

LET'S DISRUPT HEALTH CARE TOGETHER

The Alliance Annual Report 2017

THE ALLIANCE

Employers moving health care forward





Dear members and friends:

If you want to disrupt health care, it's time to make our cooperative grow.

Our annual report theme - "Let's disrupt health care together" - was inspired by Disrupt Madison, an event that seeks to change traditional human resources for the better. The Alliance helped sponsor Disrupt Madison's June 2017 event, where Alliance CEO Cheryl DeMars drew a rousing response from the crowd with her speech on the need to disrupt health care.

We recognize that the term "disrupt" can be misunderstood. Health care is made up of good people and good organizations who want to do the right thing and who provide care for people every day. We want their work to continue.

Yet we also know that doing "business as usual" with the health care system is failing us. When one-third of health care spending goes for unnecessary care - tests and treatments we don't need or complications that could have been avoided - something is wrong with the system.

One definition for "disrupt" is to "keep something from proceeding in the normal way." Disrupting "business as usual" in health care means shifting the focus. It means helping employers and employees alike get more health - and better health care - for their money.

What can cooperative members like you do to help us succeed? Here are three ideas:

1. Tell another employer about The Alliance. The more we grow, the more bargaining power we have.
2. Bring a colleague to an Alliance event. These free events feature national and regional experts on health benefits so you have the right information to be a "disruptor."
3. Offer the Be a Better Health Care Consumer presentation or workbook to your workforce so they know what questions to ask to get the right care at the right time.

The employers and insurance trusts who are members of The Alliance benefit from our efforts to buy health care differently. The more we grow, the more influence we'll have.

And the more influence we have, the better our odds of success for disrupting the "business as usual" practices that are driving up costs for health care purchasers like us.

Best regards,

Wendy Culver
Board Chair, The Alliance
Human Resources Director, Mead & Hunt, Madison, Wis.

THE ALLIANCE BOARD OF DIRECTORS

The Alliance board consists of representatives from member companies who provide their guidance and expertise in the way health care is purchased. They are all committed to making a difference in their employees' health by meeting on a monthly basis and working together to set the direction of The Alliance.

Board Members during calendar year 2017 included:



Janette Berry, MAHR-PHR
Benefits and Compensation
Manager
Miniature Precision Components
Walworth, Wis.



Mary Kay Brooks
General Manager, Corporate
Attorney & Owner
Brooks Tractor, Inc.
Sun Prairie, Wis.



Diana Clark, SPHR, PHR
Benefits Manager
Promega
Fitchburg, Wis.



Wendy Culver, SPHR, SHRM-SCP
Board Chair
Human Resources Director
Mead & Hunt
Middleton, Wis.



Lisa Henke, CEBS, SHRM-CP, PHR
Risk/Benefits Manager
County of Walworth
Elkhorn, Wis.



Annette Mikula, SPHR, SHRM-SCP
Human Resources Director
Rock County
Janesville, Wis.



Brad Olm, SPHR
Immediate Past Chair
Vice President of Human
Resources
Gordon Flesch Company, Inc.
Madison, Wis.



Larry Pribyl
Vice Chair
Chief Financial Officer
Trachte Building Systems
Sun Prairie, Wis.



Kyle Reading
President
Spuncast, Inc.
Watertown, Wis.



Shirley Rief, CPA
Secretary - Treasurer
Crest Foods Company
Ashton, Ill.



Mark Stevens
Vice President for Business
Affairs
Maranatha Baptist University
Watertown, Wis.

“The Alliance has proven to be a true partner with the same goals of our organization.”

-- Kevin Lamp
CFO at The Fall River Group

“The discounts are really phenomenal for us, that we are seeing levels that we would have never expected to see under the previous PPO network. The fact that those discounts save the plan money and is passed on to the members and lowers their member cost-sharing portion is really an excellent choice for us.”

-- Richard Simpson
Student health insurance plan manager
UW - Student Health Insurance Plan (SHIP)

“It will take some effort, but with your help we will create empowered health care consumers, and that will make all the difference.”

-- John Young
CEO of Consumerdriven and
ALC 2016 speaker

“I found the best care and peace of mind.”

