a trained person do the work. We really do make it that simple from their perspective. Our unique process and the technology we've built give our Care Logistics specialists on-demand capabilities to make sure our members get the appropriate care, always at the right price, and with ease and convenience beyond what even they can usually imagine.

We know if we show people incentives that make sense, they will do the right thing most times and save so much money and time. Giving them $0 copays for their routine EverydayCARE is a great and practical way to start. Redirect Health client health plans are designed to provide the right care at the right price by eliminating unnecessary spending. They save a lot of money and time. It helps many who otherwise would not be able to afford healthcare.

For example, a smart health plan design will always discourage the use of elective orthopedic surgeries and procedures until inexpensive $0 copay conservative actions in the routine EverydayCARE is shown to not be working. And it will always reward for the use of generic prescriptions over the excessively priced brand names that provide no extra benefit. Most plan designs we see incentivize people to use more expensive and less effective options. After reading the previous pages of this guide you should understand the healthcare system's typical flow of money and incentives makes this happen naturally.

Data Analytics

Redirect Health client health plans always have a mechanism for continuous and daily learning about who the small percentage of people are who will incur almost all the claims costs in any year, month or day. Why daily? Well, because even our sickest diabetic member is not at great risk of incurring costs today if they have all their diabetic supplies

and medications, and their blood glucose is well controlled today. It will be the healthy young person who just broke his leg yesterday falling off a ladder at work on which we put our intense focus. This is where the greatest impact on health and pocketbook exists today. These daily savings and efficiencies add up to make all the difference because we get in front of the unnecessary and wasteful spending before it happens.

Having our members' data available at renewal time gives our clients and members the advantage they need to keep their renewal costs from rising like they would without readily available data to analyze. It probably will be a long time before it is practical for businesses to analyze their data themselves, and our clients really do not want to analyze data anyway. But once a company decides to own and control its own data the game totally changes when it comes to controlling costs and experiencing intentional performance from their health plan.

Continual Day and Night Protection and Support

Redirect Health clients have their health plans structured and built for savings and performance. Their human resource benefits person and their employees always know where to call or text first when they have a healthcare need or a question. And they always have the ability to fast-track any concern they have to a higher level of leadership. It is smart, and it is necessary today.

Interacting with our complex and tricky healthcare system will usually be messy. There are so many uncooperative but well-meaning humans pulling the levers. The goal should never be perfection, but a Plan B with caring, smart and specially trained people should always be quickly available for when things get off track. And things should be expected to often get off-track as long as us humans are involved.

And Redirect Health Care Logistics specialists have immediate 24/7 access to our technology platform that allows them to know the fair price in any state and city easily and quickly BEFORE a service is needed and committed to by a member. Redirect Health specialists also have access to knowledge about the hundreds of qualifying payment assistance programs that are designed to help with healthcare bills. For wage earners making under $20/hour, most programs are free and leave little or no out-of-pocket costs. Through Redirect Health's 24-hour Care Logistics App, clients and members don't usually pay for services that qualify for payment assistance programs.

We know there are many ways for our clients and members to be guided by the healthcare system to the more expensive places like hospital-owned urgent cares, imaging centers and emergency rooms, especially if the incentives are confusing or wrong. It is going to happen often if their employees' doctors work for a hospital. Therefore, it is critical that our clients and members always have 24-hour, no-cost, live and highly trained support to protect them from a healthcare and insurance system that benefits from confusion and fear.

Redirect Health members never have to step foot in any healthcare facility without the providers in that facility being totally prepared and informed prior to arrival. Anticipating our members' arrivals just makes sense and gets them better care and fair prices.

Knowing what things cost and where the value and waste are in the system BEFORE a service is needed is a critical part of the protection and support employers need and appreciate. It is also a reliable way to dramatically lower Workers Compensation EMods and insurance costs for injury-prone workforces. But that is another chapter for another guide.

Checklist for selecting the right insurance

Warning: Are your Insurance options too expensive? Use this checklist to help your employees ask the right questions so they can avoid buying a medical plan they cannot afford to use.

1. Are the services I need most REALLY covered?
Why this is important: Primary care, labs, generic Rx, chiropractors, annual exams, immunizations, and x-rays are the routine EverydayCARE services over 90% of people need over 90% of the time. These services should be easy and have very few rules and costs associated with them.

