

A hand is pointing at a computer screen that displays a line graph. The background is a blurred image of the screen and the hand, with a blue and white color scheme.

Eau Claire Collaboration

Request for Proposal

Health Insurance Consulting Services

Presented by Hays Companies of Wisconsin

July 2013





Executive Summary

Dear Shared Health Insurance Team Members,

On behalf of the entire consulting team at Hays Companies, we want to thank you for the opportunity to offer our proposal to assist you in the management of the Eau Claire Collaboration's employee benefit programs.

This is an exciting time for Employee Benefits professionals. While Health Care Reform creates some challenges, other innovations that combat escalating costs are exploding around us.

We believe the Eau Claire Collaboration needs a partner who can help navigate the endless possibilities of initiatives, guide you through the process of setting strategic goals and objectives and select the most appropriate vendors to exceed your expectations. Most importantly, the Eau Claire Collaboration needs an advisor who embraces your best interests as their number one priority. The team we have assembled for the Eau Claire Collaboration is one that will serve you with distinction, provide you with unique and detailed program assessments and guide you in your stewardship of the Eau Claire Collaboration's objectives.

Throughout this proposal you will note some common themes: sophisticated, proprietary data driven decision-making, an emphasis on understanding your unique needs and an organization built to attract and retain the best talent in the marketplace. Focusing on what is most important to you and working together to achieve those goals is our mission.

As you know, health care costs, in particular, are a significant challenge for every organization. There are no simple solutions or quick product fixes to the challenges you face as an employer. But there are solutions....and they vary by employer and by employee population. The assessment of the problems and the development of creative approaches require people with serious experience and an ability to provide performance-based solutions. We believe our Eau Claire Collaboration team members are those people.

We are pleased you have considered us and look forward to meeting you and your team to discuss how Hays will serve you effectively. If you have questions about any of the material contained in this response, please do not hesitate to contact us.

We appreciate the opportunity to offer you this proposal and look forward to meeting with you in the near future.

Daniel Robinson, Executive Vice President

Hays Companies of Wisconsin

(414) 290-3589

drobinson@hayscompanies.com



Background Information

1. Briefly describe your firm's background, history and ownership structure including any parent, affiliated or subsidiary company or partnerships.

Wisconsin Benefits Practice

Our Wisconsin Benefits Practice is comprised of 34 benefits professionals. We are oriented around a team-based approach that ensures that each client receives service from the Practice Leader, a Team Leader, a Consultant, and an Account Manager. The roles of these individuals are focused around strategic development and day-to-day service. The core service team is supported by multiple, local practice groups, including: Technical Services (individuals who oversee financial and analytic project development), Clinical Strategies (health management and wellness subject matter experts), Actuarial, Technology and Communications.

It is important to note that all of the resources described above are housed in our local Wisconsin office. While we have the ability to draw on additional expertise from our corporate office in Minneapolis, such as our Research and Compliance Department, the resources described above are deployable for our local customers because they are based in our local office.

Our goal is to always do what is right for the client. We take a straightforward approach by creating the most transparent environment possible when negotiating rates, terms and plan design.

Company History

Founded in 1994 in Minneapolis by James C. Hays and five senior-level individuals from major insurance brokerage & consulting firms, our company is a privately held corporation with no outside ownership. Today, the company has approximately 650 experienced professionals and 34 locations throughout the United States. *Business Insurance* has annually ranked Hays Companies among the 50 largest brokerage and consulting firms in the United States since 2001 and we have remained in the top 20 since 2009.

Hays Companies of Wisconsin was founded in March 1999. Our Milwaukee office has grown from a staff of five to greater than 100 during the thirteen years that we have been in operation. Our staff in Wisconsin includes specialists/practices in the following Risk management and Insurance areas: Employee Benefits, Property and Casualty, International, Loss control, Claims Management, and Personal Lines.

Our structure allows us to go beyond the ordinary and remain focused on your needs and your needs alone. Infused with entrepreneurial spirit, Hays' team members will partner with the Eau Claire Collaboration to make decisions that add value to your employee benefit and risk management programs. The result is superior service at a reasonable cost from talented people you can trust.

Our philosophy of delivering the highest-quality, customer-focused service has led to significant growth and recognition for Hays Companies. We are proud to say, the *Business Journal* recently named Hays Companies of WI one of the "Top 100 Workplaces" in Southeastern Wisconsin.



Hays Locations



Excellent Reputation

Hays Companies has built an excellent reputation among the employee benefits & risk management community both in WI and nationally. Evidence of which is provided by our client appointments; including companies such as *Bauer Built*, *Schneider National*, *Briggs & Stratton Corporation*, *Kenosha Unified School District*, *Racine Unified School District*, *the City of Wauwatosa*, *Waushara County*, *Bemis Manufacturing Company*, *Faith Technologies*, *Regal Beloit Corporation* and *Ashley Furniture*.

Why Hays Companies?

The key to any organization’s success is the quality of its people. At Hays, we have developed a unique culture that has allowed us to attract and retain the best talent available in the marketplace. Longstanding tenure amongst our consultants and account managers ensures our clients receive consistent service they can count on year-to-year. By limiting the number of accounts our service teams manage to an average of fifteen, we ensure our people have the time to understand our clients’ needs and respond quickly to issues of the day.



2. Briefly describe the services your firm provides.

Specifically, we will complete the following activities for the Eau Claire Collaboration throughout the year:

1. Strategic Planning

- Facilitation of the objective setting process relative to employee benefits. Assist in setting “Mission Statement” for the organization’s benefit program.
- Participate in Senior Administration strategy review sessions. Assist in aligning employee benefits goals and objectives to overall organizational goals and objectives.
- Development and monitoring of strategic action plans and associated timelines.
- Coordination of Client, Hays Companies and external service provider resources during strategy development and implementation.

2. Benefit Design Consulting

- Provide analysis of existing plans, offer modifications, structure new plans, provide cost estimates and support recommendations to administration and union leadership, when appropriate.
- Provide recommendations and guidance related to Health Care Reform impact.
- Perform vendor evaluations and provider accessibility studies.
- Provide information on benefit trends and governmental requirements.
- Assist in the implementation of new programs and make any necessary changes to existing programs.

