

LVBCH's Private Exchange in Action

FNBC Presentation

March 29, 2016



Agenda



Introductions

About FNBC and bswift

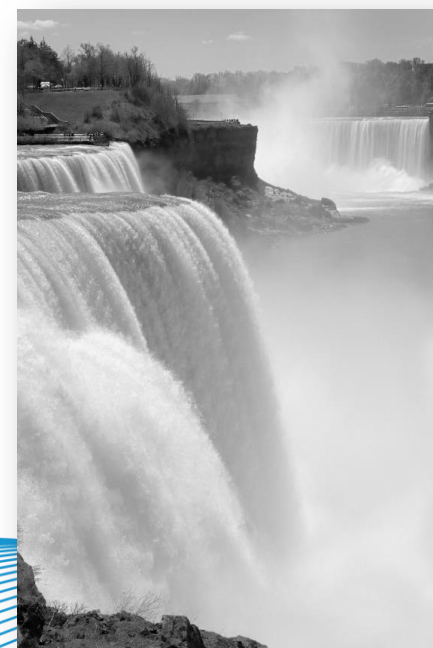
Overview of Private Exchanges

LVBCH Private Exchange Summary

System Demonstration

Product Roadmap

Panel Discussion and Q&A Session



Introductions



Scott Fair

- First Vice President, First Niagara Benefits Consulting

Sharyn McCormick

- Assistant Vice President, First Niagara Benefits Consulting

Don Garlitz

- Senior Vice President, bswift

Lori Young

- Manager, Employee Health & Wellness Benefits, Crayola

Elizabeth Carpenter

- Director, Compensation and Benefits, Trivergent Health Alliance MSO

Cathy Stanyard

- Assistant Director of HR and Benefits, SMS USA, LLC



Team

- Division of First Niagara Risk Management, which is a wholly-owned subsidiary of First Niagara Financial Group
- 380 employees
- 85 talented individuals dedicated to benefits consulting and benefits administration
- Three PA locations - Philadelphia, Mechanicsburg (Harrisburg area), Pittsburgh

Clients

- 3,300 clients
- Client base
 - Multi-national manufacturers
 - Educational institutions
 - Statewide associations
 - Public sector organizations
 - Health care systems
 - Regional financial firms

Services

- Private Exchange / Benefits Administration
- Benefits Consulting
- Claims Analytics



Experienced Solution with Strong Leadership

- Founded in 2000
- Over 3 million employees from 8,000+ companies administered on the platform today
- Part of the Aetna family of companies since 2014

Rapid Growth in an Evolving Market

- Recurring revenue compound annual growth rate of 46% from 2010 – 2014
- 43 million transactions processed in 2014, 57% more than 2013