-- Nguyen Tran
QualityPath cardiac bypass patient

“The Alliance helps me offer my employees the power of choice.”

-- Vikki Brueggeman
Director of human resources
Zimbrick, Inc.

IN-NETWORK PROVIDERS

90

hospitals

9,500

medical doctors

18,300

professional service providers

4,100

medical clinic sites

470

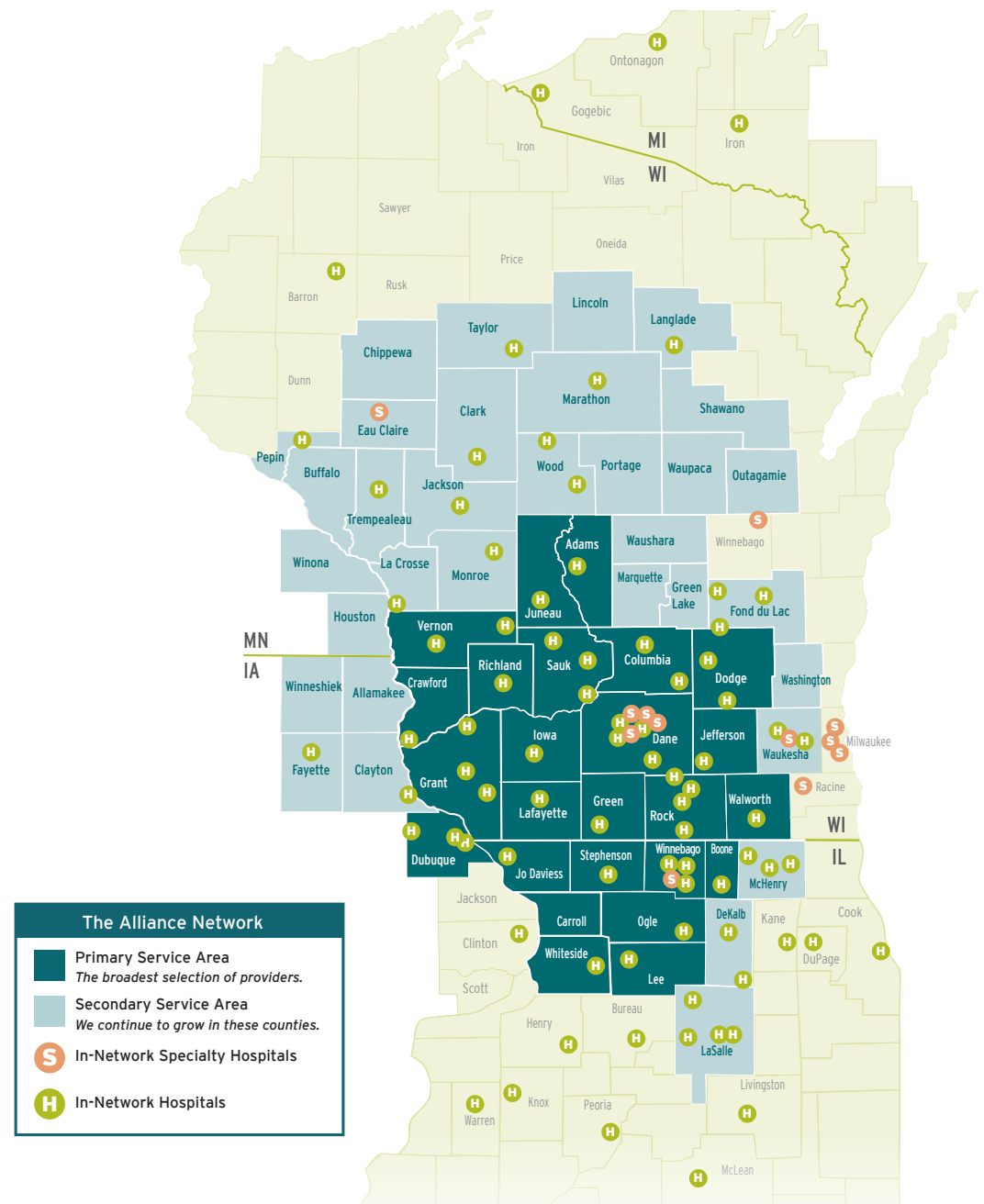
chiropractic clinic sites

630

mental health clinic sites

1,000

home care agency locations



The Alliance's network is growing! As a not-for-profit, employer-owned cooperative, we exist to help you, our members, manage your health care dollars while positively impacting the health of your employees and their families.

