

A Practical Guide to
Breaking Down & Breaking Through
the Healthcare Affordability
& Access Crisis

A snapshot of the healthcare challenges faced by American
employers and their workers



CENTIVO.



Introduction

For decades, employers have struggled to contain spiraling healthcare costs. Real-world experiments with disease management, behavior modification and healthcare consumerism have tried – and failed – to bend the overall cost curve.

These experiments have produced results within narrow, highly engaged patient cohorts. But they have left out large swaths of the employer-insured population, increasing disparities and decreasing healthcare access for some – particularly lower-wage workers and minorities.

This report is for those employers who feel their workers deserve better than the status quo. Those who believe there has to be a better way. Who are ready to question the common wisdom and follow the data to healthier workers, a healthier organization and healthier financials.

This report seeks to accomplish three things:

- 1 Provide a clear-eyed view of how decades of rising costs are impacting the American worker and their employers.**
- 2 Demonstrate how affordability, access and quality can go hand-in-hand.**
- 3 Introduce a new model that can deliver sustainable improvements for employers and their workers.**

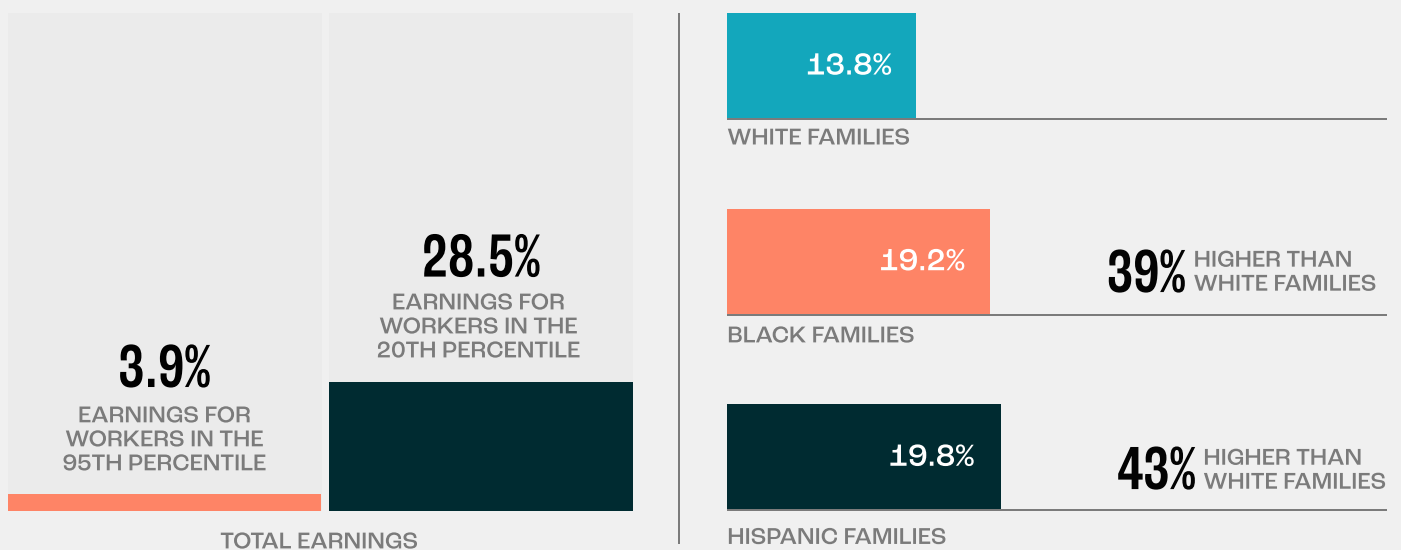
The Affordability Cliff

The Hidden Costs of Being Poor

Healthcare is expensive for everyone. We all agree on that. To get to a sustainable solution we need to understand the impact the current system has on all our workers, especially the most vulnerable.

