



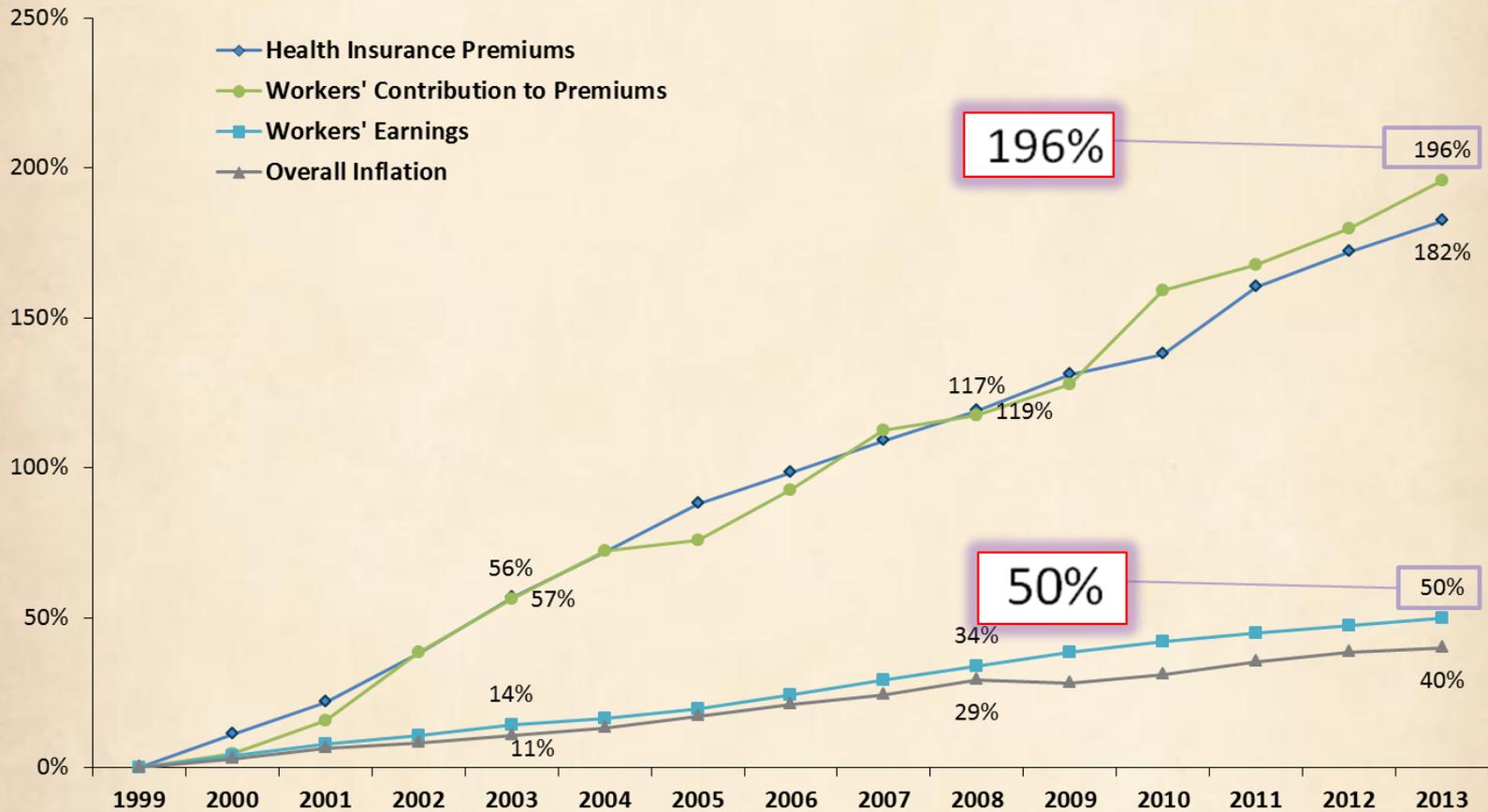
S3 HEALTH LEGACY

TRIBAL HEALTH RISK MANAGEMENT PROGRAM



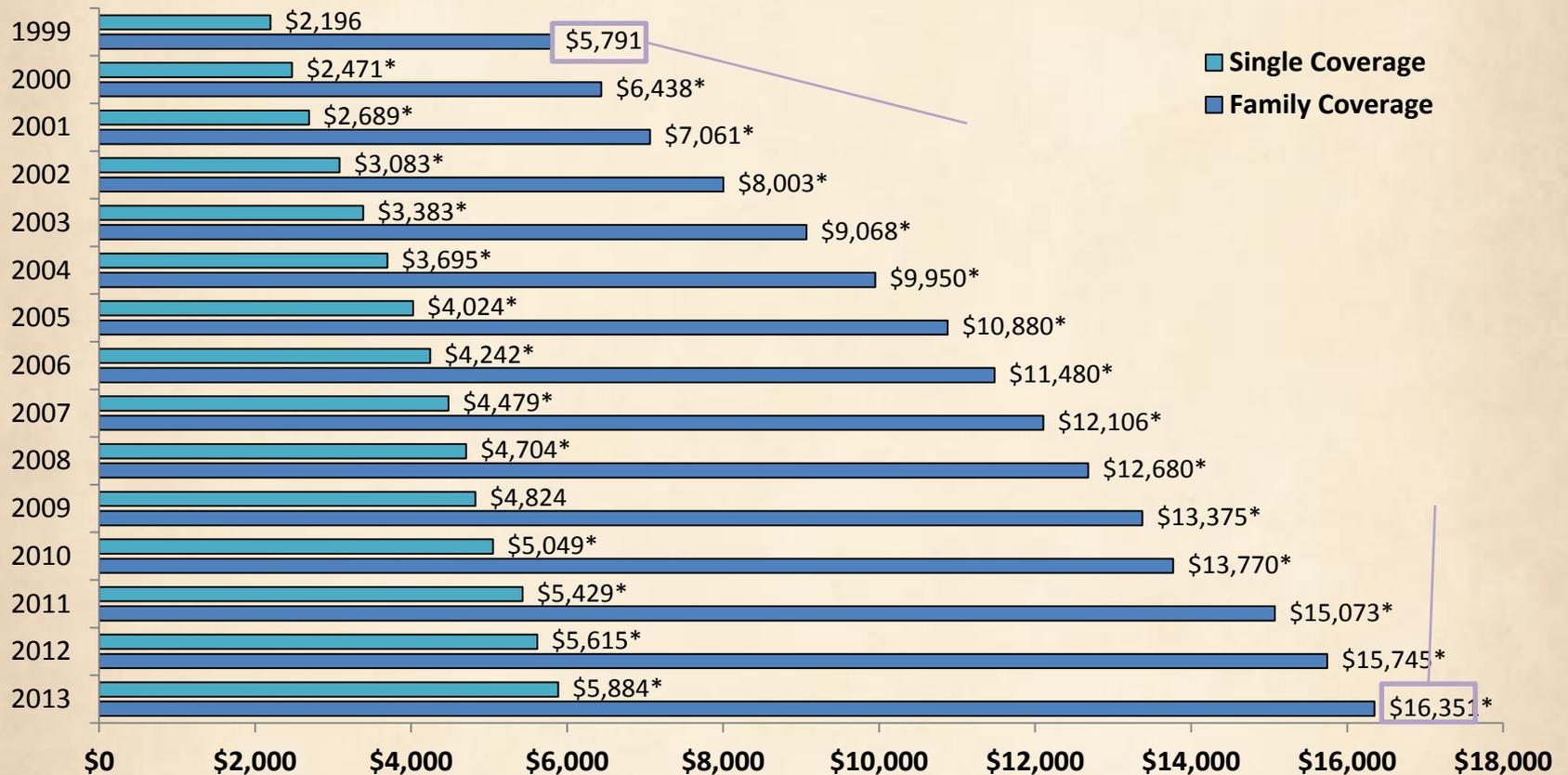
S3 MANAGEMENT GROUP, LLC

The Current Healthcare Reality



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2013. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2013; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2013 (April to April).

