

The image features a high-angle view of the Colorado State Capitol building, showcasing its iconic green copper dome and classical architectural details. The building is set against a backdrop of a vast, snow-dusted mountain range under a sky filled with dramatic, grey and white clouds. The foreground shows the rooftops of surrounding buildings and a small American flag on a pole to the right.

Key Healthcare Issues

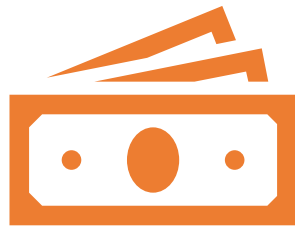
Employer Event 2025

Legislative Update: End of Surprise Billing

- **Serious Problem**
 - In-State Hospitals → Contract
 - Air Ambulance → Support Members
- **Legislative Help**
 - Federal No Surprises Act → Baseball
 - HB 301 → Finally Supplies
- **Simple Message Today**
 - Get Services
 - Don't Worry



Legislative Update: Point of Sale Rebates



Upside-Down Problem

Rebates Funded by Sickest Members

Pay Above Actual Drug Price

PEHP Statewide Insulin Program



HCR 2 Solution

Plan Pays Estimated Rebate at Pharmacy

Rebate Reimburses the Plan

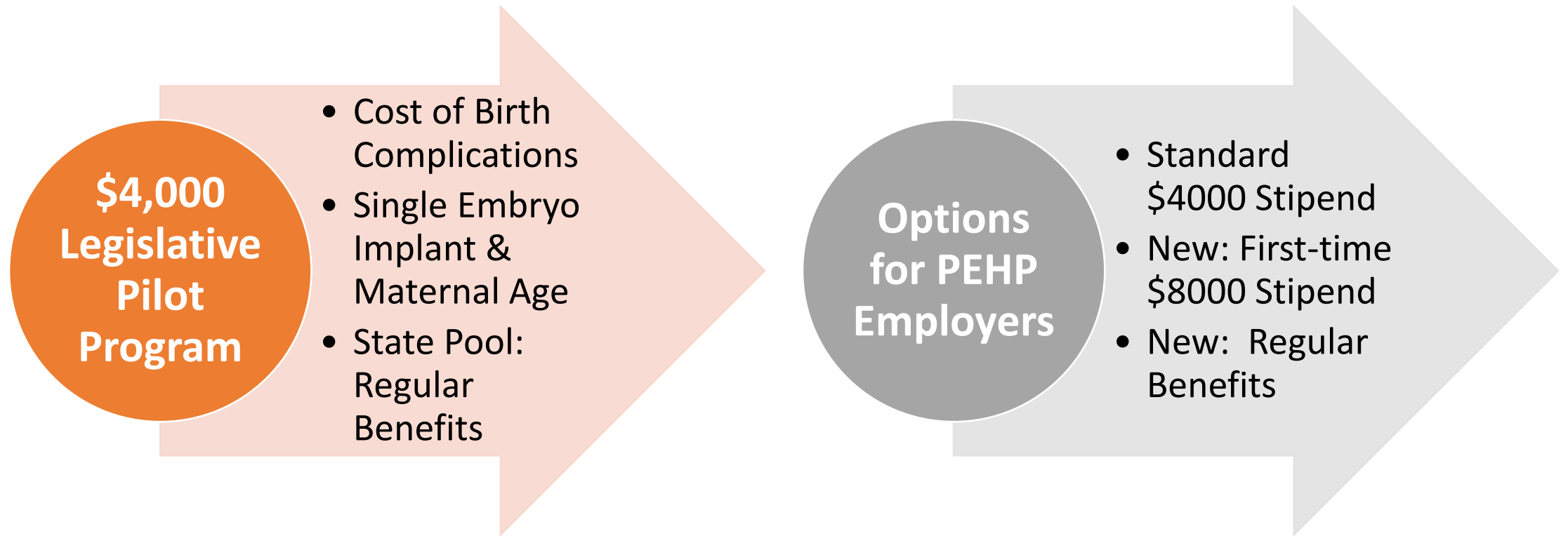
Pool Participants Pay Extra \$2.78 Per Month

Options for PEHP Employers

1. Status Quo
2. Status Quo + Mitigate Through Plan Design
3. Point of Sale + Employees Bear Cost
4. Point of Sale + Employer Shares Cost