Healthcare premiums eat up a significantly higher percentage of annual earnings for lower-wage and minority workers.¹

HEALTHCARE PREMIUMS AS A PERCENTAGE OF EARNINGS (2019)



MORE THAN
1 in 3

AMERICANS CAN NOT AFFORD AN UNEXPECTED \$400 EXPENSE.²

NEARLY
1 in 5

US HOUSEHOLDS ARE IN MEDICAL DEBT.³

Over the last three decades, continually rising premiums have cost the average worker an enormous sum in salary and savings.¹

\$125,340

EARNINGS LOST TO RISING PREMIUMS

Access Denied

Roadblocks Between Workers & Care

Access to care has a different meaning and value to a high-wage earner with a flexible schedule compared to an hourly or shift worker, who can face an array of challenges that may only begin with affordability.

THE NUMBER OF HOSPITALS IN 52 MAJOR US CITIES DROPPED

46%

FROM 1970 TO 2010.⁴



Most of the facilities closed were public hospitals and small- to mid-size community hospitals in poor urban areas, leaving many low-income neighborhoods with no safety-net hospital.



16%

The 34%⁵ of Americans who make \$50k or less make up only 16%⁶ of America's car owners.

50%

OF PRIMARY CARE SHORTAGE AREAS

More than half of the federally designated "primary care shortage areas" in the 52 major metropolitan areas fall in census tracts of highest poverty.⁴

A Rock and a Hard Place

Employers are Trapped Between
Care and Profitability

Employers often find themselves trying to balance ever-rising costs and the desire to improve the health and satisfaction of their workers.