3. Experience Analysis (when data is available from carrier)

- Monitor the monthly and cumulative financial status of the funding arrangement.
- Perform claims projections/renewal validations in anticipation of renewal action and in support of employee contribution process.
- Monitor large claim data and coordinate with outside stop loss (if applicable) reimbursements and determine the impact on broader experience.
- Analyze year-end accountings and negotiate them as appropriate.
- Comprehensive benchmarking of health plan utilization rates and unit costs versus other employer norms.
- Identify disease management opportunities and costs related to unhealthy behaviors.
- Year-end pharmacy review.
- Periodic Health Plan Intelligence analysis on aggregate health plan utilization.
- Analyze medical and pharmacy data to determine if stop loss coverage is appropriate, including soliciting proposals, providing recommendations and implementing coverage.
- Review carrier and provider data and claims analysis and provide additional commentary and relative benchmarking

4. Renewal Negotiations

- Request all renewals to be received by the Hays Companies at least 120 days prior to renewal dates.
- Evaluate initial renewal proposals from insurance carriers.
- Analyze premium levels, claims, reserves (quarterly IBNR), retention, pooling levels and margins.
- Develop plan alternatives and pricing for your consideration.



- Utilize claims experience and financial reports to assist in analyzing and negotiating renewals.
- Negotiate the appropriate renewal action with the insurance carriers.
- When necessary, market plans to insurance companies, administrators or other employee benefit vendors. This would include a thorough analysis of all submitted proposals and a report with our recommendations.
- Audit carrier fund loss ratio analysis (MLR of premium ratio reimbursements).

5. Information Resources

- Access to our comprehensive benefits library, which includes HR education and forms, employee handbooks and hundreds of additional ready to use templates.
- Monthly health and wellness newsletter.
- Provide periodic updates on state and national benefit issues, including Health Care Reform developments.
- Generate an annual calendar of trusted communications the Eau Claire Collaboration selects from Hays' library of topics

6. Contract and Legislative Compliance Support

- Review contracts/policies, summary plan descriptions, contracts and policy amendments.
- Review and validate that employee booklets mEau Claireh policy/plan provisions.
- Provide updates and guidance on all applicable legislative and regulatory issues.
- Preparation of health and welfare Form 5500 and Summary Annual Report when appropriate.
- Real time updates from dedicated legal counsel on benefits related regulations.

7. Clinical Consulting Services

- Strategic consultation at the corporate or program level
- Assistance in developing short and long term health management strategies
- Evaluation of current and future health programs
- Vendor evaluation (Disease Management, Case Management, Dialysis Management, Wellness etc.)
- Assistance with development of outcome metrics
- Data analysis and interpretation
- Evaluation of on-site clinics and concierge medicine
- Implementation of structured program with focus on incentive and plan design to reduce identified risks and reduce future cost burden to the Eau Claire Collaboration and employees.

8. Communication & Administrative Services

- Employee Meetings
- Feedback Surveys and Employee Focus Groups
- Administration/Unions Meetings/Training
- Enrollment Meetings
- Benefits website with enrollment assistance module.
- Employee Communications consulting & design (benefit statements, total compensation statements)



- Development of employee communication campaigns with access to hundreds of employee communication templates.

9. Miscellaneous Support Services

- Establish standards and monitor performance of benefit service providers.
- Provide ongoing advice and assistance to corporate benefits staff relative to plan interpretation, claim problems, employee communications, competitive market practices, etc.

3. Describe the sources of revenue your firm receives and the percentage of revenue derived from all sources.

The majority of our clients choose to compensate Hays Companies via an annual fee for service. These capped annual fees are often offset by building in commissions to various lines of insurance coverage. Approximately 70% of our revenue is generated from commissions with the remaining payments collected directly from clients where the lines of coverage are “net” of commissions.

4. Provide the addresses of your corporate office and the office(s) which will be providing services to this project.

Corporate:
80 S 8th St #700
Minneapolis, MN 55402

Service office:
1200 N. Mayfair Rd #100
Milwaukee, WI 53211

5. Indicate the number of clients, employees and members for whom you provide or provided multi-employer benefit plan consulting services.

Hays Companies of Wisconsin has 6 multi-employer clients for whom we are currently providing employee benefit consulting services. Collectively, these equate to approximately 7,736 employees and nearly 20,000 members.

6. Provide examples of your successes in assisting clients in the formation of collaborative health care purchasing and negotiating healthcare costs for clients.

One success story involved the formation and maintenance of a purchasing group for over 200 not-for-profit entities representing approximately 2500 employees for whom we negotiated the plan design, cost and administration of medical and dental plans totaling over \$20,000,000 in premiums annually. Consulting services including employee communications and meetings were provided to the purchasing group as a whole as well as to each individual entity. Renewal increases were kept to single digits each year without major benefit changes.



Another very successful purchasing coalition involves 4 separate operating companies who align themselves with the same vendors, benefits and administrative provisions. The 4 companies have effectively branded themselves as one benefits program and they currently offer robust incentives for maintaining healthy lifestyles including receiving an annual wellness exam from their primary care physician and rewards for getting their age appropriate preventive exams. Hays is currently exploring the possibility of a shared near-site clinic for them.

Hays assisted a third purchasing group with building an on-site clinic and sharing doctor, nurse, pharmaceutical and durable equipment purchasing with another company. We also engaged in the collaborative purchase of stop loss coverage for the two different companies.

We are currently in the process of helping seven different unions form a collaborative purchasing group for their health and welfare benefits.

7. Does your organization have any financial or other interest in any service you are recommending or subcontracting with?

No.

8. Describe your philosophy of consulting principles and practices. Indicate how your firm maintains its status as an independent benefits consultant.

Employee Benefit Staff and Philosophy

Our client teams work with employers to find, develop, motivate and reward employees in ways that align with their broader financial and business goals. Our philosophy is to use the expertise of our team to provide customized, high-quality, data driven, and measurable solutions.

We believe we are well qualified to assist you for several simple and clear reasons:

- Brokerage and consulting organizations draw from the expertise of their people. We employ team members that are not only well versed in employee benefits and insurance, but also in specific areas. As such, you will benefit from their individual professional knowledge of underwriting, wellness and health management programs, consumer driven strategies, life and disability programs, voluntary benefits and regulatory compliance, to name just a few.
- We value our clients. Consulting is about relationships and open and honest communication with services delivered in a professional manner. We work with our clients to set budgets, establish deliverables, and deliver services on time, on budget, with no surprises.

Good Stewards of Your Health Plan

It is our ability to help our clients become good stewards of their health plan combined with superior customer service that has led to definable results. More specifically, we believe it is Hays Companies



support in the following areas that led to superior health plan performance:

- a commitment to supporting employees' health and health care decisions
- a broad view of program goals that goes beyond costs
- well-articulated benefit strategies, combined with metrics and processes for evaluating program effectiveness and taking appropriate action
- performance metrics that capture employee attitudes and behaviors
- targeted employee health management programs, effective communication and decision support programs that successfully engage employees and help build a culture of health.

