

# Employer Seminar



Join the right side of the fight  
Our mission:

## **Pareto's community and scale**

1. Eliminate volatility

2. Lower healthcare cost

# Traditional insurance is failing mid-sized employers

There's a cost to short-term thinking

45

## Annual vs. Cumulative Premium

■ Annual cost of Premium   ■ Cumulative cost of pPremiums

30

Millions

15

0

**\$30.4M**

2

2

2.2

4.2

2.4

6.7

2.6

9.2

2.8

11.9

4.3

Year 1

Year 2

Year 3

Year 4

Year 5

Year 10

# The size and frequency of catastrophic claims has dramatically increased



## LARGE CLAIM COST

INTERVENTION	COST
Gene therapy	\$3,000,000
Cancer treatment	\$1,000,000
Organ transplant	\$750,000
Dialysis	\$600,000

Source: HCC Annual Report 2024



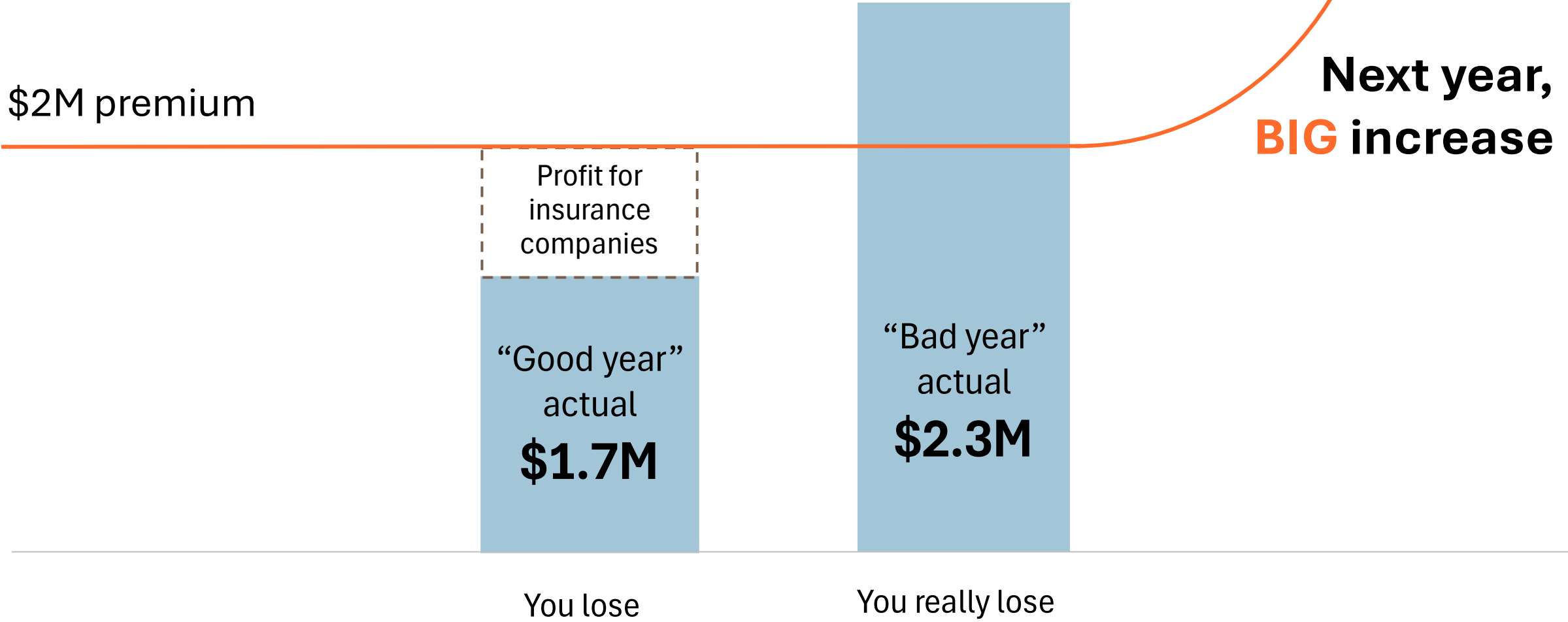
## MORE FREQUENT

# 14.5x

Increase in catastrophic claims (>\$2M+) for midsize businesses in the last 3 years