Corporate Philosophies Well-Aligned

- Client-focused and flexible
- Commitment to service
- Forward-thinking

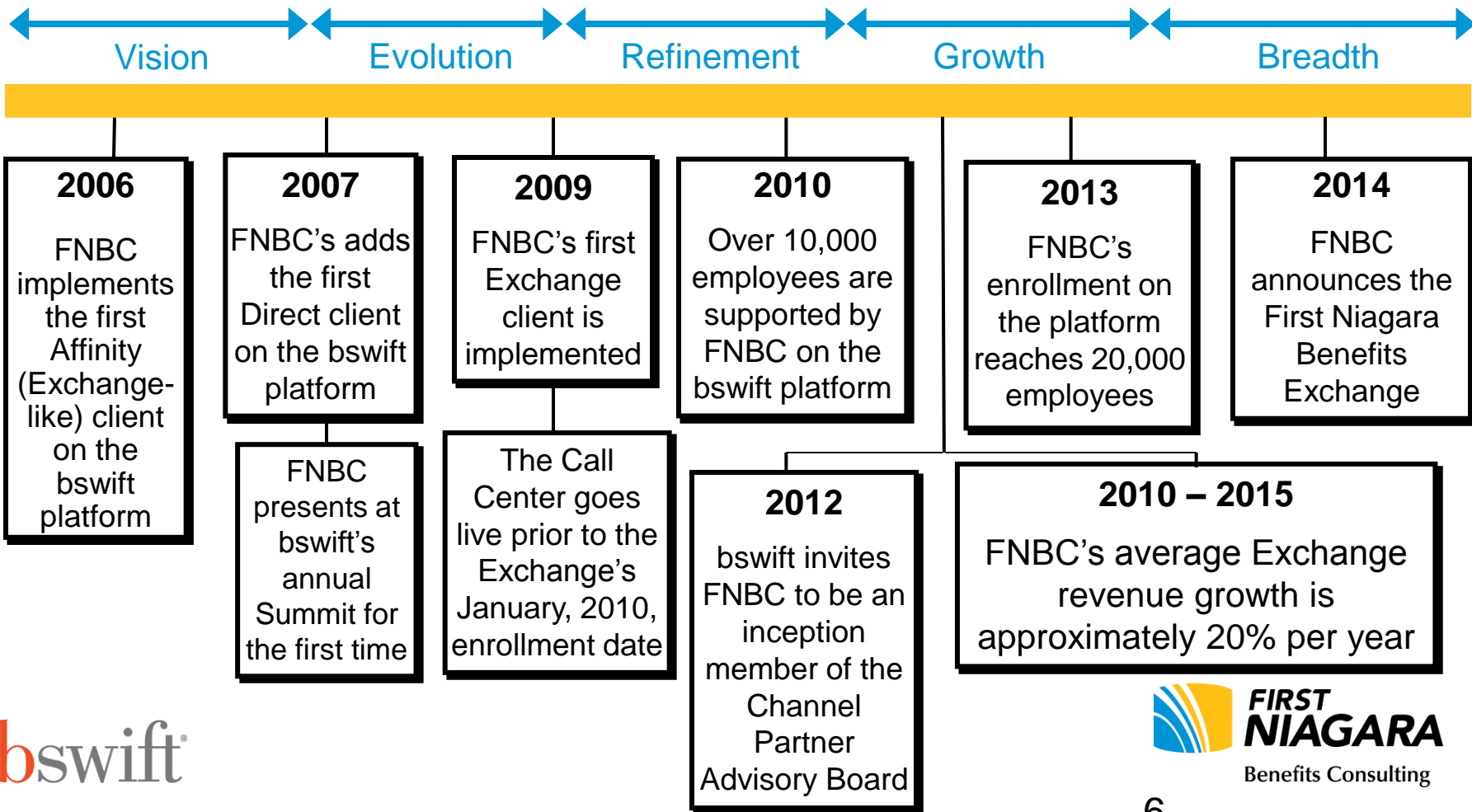
Superior Product and People

- Innovative technology
- Responsive technology support
- Legislative and regulatory experts
- Dedicated EDI team

FNBC - bswift Partnership Growth



FNBC – bswift History



Evolution of Private Exchanges



Structured
Procurement

Decision
Support
Shop-Buy-Enroll

Benefits
Admin

Three Approaches to Multi-Carrier



“Winner
Take All”

“Quilt”

One winner per
geography

“Slice”

Carrier vs. Carrier at
the consumer level in
most or all markets

Health Insurance Exchanges



Multi-Carrier:
Farmers' Market



Single Carrier:
Roadside Stand

What Really Matters to Employers



Cost!

“If your goal is reducing medical costs, 85% of costs are driven by the delivery system... not by benefits administration.”