Strategic Focus

Our approach to benefits management is based upon sophisticated analysis of data, awareness of local and regional options, and the strategic focus to help our clients chart a course for the long term and not just the next renewal or the next open enrollment.

Part of our strategic approach is to challenge clients to think “over the horizon” – to plan today’s tactics regarding health care management based on tomorrow’s needs. Business issues such as employee recruitment and retention, workforce demographic composition, financial limitations or opportunities, employee satisfaction, merger/acquisition expectations, and market conditions need to be analyzed in developing benefit program strategies to meet the needs of the future.

We provide this expertise not only as part of our daily interaction with clients, but in a formal fashion with annual Stewardship Meetings and periodic “**Strategy Summits.**” Such sessions, facilitated by us and involving senior client management and driven by the client’s agenda, have been extremely successful in providing a focused strategy to one of the largest expenditures of any employer – benefits costs.

As a privately held firm we have one focus: assisting our clients. In order to represent those client interests we do not align ourselves with any particular organization, vendor, insurance company, or benefits organization. Our client teams are constructed to meet your needs and perform three fundamental roles – inventory and investigate your situation, create solutions that make sense for you, and implement your decisions efficiently and effectively.

Our Performance

In a business climate where the majority of our competition is reducing headcount, increasing case loads, cutting services to clients, increasing fees, and centralizing functionalities into major metropolitan hubs, Hays Companies, in contrast, is thriving.

Nationally, Hays Companies has nearly doubled in the last five years, based on organic (not acquisition) growth. Locally, the Hays Companies of WI Employee Benefits Practice has experienced double-digit growth each of the last four years. We have grown our consulting staff by nearly 50% over that time period, recruiting the best and brightest from our local competition. We have added a significant number of new clients in a variety of industries from around the state. We are consistently partnering with our customers to deliver positive employee outcomes and meaningful organizational cost containment.



Our Approach

Put simply, we are bolder, more creative, more passionate, more energetic, and less afraid of failure than our competition. Hays Companies' growth is premised on a simple philosophy of hiring only the best talent, and then providing them with the support they need to service their clients in an environment devoid of red tape and bureaucracy. We foster this attitude in our local work environment. Our local management team continually encourages our consulting teams to bring new ideas to clients, to present new thresholds of performance expectations to the insurance carriers we do business with, and to spare no expense in acquiring whatever resources are necessary to bring the best solution to each specific client in each unique circumstance.

Our Work Environment

Our local management puts tremendous emphasis on making Hays Companies a great place to work. We believe that employees who enjoy their work environment will reflect that enjoyment in the interactions they have with their clients, in turn resulting in an enhanced client experience. We put a premium on retaining employees, allowing our clients to enjoy years of consistent service and strategy execution from the same individuals. As stated above, we value creativity and do not discourage innovative ideas, or unnecessarily punish individual failures. Each of our employees cares about the other, and contributes meaningfully to our strong team-based environment internally. We receive regular compliments from our competitors, our clients, and the insurance carrier marketplace as to the caliber of talent and the character of the employees we are able to recruit and retain. We have fun working together and working with our clients!



Specific Information in regards to this project:

- 9. Provide an organizational chart or listing that includes names of all management personnel who will be assigned to this account. Include biographies.



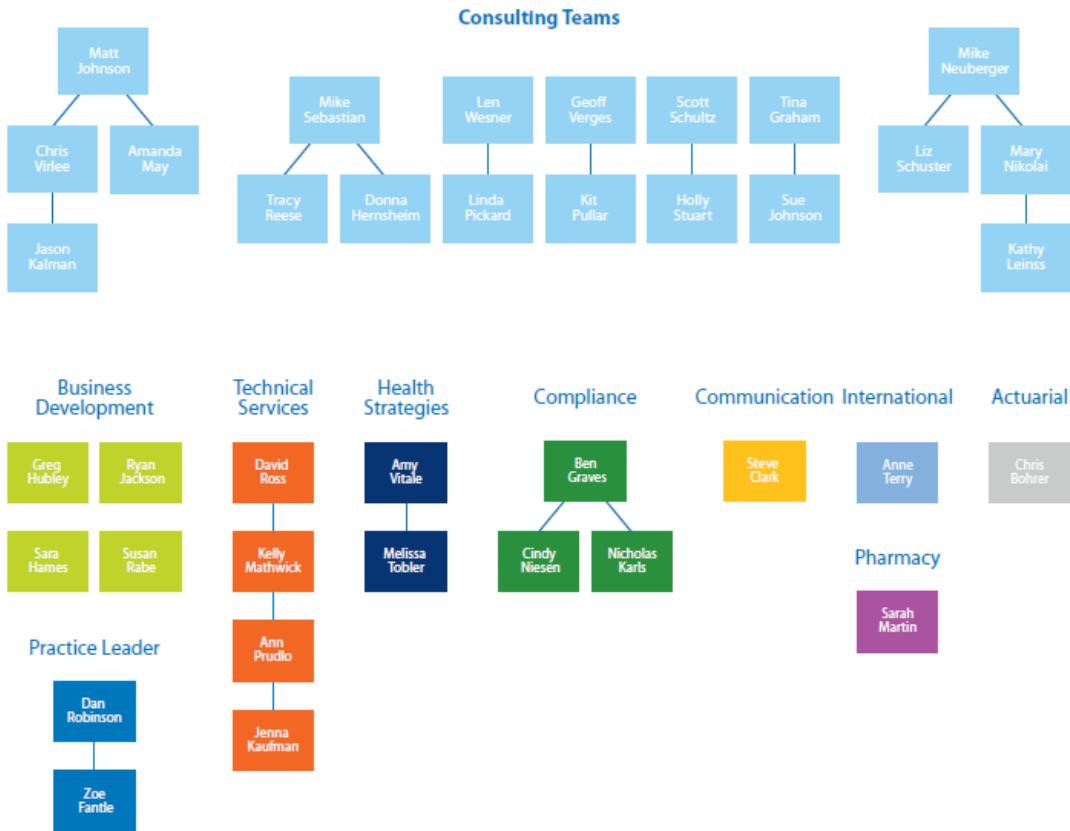
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Milwaukee, WI 53226

414.443.0000 phone
414.259.8448 fax

All. Together. Certain.

The Team - All. Together. Engaged.

Our Wisconsin Benefits Practice uses a team-based approach that will provide you service from a **Consultant** and an **Account Manager**. The roles of these individuals are focused around strategic development and day-to-day service. Your core service team is supported by local practice groups including **Technical Services** (individuals who oversee financial and analytic project development), **Clinical Strategies** (health management and wellness subject matter experts), and **Communications**. Your service team will also draw on additional expertise from our corporate office in Minneapolis, such as our **Research and Compliance Department** and **International Benefits** team.