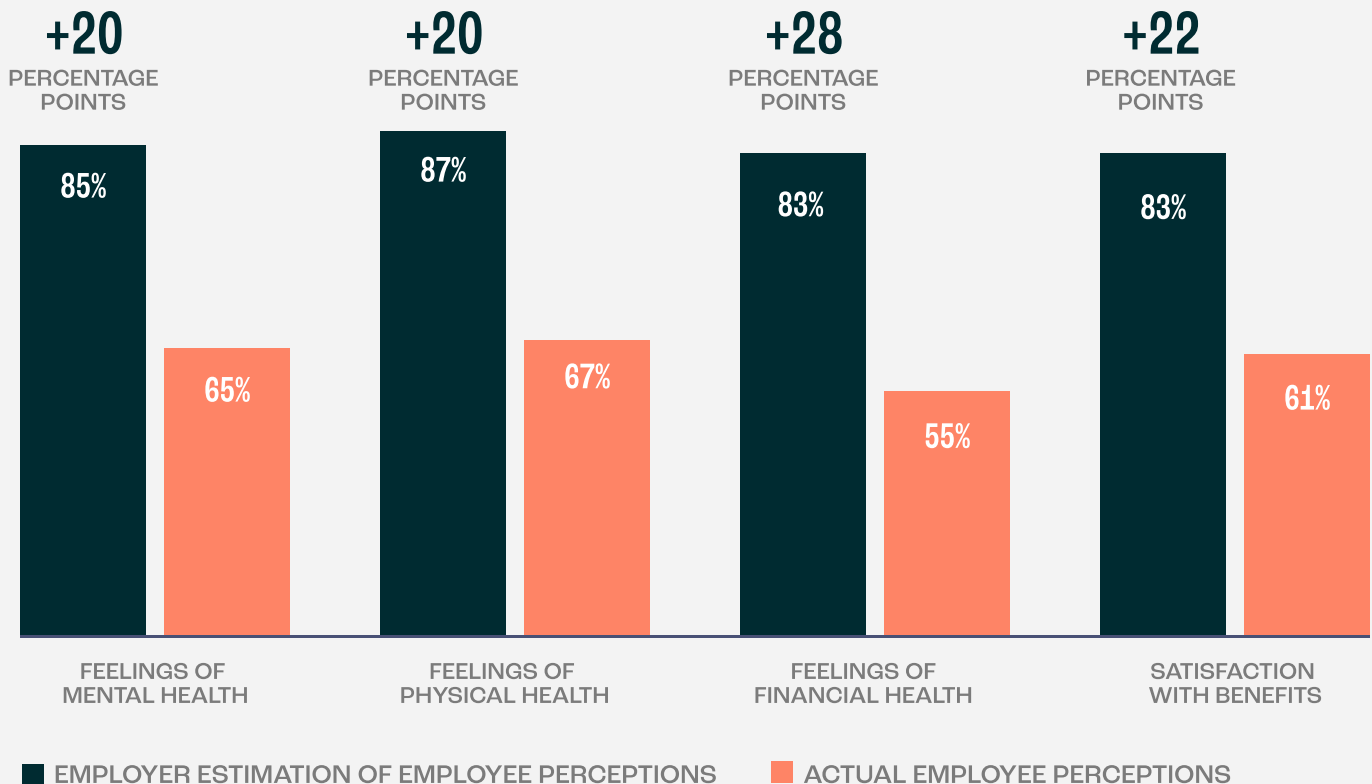
Employer Perceptions

Employers think their employees feel healthier and more satisfied. . .



Employee Realities

. . . than employees say they are.⁷





Benefits are more likely than ever to drive talent retention and acquisition.⁷

73%

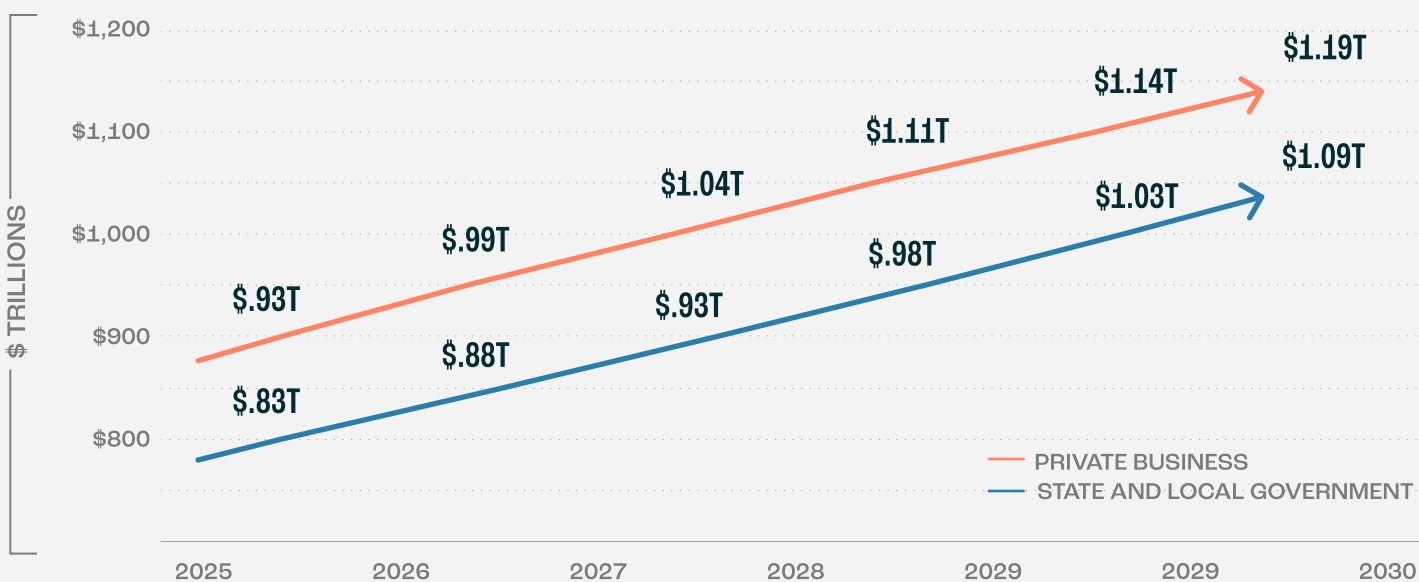
If offered access to increased benefits, **73% of workers would stay longer with their current employer**

200%

Workers are now twice as likely than before the pandemic to **consider health and wellness programs “must haves” for a new role**

There’s no magic bullet in the near future.

