

AMERICAN
ASSOCIATION OF
Preferred
Provider
Organizations

Transparency

CONTRACTING REFORM

HEALTH CARE REFORM

IT'S A CRITICAL TIME FOR THE PPO INDUSTRY

How can you prepare your organization?
What are your industry colleagues doing to address these issues?
How can you ensure you have a voice in these debates?

THE ANSWER IS AAPPO.

AAPPO is the advocate for the PPO industry.
AAPPO provides the tools and education to ensure your success.
AAPPO connects you to your industry peers.

Learn more about the many benefits of AAPPO membership.



About AAPPO

The American Association of Preferred Provider Organizations (AAPPO) is the leading national association of preferred provider organizations (PPOs) and affiliate organizations. With 550 members representing 65 different organizations, AAPPO represents the most popular healthcare choice for more than 203 million Americans and the vehicle that supports 95 percent of consumer-directed healthcare plans. We are the voice of the PPO industry on the value that PPOs bring to American healthcare system.

Membership in AAPPO has never been more important. The subject of healthcare reform is moving back into the national spotlight, state legislatures everywhere are acting on PPO contracting reform, and our businesses are operating amid near unprecedented economic upheaval.

AAPPO is your resource for addressing the key issues facing our industry.

- At AAPPO, industry leaders are uncovering new ways to expand markets, cut costs, and drive industry-wide efficiencies.
- We are working toward passage of model contracting reform at the state level in a form that is consistent with industry objectives.
- We are articulating to policy makers, providers, industry partners and consumers why the PPO model should be a critical component of any new national healthcare paradigm that seeks to meet the goal we share of expanding affordable coverage.

And those are just a few of the examples of AAPPO industry leadership in action.

Collaboration with our health care industry peers is essential to the PPO industry's success. AAPPO has been a leader on forming partnerships with a variety of groups to provide further value for AAPPO members. These alliances provide added value for members of all three associations and expand the arsenal of resources available to member companies.

AAPPO has also spearheaded a partnership with the American Medical Association that is reaping dividends in collaboration and communication with the face of healthcare for most Americans.

And AAPPO takes a broad view of its potential for industry impact. The National Association of Specialty Health Organizations (NASHO), an AAPPO subsidiary, is advocating for the inclusion of the full array of specialized health services into the healthcare reimbursement model. It is critical to the broader AAPPO mission.

Education. Advocacy. Best-practice advancement. Collaboration. Addressing daunting business challenges. Be part of APPOO today.





AAPPO Guiding Principles

Vision

A healthcare system that advances access to Preferred Provider Networks (PPNs) and PPO benefit products in partnership with providers. We support the access, choice and flexibility - the hallmarks of PPNs and PPO benefit products - that purchasers, employers and consumers value in expanding affordable health care coverage to all Americans where regulation is measured and equitable, and competition is allowed to flourish.

Mission

To be the most valued and effective advocate for the PPO Industry by:

- **Educating** and informing the federal and state legislative and regulatory bodies concerning the benefits and value the PPO delivery system provides in partnership with providers to consumers, employers and purchasers.
- **Promoting** PPO Industry best practices by developing and advancing PPO practices and guidelines including the promotion of practices to purchase shared services in an effort to reduce administration cost.
- **Advancing** the business needs of Preferred Provider Networks and Payers by providing the resources to support PPO advocacy, education and services that promote empowerment.
- **Promoting** Preferred Provider Networks and PPO benefit products to purchasers, consumers, employers and the healthcare industry at large as the preferred healthcare solution.

Value Proposition

AAPPO prides itself in being responsive to its members and providing programs and activities to specifically support their business needs. AAPPO provides value through:

- A **comprehensive federal and state Public Policy Initiative** - includes membership in healthcare coalitions and programs to educate and inform federal/state legislators and regulators on the benefits and value of the PPO healthcare delivery model.
- Focused **Collaborative Branding Efforts** / Activities between AAPPO and its' members - includes the promotion of visibility, clarity, awareness, value and benefits of the PPO delivery model. These efforts educate and inform all marketplace sectors that regulate, use and support the PPO delivery system.
- A **national Communications Initiative** - promotes the industry through PPO publications, speakers' bureau, alerts, news releases, e-newsletters, best practices, AAPPO-sponsored activities and educational forums.