The following individuals would be directly involved in servicing the Eau Claire Collaboration's account. Once we determine the program's specific needs, additional team members may be added as necessary:

Sara Hames will serve as Lead Consultant, working with the Eau Claire Collaboration Shared Health Insurance team to develop short and long term strategies, review benefit design options and impact, facilitate meetings with the Eau Claire Collaboration and negotiate with vendors to maximize efficiencies and secure competitive rates.

Linda Pickard will provide daily account management and work with the Eau Claire Collaboration's benefits team to assist in claims resolutions, renewals and all facets of plan administration.

Under the direction of **Melissa Tobler, RN, Amy Vitale** will serve as the Eau Claire Collaboration's Health Management resource, working closely to develop strategies, participate in/facilitate wellness committee meetings, review current programs in place and refine or design programs to align with your goals, strategies and vendor requirements.

Kelly Mathwick will provide budgeting and underwriting direction for the Eau Claire Collaboration. **Chris Bohrer** will provide actuarial support.

Dan Robinson serves as the Practice Leader of the entire Hays Employee Benefits team for the Eau Claire Collaboration.

Sara Hames, Benefits Consultant

Sara joined Hays Benefits Group of Wisconsin as a Benefits Consultant in 2011.

Sara's responsibilities include health and welfare plan consulting focused primarily on the development and execution of health plan strategies, wellness initiatives and employee engagement. She has extensive experience in working with both self-funded and insured health plans, as well as a wide variety of ancillary benefit programs including employee advocacy. She is also responsible for establishing and maintaining strategic relationships that support the employee benefit services delivered to clients.

Sara has over 25 years of experience in the health plan management and the insurance industry. Her primary focus has been as an advisor to medium and large clients in both the private and public sectors. Prior to joining the Hays Group, Sara worked as a consultant at HNI, Willis (formerly Haack) and T.E. Brennan. Sara also served as an Account Manager with Aetna.

Sara is a member of the International Society of Certified Employee Benefit Specialists, the Greater Milwaukee Employee Benefits Council and the National Public Employers Labor Relations Association.

She has been a featured speaker at the MRA, WASBO AND WCEA on employee benefits topics and trends and has taught employee benefits classes at the University of Wisconsin-Green Bay, Marquette University and the International Foundation of Employee Benefit Plans.

Sara received her undergraduate degree from the University of Wisconsin-Whitewater with a Bachelor of Science Degree in Speech Education. She received her CEBS designation in 1989 and maintains Wisconsin Resident and Illinois Intermediary Licenses for Accident and Health plans and Life plans.



Linda Pickard – Account Manager

Linda joined Hays Companies Employee Benefits Group in June of 2004. As an Account Manager, Linda provides support to the Benefits Consulting Staff as well as providing support to clients in all facets of the administration of their health care plans.

Linda's employee benefits experience includes extensive health plan design and implementation, including design of Section 125 cafeteria plans and Section 105 plans. Prior to joining Hays, Linda was a Benefits Consultant and Lead Claim Auditor for Key Benefit Concepts for more than six years. Prior to that, Linda was employed by CNA Insurance Companies for over twenty- two years in various roles, including Branch Manager of the Milwaukee Group Health Claims office and positions in workers compensation claims and commercial auto and general liability claims.

Linda attended the University of Wisconsin-Waukesha, majoring in Mathematics. Linda has successfully completed the Health Insurance Association of America (HIAA) Principles of Group Health Insurance I and Principles of Group Health Insurance II. Linda holds a Wisconsin Resident Intermediary License for Accident and Health, Life, Property and Casualty.

Dan Robinson, JD, CEBS- Vice President, Employee Benefits Practice Leader

Dan joined Hays Companies of Wisconsin in 2008.

Dan has primary operational responsibilities for the Employee Benefits Practice of Hays Companies of Wisconsin. Dan oversees Hays Companies' client service teams in the development and implementation of strategies related to corporate benefit objectives. These strategies encompass program design, funding structure, employee communication, wellness initiatives, and legal compliance. He has extensive experience in working with both self-funded and insured health plans, as well as a wide variety of ancillary benefit programs.

Dan began his career in Risk Management at a national brokerage firm before moving into Employee Benefits consulting in 2001. He has been a featured speaker at the UW-Madison School of Business on employee benefits topics and trends, and has delivered seminars on legislative developments in health care policy and employee benefit issues. His comments on health care issues have been featured in publications including Employee Benefit News and Employee Benefit Advisor.

Dan holds a law degree from Marquette University Law School. He is a graduate of UW – Madison's School of Business with a BBA in Risk Management and Insurance. He earned his CEBS designation in 2003 and currently holds a Fellowship with the International Society of Certified Employee Benefit Specialists.

Kelly Mathwick - Technical Services Team Leader

Kelly provides financial underwriting expertise for our client accounts. Her role includes evaluating and negotiating renewal proposals presented by insurance carriers and benefit service vendors, analyzing client experience and utilization data, and recommending benefit and funding alternatives.



Kelly has nearly 25 years of experience in the Group Health and Life underwriting arena. Prior to joining Hays Companies in January 2001, she spent two years managing the underwriting department at Family Health Systems in Milwaukee. In this role, she managed the underwriting activities of Family Health Plan and Community Health Plan of Wisconsin. Prior to Family Health, Kelly spent 12 years at General American in St. Louis, as an underwriter of large group accounts. Prior to General American, Kelly worked for TransAmerica Occidental in Los Angeles, where she began her underwriting career.

Kelly graduated from the Eau Claire Collaboration of Wisconsin-Oshkosh with a Bachelor of Science degree and the Eau Claire Collaboration of Southern California with a Masters degree.

Melissa Tobler, RN – Vice President of Health Strategies

Melissa's position at Hays Companies draws on her career as a Registered Nurse for twenty years, during which time she has actively been involved in developing and overseeing case management, utilization review, quality assurance/improvement, and disease management strategies for insurance plans, vendors, and employers. Melissa is a patient advocate who has created win-win solutions for groups and employees, balancing the needs of the individual with the fiscal responsibilities of the group.

In her role at Hays Companies, Melissa partners with employers to understand the impact of health on their productivity, absenteeism, health plan costs, and ultimately profitability. She has worked with clients in strategically designing and implementing Disease Management programs, Wellness programs, and other Medical Care Management programs that complement the unique needs of each employer group.

Prior to joining Hays Companies, Melissa was a Vice President with Wachovia Insurance Services and the National Practice Leader for Clinical Strategies. Melissa was also the Director of Disease Management Product Development for APS Healthcare, Inc. In that capacity, she built disease management programs for asthma, prenatal, diabetes, heart failure, at-risk cardiac, low back pain, and chronic obstructive pulmonary disease. Her programs were used for NCOA accreditation for the health plans she serviced.

