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





About FNBC



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





About bswift



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

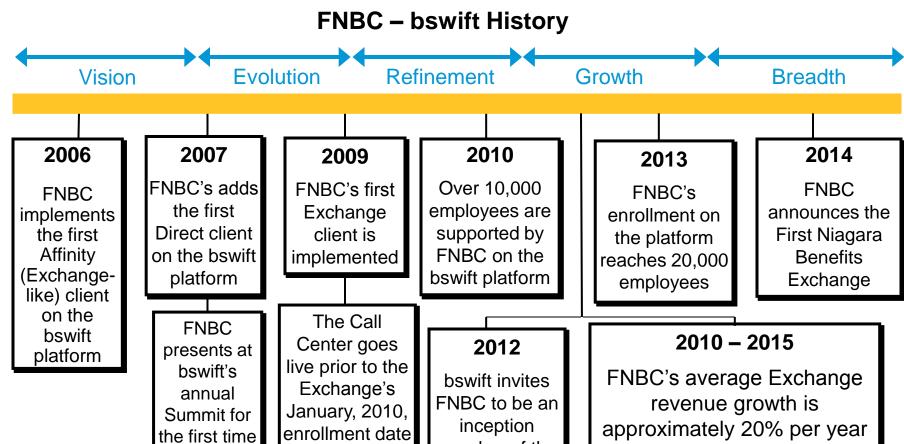
- Innovative technology
- Responsive technology support
- Legislative and regulatory experts
- Dedicated EDI team





FNBC - bswift Partnership Growth





bswift

bswift invites
FNBC to be an
inception
member of the
Channel
Partner
Advisory Board



6

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





Migration to less rich plan options



Consumerism



Engaging in population health



Steerage to optimal network





Network Choice





Narrow Network



Broad Network



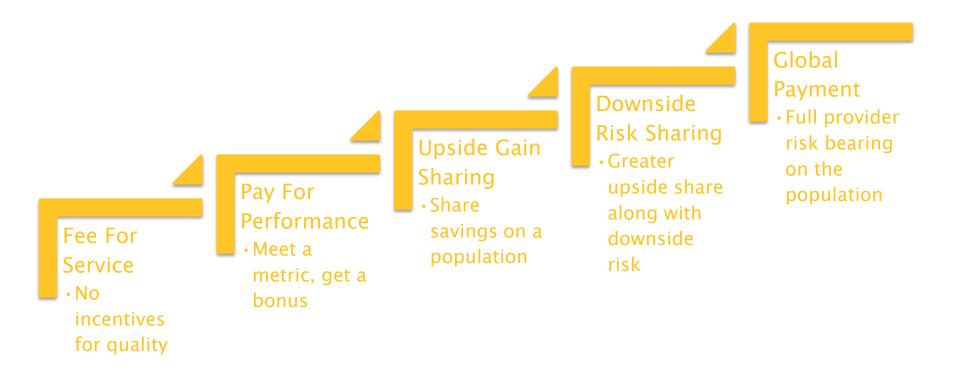
Tiered Network





Provider Models of Risk Taking









LVBCH - FNBC - bswift Partnership



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





Return on Investment



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

bswift^{*}

Soft Costs

- HR time re-directed away from timeconsuming 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





Panel Discussion and Q&A Session



LVBCH Private Exchange in Action





Case Study – Frederick Memorial Healthcare System



- The ACA's Shared Responsibility tracking and reporting would be difficult to implement on their payroll/finance system, Meditech
- IT resources were limited to implement Meditech's ACA module

FMHS' Concerns

FNBC Solution

- Configure bswift's ACA Manager functionality on FMHS' existing BenAdmin site
 - Add hours worked to the existing weekly demographic feed from Meditech to bswift
 - Set up measurement periods and accumulators to total the hours worked each week by FMHS' staff
 - Deploy ACA Manager reporting tools to track Shared Responsibility for the variable hour staff

- FMHS' HR team will have automated reports each month to determine which staff are approaching 30+ hours and/or to know which staff need to have an offer of coverage,
- IRS reporting of Forms 1095-C was accomplished automatically

Outcome





Case Study – SMS USA, LLC



• SMS Group likes to be very proactive and wanted to prepare employees for the potential implementation of a tobacco usage penalty

SMS Group's Concerns

FNBC Solution

• Set up the enrollment process for employees to self-report tobacco usage

• Employees will question now why SMS is asking about tobacco usage and should not be as surprised if the company institutes a penalty in the future

Outcome





Case Study – Crayola



- Introducing a consumerdriven medical plan, an HSA-qualified HDHP, as an option could have low adoption without technology support
- Existing employee selfservice functionality within enterprise system was very limited

Crayola's Concerns

FNBC Solution

- Implement LVBCH Private Exchange
 - Custom-build enrollment website with Crayola's rules
 - Employ Ask Emma and other Decision Support Tools to educate employees on all benefit offerings
 - Create reports to track enrollment progress

- Twenty-six percent of Crayola employees enrolled in the HSAqualified HDHP
- Employees and executives provided extremely positive feedback on the system

Outcome











