



2023

SmartShopper[®] Performance and Savings Report

Annual Summary of the
SmartShopper[®] Program



Executive Summary

1. Uncertain economic times and elevated costs mean employers and consumers are facing inflationary budget pressure, placing increased importance on the value of each healthcare dollar spent.
2. SmartShopper reduces total cost of care by providing clarity about price and quality and supports the consumer in taking the next best action for care.
3. Engagement strategies and concierge support encourages preventative care, reducing cumulative healthcare costs.
4. Personalization is key to guiding a consumer's next best action in care decisions.

Healthcare Consumer Backdrop

Swiftly shifting expectations for U.S. healthcare, technological advancements, regulatory changes and ongoing economic pressures have created consumers who want to be in the driver's seat of their healthcare journey. Simply put, there is more demand for transparency in cost and quality of care, and increasingly tech-savvy consumers want experiences that are seamless, supportive and personalized.

On the financial front, healthcare costs continue to grow. A '22 McKinsey report on healthcare found that the annual U.S. national health expenditure is likely to be \$370 billion higher by 2027 due to the impact of inflation compared with pre-pandemic projections. Economists are unsure about whether the U.S. economy headed for a recession, but it's clear that everyone is feeling the heat of elevated pricing—and employers and employees alike are reevaluating where to spend their dollars. According to a recent poll, American families are making concessions regarding healthcare—delaying or avoiding medical care—due to the effects of inflation. And 61% are carrying significant medical debt.

The combined pressure of total cost of care coupled with digitally-enabled consumers has led to increasing investments in member experience tools and programs.

In order to meet consumer expectations, employers need to evolve in the ways they direct employees to high-value care, encourage preventative care and assess how they can simplify and personalize the healthcare experience in a consumer-driven environment.

SmartShopper is a Solution

Managing healthcare can be a hassle and it is certainly confusing. Consumers have access to many resources, but information is patchy at best and they are left to piece together questions about the cost and quality of care. Healthcare doesn't have to be this way. With the right tools and guidance, finding and selecting a provider or facility can be simple, convenient, and even a source of empowerment.

SmartShopper® is a service that helps consumers find and get the care they need, and lowers total cost of care for health plans and employers. SmartShopper does the legwork to make decisions clear and simple, and with 3:1 ROI it saves time and money in the process.



2022 Snapshot



\$55M

Program savings
for plan sponsors



\$7.5M

Cash incentives
paid to consumers



\$626

Average
claims savings per
incentive paid










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Program ROI

2022 Consumer Data Snapshot

- **Shoppers are getting younger.** The cohort with the largest increase in shopping in the past year is each segment of the "working families" category--those under 45 years of age. This trend will likely continue as younger consumers comfortable with technology and a digital-first lifestyle bring those expectations to their healthcare decisions.
- **MRIs remain the top shopped procedure,** along with other high-tech imaging procedures such as CT scans in addition to preventative and routine procedures. The shopping data uncovered some of the largest increases in shopping were for higher-cost services such as bariatric, cardiac and sleep studies¹, indicating additional total cost of care challenges for employers and insurers on the horizon.
- **Healthcare is local.** Consumers do not want to travel far for care; 80% of shoppers drove less than 20 miles for an incentivized facility.
- **Shopping is driven by female household members,** pointing to the need to appeal to their specific consumer habits using segmentation and personalization in engagement strategies.
- **Shoppers don't need big rewards.** The majority of incentives were under \$50. When coupled with out-of-pocket savings, the reward dollars amplify how guidance and incentives can impact care choices.

SmartShoppers by Age

	<18	2%
	18-25	4%
	26-35	15%
	36-45	22%
	46-55	30%
	56-65	28%
	66+	3%

Users 46-65 tend to be the biggest user group.
Users under 45 increased shopping 20% year over year.

Top Shopped Procedures

MRI	19%
Mammogram	11%
CT Scan	10%
Colonoscopy	8%
Lab/Blood Work	8%

Distance Driven to Incentivized Facility

0-9 miles	44%
10-19 miles	36%
20-29 miles	14%
30-39 miles	3%
40-49 miles	1.6%
50+ miles	2.5%

Most prefer care within 20 miles of home.