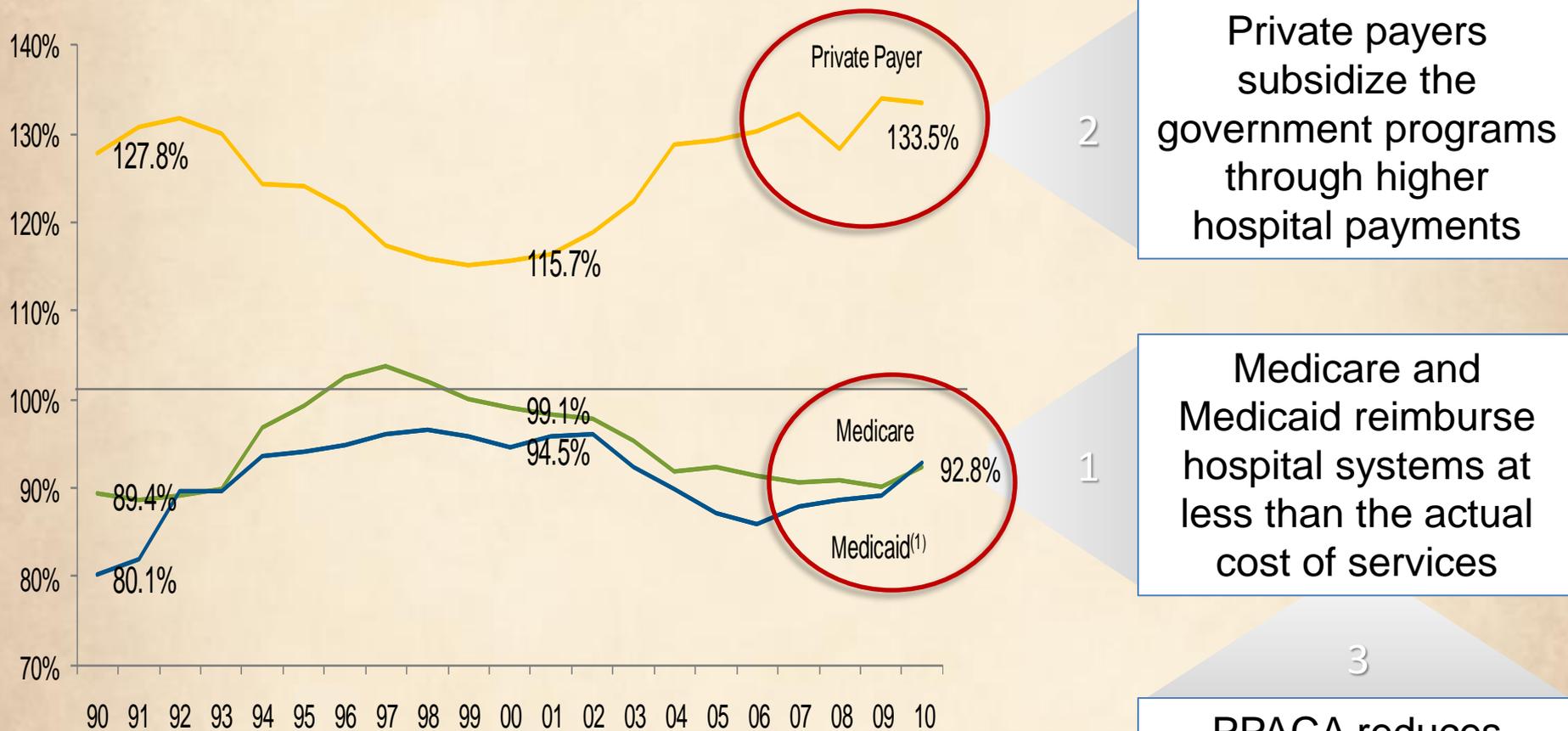
Trending of Premiums



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2013.

ACA Cost Shifting



Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2010, for community hospitals.

⁽¹⁾ Includes Medicaid Disproportionate Share payments.

