



The New Difference Card Monthly Budget Solution

Thursday, March 21
2PM ET



The Difference Card

Today's Agenda

1. Difference Guarantee
2. Monthly Budget
3. Quoting Target

Taylor Britt

Senior Director of Marketing
tbritt@differencecard.com



Josh Pyzik

Senior Director of West Markets
jpyzik@differencecard.com
p. 312-505-0618



Ashley Dube

Senior Director of East Markets
adube@differencecard.com
p. 401-487-0087

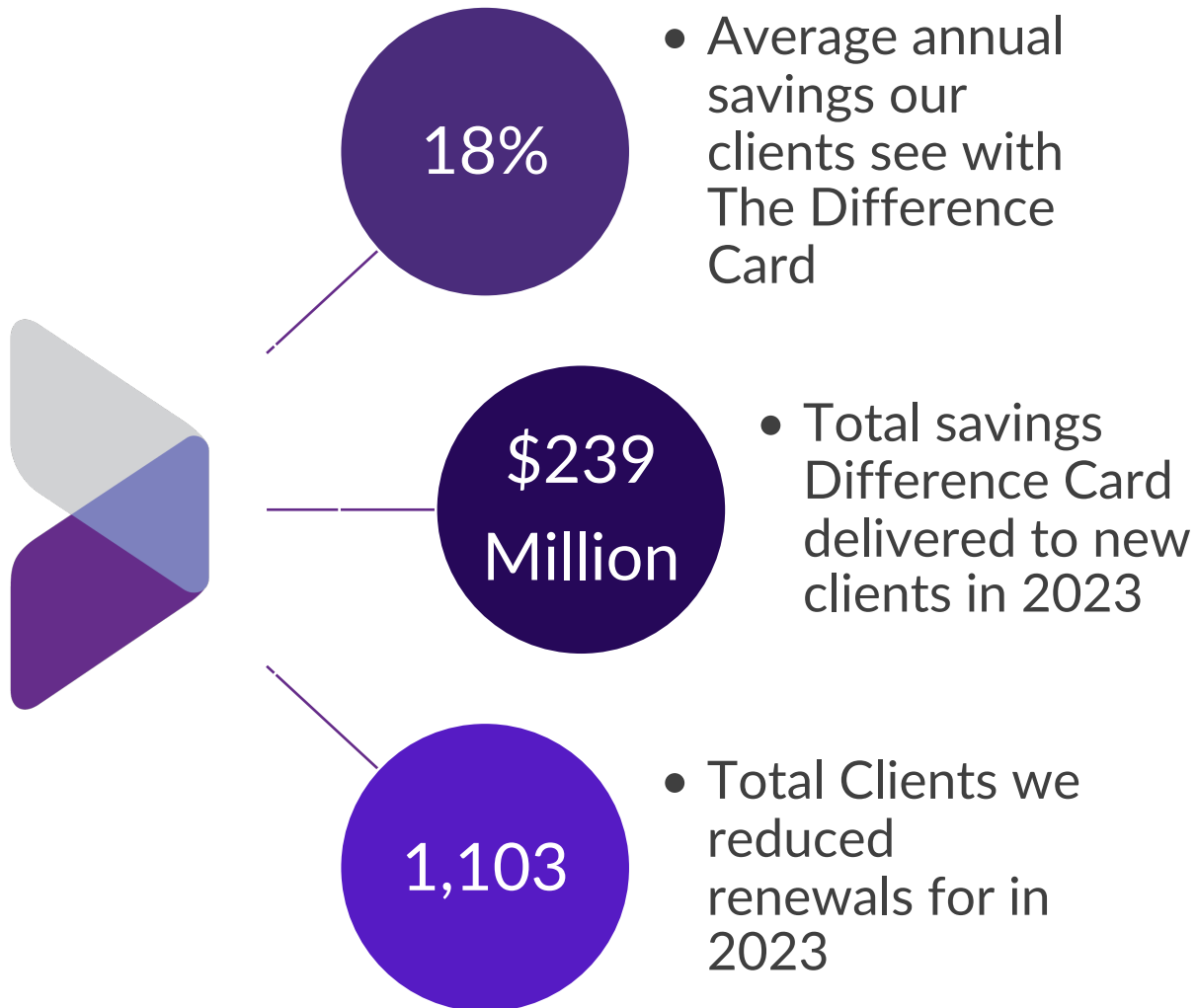


Chris Calderone

Chief Revenue Officer
ccalderone@differencecard.com
p. 516-776-4910



The Difference Card Solution



Delivering Custom & Cost-Effective Health Insurance Benefits

- ▶ Same or better benefits
- ▶ 20+ years TPA experience specializing in a MERP
- ▶ Financial guarantee
- ▶ Clients in all 50 states