PPO Industry By the Numbers

- Greater access, choice and flexibility have led more than **203 million** Americans in the private healthcare market to enroll in PPOs
- **69 percent** of all Americans with health insurance now receive their healthcare benefits through a PPO delivery system
- PPOs are the primary healthcare delivery system for Health Savings Account (HSA) enrollees. Today, of the nearly 5 million Americans enrolled in HSA products, **97 percent** are in PPOs
- PPOs have been able to offer high-quality care for the average cost of **\$8,781 per employee**, less than HMO benefit costs which average \$8,892 per employee. While the cost difference is slight, the market has clearly and consistently chosen PPOs due to the additional benefits they offer for the price — greater access and choice in a quality setting
- Following three years of high cost increases, HMO cost growth slowed in 2010. PPO cost growth has been more consistent. Average per-employee cost has risen by about **6% each year since 2004**.
- There are **428** PPO networks (non-risk bearing) and payers (risk-bearing) offering PPO products in the United States
- Non-risk bearing PPO networks represent **50 percent** of all PPOs and develop and provide access to PPO provider networks
- Payers offering PPO products represent **50 percent of all PPOs** and provide PPO health insurance benefits/services and pay claims for those benefits





What Our Industry is Saying...

PPO industry leaders share why they believe membership in AAPPO provides value for their organizations -- and their careers.

Blaine Faulkner
COO, First Health

"We at First Health find our membership in AAPPO invaluable and are very active within the organization. We participate in the annual conference and appreciate the quality of the speakers they present there. We also rely on the role that AAPPO plays in monitoring legislation and acting as an advocate for our industry."

Kenneth Hamm
CEO, First Choice Health

"At AAPPO events, I know I will be able to network with other PPOs that face the same challenges and opportunities that we do at First Choice. It is very helpful to hear how others have addressed the same issues we face."

Marci Conlin
Senior VP Network Development, HealthSmart Preferred Care

"From my perspective, AAPPO's value can be measured by how well they stay on top of industry trends and keep the membership informed of changes – business, legislative or regulatory – going on in the marketplace. I also greatly value the networking opportunities during the Annual PPO Forums. Our industry is so targeted to specific groups and individuals that the Annual Forums provide an excellent opportunity to connect with many of the people I do business with every day."

Alan Spielman
President and CEO, URAC

"URAC supports the value proposition promoted by AAPPO: access to high-quality physician services within an environment that supports consumer choice and flexibility. The central role of the patient-doctor relationship is primary in the PPO environment. The creative strategies put forward by AAPPO - designed to improve delivery of preventive care through patient-centered care and consumer empowerment – are fully aligned with URAC's quality improvement and consumer-focused mission."

Nancy J. Blaski
Second Vice President, Managed Care
Trustmark Insurance Company

"AAPPO provides the Trustmark Companies with timely email and webinar updates on legislation and regulation affecting our businesses. The staff are experts on assessing possible threats and opportunities to PPO organizations, and they understand both the legislative and administrative processes. Additionally, AAPPO has developed relationships with key allies and legislators in many states allowing them to educate elected officials about the PPO industry."





AAPPO Leadership

Executive Committee

Karen Greenrose
President and CEO, AAPPO

Michael Taddeo (Chairman)
VP National Network Development, Medical Mutual of Ohio

Kenneth Hamm (Treasurer)
CEO, First Choice Health

William Ross (Secretary & PAC Chairman)
Executive Director, SBIPMG

Thomas Baker, Esq. (AAPPO Legal Counsel & Rules, Bylaws, Nominations Chairman)
Baker, Donelson, Bearman, Caldwell & Berkowitz, PC

George Bennett
President, First Health

Thomas Press
President and CEO, Midlands Choice

Keith Vangeison
EVP Network Development, MultiPlan, Inc.

Directors

Andy Alcorn
NASHO Chair-Elect & President & CEO, Block Vision

Brian Atkinson
President, Devon Health

Bruce Bigsby
CEO, GlobalCare, Inc.

Dennis Blazek
Home Office Claims Managed Care, Federated Mutual Insurance Co.

Ian Bonnet
Vice President, WellPoint

Paul F. Caliendo
President & CEO, Preferred Medical Claims Solutions (PMCS)

Skip Creasey
President, StrataCare, Inc.