SmartShoppers by Identifying Gender

	Female	67%
	Male	33%

Women tend to be the Chief Household Officer managing care and cost.

Incentive Amount

200+	11%
\$101-\$200	20%
\$51-\$100	13%
\$50 and under	57%

Members don't need big checks. Most incentives are under \$50.

¹Other top shopped procedures: Office Visit 6.9%, Ultrasound 4.8%, X-Ray 2.7%, Bariatric Surgery 2.6%, Sleep Study 1%

Personalization Drives Engagement & Satisfaction

SmartShopper combines health plan data and healthcare cost analytics to provide conclusive care guidance through a personalized experience based on unique consumer needs. Targeted and relevant engagement strategies help consumers take a more proactive role in their health, leading to better preventative care, improved health outcomes and lower healthcare spend.

A detailed cost of care study between SmartShopper and health plan actuaries focusing on a large employer (over 20,000 members) revealed that the program resulted in a 6% trend reduction on procedures that were part of the program, and an overall annual trend reduction of 2%.¹ Coupled with a 87 Net Promoter Score, programs like SmartShopper drive high savings while also delivering high satisfaction for employees.

Based on an analysis of SmartShopper members' consumer healthcare shopping habits, the following key insights are revealed:

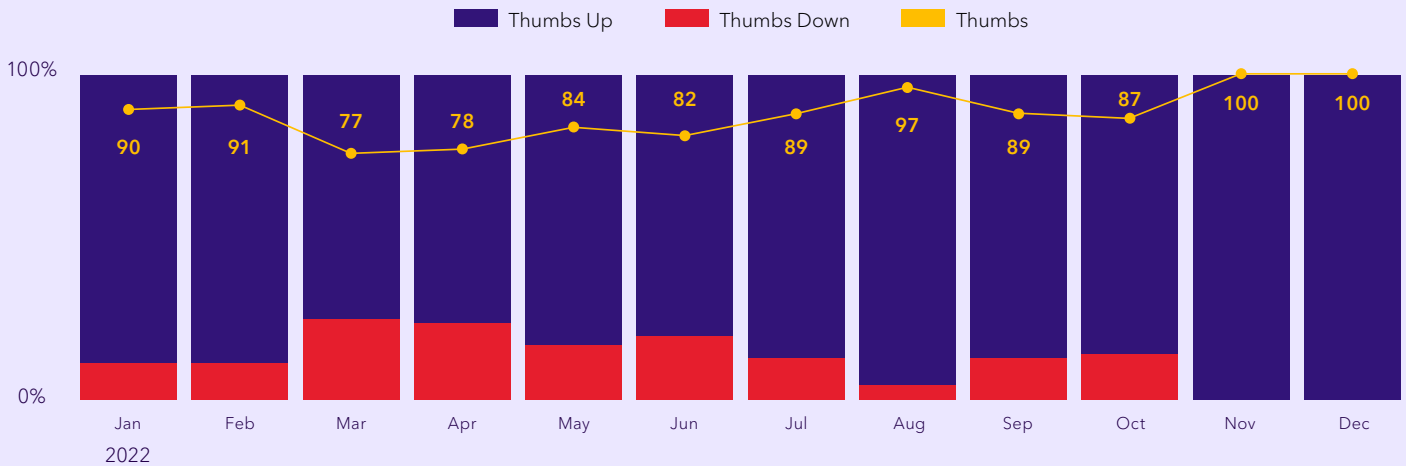
Shoppers start digital-first and require "in experience" support

SmartShopper engagement data found that consumers are embracing digital healthcare experiences. A detailed shopping study involving 150,000+ members indicates more than 90% of users begin their healthcare journey by researching options digitally themselves.² But consumers want support integrated within that digital channel; there was more than a 58% increase year over year in the use of chat and an 86% increase in the use of digital requests for scheduling assistance.²

But shoppers also want an expert. High-touch, concierge services coupled with digital consumer experiences increases engagement, especially when it comes to procedures that involve evaluating cost and quality. Zelis has seen evidence of this via a partnership with a jumbo employer to harness the digital experience to assist consumers in selecting the highest-quality surgeon with the highest-value facility. This includes scheduling the appointments, second opinion consultations and assisting with any follow-on care.