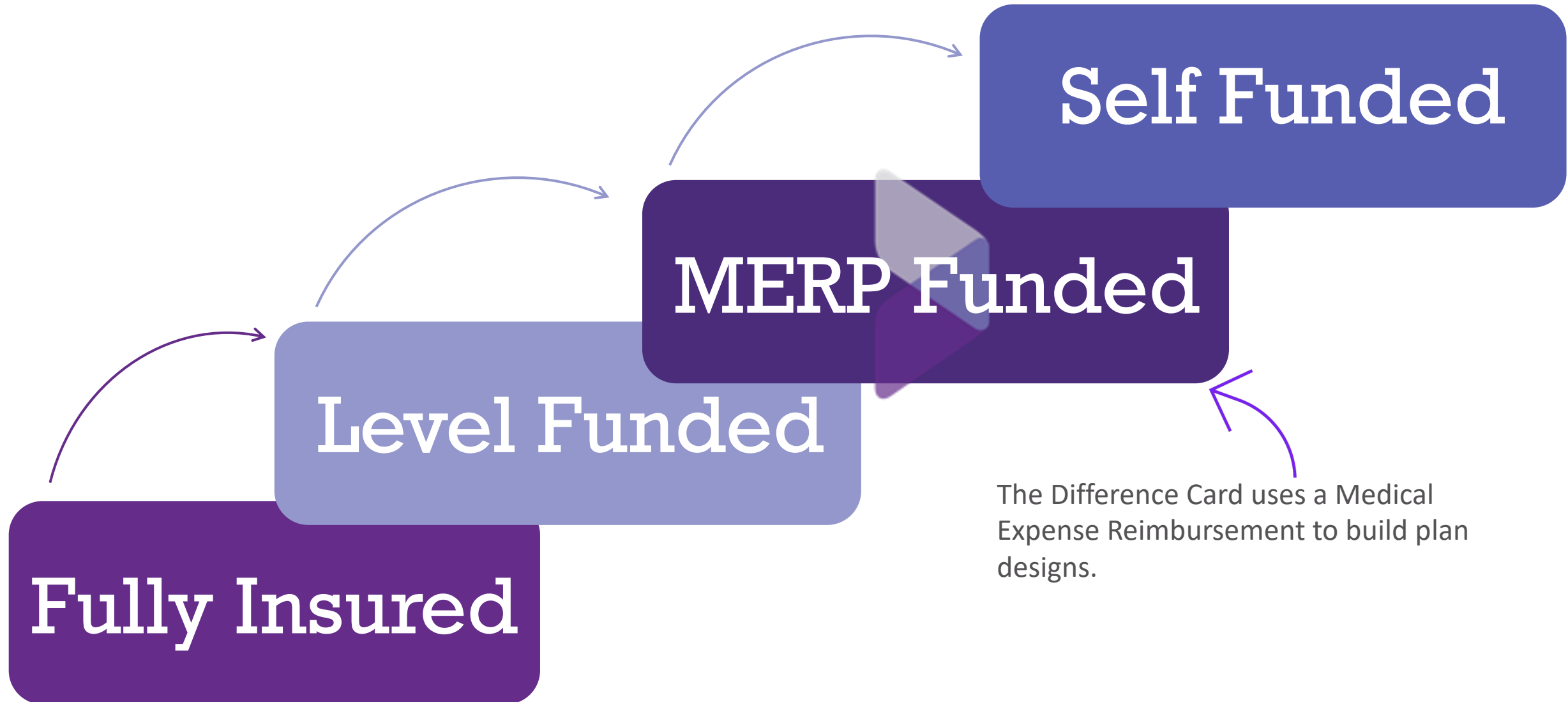
Poll Question #1



What is your experience level with alternative funding solutions?

- ▶ What is alternative funding?
- ▶ I am vaguely familiar with alternative funding solutions
- ▶ I use alternative funding to solve client problems all the time

Health Insurance Funding Spectrum



The Difference Guarantee

- ▶ Developed by in-house team of underwriters.
- ▶ Exclusive product backed by an A rated division of Assurant.
- ▶ In the market since 2018 with thousands of groups currently enrolled.
- ▶ A contractual promise that your claims will not exceed a certain amount.



New Monthly Budget Product



WHY | Designed for clients that desire a fixed monthly budget.

- ▶ Market demand by non-profit and public entity clients
- ▶ Maximum claims paid monthly via check or ACH (push/pull)

WHAT | How does the Monthly Budget Solution work?

- ▶ Difference Card bank account used for initial claim payment and check writing.
- ▶ Monthly payment by the client of the max claims amount.
- ▶ Difference Card takes on monthly cash flow exposure of claims over the Monthly Budget.