Midwest Business Group on Health

Reducing Cost



Consumerism



Migration to less rich
plan options



Steerage to optimal
network



Engaging in
population health

Network Choice



Narrow Network



Broad Network



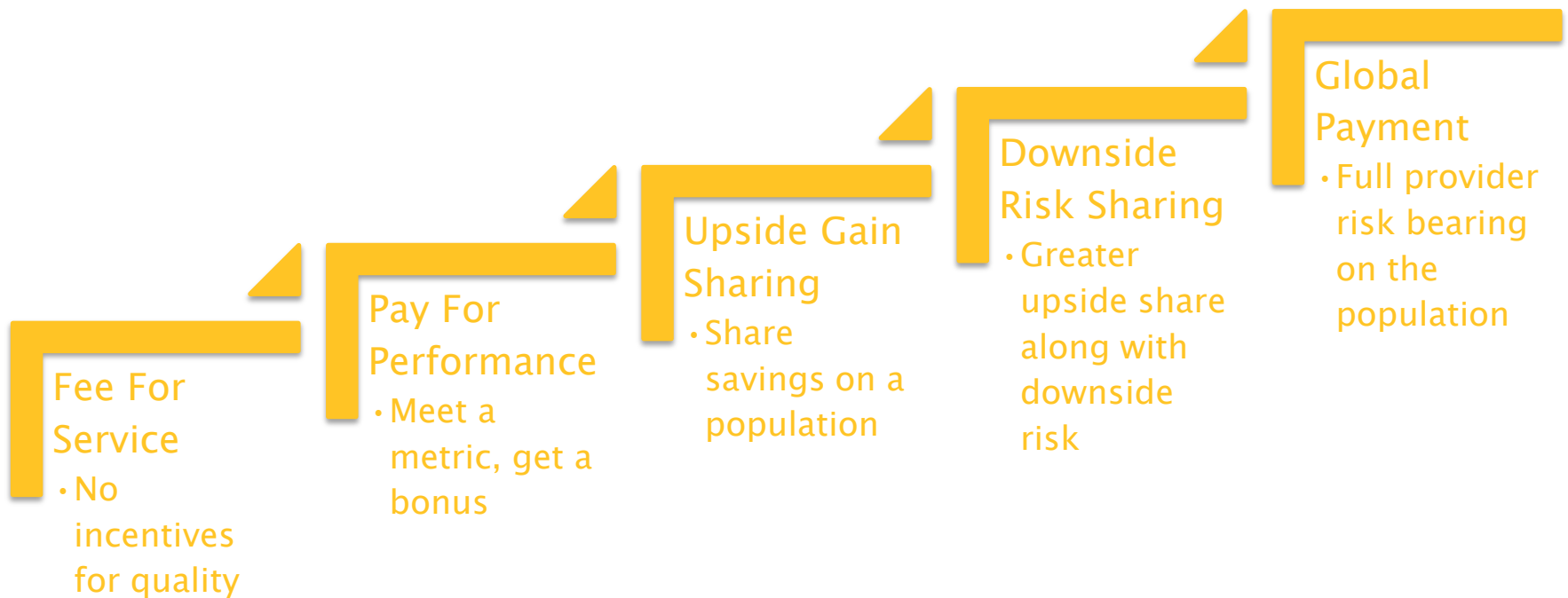
Lower Cost Share



Higher Cost Share

Tiered Network

Provider Models of Risk Taking





LVBCH selected bswift as its technology partner and FNBC as the Exchange Administrator for the following reasons:

bswift delivers leading edge technology to automate the benefits and HR administration processes, freeing our clients' HR staff to focus on other strategic initiatives

FNBC provides superior, proactive customer support through highly engaged, local resources with ten years of experience

Remains the best benefits administration solution in the market for employers with custom requirements, even after years of development by new players in the market

Promotes exciting enhancements of the platform, with FNBC providing direction as a member of bswift's Channel Partner Advisory Board

Allows clients to add incremental HR modules and call center services to broaden FNBC/bswift service offering

LVBCH Private Exchange Overview



Powered by bswift's industry-leading technology; managed by the local and experienced team at

First Niagara Benefits Consulting (FNBC)

Customized approach designed to support LVBCH members with greater than 100 employees

- Fully-insured or self-funded plan options
- National or regional carriers with incentives to use LVBCH purchasing partners
- Broad array of product options available
- Flexible employee funding approaches, including defined contribution
- Robust employee decision support tools
- Call center-based employee support available
- Integration with various payroll and HRIS platforms

LVBCH Private Exchange Overview



Create a platform for expanded products and purchasing partners - Group Life, Disability, Voluntary, Auto and Homeowners Insurance, etc.

Deliver a fee structure with exclusive value that rewards LVBCH for growth

Incorporate medical and RX claims data from Geneia, where applicable, for individualized decision support

Supply benchmarking tool for Coalition members to make comparisons with thousands of similar organizations



Studies show that investing in a Private Exchange solution results in a rapid Return on Investment in a multitude of ways:

Hard Costs

- Lower per employee cost, based on employee choice of lower cost plan without excess coverage, aided by decision support tools
- Employer costs become more stable and predictable through Defined Contribution approach
- Increased choice in qualified High Deductible Health Plans and HSAs results in more consumerism and less waste of healthcare dollars
- Less chance of paying for coverage for ineligible employees and dependents
- Lower cost per employee on printed and distributed materials

Soft Costs

- HR time re-directed away from time-consuming administration and compliance to productivity strategies:
 - Recruiting and retaining top employees
 - Increasing satisfaction with benefits
 - Reducing turnover
 - Reducing absenteeism

Early adopters of private exchanges consistently report per capita savings in their health care spend and/or lowered medical trends.

