

Focused on Sustainable Affordability



Cost management strategy overview

Sutter Health | Aetna's approach to clinical cost management is centered around delivering competitively priced insurance products designed to meet short- and long-term budget needs of employers through the following multi-pronged strategy:



Market-leading unit cost

Lower negotiated costs with in-network providers leads to lower plan premiums for employers.



Provider-led care management

Providers in our performance network lead the member's care team. That means, if a member needs a higher level of care management, providers caring for a member will coordinate behind the scenes and collaborate across clinical teams.



Provider organization incentives

Our joint venture shares financial risk with our network's largest provider organization and one of the joint venture parent companies, Sutter Health. In doing so, the financial incentives of the joint venture are aligned with supporting our clinical ambitions to deliver access to proactive preventive health services and not just reactive treatments, which rewards our largest provider organization's continued efforts to make the member the center of every experience.



Greater access to care and more connectivity

We offer access to an expansive network of providers, facilities and care settings that lends itself to more options for engagement through both a local, connected network, as well as Aetna's broad national one. Plus, on-demand access to providers 24/7 through virtual platforms and retail options.



Joint venture economics

We strive to continuously focus on short- and long-term strategies such as decreasing avoidable facility utilization, manage unit cost and utilization trends, while prioritizing the needs of our members and their employers that may ultimately lower healthcare costs.

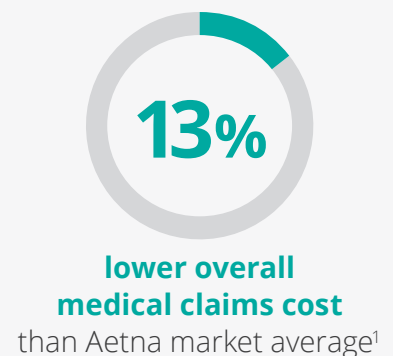
Sutter Health | Aetna experience compared to Aetna's Northern California Book of Business

↓ **12%**
lower inpatient
facility claims cost
than Aetna market average¹

↓ **15%**
lower ambulatory
facility claims cost
than Aetna market average¹

↓ **10%**
lower specialist
facility claims cost
than Aetna market average¹

↓ **9%**
lower retail
pharmacy claims cost
than Aetna market average¹



¹Actual results may vary. Data analysis represents entire Sutter Health | Aetna membership population in comparison to Aetna commercial membership population within the Sutter Health | Aetna service area. Data is from a two-year time period including a pandemic year between January 1, 2019, through October 31, 2020. All figures are risk-adjusted using retrospective risk scores.

Pillars of the Sutter Health | Aetna cost management strategy

Through our clinical, financial and member experience approach, you may see an advantage in the trajectory and sustainability of our programs.



Clinical programs are built into our existing provider workflows and embedded into the Sutter Health | Aetna ecosystem of care, helping to create deep connectivity and integrated membership experiences.



Financial accountability is provided through our joint venture model that is built on shared accountability between Sutter Health and Aetna® for both the clinical and total cost of care performance which helps members with their clinical and financial experience.



Continuous clinical and administrative innovation that leverages design and innovation teams from Sutter Health, CVS Health® Transformation, Aetna® Clinical Transformation, Health Plan Innovation Roundtable and Producer Advisory Councils in the Sacramento and Bay areas.



Creating greater access for our members by connecting community assets like MinuteClinic®, CVS® HealthHUB™² locations and Sutter Walk-In Care with Sutter, Stanford Health Care, and Brown & Toland Physician's clinical facilities. And, enhanced by our virtual care platforms.


Sutter Health | Aetna customer success story³

This Sutter Health | Aetna customer is a consulting firm that has been offering Sutter Health | Aetna to their employees since 2019, and currently has around 700 subscribers in a Sutter Health | Aetna network plan. A recent analysis of this customer found that employees that selected the **Sutter Health | Aetna network plan had an 18% lower per member per month medical trend.**

↓ **>25%**
lower ambulatory
facility per member
per month spend

↓ **>10%**
lower emergency
room per member
per month trend

↓ **>3%**
lower 30-day
readmission rate



↓ **>15%**
lower ambulatory
facility per member
per month trend

↓ **>5%**
lower inpatient
facility per member
per month trend

²Cupertino location open now. Additional locations to be added by end of 2021.

³Actual results may vary. Data represents customer Sutter Health | Aetna membership population in comparison to customer Aetna commercial membership population within the Sutter Health | Aetna service area. Data is from a one year time period during a pandemic between March 1, 2020 – February 28, 2021.

Health benefit plans are administered by Sutter Health and Aetna Administrative Services LLC (Sutter Health | Aetna). Sutter Health | Aetna is an affiliate of Sutter Health and its affiliates (Sutter) and of Aetna Life Insurance Company and its affiliates (Aetna). Aetna and Sutter provide certain management services to Sutter Health | Aetna. Aetna®, CVS Pharmacy, Inc., which owns CVS® HealthHUB™ locations, and MinuteClinic®, LLC (which either operates or provides certain management support services to MinuteClinic-branded walk-in clinics) are part of the CVS Health® family of companies.

SutterHealthAetna.com