A LOOK AT THE NUMBERS

We use our purchasing power to negotiate with and provide access to an extensive network of doctors and hospitals who are paid to improve quality by performing better not doing more.



Collectively, Alliance members bought more than \$794 million in health care in fiscal year 2017.



More than 89 percent of these charges were performed in-network and generated more than 38 percent in savings for our members, employees and their families.



Over 240 self-funded employers and insurance trusts are currently owner-members of The Alliance.

THE ALLIANCE HEALTH TRANSFORMATION AWARDS 2017



The Alliance Board of Directors has selected individuals or organizations to receive The Alliance's Health Transformation Award based on their commitment to moving health care forward for consumers, employers and other purchasers. Individuals and organizations that played a key role in efforts to advance health care were selected for recognition. This is our third year of presenting these awards.

The Alliance Health Transformation Awards were presented at The Alliance Annual Seminar in May 2017 to honor people and organizations that have made significant contributions to moving health care forward.

In 2017, there were five award recipients:

GUNDERSEN
HEALTH SYSTEM®

Gundersen Health System, La Crosse, Wis. Gundersen Health System was recognized for exploring new approaches to delivering care and paying for care. They are improving the quality of care using a systematic, process-oriented approach that can be adapted and implemented by other organizations. And they are collaborating with other organizations to develop solutions to significant health care problems as well as advancing their own understanding of how to engage consumers.



Miniature Precision Components (MPC), Walworth, Wis. MPC was honored for advancing the understanding of how to engage consumers in making better decisions about their care, as well as providing extraordinary leadership among employers related to health benefits, specifically by representing employers' interests.



OpenNotes®, a growing national movement, was recognized for exploring new approaches to delivering care as well as paying for care; improving the quality of care using a systematic, process-oriented approach that can be adapted and implemented by other organizations; collaborating with other organizations to develop solutions; and advancing our understanding of how to engage consumers in making better health care decisions.



Wisconsin Collaborative for Healthcare Quality (WCHQ), was recognized for meeting two award criteria: improving the quality of care using a systematic, process-oriented approach that can be adapted and implemented by other organizations; and collaborating with other organizations to develop innovative solutions to significant health care problems.



John Nygren, Wisconsin State Representative, was honored for improving the quality of care using a systematic, process-oriented approach that can be adapted and implemented by other organizations.



“I believe in the power of employers to make a difference in health care because I’ve seen it work through our cooperative. Let’s make a commitment to do our part to disrupt health care. We owe it to our employees, we owe it to our businesses and we owe it to the health care system. Because health care won’t change. Health care can’t change without us.”

– Cheryl DeMars, president & CEO at The Alliance, speaking at Disrupt Madison on June 7, 2017

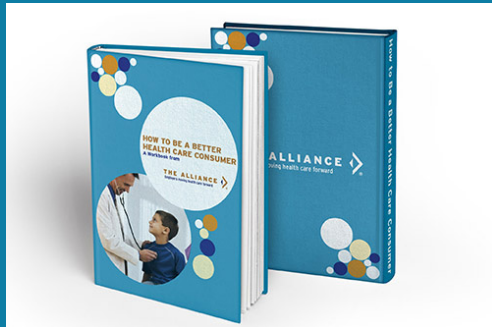


DISRUPTING HEALTH CARE TOGETHER

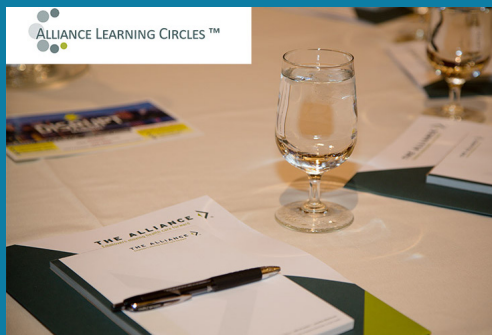
When we work together to grow the cooperative, we will help more employers and their employees to get more health – and better health care.