SmartShopper is easy to use

In a user exit survey, shoppers overwhelmingly give SmartShopper a "thumbs up" regarding their shopping and scheduling experience.



¹Zelis internal study of a Blue Cross Blue Shield health plan usage of SmartShopper

²Zelis Personal Assistant Team Concierge engagement data



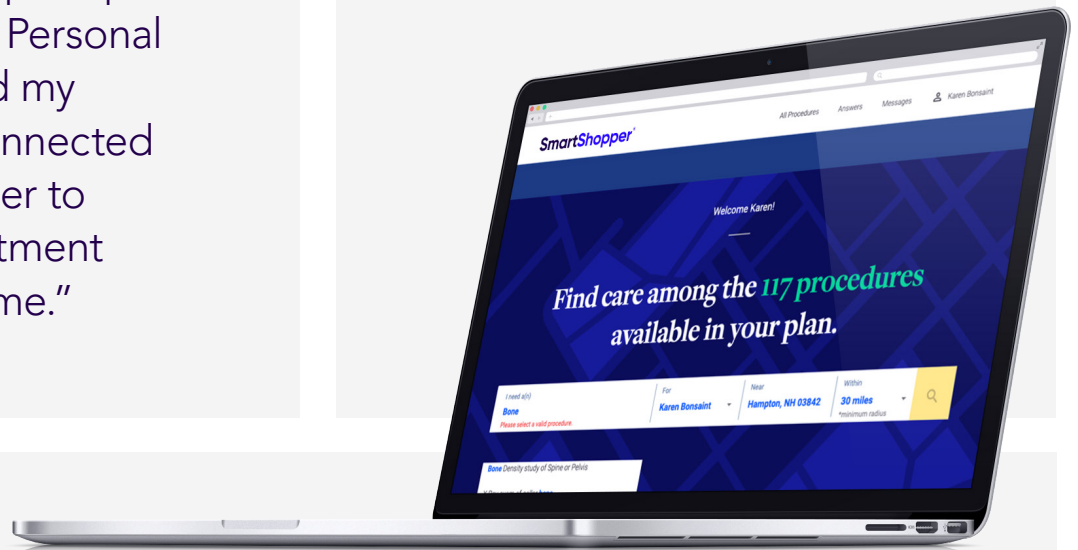
Consumers appreciate programs that lower cost and assist in scheduling



"I knew it was time for a mammogram... and I just hadn't taken the time to schedule. A reminder email from SmartShopper prompted me to call. The Personal Assistant found my options and connected with the provider to get my appointment scheduled for me."



"Dreaded having to call, but dialed, talked to a real person who found a provider and had a same-day appointment set up in less than 5 minutes!"



"My son needs an MRI every year to monitor a health condition. They are very pricey and we usually have to pay out of pocket due to our deductible not being met. SmartShopper cash rewards help to defray the cost of the MRI."

SmartShopper delivers a best-in-class healthcare experience.



87

SmartShopper delivers an industry-high Net Promoter Score (NPS)

Creators of NPS, Bain & Co., suggest a score above 0 is good, above 20 is favorable, above 50 is excellent, and a score above 80 is world class. The healthcare industry benchmark is 31.



94%

of SmartShopper users

surveyed think SmartShopper is a valuable program offered by their employer/health plan.



95%

SmartShopper Customer Satisfaction Score (CSAT)

among those surveyed who interacted with the Personal Assistant Team

Personal Assistant Concierge Team Offers Total Support

The SmartShopper Personal Assistant Concierge Team is on stand by to support consumers by phone, chat or text. From selecting to scheduling to pre-authorizations, they make next steps simple.

Personal assistants can walk consumers through their options, provide information about incentives, help with reauthorizations, schedule appointments and provide reminders and follow-ups.

For those who have spoken to the SmartShopper Personal Assistant Team, 90% choose the better value option.