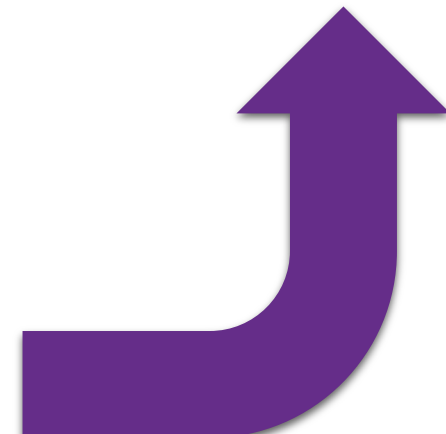
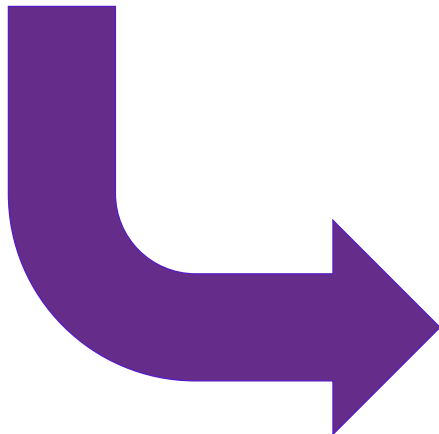
Better Benefits. Better Price.

Current Carrier Plan	
\$10	PCP
\$10	Specialist
\$200	ER
\$0	Deductible
\$10 / \$35 / \$50	Rx



Difference Card Plan	
\$0	Primary Care
\$0	Specialist
\$200	ER
\$0	Deductible
\$10 / \$35 / \$50	RX Copay

Base Plan Design	
\$50	Primary Care
\$75	Specialist
\$500	ER
\$5,500	Deductible
\$10 / \$35 / \$50	RX Copay





Sample Non-Profit Client

01/01/2024 - 12/31/2024

CURRENT COSTS	\$3,248,261	NET CHANGE
RENEWAL COSTS	\$3,378,187	4.0%
REVISED FIXED COST (CARRIER + DIFFERENCE CARD)	\$2,685,650	-17.3%
REVISED MAX COST (CARRIER + DIFFERENCE CARD + CLAIMS MAX)	\$3,023,369	-6.9%
GUARANTEED SAVINGS	\$354,819	