2
Private payers subsidize the government programs through higher hospital payments

1
Medicare and Medicaid reimburse hospital systems at less than the actual cost of services

3
PPACA reduces funding to Medicare by \$741 billion



Insurance Frustrations

Cost

Costs are too high and rising too fast

Administration

Complex solutions are difficult to implement and manage

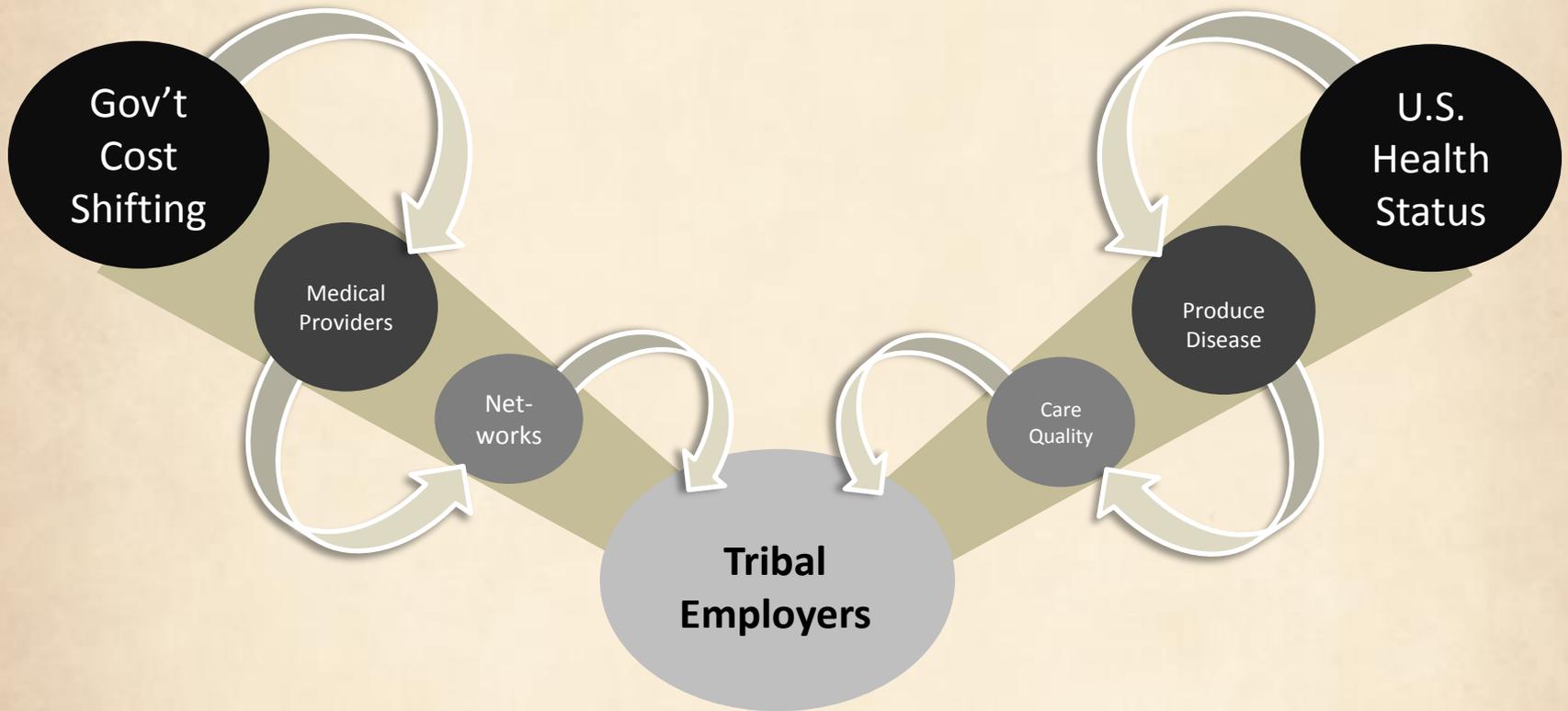
Accountability

Lack of accountability for patients and providers

Predictability

Lack of transparency and credibility in underwriting

The Tribal Employer's Dilemma



What Options Do You Have?



Protecting the Tribal Treasury

“Insurance is the most expensive way to protect the tribal treasury.”

-Derek Valdo, CEO of AmerIND

But based on the Affordable Care Act, it is a necessary requirement for ALL businesses

SO, how do we maximize this opportunity for Indian Country?

We can simply attempt to play the game and keep our heads above water

OR...

Envision current challenges as an opportunity and CHANGE the game...