Concierge Service Results



78%

Scheduling Rate



90%

Conversion Rate



\$447

Average Claim Savings per Activity



\$10.6M

Total PAT Claims Savings¹

Web chat solutions, live phone support and an included digital marketing strategy are effective drivers of user engagement with the program.



¹ The dollar amount saved attributed to the personal assistant team.

SmartShopper at a Glance

SmartShopper is a service that lowers total cost of care and enhances medical benefits by offering consumers choices in healthcare. SmartShopper pinpoints savings opportunities for both employers and employees through combined health plan data and healthcare cost analysis, then gives consumers the ability to easily manage their expenses through clear choice guidance. Users have access to information on quality, location and ways to save, and they can get rewarded for choosing the

best option. Whether thinking ahead or in the moment of need, one use of the SmartShopper service can save consumers time and money, improving their satisfaction.

This unique service has been in place for more than 10 years, with seven years of collected data that illustrate how much value incentivized shopping brings to the US healthcare market.



\$205M

6-year
Program Savings



\$28M+

6-year
Cash Incentives



\$524

6-year
Average Claim Savings
per Incentive Paid

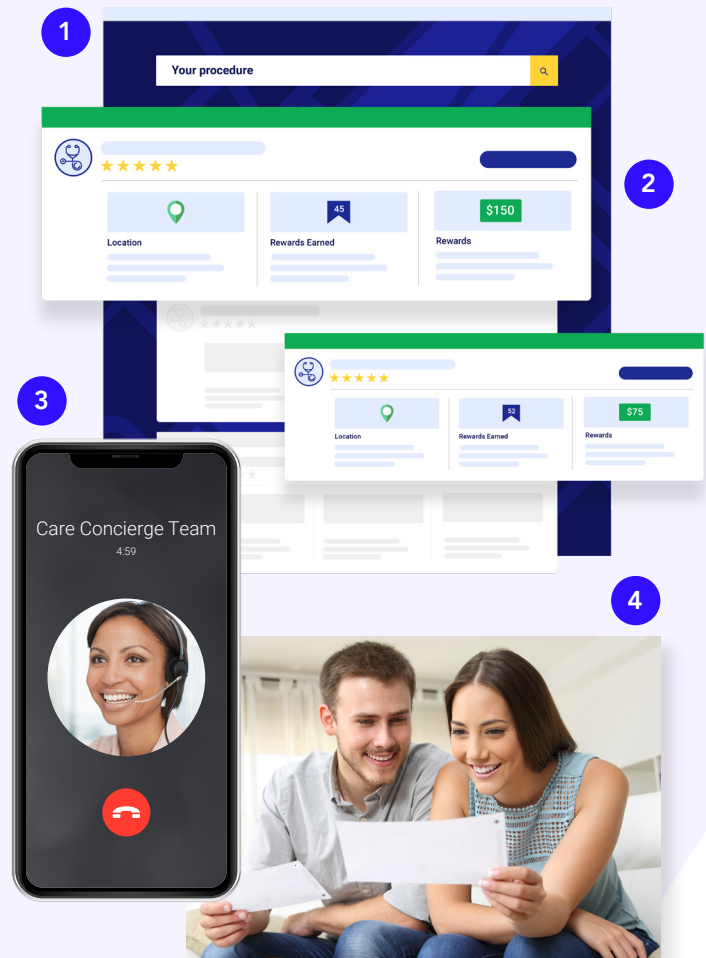


SmartShopper is
used by shoppers
in every state

How SmartShopper Works

Making healthcare decisions clear and simple in four easy steps.

- 1 Consumers can shop for a procedure by name via the quick and **intuitive search bar**.
- 2 Care options are displayed with **procedure estimate, SmartShopper cash rewards, and provider information**.
- 3 Consumers can **select a provider and schedule an appointment on their own** or through **calling the SmartShopper Care Concierge Team**.
- 4 The consumer will **receive their incentive** in the mail after SmartShopper receives the claim for their appointment or procedure.



Simplify healthcare decision making
and lower your total cost of care.

Visit zelis.com or
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