Sample Group

01/01/2024 - 12/31/2024

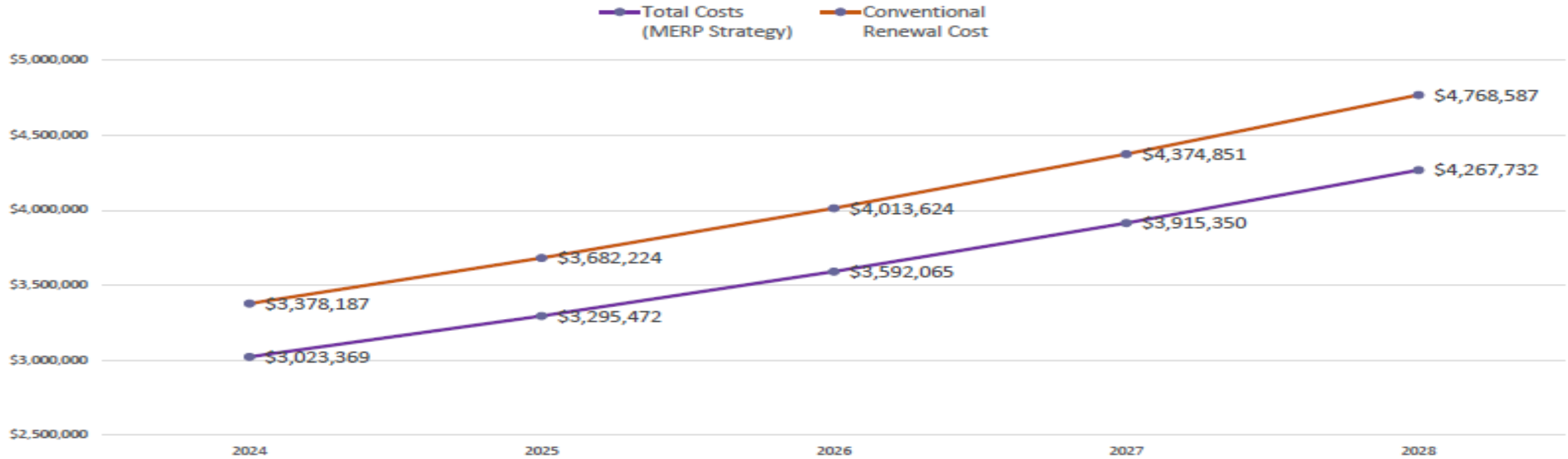
High Benefit Analysis

BENEFIT CATEGORY		CURRENT PLAN DESIGN		BASE PLAN DESIGN	DIFFERENCE CARD PLAN DESIGN
Carrier		BCBS		BCBS	BCBS
Plan Option		High		High	High
Network		PPO		PPO	PPO
Referrals		Non-Gated		Non-Gated	Non-Gated
IN NETWORK		IN NETWORK		IN NETWORK	IN NETWORK
Primary Care		\$10 Copay		\$50 Copay	\$0 Copay
Specialist Care		\$10 Copay		\$75 Copay	\$0 Copay
Emergency Room		\$200 Copay		\$500 Copay	\$200 Copay
Urgent Care		\$10 Copay		\$75 Copay	\$10 Copay
Lab Work		\$0 Copay		Ded & Coin	\$0 Copay
X-Ray		\$0 Copay		Ded & Coin	\$0 Copay
Major Diagnostic Imaging		\$50 Copay		Ded & Coin	\$50 Copay
Inpatient Surgery		\$200 Copay		Ded & Coin	\$200 Copay
Outpatient Surgery		\$0 Copay		Ded & Coin	\$0 Copay
Inn Deductible		\$0		\$5,500	\$0
Inn Coinsurance		0%		20%	0%
Inn Coins Max		N/A		\$1,650	N/A
Maximum OOP		\$2,500		\$7,150	\$2,500
OUT OF NETWORK		OUT OF NETWORK		OUT OF NETWORK	OUT OF NETWORK
OON Deductible		\$2,000		\$11,000	\$2,000
OON Coinsurance		30%		50%	30%
OON Coins Max		\$3,000		\$3,300	\$4,800
PRESCRIPTION		PRESCRIPTION		PRESCRIPTION	PRESCRIPTION
Pharmacy Deductible		\$50		\$50	\$50
Pharmacy Copay		\$10 / \$35 / \$50		\$10 / \$35 / \$50	\$10 / \$35 / \$50
RATE TIER	OPTION	CURRENT RATES	RENEWAL RATES	BASE RATES	DIFFERENCE CARD PREMIUM EQUIVALENT RATES
	High	High	High	High	High
Employee only	96	\$1,197.09	\$1,244.97	\$937.01	\$1,114.21
Employee + Spouse	18	\$2,393.78	\$2,489.53	\$1,873.71	\$2,228.05
Employee + Child(ren)	11	\$2,154.44	\$2,240.62	\$1,686.37	\$2,005.28
Family	16	\$3,590.47	\$3,734.09	\$2,810.41	\$3,341.89
ANNUAL COSTS	141	\$2,869,860	\$2,984,651	\$2,246,356	\$2,671,169
RENEWAL		4.0%		-21.7%	-6.9%

BENEFIT CATEGORY		CURRENT PLAN DESIGN		BASE PLAN DESIGN	DIFFERENCE CARD PLAN DESIGN
Carrier		BCBS		BCBS	BCBS
Plan Option		Low		Low	Low
Network		EPO		EPO	EPO
Referrals		Non-Gated		Non-Gated	Non-Gated
IN NETWORK		IN NETWORK		IN NETWORK	IN NETWORK
Primary Care		\$20 Copay		\$50 Copay	\$0 Copay
Specialist Care		\$20 Copay		\$75 Copay	\$0 Copay
Emergency Room		\$200 Copay		\$500 Copay	\$200 Copay
Urgent Care		\$50 Copay		\$75 Copay	\$50 Copay
Lab Work		\$0 Copay		Ded & Coin	\$0 Copay
X-Ray		\$0 Copay		Ded & Coin	\$0 Copay
Major Diagnostic Imaging		\$50 Copay		Ded & Coin	\$50 Copay
Inpatient Surgery		\$400 Copay		Ded & Coin	\$400 Copay
Outpatient Surgery		\$0 Copay		Ded & Coin	\$0 Copay
Inn Deductible		\$0		\$5,500	\$0
Inn Coinsurance		0%		20%	0%
Inn Coins Max		\$0		\$1,650	\$0
Maximum OOP		\$2,500		\$7,150	\$2,500
OUT OF NETWORK		OUT OF NETWORK		OUT OF NETWORK	OUT OF NETWORK
OON Deductible		N/A		N/A	N/A
OON Coinsurance		N/A		N/A	N/A
OON Coins Max		N/A		N/A	N/A
PRESCRIPTION		PRESCRIPTION		PRESCRIPTION	PRESCRIPTION
Pharmacy Deductible		\$50		\$50	\$50
Pharmacy Copay		\$10 / \$35 / \$50		\$10 / \$35 / \$50	\$10 / \$35 / \$50
RATE TIER	OPTION	CURRENT RATES	RENEWAL RATES	BASE RATES	DIFFERENCE CARD PREMIUM EQUIVALENT RATES
	Low	Low	Low	Low	Low
Employee only	19	\$1,051.20	\$1,093.25	\$834.38	\$978.42
Employee + Spouse	1	\$2,102.02	\$2,186.10	\$1,668.46	\$1,956.49
Employee + Child(ren)	0	\$1,892.20	\$1,967.89	\$1,501.91	\$1,761.20
Family	3	\$3,152.84	\$3,278.95	\$2,502.54	\$2,934.55
ANNUAL COSTS	23	\$378,400	\$393,536	\$300,352	\$352,201
RENEWAL		4.0%		-20.6%	-6.9%