2. Are the copays reasonable?
Why this is important: The system has many ways to nickel and dime you. Zero-dollar copays for routine EverydayCARE services are smart.

3. Can I really afford the deductible?
Why this is important: Most people don't have thousands of dollars saved. You should never have a deductible that is higher than what you can pay. Otherwise you go bankrupt, and the hospitals and drug companies still get paid their big overpriced amounts.

4. Will the insurance company promise to negotiate the best prices for me?
Why this is important: There are many "deals" being made between insurance companies and hospitals and drug companies that only benefit them. Cash prices anyone can get by asking the right way are usually much lower.

5. If I can find a price better than what the insurance negotiated, will they still cover it?
Why this is important: With the internet and new transparency laws it is easier than ever to get the lowest prices yourself or with a little guidance. Many traditional insurance plans force you to take their higher prices for prescriptions and services.

6. Will my choice of doctors be limited by the insurance network?
Why this is important: Many insurance plans use limited doctor "networks" with higher negotiated prices. If your Insurance still uses networks, ask them to disclose their negotiated prices for hospitals, drugs and doctors. It is reasonable and it is the law in many states.

7. Will I be able to talk to my medical team any time of day or night so I don't have to miss work or go to an urgent care or emergency room?
Why this is important: About three-fourths of medical services can happen over the phone, through text, or on video, with no cost to you. Never accept the cost of unnecessarily missing time from work to refill a prescription, get relief from a sinus infection at night, get advice, or order an x-ray or MRI. Your time is valuable. With prices so high, it is more important than ever to eliminate unnecessary and wasteful spending in healthcare.

Afterward

Thank you, sincerely. We are very grateful that you finished this guide. This tells us that you are probably more engaged than most, and/or just more tired of the current way of doing healthcare than most.

We hope you will help us change the discussion around healthcare and beyond, as it relates to your company or organization. We encourage you to have your own dialogues with your employees, members, clients, friends, family, colleagues, brokers, elected officials, local media, and anyone else interested in, or frustrated by, rising healthcare costs and declining value.

We really do believe that despite the negativity that surrounds the topic of healthcare, many will come to see it like we do. Eventually, all business owners will design their plans this way, logically, and with protections against unnecessary, wasteful spending.

Healthcare is a valuable tool that can give entrepreneurial business owners and leaders a competitive strategic advantage. Done strategically, your health plan should help you attract the most talented, and productive employees. This can help grow your business, your association, or your organization. Easy, convenient, accessible, and affordable healthcare is good for people. It's good for business. And ultimately, it's great for America.

We hope this guide has you thinking and feeling differently about healthcare. There is so much that business leaders and their employees can do to totally control their healthcare experience and their costs.

You're invited to contact us with your ideas, comments, and questions at **www.RedirectHealth.com/EndingTheFight.**

And if you'd like to explore having Redirect Health help your company or organization build a smart health plan, and then run it for you, visit **www.RedirectHealth.com**.

We have dedicated Redirect Health to educating and helping the purchasers and users of healthcare. In this case, you and your employees or members. We are happy to help.

Sincerely,
Dr. David Berg, Dr. Janice Johnston & Paul Johnson
Redirect Health Founders

Might Redirect Health be right for you?
Answer "yes" to these questions and there is a good chance we'd work well together:

1. Has health insurance become too expensive for you and your employees?
2. Can you see how eliminating unnecessary and wasteful spending could help your company or organization so many more people in your company or organization can afford to participate? It is common for Redirect Health clients to go from below 40% participation to over 80%, spending the same amount.
3. Can you imagine leveraging this new capability of high employee participation into a massive hiring and retention advantage?

Who We Are

Dr. David Berg | David.Berg@redirecthealth.com

Dr. David Berg is the CEO and Co-Founder of Redirect Health, a National Direct Primary Care and Third Party Administrator company headquartered in Scottsdale, Arizona.

Finalist for 3 best-in-class awards at the 2018 World Health Care Congress in Washington DC, David's healthcare system design expertise has been utilized by entrepreneurial organizations and leaders to solve their healthcare delivery and cost problems. With more than 3 million encounters over 25 years in all 50 states—in strategic Direct Primary Care, Fee-for-Service Primary Care, multi-specialty services and surgery—he knows a lot about connecting the dots for streamlined care and cost navigation.