Employer health costs are projected to grow to \$2.2 trillion by 2030.⁸



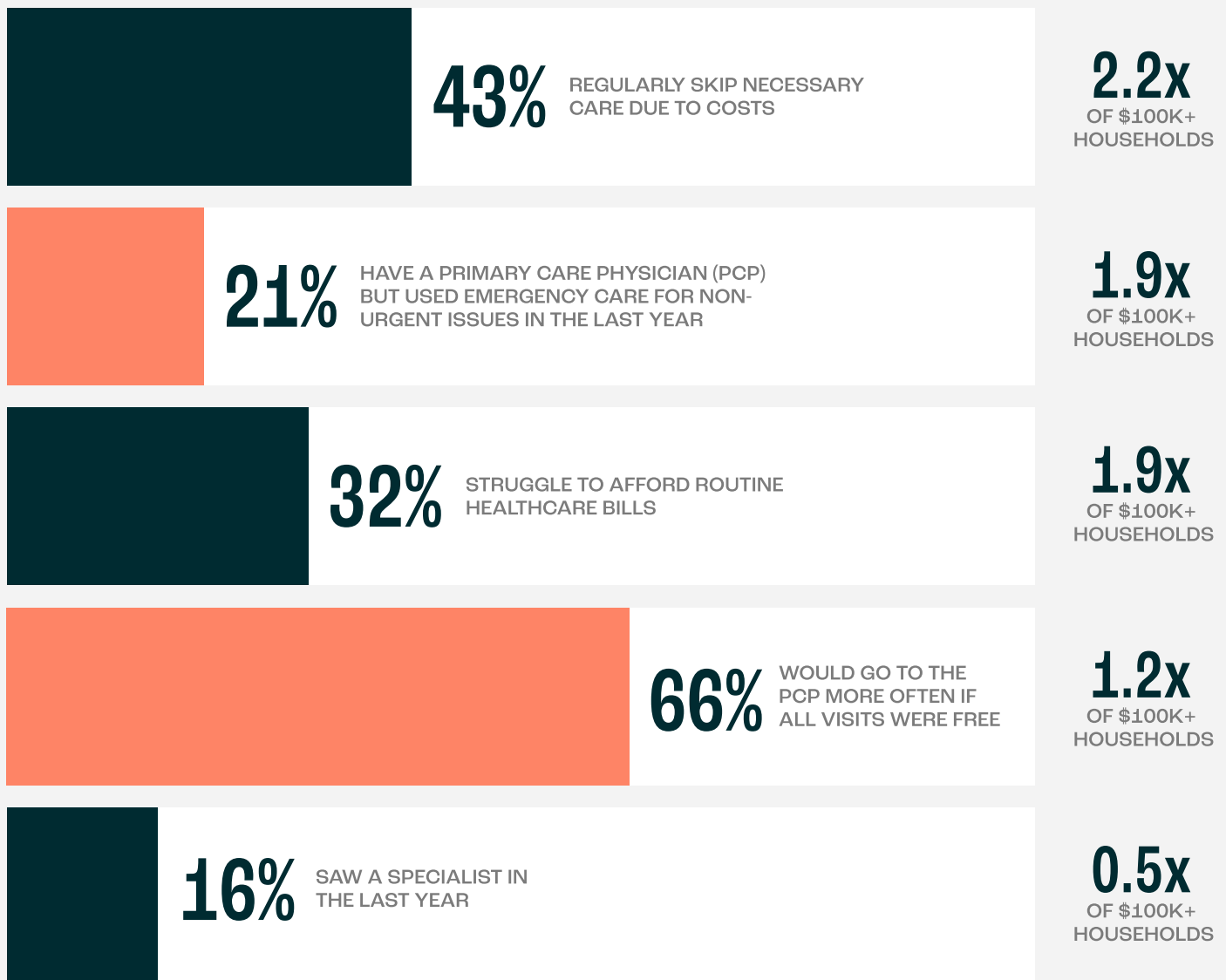
NATIONAL HEALTH EXPENDITURES: PROJECTED AVERAGE ANNUAL GROWTH THROUGH 2030

2024 Workers Survey

A broken healthcare system leaves lower-income workers behind

Even for the insured, affordability is crucial to how lower-wage workers engage with healthcare. The cumulative effect of necessary care foregone only contributes to rising healthcare costs.

Insured workers who earn less than \$50,000 face significant access challenges.⁹





Meet CENTIVO.