Her clients have included employer groups such as Milwaukee County and Schreiber Foods and various Blues plans in the Midwest.

A member of the Nursing Honor Society, Melissa received her Bachelor's in Nursing from Marquette University and has completed her course work for her Master's in Business Administration. In 2007, she became the first benefits consultant to be certified in Clinical Outcomes Report Analysis by the Disease Management Purchasing Consortium. She has also received the designations of Health Insurance Associate and Managed Healthcare Professional from HIAA.

Amy Vitale- Wellness Coordinator

As Wellness Coordinator, Amy works with the Health Strategies Team supporting the wellness and health management consulting needs of Hays consultants and clients. Amy researches and prepares Health Plan Intelligence drill-down analyses to identify opportunities to reduce or eliminate current and future health plan risk. She also creates a variety of client specific wellness programming, such as walking programs, weight maintenance programs and also facilitates wellness committee meetings and planning sessions.



Prior to joining Hays Companies, Amy was a Business Development and Area Manager accumulating over 20 years' experience working with Human Resource professionals to determine staffing levels and supplying testing, training and staffing to fit their needs. By consistently applying market intelligence and best practice processes, Amy is successful at generating results.

Amy holds a Bachelor of Science degree from the Eau Claire Collaboration of Wisconsin, La Crosse.

Ben C. Graves, JD - Director, Research & Compliance

Prior to joining Hays, Ben was the Director of Compliance for Administration Resources Corporation, a Cafeteria Plan and COBRA administration services company. In this role, Ben was responsible for technical and compliance advice for Cafeteria Plan and COBRA administration services, plan document management, and seminar presentations and web casts on COBRA, FMLA, HIPAA Privacy and HIPAA Portability, Cafeteria Plans, Consumer Driven Health Care, Integration of FMLA, ADA, and Workers' Compensation.

Previously, Ben was the Director of Compliance for A.E. Roberts Company, a nationally recognized training and consulting company for human resources, benefits, and insurance professionals. He was responsible for all training materials and presented A.E. Roberts seminars nation-wide on Cafeteria Plans, COBRA, HIPAA Privacy and Portability, the ADA and FMLA.

Ben has more than 24 years' experience in developing workplace policies, employee training, and risk management issues. He has consulted with management personnel and individual clients on employment related matters and has personally trained over 4,000 human resources and benefits professionals.

Ben holds a BS in Sociology from Central Michigan University, a Masters of Industrial Safety from the Eau Claire Collaboration of Minnesota, Duluth, and a JD from William Mitchell College of Law. He is licensed to practice law in the State of Minnesota.

While extenuating circumstances certainly may come about, it is our intention to maintain the original service team proposed for the duration of our relationship with the Eau Claire Collaboration.

Sarah Martin, ASA, MAAA, CEBS

Sarah is an Actuary and Pharmacy Benefit Consultant for the Hays Companies.

Her current responsibilities include managing PBM RFPs, contract negotiations, and pharmacy audits. She has worked with hundreds of pharmacy benefit plans in the areas of pricing, contracting, clinical management, specialty drugs, and utilization management.

Sarah has been in the insurance industry for 9 years. Prior to joining Hays Sarah was with Lockton where she was Vice President and Director of the national Pharmacy Analytics practice. Prior to Lockton, Sarah was an actuarial analyst for Mercer.

Sarah serves on the Professional Development Committee for the International Society of Certified Employee Benefits Specialists. She is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. Sarah has spoken at the ISCEBS Symposium, the Pharmacy Benefit Management Institute Conference, and local SHRM and CEBS meetings.

Sarah holds a B.S. in Applied Mathematics from the Eau Claire Collaboration of Missouri-Rolla with Minors in Business and Finance.



10. Describe how you will staff the Eau Claire account. Clearly indicate how your organization will be prepared to accommodate the addition of this project to your client portfolio.

By limiting the average number of clients our service teams work with to 15, our staff has the capacity to provide exceptional service. Sara Hames, lead consultant proposed for the Eau Claire Collaboration currently works with 5 clients and thus has capacity to meet the needs of the Eau Claire Collaboration.

11. Indicate how your office location and or any travel enhance or detract from your services for this project.

Hays Companies Consultants and Account Managers routinely travel to meet with clients on a regular basis and make themselves available as needed throughout the year.

12. A description of the services you plan to provide.

As one of the fastest growing employee benefit consulting and brokerage firms, Hays Companies has developed one of the more impressive books of business in the Wisconsin marketplace. For this reason, carriers want to do business with Hays Companies and provide the highest quality service for our clients. As a result of our growth and the fact that many highly visible organizations have selected Hays as a business partner, there is an energy and excitement in the local market around Hays Companies' benefits practice. This excitement has also lent itself to an understanding within the local talent pool as to Hays Companies being a desirable place to work, and we believe that future opportunities to hire talented individuals will allow us to continue to build a best-in-class service model for our clients.

After we transition a client from their current relationship to Hays, we continue a client service process that is comprehensive and proactive. In addition to an initial "Needs Assessment" process, you can expect ongoing consulting year-round to ensure your benefits programs will always be favorably positioned within your community and in the healthcare marketplace. In addition to monthly financial monitoring, ongoing wellness support, ad hoc reporting, claim resolution support and education/training sessions as needed, you can expect quarterly reviews that generally follow this schedule:

- First Quarter – Stewardship Report
- Second Quarter – Annual Report/Financial Recap
- Third Quarter – Health Plan Utilization Analysis
- Fourth Quarter – Pre-renewal/Enrollment Strategy

The timing of these meetings are dependent on the initial "Needs Assessment" session and resource planning for any given plan year and differ from client to client. In addition, these proactive sessions are objective-driven and result in timely delivery of a well-conceived strategy that is effectively communicated to employees in the fourth quarter (or when required by the client). These deliverables will uncover other needs and strategies the client wants to explore that will lead to many other activities.



Our 1st quarter analysis is a review of the activities from the previous plan year and also a financial recap of how all benefit plans performed during the previous year from a purely financial perspective. The sessions highlight opportunities for improvement and are important as an early kick-off to the strategic development process each year.

Our 2nd Quarter health plan utilization analysis will tell you how your plan is performing allowing for prudent benefit plan decisions and focused employee communications. We structure this review in order to allow enough time to consider possible changes or strategies as you approach the next review.

During the 3rd Quarter session, we deliver the results from the various strategies and initiatives developed from the first three strategy sessions, along with financial projections for the coming year. Delivery during the 3rd quarter allows ample time for decision-making and leaves the 4th quarter for effective implementation and employee communications.

