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Private exchanges overview

American Hospital Association

*Strictly Private
and Confidential*

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Public and private exchanges are growing



“...as consumers pay more out-of pocket...commercial exchanges will exceed **75 million people by 2020.**”

- **Mark Bertolini, CEO Aetna** at 2014 JP Morgan Healthcare Conference

Exchanges overview

Private

Many different exchanges



Tech



Pure-play



Broker



Carrier

Single v. multi-carrier



Wide variety of benefit choices



Employers moving retirees,
now active

43%

Public

Individual and SHOP



State, government, partner



10

Basic health benefits

Fewer employers
considering switch

13%

*Health
Insurance
Exchanges*

How do private exchanges differ?

1 Carrier model &
product offerings

4 Member
experience

2 Care
delivery

5 Vendor
management

3 Employer
services

6 Funding

The appeal for some employers?

Motivators

- Budget certainty
- Stop plan design, administration
- Over-insured employees
- More choices
- Contracting and compliance challenges

Trade-offs

- Talent retention
- Fit with mission
- Effort to capture cost savings

Value?



Thinking ahead...consumers want transparency

Hospital prices remain a mystery for a majority of consumers

I have enough information on prices for the following types of medical care



61%

Prescription drugs



54%

Doctor visits



43%

Medical devices



41%

Hospital emergency services



40%

Hospital non-emergency services



37%

Lab tests

Source: HRI Consumer Survey, PwC, 2013