This past summer, Cheryl DeMars, president and CEO of The Alliance spoke at the Disrupt Madison 2.0 event. Cheryl's remarks drew enthusiastic applause from the sold-out crowd as she spoke about the power of employers to "disrupt" health care to create positive change. Speakers from The Alliance are available to speak to your professional networking groups. We welcome opportunities to talk about the benefits of self-funding, providing more health for your employees or how to be a better health care consumer.



We also have a 30-minute Be A Better Health Care Consumer presentation that is geared toward your employees. All attendees will receive a free 16 page workbook to take home. Contact Member Services to schedule a presentation at your workplace.



Attend our Alliance Learning Circle events and bring a colleague! Share the knowledge from an Alliance Learning Circle event by inviting a colleague to attend with you. When you do, you'll receive a free parking pass for the day of the event.

THE FUTURE OF HEALTH CARE

In July 2018, we will add colonoscopies to the *QualityPath*[®] program.

This addition is thanks in part to a \$50,000 grant that The Alliance received from the Purchaser Value Network (PVN). This grant aims to accelerate the adoption of high-value health care delivery and payment models through policy advocacy, education and purchaser engagement. The first round of providers will be announced in April 2018. *QualityPath* is an optional program that employer-owners can add to their Alliance membership. *QualityPath* helps your enrollees find top doctors, hospitals and clinics for select non-emergency surgeries (total hip replacement, knee replacement, heart bypass) and tests (MRI or CT scan).

The Alliance is performing a *Stop-Loss Feasibility Study* to create a captive group for medical stop-loss insurance. It's not a quick fix. But it can give you the ability to work together to create additional savings as a part of your membership in The Alliance cooperative.

Single Source Self-Funding[™] is a tool for employers with fully-funded health care programs to make the transition to self-funding, simpler.

The Alliance has combined their provider network with the services of a Third-Party Administrator, Pharmacy Benefits Manager and Stop-Loss Insurance. These essential services have been combined with a blueprint for self-funding transition, a dedicated implementation team and personal support. Single Source Self-Funding is accepting request for quotes now for Jan. 1, 2018 or later implementation.



“I would strongly encourage every single one of you to go get another company to join The Alliance.

**You are at the right place
at the right time
with the right idea
and the right leadership.”**

– Dr. Scott Conard
Family practice physician, health care strategist
July 2017 Alliance ALC speaker



IT'S TIME TO MAKE OUR COOPERATIVE GROW

As a cooperative, we together believe health care benefits can do more and cost less. Share your story with your professional connections. Explain to them how your membership in The Alliance has offered the power of choice to your employees and their families. The Alliance helps you buy health care differently. And helps you save money. Grow our contract negotiating power together by inviting a professional connection to attend an Alliance Learning Circle event.

Thank you for sharing your Alliance story.

With your help, we'll make an even larger impact in providing more health for employees and their families in Wisconsin, northern Illinois and northeastern Iowa.



BENEFITS OF MEMBERSHIP



WHO WE ARE

WE TRANSFORM
HEALTH CARE.

We are we, not I or they. We are members. We are owners.
WE ARE EMPLOYERS MOVING HEALTH CARE FORWARD. ▶▶

We see the opportunity in supporting one another.

We learn from the past. **WE KEEP OUR EYE ON THE FUTURE.**

We are adaptable. We are unstoppable.

We love what we do. We know quality

matters. We do what is right. We give health care a warranty.

We believe in a better tomorrow. We believe in the power of numbers.

WE ARE PROGRESS.



▶ WE IMAGINE WHAT GOOD HEALTH CARE TAKES.
AND WHAT IT GIVES BACK.

We care for community together.

We operate on principle. ◀◀◀◀

WE BELIEVE YOUR COMPANY'S HEALTH BENEFITS CAN DO MORE AND COST LESS.



WE ARE A COOPERATIVE. WE ARE THE ALLIANCE.
JOIN US FOR SELF-FUNDING SUCCESS.