We document the process through our Client Calendar which is used to plan and monitor the activities for a given plan year. This process, along with our monthly financial monitoring, allows us to estimate your renewal costs at any given time of the year.

Unique to Hays Companies is our approach to **Risk Pool Management**. Risk Pool Management incorporates consumer purchasing behavior expectations into health insurance design and contribution strategies. Insurers and actuaries do this routinely...employers do not.

There are four primary areas addressed by proper Risk Pool Management:

1. Size of population
2. Demographic health of population
3. Detrimental impact of split risk pool
4. Member burden

Once a thorough RPM Opportunity Analysis is complete, we begin to design a “consumerism strategy” to encourage employees to be good stewards of their own health while making sound economic decisions.

As health care costs continue to escalate, many employers are shifting their focus from a “supply-side” cost management strategy (network – product) to more of a “demand-side” cost management strategy (consumerism). Hays Companies has assisted many of our clients with consumer driven strategies. The intent is to make a meaningful impact on the choices and decisions employees make with respect to their healthcare services. For numerous clients we have also implemented patient advocacy services and other decision support tools to assist employees now having more stake in their own health care decisions.

Demonstrating savings:

The creation of a 3-year strategy with agreed upon milestones and goals will serve as the starting point for tracking savings. Key metrics and reporting will include the following:

1. Renewal tracking to local/national trend
2. Annual plan/cost benchmarking
3. Enrollment changes (migration studies based on Risk Pool Management planning)
4. Year End Financial Plan Summaries
5. Member Cost Burden Report
6. Stop Loss activity reports



7. HPI - Clinical data - Measure current illness burden and predicted illness burden pre and post Hays interventions
8. Proprietary Technical Services:
 - actuarial modeling
 - underwriting worksheets



1200 North Mayfair Road, Suite 100
Milwaukee, WI 53226

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414.259.8448 fax

All. Together. Certain.

Strategic Planning - All. Together. Strategic.

Illustrative Three Year Plan

Foundation Partners & Planning 1/1/2012	Implementation Introducing Concepts 1/1/2013	Outcome Accountability /Incentives 1/1/2014
<ul style="list-style-type: none"> Wellness Vendor upgrade Financial Dashboard development Pharmacy Benefit Manager contract negotiation and vendor change Development of communication vehicle and strategy ERISA Compliance Review Incorporate Value-based Design initiatives to manage chronic conditions as appropriate 	<ul style="list-style-type: none"> Add account-based plan option Implement cost/quality research tool Network effectiveness analysis and comparison Plan selector tool made available Total Compensation Statements Wellness program redesign rolled out Incorporate Value-based Design initiatives to manage chronic conditions as appropriate 	<ul style="list-style-type: none"> High Deductible plan accompanied by personal account Cost-sharing waivers for targeted disease states Communications including key utilization metrics ABC Company personal account contributions variable based on desired behaviors or overall plan performance Incorporate Value-based Design initiatives to manage chronic conditions as appropriate

Your Hays Companies consulting team will go through a detailed process that will help you define your purpose and goals for the employee benefits program. This process can involve input from the key decision makers within your organization. The strategic objectives developed in this process produces a **Three Year Plan** as the blueprint that defines all future activity.

ABC Company Benefit Program Service Calendar

January	February	March	Qtr. 1	
<ul style="list-style-type: none"> Set up monthly financial tracking format for 2010 Update benefit summaries, rate & fee history, etc. Finalize contracts/ SPD review 	<ul style="list-style-type: none"> Request Schedule A forms Host strategy/planning meetings with vendor partners (medical/dental/disability/vision) 	<ul style="list-style-type: none"> Evaluate and select HRA vendor Follow-up on Schedule A collection Deliver quarterly IBNR update to finance 	Qtr. 1	
<ul style="list-style-type: none"> Evaluate Total Comp Statement vendors/tools Life/Disability carrier RFP submitted to market Initial HRA communications to EE's 2009 Financial Recap/Wrap-up 	<ul style="list-style-type: none"> Initiate Claims Audit with TPA Request renewals Deliver Plan Claims Utilization Report and Clinical Analysis 	<ul style="list-style-type: none"> Life/Disability RFP responses received ISSO Rfing completed Deliver quarterly IBNR update to finance 		Qtr. 2
<ul style="list-style-type: none"> Deliver Total Comp Statements Receive outcome of Claims Audit Insured renewals received 2011 Self-funded cost projections delivered 	<ul style="list-style-type: none"> Final renewal negotiations completed Self-funded plan design modeling and valuation delivered Benchmarking completed 	<ul style="list-style-type: none"> Executive approval of 2011 rates/contributions Confirm rates to HRS vendor Deliver quarterly IBNR update to finance 		
<ul style="list-style-type: none"> New vendor implementation as needed Open enrollment process starts Conduct employee meetings 	<ul style="list-style-type: none"> Conclude open enrollment Discussion of 2011 initiatives Plan documents/benchmark review initiated 	<ul style="list-style-type: none"> Finalize new vendor implementation as needed Final IBNR Y/E delivered to finance 		Qtr. 4

■ Financial
 ■ Employee Satisfaction
 ■ Administrative Effectiveness
 ■ Behavior Management

Our Benefit Program Service Calendar documents mutually agreed-upon actions to achieve desired goals and objectives over a twelve month period.





Our true strength in delivering best possible renewal outcomes for our clients comes from the expertise of our Technical Services department. Each of our clients is assigned a dedicated underwriter whose sole role is to negotiate renewals, establish budgeting and set premium equivalents. Our “platinum” status with the major carriers in the area affords us the opportunity to escalate negotiations to the highest levels with our vendor and carrier partners.

Specifically, we will perform the following tasks to ensure the best possible outcomes:

1. Request all renewals to be received by the Hays Companies at least 120 days prior to renewal dates.
2. Evaluate initial renewal proposals from insurance carriers.
3. Analyze premium levels, claims, reserves (quarterly IBNR), retention, pooling levels and margins.
4. Develop plan alternatives and pricing for your consideration.
5. Utilize claims experience and financial reports to assist in analyzing and negotiating renewals.
6. Negotiate the appropriate renewal action with the insurance carriers.
7. When necessary, market plans to insurance companies, administrators or other employee benefit vendors. This would include a thorough analysis of all submitted proposals and a report with our recommendations.

We have four underwriting consultants in our Milwaukee office. Their responsibilities include calculating funding rates, reserves, benefit modeling, specific stop loss level analysis, aggregate funding limitations analysis and reporting. Through this resource we are able to provide you with a monthly snapshot as to how the plan (s) is performing from a financial perspective. In a self-funded arrangement, we track participation, fixed expenses, claims, claims that exceed specific stop loss attachment points, and compare monthly totals to budget.