SB 242 Regular Benefits for IVF for State



SB 22 LTD & Life
Enhancements
for State

Recently Decreased LTD Rate

- .475%
- Commissions

Added LTD Enhancements

- 60% of Pre-Disability Earnings for Ongoing
- Overtime, Life-Assistance, 3-Month Life

Life Insurance

- \$50,000
- Voluntary Life for Exempt based on Salary

Other Legislative Issues

Public Funds & Transgender Care

- Group Choice

Opportunity for Prior Auth Reform

- Members Denied on Retro Authorizations

Coverage Mandates

- Opioid Alternative

Legislative Update: 340B Drugs

Big Fight Between Hospitals & Pharma

Hospitals Buy Drugs Cheap and Sell High

Hospitals Want to Extend to All Patients

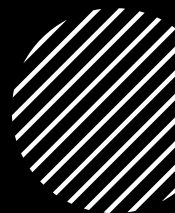
Pharma Wants to Limit Locations

Bill Favors Hospital Expansion

Lawsuit to Follow



How 340B Impacts Costs



PEHP Loses 21% of Rebates due to 340B Equal to 41% of Drug Cost



State Realizes \$14.7M & Loses \$3.9M



SB 69 Adds \$.9M in Rebate Loss



PEHP to Mitigate costs

Direct Away
Contract with Hospitals



Transparency Can Help

Total Revenue Impact
Total Rebate Impact

Transition to New System

40-Year Legacy System Unmaintainable

Purchased Configurable New System

Transitioned 30% of Business in Jan 2023

Postponed Transition

All Members and Groups this Year

Advantages of New System

For PEHP

Operate, Update, Train on
Single System
Workflows, Efficiencies,
Compatibility

For Members

Single Card & Account
Higher Auto-Adjudication

For Groups

Better Visibility into
Employee Status
Automatic Bill
Reconciliation

Basics For Members

Old Card To June 30

- Claims process in old system until then

New Card On July 1

- Claims begin processing in new system

Emphasize New Card to Providers

- Everything depends on right member number

Create a New Online Account

- Only place for new claims information

Helping Members



New Card

Member Card starts with M0 (Old 174)
Includes July or September



Seven Touches

Single Message
Multiple Channels, Including Video



Early Open Enrollment to Load Members

Existing Process and Convert to System
Time to Convert to System & Print Cards



Hard Copy & Electronic Copy of Member Cards

Secure Email on June 25th
Mailed for End of Juen

Use Current Login Credentials for:

- Historical Information other than EOBs
 - Past EOBs on New Web Portal
- Life Insurance Enrollment and Changes
 - Same as Current

Again For Members

Old Card To June 30

- Claims process in old system until then

New Card On July 1

- Claims begin processing in new system

Emphasize New Card to Providers

- Everything depends on right member number

Create a New Online Account

- Only location for post-July 1 information

For Providers

**Must Use
Correct Member
Number**

- Claims Can't Pay if Wrong Number

**Must Keep
Members
Straight**

- Split Between July, September, Already On

Helping Providers

Members Telling Their Provider About Change

- Best Way to Avoid Problem

Providers Always Checking Current Card

- Best Message for Providers to Remember

PEHP Outreach to Providers

- Multiple Channels, including Web, Video

Member Card

- Added Month to Keep Members Straight

PEHP Patient Transition Tool

- Once Membership Loaded, Shows Patient Transition

Again For Providers

**Must Use
Correct Member
Number**

- Claims Can't Pay if Wrong Number

**Must Keep
Members
Straight**

- Split Between July, September, Already On

To Help Your Employees:

Enrollment Data As Soon As Possible

- Cards Sent on Time
- Member Transition Available on Provider Portal
- Set Up Live Training for Employer Portal

Educate and Triage on Member Card

- When and How to Use New Cards
- If Eligibility Denied or Claims Rejected = Card Issue

For Employers: Key Things for You

Designating a Local Administrator

- Central role in assigning access for others
- Who best can determine that?