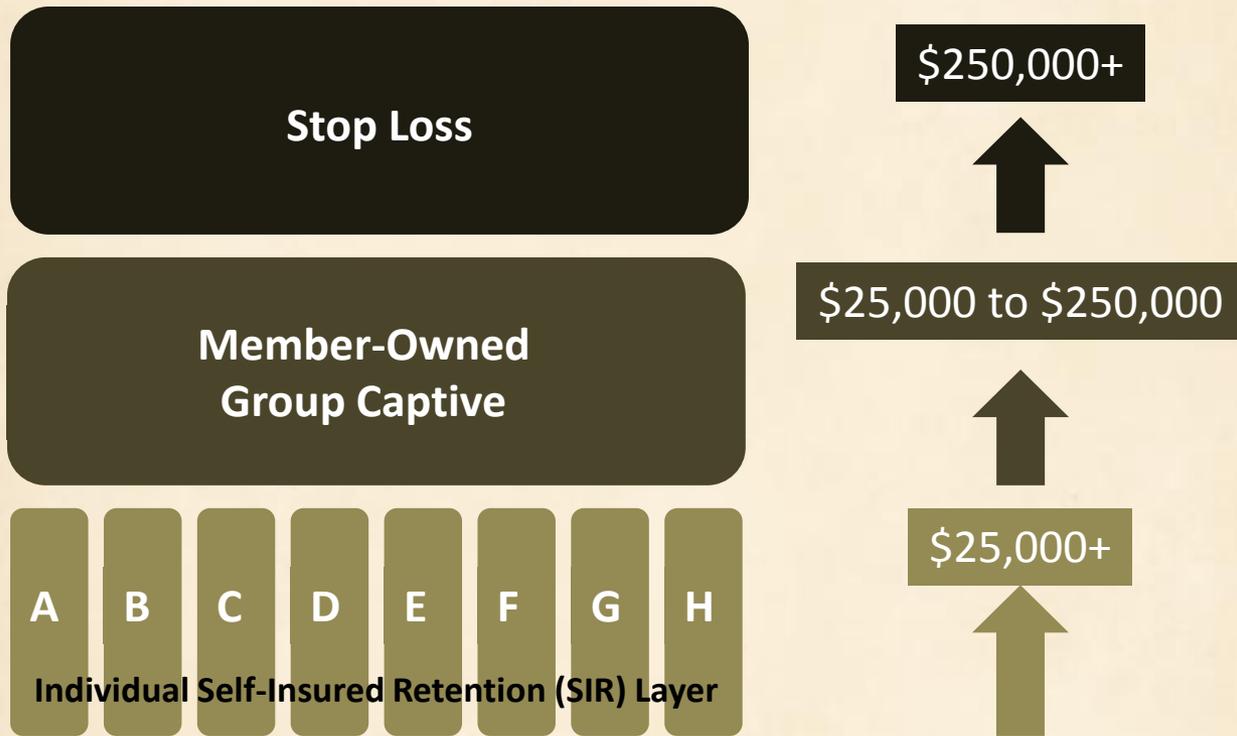
The Solution

- Form a Tribally-owned Health Risk Management company
 - Reduce cost and complexity today
 - Build a legacy of health and stability for the future
 - Keep it in Indian country

The S3 Solution



Member-Owned Health Insurance Company





Program Overview

- S3 Health Legacy – Tribal Employers Health Risk Management Program
 - Maximizing the Healthcare Opportunity for Native American Employers TODAY; Building a Legacy for Future Generations
- Key Attributes
 - Member-owned Insurance Company
 - Homogeneous risk pool
 - Members share in underwriting profits
 - Larger Group Benefit Opportunities
 - Patient/Provider Accountability -> healthcare consumerism
 - Clinical Risk Management -> claim avoidance
 - Price Transparency & Consumer Awareness -> claim mitigation
 - Employer Best Practice Sharing
 - Continue working with your existing consultant or broker!



What This Means for You

- Don't just play the game and try to win...
...CHANGE the game!
- Program members achieve:
 - Ownership
 - Strength (the law of #'s)
 - Control
 - Stability
 - Asset Diversification
 - Giving Back to other Native American communities



Is This Right for You?

- Feasibility Analysis: Leads to an Informed Business Decision
 - Data by mid-June
 - Member Eligibility Presentations July 21-31
- Enrollment in 4th Quarter
- Plan “go-live” date January 1, 2015

S3 Management Group

Risk Management Programs



*Thank you
For the opportunity to serve*