Hays Companies’ data and metric driven approach to supporting our self-funded clients is a clear differentiator from our competition.

Through ongoing analysis and underwriting expertise, Hays Companies will ensure the Eau Claire Collaboration is using the optimum plan design, networks and funding arrangements. Our Technical Services team (underwriting) uses a variety of tools to analyze renewal/funding calculations and to validate and challenge insured renewals. By thoroughly reviewing renewal calculations in this manner we ensure the most appropriate underwriting criteria and guidelines are used. Our renewal validation process will provide concrete support for any argument we use with a given insurance company in negotiating your renewal.



Our core services include extensive analysis, reporting, and support on alternative funding options and health plan utilization. Advantage/disadvantage, cost/benefit and risk evaluations are monitored monthly, while contractual changes are annual considerations. The following is a partial list of our financial reporting and analysis capabilities:

1. IBNR funding
2. Corridor Reserve Funding
3. Rate Stabilization Reserves
4. Voluntary Employee Benefits Association (VEBA) Section 501(c)(9)
5. Taxable Trusts/Asset Accounts
6. Contingent (Minimum) premium
7. HCAT (High Claims Analysis Tool)
8. Fully-Insured
9. Partial Self-Funding
10. Self-Funded
11. Transplant Carve-outs with Excess Risk Analysis
12. Prospectively Rated
13. Retrospectively Rated Premium Plans

This methodology allows us to stay on top of all financial situations to insure that the client is aware of the projected funding balances or projected premium increases at the end of the year. By taking this active monthly role, we can very easily and effectively move into the rating of the plans. Whatever the issue may be, corrective actions can be discussed and an action plan can be devised. Our underwriting unit then moves into the renewal phase where they give the Eau Claire Collaboration their first review of the renewal rate action. Along with benefit modeling capabilities, the Eau Claire Collaboration will have a clear and concise vision of the appropriate steps needed to keep the plan healthy and robust.

By including enrollment and membership in the monthly experience reports, we are able to provide you with valuable consultative information that is frequently overlooked by less detailed reporting packages. Closely monitoring enrollment and membership trends, in conjunction with demographic data extracted from the Health Plan Intelligence report, allows for precise, quantitative analysis of the tier-structure (e.g. two-tier, three-tier, or four-tier rates) and the pricing-relationship that exists among the tiers. In the absence of this analysis, groups are unknowingly paying far more than they need to by inadvertently inviting costlier contracts onto the plan through inappropriate tier-structuring and unintentional subsidization among the tiers. This analysis, along with our unique contribution modeling techniques, allow for Risk Pool Management, a vital component of properly managing a group health, and/or dental plan, which is frequently overlooked.

Bottom line: active management of the Eau Claire Collaboration health Care Plan and other benefit plans are our top priority and focus.



As a national organization, we have access to not only what we develop locally, but also innovation and best practices from offices throughout our footprint. The following represent a few of the innovative concepts and solutions that are part of our current client strategic discussions with our clients.

- **Concierge Physician Services** - Typically, concierge physicians can provide enhanced care in a more patient centric environment by treating fewer patients than in a conventional practice. They are also generally accessible via cell phone or email at any time of day or night
- **Best Doctor Program**- A healthcare decision support solution that is complementary to your employee's current health plan or care management program. Such a program helps employees and their dependents get the very best in-network expert doctor for their condition.
- **On-site Health Care**- Including onsite, near-site, multi-employer/shared sites, and telehealth models.
- **Accountable Care Organizations**-provider systems who guarantee savings in exchange for treating entire populations over a multi-year time period.
- **e-health or Telemedicine**- 24/7 access to leading board certified physicians trained in the specialty of emergency medicine and the ability to prescribe medications quickly and cost effectively.
- **Medical Tourism**- The rapidly-growing practice of travelling across international borders to typically obtain elective health care procedures as well as complex specialized surgeries such as joint replacement (knee/hip), cardiac surgery, dental surgery, and cosmetic surgeries.
- **Medical Transplant Program (MTP)**- Removes the financial risk to self-funded plans associated with transplants. Vendor uses its ability to manage transplant risk through its case management program, including pharmacy and outpatient services management, as well as post-transplant protocol compliance monitoring, case reporting and claim processing.
- **Transparency and Advocacy Tools**- Providing employees with more cost and quality information to make more informed health care decisions.
- **Risk Pool Management**- Underwriting methodology that demonstrates how plan design impacts the size and demographic health of your risk pool.
- **Value Based Insurance Design (VBID)** - Reducing or removing financial barriers to essential treatments and high performance providers to steer employees to value-based health care and improved health status.
- **Voluntary Benefits-Employee Communications & Education** - Using voluntary benefit offerings as a funding source to provide high quality employee communications and one-on-one employee education on important employee benefit topics.
- **Dialysis Management programs** that demonstrate significant savings through negotiated fees.



13. Provide a time-frame of these services and describe how you can assure the implementation process is timely and as “seamless” as possible.

When we begin to work with a new client, our process and approach consists of three categories of activity – Inventory, Needs Assessment/Strategic Planning, and Implementation.

Within each of these areas of activity there are several sub-steps, some of which will require the direct involvement of the Eau Claire Collaboration resources and some that will only require the collection of material and data for our review.

The following is a review of each process component of **Inventory – Needs/Strategic Planning - Implementation:**

Step # 1 – Inventory Phase

As the name implies this step is where we collect data and other information so that together we assess where you are today and where you would like to be in the short-term with respect to your current design(s) and program(s). Key activities are:

- Review and benchmark your current Health & Welfare plans
- Evaluate and benchmark employee contributions
- Assess and analyze claim data
- Evaluate and benchmark ancillary benefit programs, if any
- Survey key stakeholders prior to the one-half day “Strategic Summit” in Step #2

Key Deliverable in Step 1 – The Identification of:

- Plan costs
- Plan design competitiveness
- Compliance issues

Step 1 of INI for the Eau Claire Collaboration personnel is primarily a data collection process. As we work to evaluate your current plans, we will provide a detailed Data Request Summary. Depending upon the format (paper vs. electronic) of your documentation, the time required of the Eau Claire Collaboration staff should not be significant. We also will need your input into the key stakeholders needed for the one-half day benefits strategy discussion outlined in Step #2 below. This session, facilitated by us, will be preceded by a brief confidential attitudinal survey that will assist us in planning the session. This survey will be conducted electronically and will require approximately 20 minutes for each person to complete.