At Centivo, we are committed to restoring healthcare affordability for American employers and the workers who make them run. Our primary care-centric plan is different by design. Built from the ground up, it's engineered specifically to guarantee access, sustainable affordability and improved healthcare outcomes for all.

The Centivo Difference

Intelligently selected local providers with a track record of excellence and affordability

Technology and incentives that support doctors in providing complete, personalized care

Virtual and national providers to complement local care and ensure access



Provider Network

Plan Design

Member Engagement Platform & Service

Free primary care visits, including well- and sick-visits and all in-office services

\$0 deductible and simple copays for non-primary care

Active PCP-led care coordination ensures condition management

Centivo Virtual Primary Care (CVPC) makes care accessible anywhere, any time

One app to schedule visits, view records and communicate with providers

Proactive member outreach and post-ER/inpatient-stay follow-ups

CENTIVO.

A Solution That Works for Employers and Workers

The Centivo model ensures that every member has a **zero deductible, free primary care, and modest copays**. The result is significant and sustainable savings for both employers and workers.

For Centivo clients, investment in plans with richer benefits pays off in reductions in total cost and employee out-of-pocket costs.¹⁰



ANNUAL EMPLOYEE OUT-OF-POCKET COSTS

AVERAGE ANNUAL OUT-OF-POCKET EXPENSES FOR CENTIVO MEMBERS

\$453.70



75% OF CENTIVO MEMBERS HAVE OUT-OF-POCKET EXPENSES OF LESS THAN

<\$100

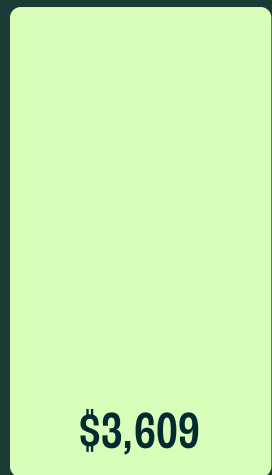


CENTIVO PLANS

VS.

AVERAGE FAMILY DEDUCTIBLE¹¹

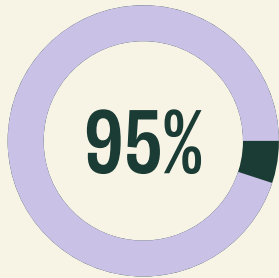
\$3,609



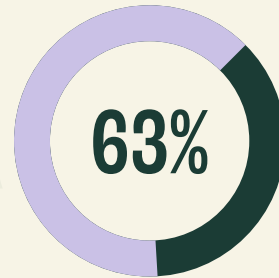
TRADITIONAL PLANS

The Centivo model is engineered to produce sustainable improvements in affordability, access, utilization and outcomes.¹⁰

Affordability, access and primary care as a front door to the healthcare system. . .



OF CENTIVO MEMBERS HAVE SELECTED A PCP.

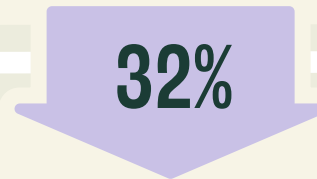


OF CENTIVO MEMBERS HAVE SEEN THEIR PCP IN THE LAST 12 MONTHS.

. . . creates better utilization. . .



THE RATIO OF SPECIALIST-TO-PCP VISITS INCREASES BY 68% OVER TRADITIONAL HEALTH PLANS.



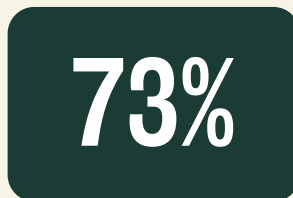
ER UTILIZATION DECLINES 32% COMPARED TO TRADITIONAL HEALTH PLANS.

. . . and drives improved outcomes

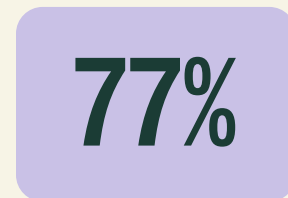
Centivo members



Depression
SCREENED FOR DEPRESSION.