Jacob Drapkin
VP Reimbursement & Healthcare Economics, Ehticon Endo-Surgery, Inc.

Tina Ellex
President, Coalition America, Inc.

Cherrill Farnsworth
President, HealthHelp

Blaine Faulkner
COO/CFO, First Health

Jim Freedman
CEO & Co-Founder, IF Technologies, LLC

George Furlong
Senior Vice President, Outcomes & Data Analytics, Universal SmartComp

Rachel Graham
President & COO, Ecom PPO Advisors

Carl King
Head of National Networks and Contracting Services, Aetna

Richard Lungen
Managing Partner, Leverage Health Solutions

Doug Markham
COO, Rockport Health Group

David Mauzey
Chief Operating Officer, ppoONE

John McSorley
Executive VP, CFO/CIO, QualCare

Michael Morrone
President & CEO, Consolidated Services Group (CSG)

James Pennington
President, HealthSmart

Linda Plaster
President & CEO, IHP, MultiPlan, IHP

Mike Ryan
Chief Growth Officer, MedRisk

Richard Sanchez
NAVCP President, and President & Chief Executive Officer Advantica

Thomas P. Shivers
Chief Sales Officer, Healthcare Solutions

Marty Sholder
President, CompNet America

Bruce Singleton
VP, Network Products, Coventry Workers' Comp Services, Inc.

Sean Smith
Chairman & CEO, Coalition America

Mario N. Vangeli
VP/National Contracting Total Medical Cost Mgmt, CIGNA

Nan Wallis
President, PPOplus

Jeff Warren
Founding Principal, JR Market Strategies, LLC

Kelly Wright
Head of Network Access & Health Plan Services, Cofinity

Mark Zyga
NASHO Chairman and Executive VP & COO, Palladian Health





Membership Levels & Fees

Professional Membership

Available to self employed individuals in managed healthcare development or utilization review
Annual Dues \$1700

Benefit include:

- Discount on AAPPO educational forums and webinars.

Associate Membership

Available to regional PPO networks and PPO affiliate organizations
Annual Dues \$5000-\$15000
(Fees based on annual revenues of organizations)

Benefits Include:

- **Ten** individual memberships (significant value based on individual membership fee)
- Access to Members Only section of web site providing the latest advocacy, industry and legislative information.
- Access to **iStatelink** – A state legislative/compliance portal, providing online reports on emerging and pending PPO legislation and regulatory activity at the state level, as well as political perspective and analysis.
- Participation in all legislative, educational, industry initiatives and committee activities to support the business needs of PPOs.
- Discount on AAPPO educational forums and webinars
- Discount on AAPPO Academy courses

Corporate Membership

Available to national PPO networks, health insurance plans and PPO affiliate organizations
Annual Dues \$15000-\$60000+
(Fees based on annual revenues of organizations)

Benefits Include:

- **Unlimited** individual memberships (significant value based on individual membership fee)
- Access to Members Only section of web site providing the latest advocacy, industry and legislative information.
- Access to **iStatelink** – A state legislative/compliance portal, providing online reports on emerging and pending PPO legislation and regulatory activity at the state level, as well as political perspective and analysis.
- Participation in all legislative, educational, industry initiatives and committee activities to support the business needs of PPOs.
- Discount on AAPPO educational forums and webinars
- Discount on AAPPO Academy courses
- Networking opportunities with industry leaders





How to Join

Membership Application:

To join AAPPO today, please complete the information below:

Primary Contact: _____

Title: _____

Company Name: _____

Address _____ City: _____

State _____ Zip _____

Telephone _____ Fax _____

Email _____ Web Site _____

Organization Type:

- | | |
|--|--|
| <input type="checkbox"/> Preferred Provider Organization (PPO) | <input type="checkbox"/> Pharmaceutical Manufacturer |
| <input type="checkbox"/> Provider Organization (PO) | <input type="checkbox"/> Consultant |
| <input type="checkbox"/> Payer/Benefits Administrator | <input type="checkbox"/> Hospital/Hospital System |
| <input type="checkbox"/> Specialty Network | <input type="checkbox"/> Other _____ |

Covered States _____

Membership Type:

- Student Professional Associate Corporate

Please fax this application to 502.403.1129 or contact Pat Coffey at 502.403.1122 x 100 or via email at pcoffey@aappo.org for more details.