Step 2 – Develop Short and Long-term Strategic Plan



Following the inventory and short-term program assessment, but prior to the implementation phase, we work with you to set both short and long-term strategies for the plan. This Needs Assessment may be accomplished in a variety of ways, but is designed to:

- Gain understanding of your organization
- Review corporate benefit philosophy
- Conduct pre-renewal meeting (current cost projections)
- Develop prototype plan design
- Forecast future healthcare costs
- Discuss employee communications
- Prepare timeline for execution of strategic plan

For many clients, Step 2 is embedded into the one-half day strategic planning process we referred to in Step 1. This *Summit Meeting* is designed to focus upon long and short-term objectives for benefits that make sense given a variety of other financial, cultural and philosophical challenges you may face. This would be an opportune time to engage the the Eau Claire Collaboration Employee Benefits Committee.

This one-half day strategy session provides a readiness assessment for change – which we believe to be a key component of any long-term strategy.

Key Deliverable in Step 2: Documentation and Definition of:

- Your benefit philosophy – A “Mission/Vision/Values” Approach
- Common understanding of your expectations
- Plan’s cost projections

The Strategy Summit is free flowing and will not require any preparation time on the part of participants; only the 2-3 hours for the actual meeting itself. We have conducted dozens of these sessions and are confident you will gain insight and consensus about the next steps in your benefit programs. We will work with you to identify the appropriate participants for this session. Oftentimes it is very broad-based, involving HR and Benefits, Finance, Administration, Union representation and others. With some clients the group is considerably smaller, involving only key decision makers. In your case, it should include the Employee Benefits Committee. The key is that it is customized for every client.

During this interactive session facilitated by us, together we will identify trends, employee characteristics, cultural issues, “blue sky” wants and needs, program assets and liabilities, (both from the employee and employer perspective), data needs, communication challenges and the impact upon benefits generally and health care specifically due to long-term corporate issues.

Following the Strategy Summit, we prepare an analysis of the session, outline our findings and comments, make recommendations, and conduct a session to present those findings. We refer to this follow-up session as a “reality checkpoint” because it is essential that whatever recommendations we may develop together, they are practical and financially realistic in your environment and culture.



Why do this? Our clients that have enjoyed the most success in managing costs, employee expectations, and change management have been able to do so when benefits management is considered an on-going, multi-year, effort. We believe that a longer-term view (anywhere from 3 to 5 years) not only requires careful thought, but also avoids the pitfalls of the annual tweaking of benefits to a financial target, only to repeat the process year after year with diminishing results. In this step, together we work to define your purpose and provide the following deliverables:

- A clear and precise statement of the plan improvements you seek, challenges to those improvements, and both long and short-term financial objectives;
- A high level, long-term strategy for health care that helps to redefine programs and form the basis for employee communication of those strategic objectives;
- A summary of what is important to you and your employees; and
- A project plan with resource allocations, deliverables, timelines, and team meetings identified depending upon the course you choose to take. Also important is the fact that as consultants, we have ideas and opinions and believe it is important to share them with you.

We will challenge you and your assumptions, not for the sake of challenge, but to help you address such benefits related workforce issues such as:

- The demographics of your workforce today versus five years from now;
- How benefits information is delivered to your employees; what works and what does not;
- What type of person will the Eau Claire Collaboration seek to recruit in 2013;
- What benefits do employees value the most? The least? Why?
- What motivates behavior change in your employees? Why?
- How engaged are spouses and family members in your cost management programs.
- How do Union expectations affect benefits?
- Would on-site/near-site primary care and/or 24/7 corporate-owned providers improve the cost, quality and convenience of care?

This process provides a solid basis for determining the success of subsequent stages of the effort.

Step 3 – Implementation of your Strategic Solutions

In this step our joint activities are designed to:

- Market your plan (if applicable) using our proprietary tools;
- Analyze and negotiate benefit renewals;
- Conduct renewal and marketing results meeting;
- Institute performance guarantees on new/existing vendor relationships;



- Develop employee communications;
- Develop on-line employee benefit site;
- Implement programs.

Key Deliverables in Step 3:

- Optimum market-based solutions & plan pricing
- User friendly benefits information for employees

the Eau Claire Collaboration resources necessary for implementation are very difficult to predict at this point. As part of the strategic review and particularly in Step #2 we will provide best estimates of the Eau Claire Collaboration resource allocation needs for each of the scenarios we develop as part of that process.

Process Finalization - Perform Program Evaluation

Very often some firms view open enrollment and implementation as an “end game” activity; we believe that ongoing program evaluation that begins immediately after implementation is critical to the success of any benefits plan. In this step we work closely with you and the vendors you have selected to:

- Monitor the financial performance of your plans;
- Perform claim data analysis;
- Monitor critical milestones;
- Monitor performance guarantees;
- Establish service calendar for the plan year;
- Prepare stewardship report and conduct meeting;
- Adhere to transparency and compliance requirements.
- Monitor the continued feasibility of self-funding.

This Evaluation Process makes certain that:

- Plan provisions are being met;
- Vendors adhere to performance metrics;
- Client expectations are met; and



Factors we take into consideration when marketing a benefit plan?

Tools and Timeline for the Process

As noted above, the selection process and implementation of health and welfare programs require proper analysis and planning to ensure a successful implementation. We have a number of tools to assist in the INI approach as we consider the following factors:

- Network Access
 - Total Program Cost
 - Network Performance/Discounts
 - Administrative/Unit Cost
 - Service & Medical Management Capabilities
 - Plan Design
 - Financial Stability.

Following the development of the strategic process outline on the previous pages, we follow an agreed schedule of activity and deliverables for the annual review process. An annual calendar of activities will be established that will detail the various steps taken each year as we evaluate the ongoing strategy.

Our business goal is to always do what is right for the client. We take a straightforward approach by creating the most transparent environment possible when negotiating rates, terms and plan design.

One of the problems employers face with respect to vendor fees is the lack of transparency. There is a risk that fees may be misleading because some vendors may attempt to hide network access fees, provider settlement fees, and contract fees within the claims. If inadequately defined, fee schedule arrangements do not reflect true administrative costs, thereby limiting the ability to negotiate effectively.

Similarly, administrators often subsidize their fees by retaining rebates that would otherwise be paid to the self-insured group.

We use our reporting process, experience, and leverage within the industry to identify and quantify fee schedules and/or negotiate transparent or partially transparent arrangements with administrators. Rebating is contractually defined for our clients and we hold administrators to the terms of the contract through our ability to monitor claims activity.

When all of the costs and margins associated with plan administration are known and quantified, negotiation of fees becomes more understandable, and quantifiable.

14. Identify any services you are unable to perform under this RFP

None.