# There's no way out, employers can't win

\$2M premium



**Next year,  
BIG increase**

# What do these companies have in common?



verizon<sup>v</sup>

ExxonMobil

 Microsoft

**COSTCO**  
WHOLESALE



JPMorganChase



 **PEPSICO**



# Pareto is the largest proven solution in the marketplace



## SCALE

**4,000+**  
employer Members

**1.3M+**  
covered lives

**\$8B+**  
healthcare spend  
under management

**\$2B+**  
stop-loss premium



## VALUE

**7.5%**  
savings in year 1

**16.5%**  
savings in year 3

**0**  
new lasers

**30%**  
stop-loss rate cap

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Methodology independently reviewed and validated by Milliman.



## LOYALTY

**96%**  
retention

**13,000+**  
renewals

# How Pareto helps you eliminate volatility

# Our Risk Shield protects employers from large and catastrophic claims

## Pareto's community and scale

1. Eliminate volatility

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### Risk Shield

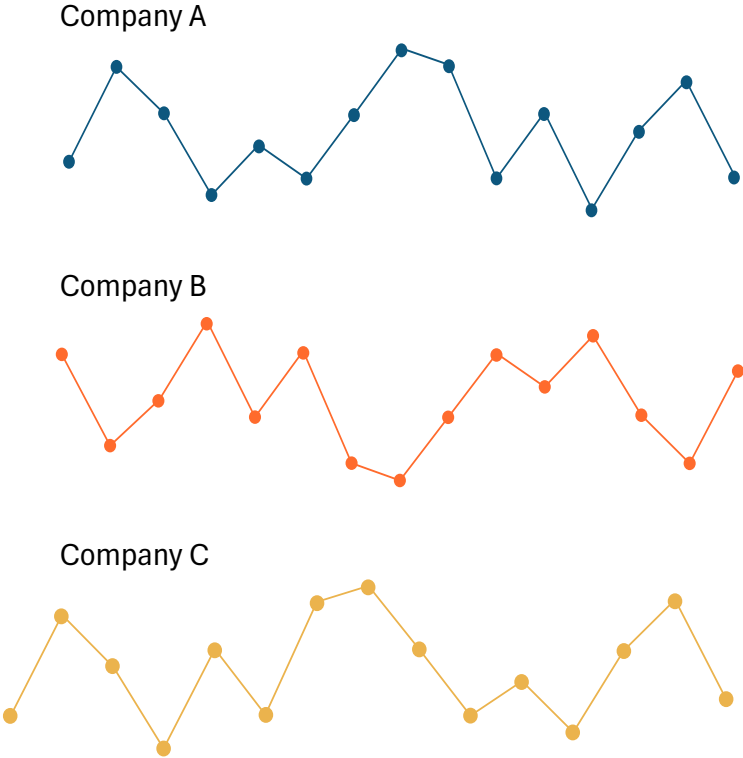
Large claims protections and upside for employer-owners