Five Year Healthcare Cost Projection



Time Frame	Conventional Renewal Cost	Minimum Premium	Total Costs (MERP Strategy)	Net Annual Savings
2024	\$3,378,187	\$2,685,650	\$3,023,369	\$354,819
2025	\$3,682,224	\$2,927,359	\$3,295,472	\$386,752
2026	\$4,013,624	\$3,190,821	\$3,592,065	\$421,560
2027	\$4,374,851	\$3,477,995	\$3,915,350	\$459,500
2028	\$4,768,587	\$3,791,014	\$4,267,732	\$500,855

PROJECTED FIVE YEAR SAVINGS

\$2,123,486



Daily Claims Based Funding Solution

Pay-as-you-go funding model



Difference Card bank account used for initial claim payment and check writing.



A daily ACH debit of client's account based on actual card transactions and checks issued.



Client gains the cash flow advantage with an annual year-end reimbursement on guarantee.



Monthly Budget Funding Solution

Fixed payment model

Difference Card bank account is used for initial claim payment and check writing.

Monthly payment is made by the client of the max claims amount.

The Difference Card takes on monthly cash flow exposure of claims.

At the end of the plan, 100% of claims reserve returned to client



Sample Monthly Budget Funding Invoice

You pay the carrier and get just one invoice from The Difference Card.

The invoice covers:

- Difference Card service premium
- PEPM claims reserve



ITEM	DESCRIPTION	QTY	PRICE	AMOUNT
January 2024	Please find the names of employees being billed attached to this e-mail.	38	60.00	2,280.00
Monthly Budget	Pre-funded claims for December, 2023	38	200.00	7,600.00

PLEASE MAKE YOUR CHECK PAYABLE TO: EB Employee Solutions, LLC.	Invoice Total	\$9,880.00
PLEASE MAIL YOUR PAYMENT TO: EB Employee Solutions, LLC. Box #791293 Baltimore, MD 21279-1293	Prior Balance Due	<u>\$0.00</u>
*PLEASE NOTE: All activated members are included in the billing. Billing only stops upon member inactivation (e.g., an employee is terminated). We are not able to review/credit retroactive terminations except in cases of administrative oversight on the part of EBES.	Total Due	\$9,880.00

Poll Question #2



What is your expectation of shared surplus with the administrator of an alternative funding solution?

- ▶ 50% surplus returned to the client
- ▶ 66% of surplus returned to the client
- ▶ 100% of surplus returned to the client

The Difference Card Monthly Budget Value:



Detailed reporting



A-rated carrier backed guarantee



Ability to create custom plan designs



Highly-rated Account Management and client support



100% of surplus returned to the client

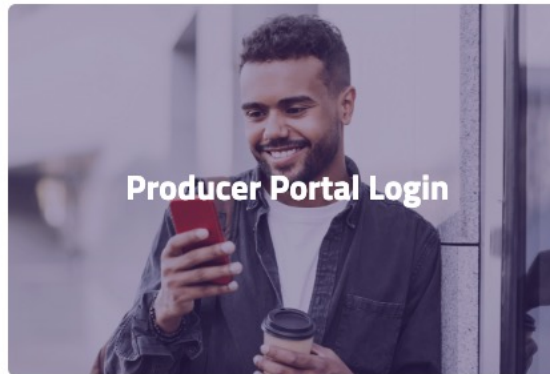
Detailed Reporting

Management Report

Renewal Premiums	Revised Renewal Premiums	Year to date Difference Card Reimbursements	Annualized Difference Card Reimbursements	Estimated Administrative Cost	Savings Based on Annual Reimbursements
\$5,549,742	\$4,067,797	\$335,481.69	\$335,481.69	\$82,635	\$1,063,828.31

Reimbursement Type	Transactions	Total Reimbursed	Cost Ratio
Optometrists, Ophthalmologists	46	\$1,260.00	0.4%
Chiropractors, Podiatrists	14	\$495.00	0.1%
Hospital/Facility Co-Pay	223	\$7,016.18	2.1%
Office Visit Co-Pay	1,710	\$45,642.25	13.6%
In Network Deductible	852	\$168,442.97	50.2%
Diagnostic Test- Lab Bloodwork	277	\$14,180.18	4.2%
Diagnostic Test X-Ray	72	\$7,627.80	2.3%
Hi-Tech Imaging	79	\$21,642.33	6.5%
Inpatient services	27	\$19,435.17	5.8%
Manual Copay Reimbursement	12	\$11,377.15	3.4%
X-Ray/Laboratory Copay	6	\$132.77	0.0%
Mental Health	53	\$1,730.00	0.5%
Outpatient services	18	\$12,559.97	3.7%
Primary Care Office Visit Copay	78	\$1,990.85	0.6%
Rehab Services	66	\$2,827.93	0.8%
Prescription - Manual Submission	127	\$629.17	0.2%
Prescription - Point of Service	1,600	\$11,376.17	3.4%
Specialist Office Copay	123	\$3,075.00	0.9%
Urgent Care services	7	\$245.00	0.1%

24/7 online access to Broker Portal that allows access to complete Suite of Reporting.



