



Uniquely Innovative Cost Cutting Program for Medigap Carriers

A member of

The  **Accountable Alliance**

The Accountable Alliance

A National Medigap Program

- Only one of its kind
- Hospitals waive all or portion of Medicare Part A Inpatient Deductible (\$1,260)
- Policyholders can select any facility
 - Receive \$100.00 premium credit when Part A Deductible waived at a contracted hospital
- Part A Deductibles will be covered at all facilities

The Accountable Alliance

- Program created in early 1990's
 - 1400 facilities contracted
 - 625 facilities waive Part A Deductible for acute care
 - 95% of facilities waive 100% of Part A Deductible

Key Reasons to Participate

- Lowers mandatory loss ratios
- Decreases claim payments
- Increases persistency of business
- Creates savings for carriers
- Encourages competition among plans
- Allows carriers to manage their cost
- Offers the advantage of provider discounts/waivers

Key Reasons to Participate (Cont'd)

- Program is in public interest
 - Reduces cost of MedSupp Insurance
 - *via Part A Deductible waiver
 - *via premium credit
 - *via less severe rate increases
 - All policy holders benefit even if they do not use a program hospital

Potential Carrier Savings

- Typically, a carrier experiences 260 to 310 admissions/year/1000 covered lives
- New Accountable Alliance clients can initially expect 5% to 15% of admissions to be in-network
- Resulting annual gross savings for a new client group of 10,000 covered lives

	Initial Participation	
Admissions	5%	15%
260/1000	\$163,800	\$491,400
310/1000	\$195,300	\$585,900

Potential Carrier Savings (Cont'd)

- Resulting annual gross savings for a new client group of 25,000 covered lives

	Initial Participation	
Admissions	5%	15%
260/1000	\$409,500	\$1,228,500
310/1000	\$488,250	\$1,464,750

Potential Carrier Savings (Cont'd)

- Resulting annual gross savings for a new client group of 50,000 covered lives

	Initial Participation	
Admissions	5%	15%
260/1000	\$819,000	\$2,457,000
310/1000	\$976,500	\$2,929,500

Potential Carrier Savings (Cont'd)

- Resulting annual gross savings for a new client group of 75,000 covered lives

	Initial Participation	
Admissions	5%	15%
260/1000	\$1,228,500	\$3,685,500
310/1000	\$1,464,750	\$4,394,250

Documented Savings for Current Clients

Carrier A

- Became client in 1990
- \$100 million in carrier savings from Part A Deductible waivers
- \$250 million in premium savings for policy holders

Carrier B

- In 2.5 years
 - \$5.5 million in carrier savings from Part A Deductible waivers
 - \$560,000 in negotiated savings on Exhaust Claims

Participation increases over time

- The Accountable Alliance will pursue contracts with hospitals heavily utilized by client's policyholders
- Client & Accountable Alliance will target top 25 hospitals with highest utilization

The Accountable Alliance

- The Accountable Alliance Part A Deductible Waiver Program:
 - Is not part of or affiliated with Medicare
 - Is not involved in any way in the Federal Government's Medicare payment process

Summary

- The Accountable Alliance national MedSupp program waives Medicare Part A Deductible
- The higher the utilization of the Accountable Alliance, the greater the savings
- Act now to be a tier one client & maximize savings

Medigap Claims & Premium Reduction (MEDIGAP CPR®) System

US Patent Pending