His systems always simplify the delivery of the right care and the elimination of unnecessary activity and spending—changing the paradigm and using logical process flow enabled by technology. Healthcare becomes simpler and truly affordable for even the lowest wage earners in any organization. Attraction of many job candidates, lower turnover and rock bottom workers compensation costs are the intended strategic by-products.

David is driven by his uncompromising belief that everyone in America can get easy and truly affordable healthcare, and that this can be accomplished by starting with the elimination of unnecessary activity and spending in healthcare. He believes America's free markets, entrepreneurs, and small businesses are the best in the world, and are the answer.

And just like with clean water, great education, safe infrastructure, he believes America is better when its people are privileged with healthcare that works for everyone. Making healthcare work well for everyone in the organization or business is David's passion and that is why he created Redirect Health.

Winner of the Phoenix Business Journal 2017 Health Care Innovator Award.

David majored in Physics and Biology at the University of Toronto before earning his Doctor of Chiropractic degree in 1990.

Paul Johnson | Paul.Johnson@redirecthealth.com

Paul Johnson is President and Co-Founder of Redirect Health. He is a former Phoenix Mayor. His administration received the Bertelsmann Award as the "Best Run City in the World". Paul has been highlighted in the New York Times, Forbes Magazine, Healthstyle Magazine and People Magazine for his work.

Redirect Health's own healthcare costs are the lowest in the nation and all employees and their families receive free healthcare at costs less than over a dozen years ago.

Paul has served as Chairman of the Board of Arrowhead Health Centers, a network of comprehensive and integrated medical and surgical centers in Phoenix (with Patient Centered Medical Home NCQA Level 3 Recognition). Making sure healthcare always feels easy, convenient, accessible, and affordable has been key.

Appendix

Fixing America's healthcare – the three protections we need from our government

We did not create Redirect Health because we wanted to "save the country." In fact, we did not start with the idea of commercializing our solution, or even giving it to our many friends for their businesses, as we ended up doing. We did it only to solve our own healthcare cost mess. We did it because our employees needed us to figure it out.

By no means are we economists, and there are sure to be some known and unknown fallout from these three things we will only outline below. We would expect the stock markets to hiccup in a big way if any bipartisan effort were made to do the following — which could be indication we are on the right track!

In fact, the stock market lost 5% the day after Jeff Bezos (Amazon), Warren Buffet (Berkshire Hathaway) and Jamie Dimon (Chase Bank) announced they would be tackling their companies' healthcare cost problems. That first day, they acknowledged they did not have all the details figured out, but they did signal that they knew the root of the problems they were setting out to solve:

1. Complexity, 2. Hidden costs, and 3. Perverse profit incentives of large, publicly traded healthcare corporations.

These were not their exact words. They are ours. Whatever their exact words were, they were close enough to encourage us that some very powerful individuals saw the problem the same way we did. And they were willing to put their organizations and billions behind it – at least for a while. Unfortunately, they decided in early 2021 that it was too difficult to keep their healthcare company going. There will likely be many opinions expressed about why Haven failed, but we believe it stems from the lack of understanding about how primary care and

brokers act as the current interfaces for the consumers and customers to interact with healthcare. But, that full explanation is for another day. **www.redirecthealth.com/haven.** They tried, and that is a good thing. Hopefully they will try again, and others will be inspired to join the cause.

We do believe our federal government's key role and responsibility should be to protect its citizens. And, right now, we need this protection in the direction Bezos, Buffet and Dimon had alluded to. Healthcare has become exactly as Buffet says, "The tapeworm that is eating America."

There is nothing anti-free market about government protections being inserted in the right places. There is no reason the following can't align well with the majority of Democrat, Republican, and even Libertarian and Socialist interests. Just like clean drinking water, and internet and electricity that works.

GOVERNMENT PROTECTION #1 – Price Caps

Americans need protection from non-transparent price gouging by hospitals, imaging centers and drug companies. Let's not mince words about what is happening in every hospital in every state. Today, their prices have no connection to the actual costs of delivering the services or value. Let them all charge twice the normal Medicare rates if they want, or even three times. Or restrict them to charging no more than what they charge insurance companies. But do not let them charge anything they want and only tell you the amount when you receive the surprise bill weeks and months later.

We would all agree bankrupting a family with a bill that is a million times more than Medicare is outrageous, so how is charging them ten to twelve times Medicare any time they want really better? It is not. Americans need caps on prices to protect us.