Includes:

- Banking Reports
- Utilization Reports
- Wellness Reports
- Customer Service Reports



Monthly Budget Funding Reporting



ABC Company
 Monthly Budget Report
 9/8/2023



With transparent reporting-your client will always know how they are running.

(Deficit)

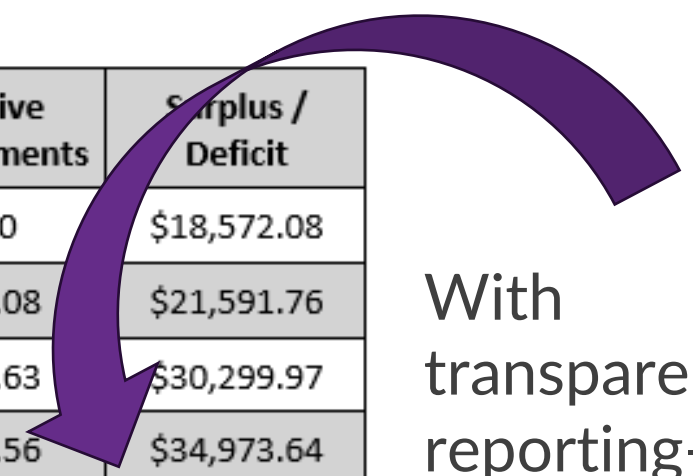


Month	Employees	Monthly Budget	Cumulative Budget	Reimbursement Payments	Cumulative Reimbursements	Surplus / Deficit
Nov-22	717	\$57,417.36	\$57,417.36	\$0.00	\$0.00	\$57,417.36
Dec-22	713	\$57,097.04	\$114,514.40	\$63,683.16	\$63,683.16	\$50,831.24
Jan-23	704	\$56,376.32	\$170,890.72	\$78,617.59	\$142,300.75	\$28,589.97
Feb-23	697	\$55,815.76	\$226,706.48	\$80,569.42	\$222,870.17	\$3,836.31
Mar-23	685	\$54,854.80	\$281,561.28	\$102,768.23	\$325,638.40	(\$44,077.12)
Apr-23	684	\$54,774.72	\$336,336.00	\$100,354.86	\$425,993.26	(\$89,657.26)
May-23	690	\$55,255.20	\$391,591.20	\$84,181.48	\$510,174.74	(\$118,583.54)
Jun-23	682	\$54,614.56	\$446,205.76	\$130,961.39	\$641,136.13	(\$194,930.37)
Jul-23	681	\$54,534.48	\$500,740.24	\$80,217.28	\$721,353.41	(\$220,613.17)
Aug-23	693	\$55,495.44	\$556,235.68	\$79,695.62	\$801,049.03	(\$244,813.35)

Monthly Budget Funding Reporting



Month	Employees	Monthly Budget	Cumulative Budget	Reimbursement Payments	Cumulative Reimbursements	Surplus / Deficit
January 2023	174	\$19,387.08	\$19,387.08	\$815.00	\$815.00	\$18,572.08
February 2023	178	\$19,832.76	\$39,219.84	\$16,813.08	\$17,628.08	\$21,591.76
March 2023	178	\$19,832.76	\$59,052.60	\$11,124.55	\$28,752.63	\$30,299.97
April 2023	180	\$20,055.60	\$79,108.20	\$15,381.93	\$44,134.56	\$34,973.64
May 2023	180	\$20,055.60	\$99,163.80	\$23,108.53	\$67,243.09	\$31,920.71
June 2023	184	\$20,501.28	\$119,665.08	\$12,316.68	\$79,559.77	\$40,105.31
July 2023	184	\$20,501.28	\$140,166.36	\$17,513.56	\$97,073.33	\$43,093.03
August 2023	172	\$19,164.24	\$159,330.60	\$29,256.13	\$126,329.46	\$33,001.14
September 2023	182	\$20,278.44	\$179,609.04	\$14,885.43	\$141,214.89	\$38,394.15
October 2023	185	\$20,612.70	\$200,221.74	\$17,983.83	\$159,198.72	\$41,023.02
November 2023	188	\$20,946.96	\$221,168.70	\$15,099.45	\$174,298.17	\$46,870.53
December 2023	190	\$21,169.80	\$242,338.50	\$14,970.29	\$189,268.46	\$53,070.04