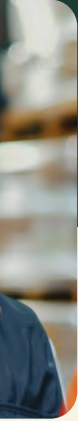
Hypertension
REACH GUIDELINES FOR BLOOD PRESSURE CONTROL (VS. 51% IN TRADITIONAL PLANS).



Diabetes
HAVE FAIR TO GOOD CONTROL OF THEIR DISEASE (VS. 63% IN TRADITIONAL PLANS).

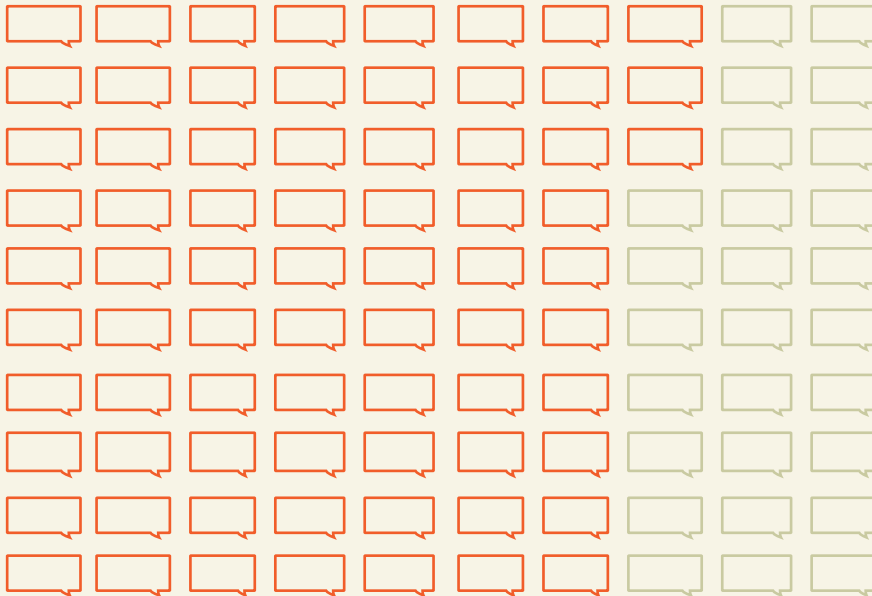
Centivo Virtual Primary Care

CVPC reaches patients wherever they are – even in stairwells, workstations and cars.¹⁰