Certification Process for New Hires

- If direct, demographic information & eligibility
- If not direct, same process
- PEHP to send member number for enrollment
- PEHP to provide PDF copy to you

For Employers: Key Things for You



Billing for June & July/August & September

- Moving to Prospective Payment
- Receive two bills around June 20/August 20
- Both due by July 5th
- Automatic reconciliation
- Life & LTD won't change
- Sign up for ACH—Just Google PEHP ACH Form

New Copay & Cash Back Tool

1

Secret to Lower Costs: Right Site of Service

- Equivalent to Generic Drugs—Both Work
- System is Built to Capture & Maximize

2

Best Tools Available + Offer Cash Back

- Have to Dig & Helps to be on HSA Plan
- Includes Pharmacy

3

Customize & Simplify Traditional Members

- Copays – Simple & Understandable
- Create a Single Function Tool

Shows Hospital Alternatives

Independent Surgery Centers -- \$45

- Most Same Day Surgeries

**Independent Imaging -
- \$45**

- CTs & MRIs

Office Images and Procedures – \$25

- More Than You Might Expect

More Options on Summit

- Less Options Overall Due to Buyouts

Pharmacy Cost Tool

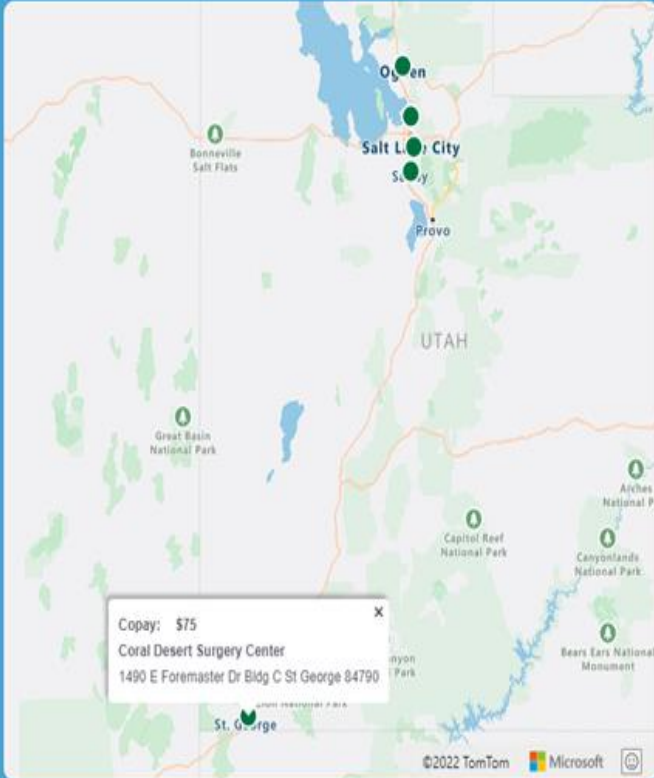
- Great Resource for Everyday Needs

Treatment Category:

Surgical - Leg/Knee

Sub-Category:

Repair knee ligament



5 Results for Repair knee ligament

- Copay: \$75
Coral Desert Surgery Center
1490 E Foremaster Dr Bldg C St George 84790
- Copay: \$125
Lone Peak Surgery Center - Mtn Star
96 E Kimballs Ln Ste 100 Draper 84020
- Copay: \$125
Mountainwest Surgical Center - Mtn Star
1551 Renaissance Towne Dr Ste 200 Bountiful 84010
- Copay: \$125
Mt Ogden Surgical Center - Mtn Star
4364 Washington Blvd Ogden 84403
- Copay: \$125
St Marks Outpatient Surgery Center
1200 E 3900 S, Millcreek, UT 84124

Copay amounts will be automatically charged by the service provider.

Principles of Fair Payment

Payment as Percent of Medicare

Neutralization of Percent of Billed

Get Full Benefit of Fixed Rates

Never Pay More for Outpatient

Realize Cost Relief of Less Inpatient Care

Wellness & Coaching

- Healthy Utah at Home
- FIT Colorectal Screening
- Coaching with Digital Support
- Diabetes, Weight Loss, Parenting
- Recovery, Behavioral Health
- Simple, real outcome measures



Keeping Post-Rebate PMPM Costs at About $\frac{1}{2}$ National Average for \$.53 PMPM

- Formulary & Utilization Management
- Innovative Programs
- Commitment to Members

Latest Efforts

- Point of Sale Rebates
- Zero Dollar Diabetes Program—Insulin & CGM
- Leveraging Mark Cuban's Formulary
- Offer Copay Maximizer

True to Our Core



Working for You

Preserving Your Benefits

Making Healthcare Better

Providing Peace of Mind

Doing Right by You and Your Employees

Thank You

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