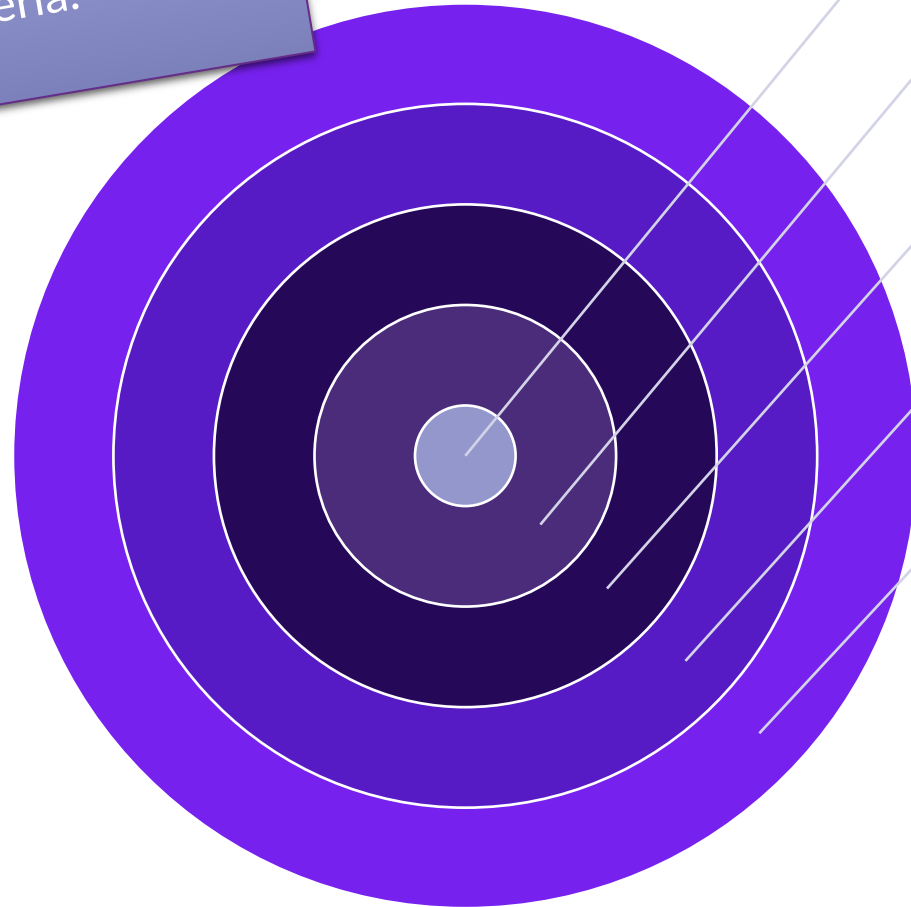


With transparent reporting-your client will always know how they are running.

Surplus

When should I quote The Difference Card MERP?

The Difference Card works well if your client meets any of this criteria.