73%

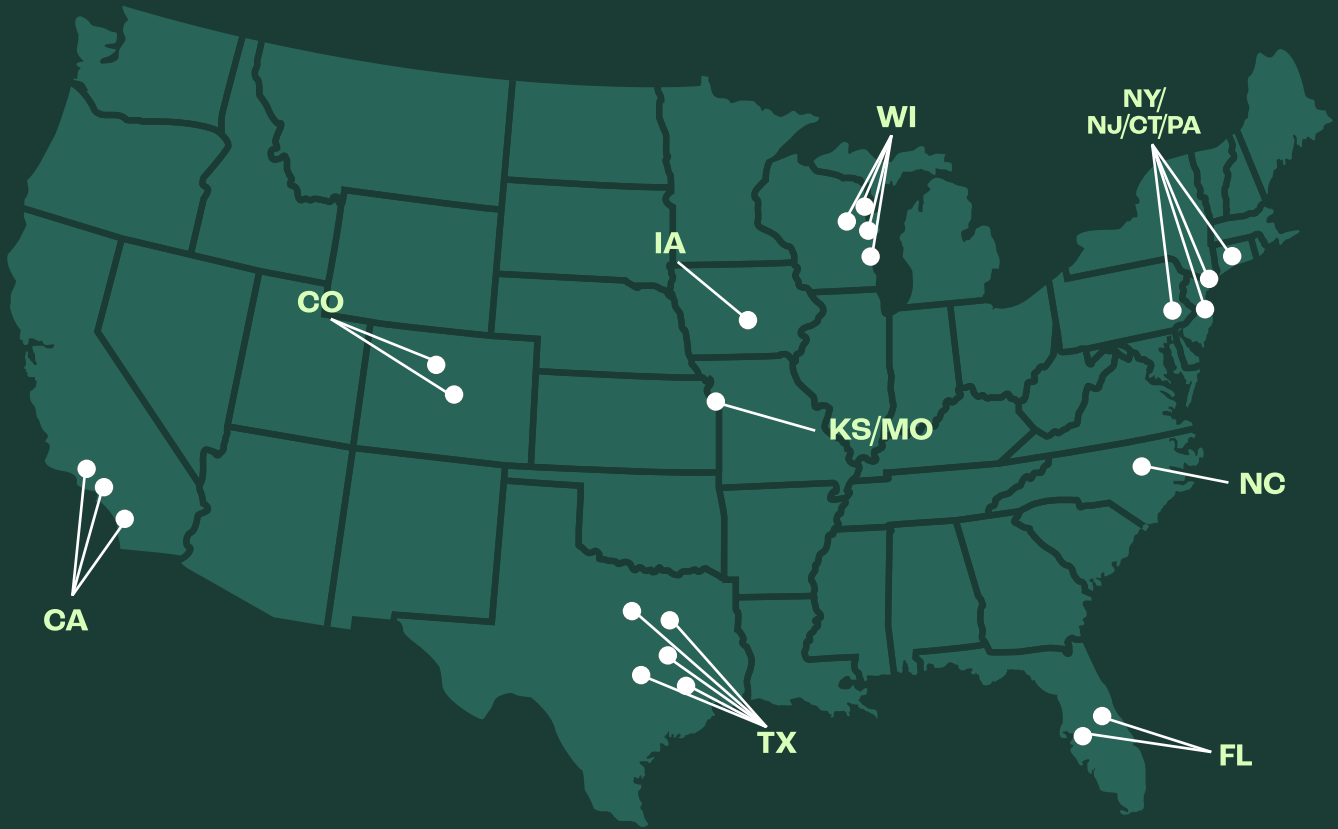
OF CVPC USERS ENGAGE IN MULTIPLE ASYNCHRONOUS MESSAGING CONVERSATIONS WITH THEIR CARE TEAMS OUTSIDE OF SCHEDULED VISITS



95%

OF CVPC MEMBERS ARE SATISFIED WITH THE CARE THEY RECEIVE.

Centivo plans are available to **1 in 3** working Americans



Our Provider Partners: Renowned Leaders in Value-based Care



FOOTNOTES

1. Kurt Hagen, PhD, MS; Ezekiel Emanuel, MD, PhD; Dariush Mozaffarian, MD, DrPH. [JAMA Network|Open. Employer-Sponsored Health Insurance Premium Cost Growth and Its Association With Earnings Inequality Among US Families](#). January 16, 2024.
2. BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM. [Economic Well-Being of U.S. Households in 2021](#). May 2022.
3. Neil Bennett, Jonathan Eggleston, Laryssa Mykyta and Briana Sullivan. [Who Had Medical Debt in the United States?](#) United States Census Bureau. April 7, 2021.
4. Lillian Thomas. [Hospitals, doctors moving out of poor city neighborhoods to more affluent areas](#). Pittsburgh Post-Gazette. June 14, 2014
5. Gloria Guzman and Melissa Kollar. [Income in the United States: 2022. Table A-2. Households by Total Money Income, Race, and Hispanic Origin of Householder: 1967 to 2022](#). Census Bureau. September 12, 2023.
6. [Car Ownership Statistics 2024](#). Autoinsurance.com. February 7, 2023.
7. [MetLife 21st Annual U.S. Employee Benefit Trends Study, 2023](#)
8. The Office of the Actuary in the Centers for Medicare & Medicaid Services. [National Health Expenditure Data](#). June 14, 2023.
9. Centivo-commissioned independent survey, which surveyed more than 2,000 American adults with employer-sponsored health insurance in January 2024. Data on file.
10. Centivo 2023 Book of Business Results Analysis. Data on file.
11. Medical Expenditure Panel Survey. Agency for Healthcare Research and Quality. Table I.F.3 [Average family deductible \(in dollars\) per employee enrolled with family coverage in a health insurance plan that had a deductible at private-sector establishments by firm size and selected characteristics: United States, 2020](#)

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