Seamless Ongoing Transition, with a Team-Oriented Service Approach



The FNBC service approach has been fostered by years of growth in the department – client-focused, local support.

Started with a seedling staff of three employees in 2006 (who remain leaders on the team today), the FNBC Benefits Administration department has grown to a staff of 12 educated professionals.

Relationship Manager

- Senior account manager/team leader
- Oversees the service delivery
- Escalation point, if necessary
- Back-up resource for the account manager

Account Manager

- Supports the client during implementation on training
- Day-to-day contact for ongoing service
- Technical, reporting, vendor relationships/integration, etc.

Call Center

- Licensed and college-degreed
- Back-up resource for the account managers (daily deliverables and other behind-the-scenes projects)
- Mechanicsburg, PA office

Programmer

- Data analyst and integration file expert
- Trouble-shooting and ongoing maintenance of EDI files

A Sampling of FNBC's Administration & Private Exchange Clients including...



Crayola

Frederick Memorial Hospital

**Group Insurance Trust of the California
Society of CPAs**

Hanover Hospital

HealthPass NY and AccessHealth CT

Kodak Alaris

PA Farm Bureau

PA Psychiatric Institute

Shenendehowa Central School District

SMS Group

TechnoServe

Vodafone

Benefits Administration - Demonstration

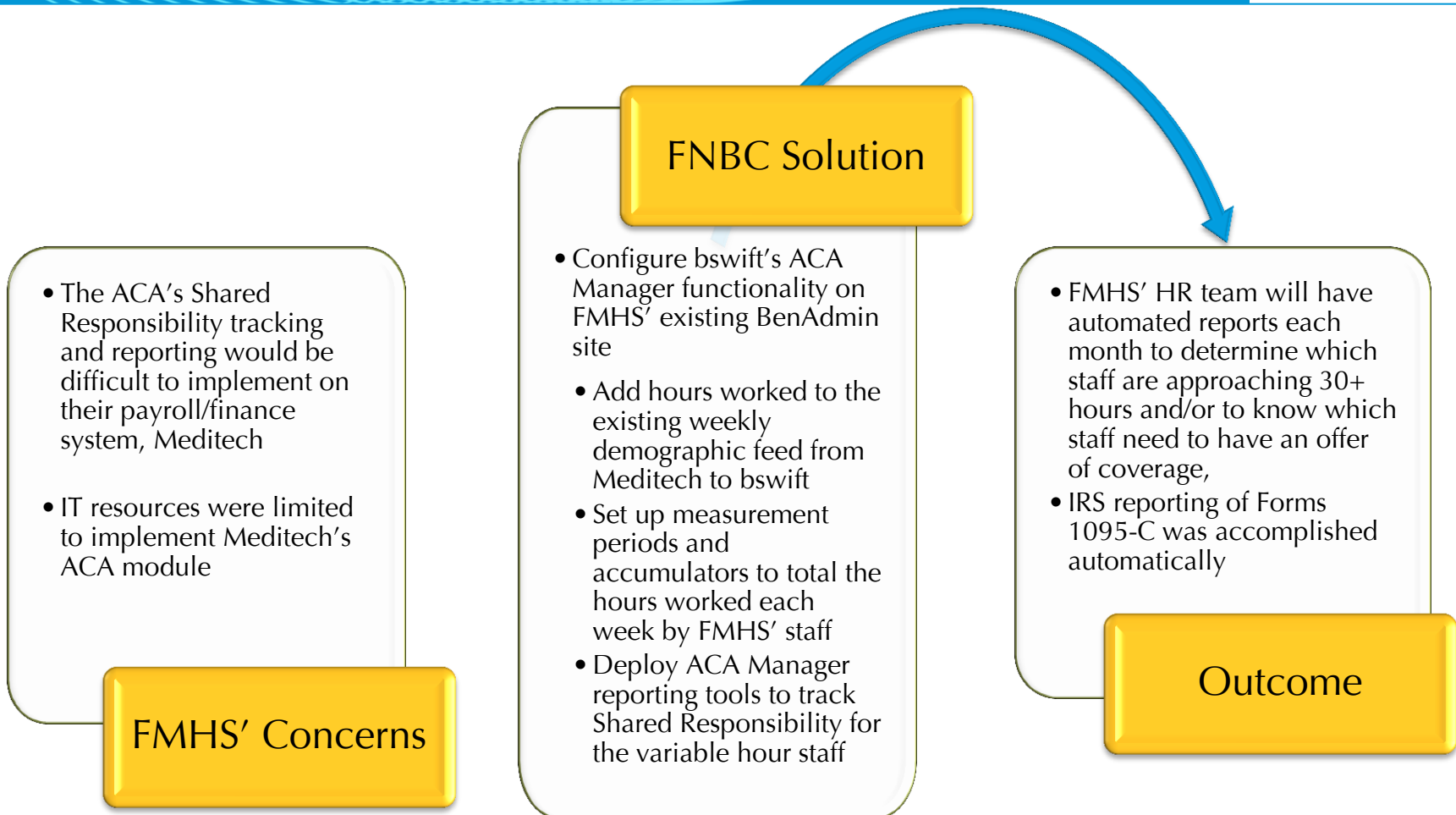


**Seeing is believing...
The FNBC Advantage**

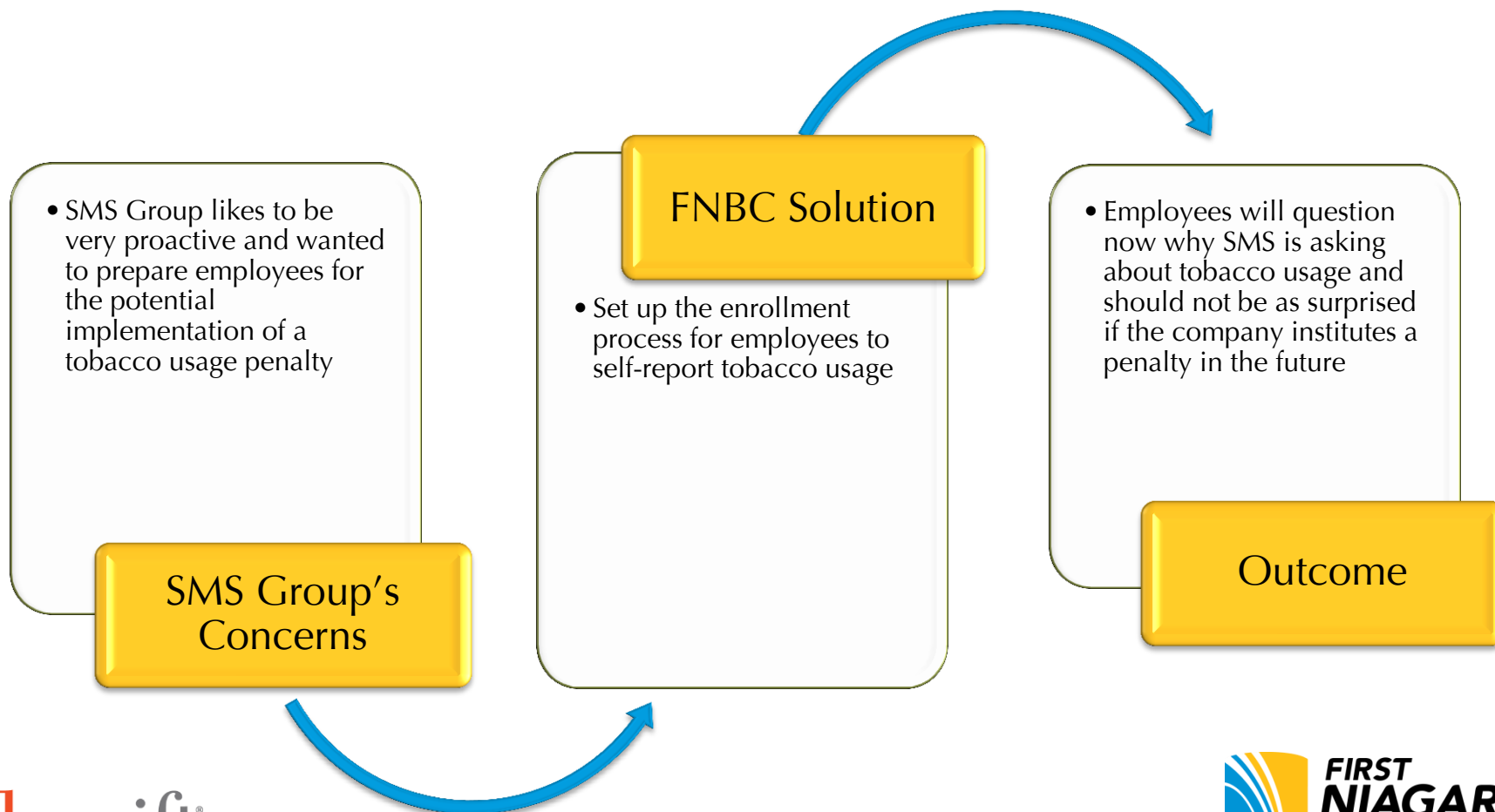


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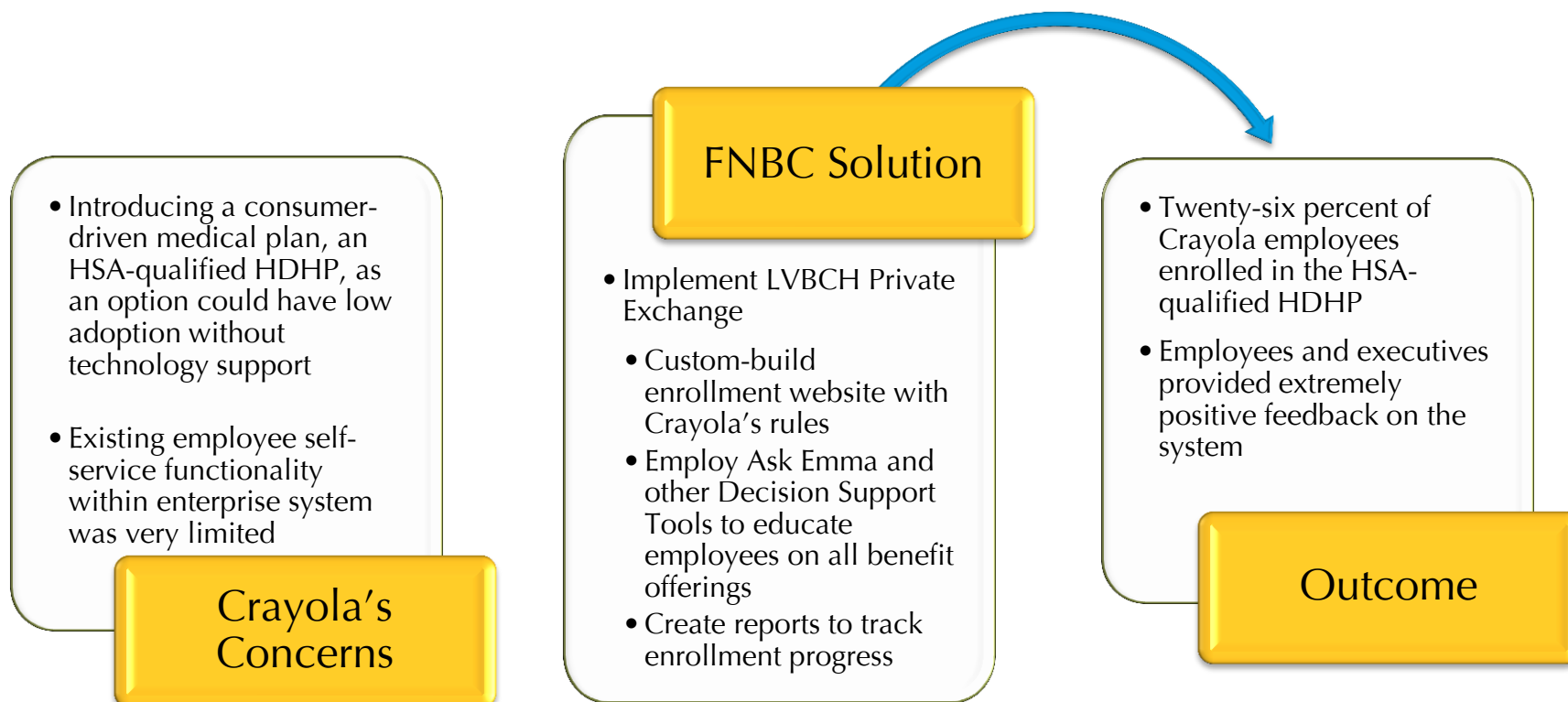
Case Study – Frederick Memorial Healthcare System



Case Study – SMS USA, LLC



Case Study – Crayola





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