Mid-Market 25-1,000 Enrolled

Fully Insured or Level Funded

High Level of Benefits
Platinum + Gold

Interested in Healthcare Savings

Interested in Improved Benefits

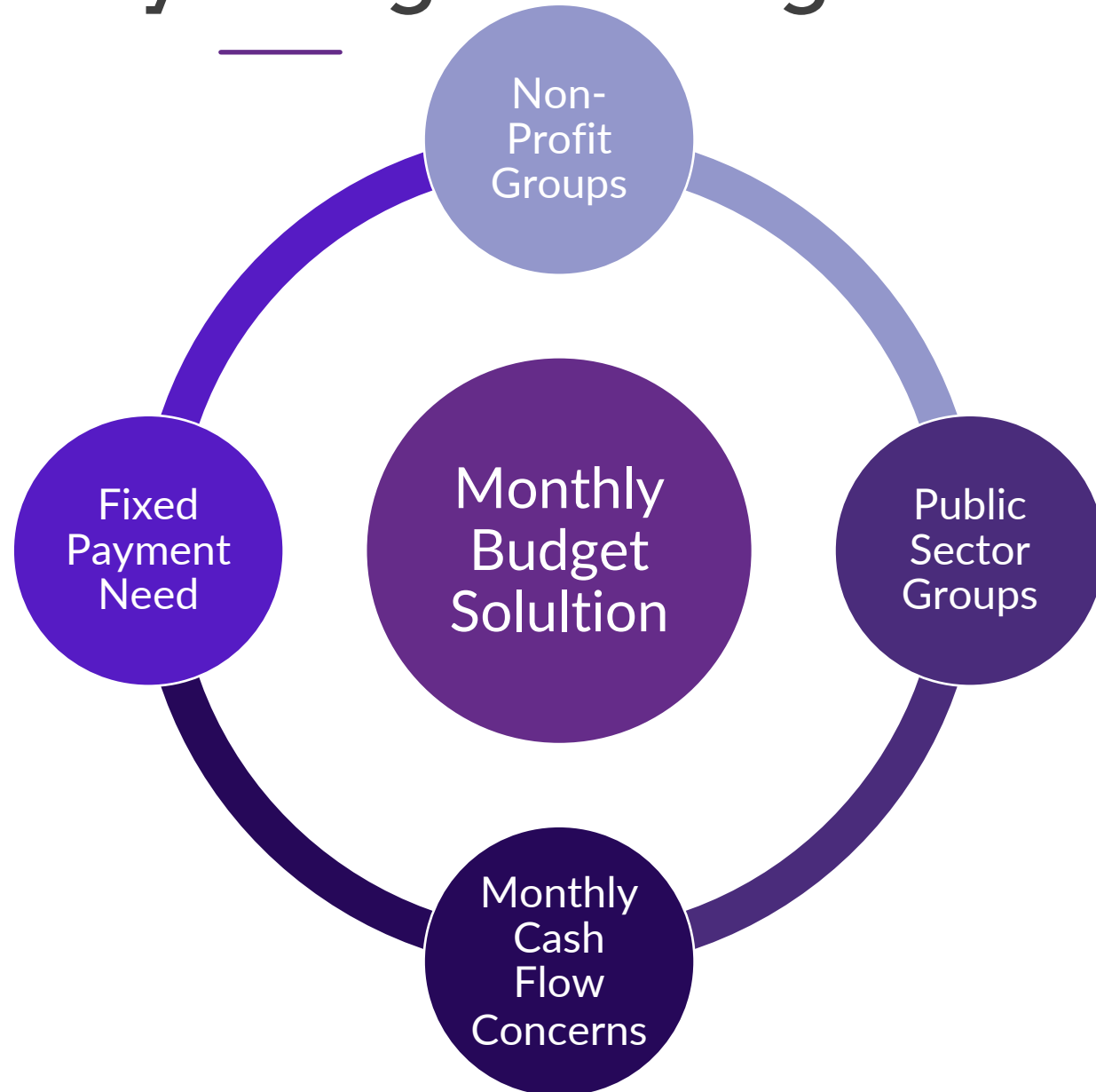


When is Monthly Budget the right fit?



The Difference **GUARANTEE**

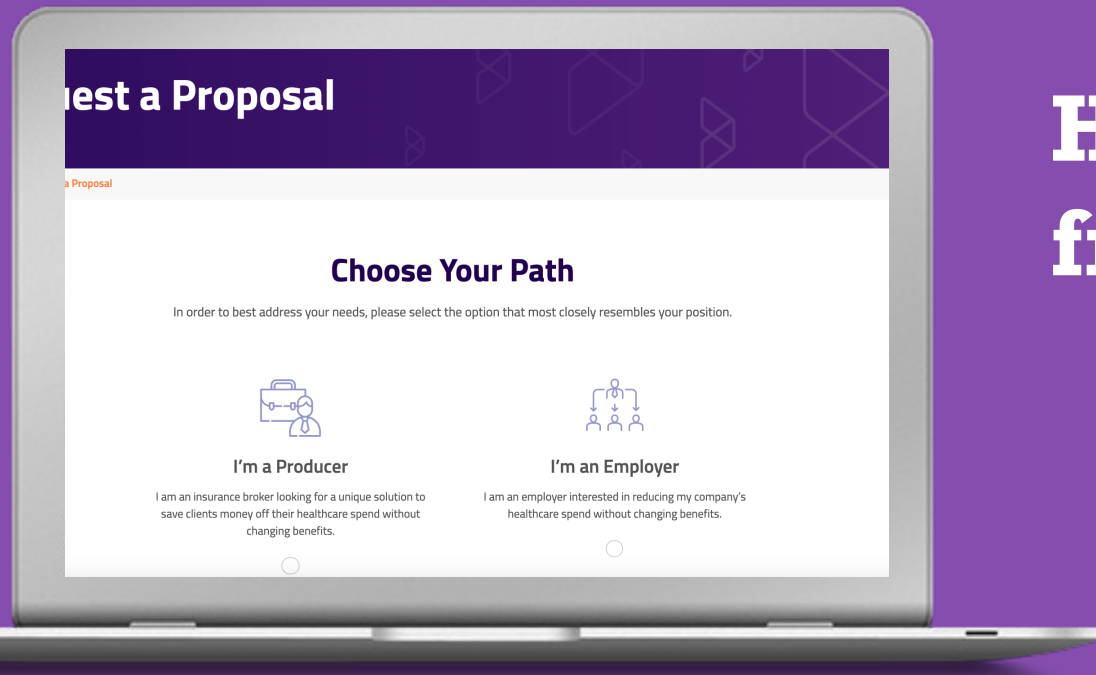
Monthly Budget works well if your client meets any of this criteria.



How to Request a Quote from The Difference Card

REQUEST A PROPOSAL

Or contact us at sales@differencecard.com



Data Needed for Proposal



Current/Renewal Rates



Plan Design



Enrollment Count by Plan & Tier



HRA Utilization (if applicable)