Appendix

GOVERNMENT PROTECTION #2 – Universal High-Dollar Stop-loss Insurance

When those rare catastrophic conditions, illnesses or injuries happen, our government must step in and help. But instead of Medicare-for-all like it is being proposed today, how about Medicare automatically kicks in when the bills top a certain amount ($50,000 seems reasonable). And let the free markets work under that amount. This only represents less than 1% of healthcare, but it terrifies most all of us. This is the tail that is wagging this dog today and creates the fear that allows the system's cost problems to exist.

GOVERNMENT PROTECTION #3 – Encourage Innovation

Innovators and their innovations need protection. Big corporations will always lobby to create new limitations on smaller competitors—government cannot let them. Let private industry and public programs fight it out for the 99% of healthcare under the catastrophic Medicare amount (Protection #2) but protect innovation from overly burdensome regulations and restrictions, both existing and new.

Here are some of the more obvious legal limitations on healthcare providers and purchasers that are artificially raising healthcare costs. They serve no meaningful function except to protect the big status quo healthcare corporations and societies. Their arguments about how their strategically lobbied laws are needed to protect the public ring hollow for everyone now. The jig should be up.

1. **Direct Primary Care (DPC)**. We are in desperate need of federal law that specifically allows DPC and other 'Membership' business models in every state. Putting DPC primary care providers at risk of attacks by their local insurance giants working with their state's Department of Insurances must stop.

2. **Federal Telemedicine Licenses**. Technology has allowed people to talk to their doctors very easily and inexpensively today. But it can cost over $20,000 per year, and many work hours, to maintain medical licenses that allow doctors to speak with their patients in other states. Having one telemedicine license for the entire country just makes sense. It would better spread out the access to physicians across the country and save a lot of money.

3. **Non-insurance ways to pay for healthcare.** Encouraging new safe non-traditional ways for smaller employers to protect their self-funded risk pools would go a long way towards allowing them to offer simple and affordable healthcare to their employees. An example of a non-insurance way to pay for healthcare is a Medical Cost Share. These are not new. They have been with us and worked well for decades. More recently, however, the Affordable Care Act gave preferential treatment to those that have been around since 1999. Most of these were associated with various ministries, but some of the newer ones are not faith-based, and thus more suitable for a diverse business population.

   As traditional insurance has risen in cost, more and more families have opted for these medical cost share communities. This growing demand for a more affordable option (often half the price), and huge numbers of people moving away from traditional insurance, has been the impetus for insurance companies and hospital systems to lobby their states' respective Department of Insurances and legislatures. Regardless of the rhetoric used, this is simply protectionist restraint of trade by huge corporations at its finest.

Notes

"What Redirect Health is doing is the best healthcare solution I've seen for business owners anywhere. I mean, it's brilliant."

Joe Polish
Genius Network
Host of 10x Talk Podcast with Dan Sullivan

Health Plan Scorecard ►

Want help evaluating your company's health plan? In under 10 minutes, you'll be able to score your current healthcare plan and immediately know what you want for the future.

You won't think about your company's health plan the same after you know your score.

Want more copies, the Health Plan Scorecard or digital copy? Visit **RedirectHealth.com/EndingTheFight**

We invite you to share your ideas and comments.
Email us at: **EndingTheFight@RedirectHealth.com**

Score Your Health Plan Mindset

NAME:	DATE:

Mindsets	1	2	3	4	5	6	7	8	9	10	11	12	Score
	Failing			Frustrated			Conventionally Successful			Transformative			
Company Cost	You don't believe you have any control of your health insurance costs.			You wish to keep your health insurance costs from rising too much so you're willing to switch carriers every couple years despite the distractions at renewal time.			You prefer to count on your broker to fight for you to keep your annual increases to under 10% every year with the same carrier.			You want your company's healthcare costs and data controlled. Predict and budget costs 5 years into the future—and keep cost from rising more than 3%. You do not like wasteful and hidden costs, and appreciate accountability from your health plan.			
Employee Cost	You don't believe you should take it on as your problem that an employee can't afford health insurance for their family.			You wish you could help your employees by paying most of their premium, but it's up to them to figure out how to pay for their spouse and kids.			You prefer to pay most of your employees' health insurance premiums and some of their families'. It's up to them to pay their deductibles and co-pays.			You want your team to have $0 co-pays for their routine everyday care. When hospitalization or catastrophic issues occur it should not cost more than your employees have in their bank accounts. All your employees can afford to include their spouses and children.			
Employee Participation	You don't believe your employees really want health insurance, even if they could afford it. They'd rather have the extra wages.			You wish you could afford to provide better health insurance. If you could, many more employees might be able to participate. It is disheartening that even with paying a high percentage of their insurance, they still can't afford to include their spouses and kids.			You prefer saving money on your health insurance by getting close to the minimum enrollment requirements. At least 50% of your employees can afford your company's insurance plan.			You want to have over 80% of your people participating on your company's healthcare plan. This allows you to use your healthcare plan as a strategic way to create a meaningful business advantage for recruiting, retention and keeping work injury costs low.			
Employee Ease-of-Use & Satisfaction	You believe there is nothing you can do to make it easier for your employees to have meaningful access to healthcare.			You wish your health insurance plan would make it easy for your employees to access healthcare and help control the quality of their experiences. You wish they didn't have to miss work unnecessarily, or overuse urgent cares or emergency rooms.			You prefer to not know about your employees' satisfacion with their doctors and insurance. They can figure it out themselves.			You want your employees and their spouses to be impressed. They find it easy to get the right care, usually with no out-of-pocket cost, 24 hours per day, in English and Spanish. Missing work unecessarily is prevented by getting a doctor on the phone right away.			
Manager Ease-of-Use & Satisfaction	You believe your managers can't really understand the complexities of your health insurance, and can't explain them well enough to employees. You believe this is your broker's job.			You wish your manager and broker would figure out a way to simplify your company's health insurance plan so employees didn't complain.			You prefer to have your manager learn from your broker so they can confidently explain how the insurance works to new and established employees.			Your want your managers confident they can answer all healthcare plan questions. They can escalate issues to a plan representative 24/7/365 when they feel stuck. Enrolling employees is always easy.			
Recruiting & Turnover	You are not concerned about recruiting or turnover since it is easy to replace your workers whenever you need.			You want to only offer the minimum health insurance you have to. You are okay with giving a raise to keep an employee from leaving. You are frustrated when you can't hire someone because your health insurance isn't strong enough compared to competitors.			You want your health insurance plan to be competitive. It is rare that an employee leaves for better health insurance. It is infrequent that a job candidate turns down the job because of benefits.			You want your managers to be able to attract many job candidates with your healthcare plan. Your competitors cannot poach your employees because your employees like their healthcare plan so much.			
Worker Safety	You are not concerned about work injury costs because you believe you have workers compensation insurance for that.			You wish your health insurance plan could be used when an employee sustains a minor injury, but this doesn't seem to happen ever. You wish the doctors would coodinate with your managers to keep an injured worker at work so your EMOD is protected.			You prefer to rely on your managers for preventing injuries in the first place, getting workers back to work, and working with the work comp carrier to weed out claims that shouldn't be allowed. Managers can also assure most certifications are maintained.			You want to use your healthcare plan instead of work comp when appropriate. You want employees' doctors to keep your employees on the job. You don't want to be concerned or surprised when an employee fails a certification test (i.e. DOT exam).			
Business Productivity & Growth	You do not believe any connection exists between your health insurance and your business' productivity and/or growth.			You wish your rising health insurance costs, and the subsequent costs of recruiting and retention (maybe even work comp) did not affect your bottomline like they do. They may be the price of doing business, but it is frustrating to not get value from this spend.			You prefer to have strong enough health insurance benefits so your managers can attract and keep the employees you need to grow. You can protect your business reasonably well from competitors who would like to have your best employees.			You want extra profits from lower healthcare costs, easy recruiting, low turnover, and very low work injury costs. You want to be confident you can hire the productive and core value-aligned people you will need anytime you want to grow your business.			
Scorecard	→	→	→	→	→	→	→	→	→	→	→	→	

Dr. David Berg

Paul Johnson

Healthcare is a mess, or at least that's what we thought until we made a new system that was simple and fair for us.

We did not create Redirect Health because we wanted to "fix healthcare." We did it only to solve our own healthcare cost mess. We did it because our employees needed us to figure it out.

This guide is intended to help agents of change - the owners, business leaders, CEOS – discover how to question key healthcare assumptions that just aren't true. It's easy. Learn quick important tips that will save your company thousands, or even millions of dollars every year.

Everyone can truly afford healthcare if they only knew how.

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Simple and Truly Affordable Healthcare for Everyone

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