Aligned captive structure

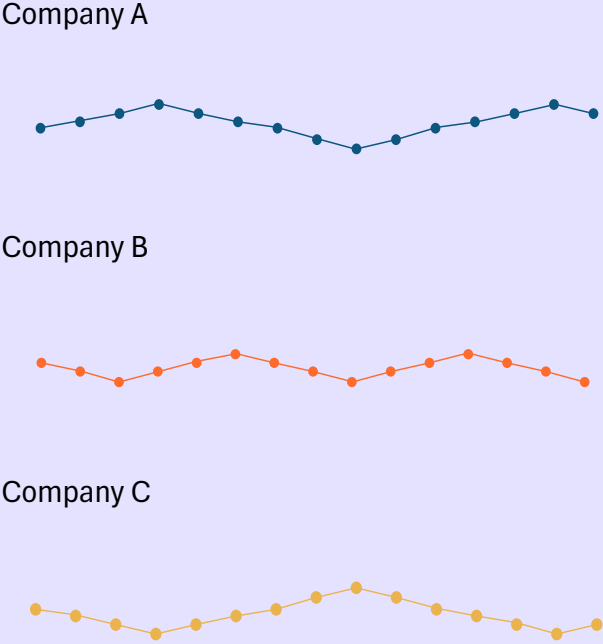
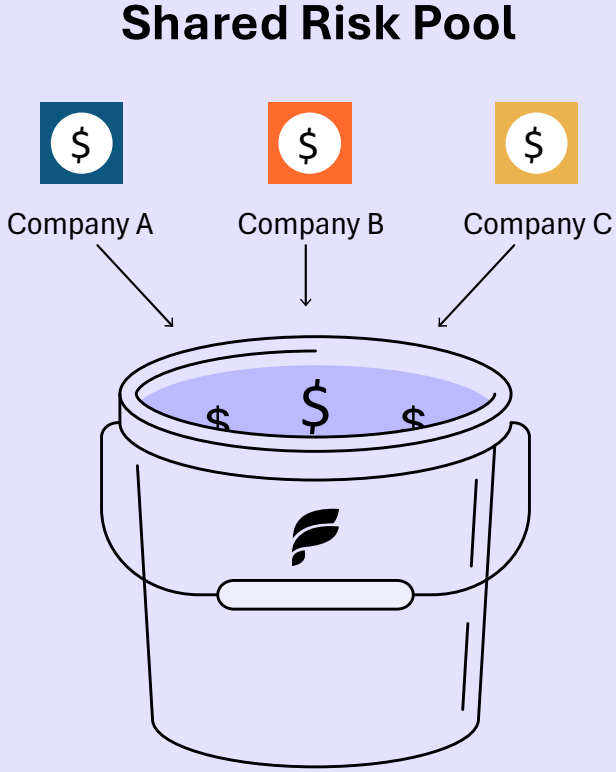
Strongest stop-loss contract

# Pareto makes scale possible for midsize employers

## VOLATILITY, ALONE

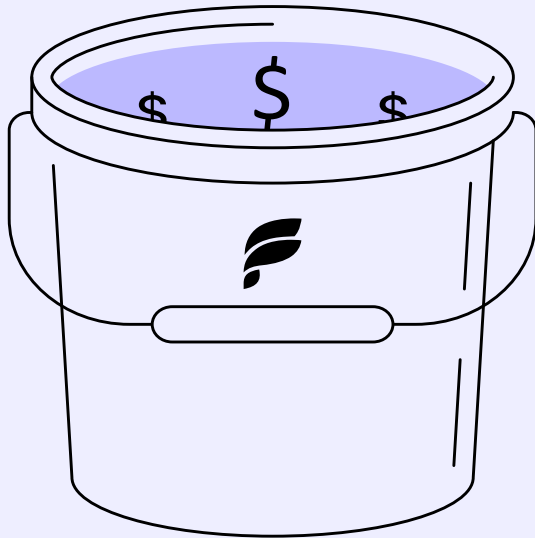


## STABILITY WITH ParetoHealth



# Capital gives an employer ownership in the captive

**Shared Risk Pool**



**Your Capital**



# How Pareto helps you reduce costs

# Our Savings Engine reduces cost and enhances benefits

## Pareto's community and scale

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### Risk Shield

Large claims protections and upside for employer-owners

Aligned captive structure

Strongest stop-loss contract



### Savings Engine

Proven solutions to manage costs & enhance benefits

Medical solutions

Pharmacy solutions

Care navigation

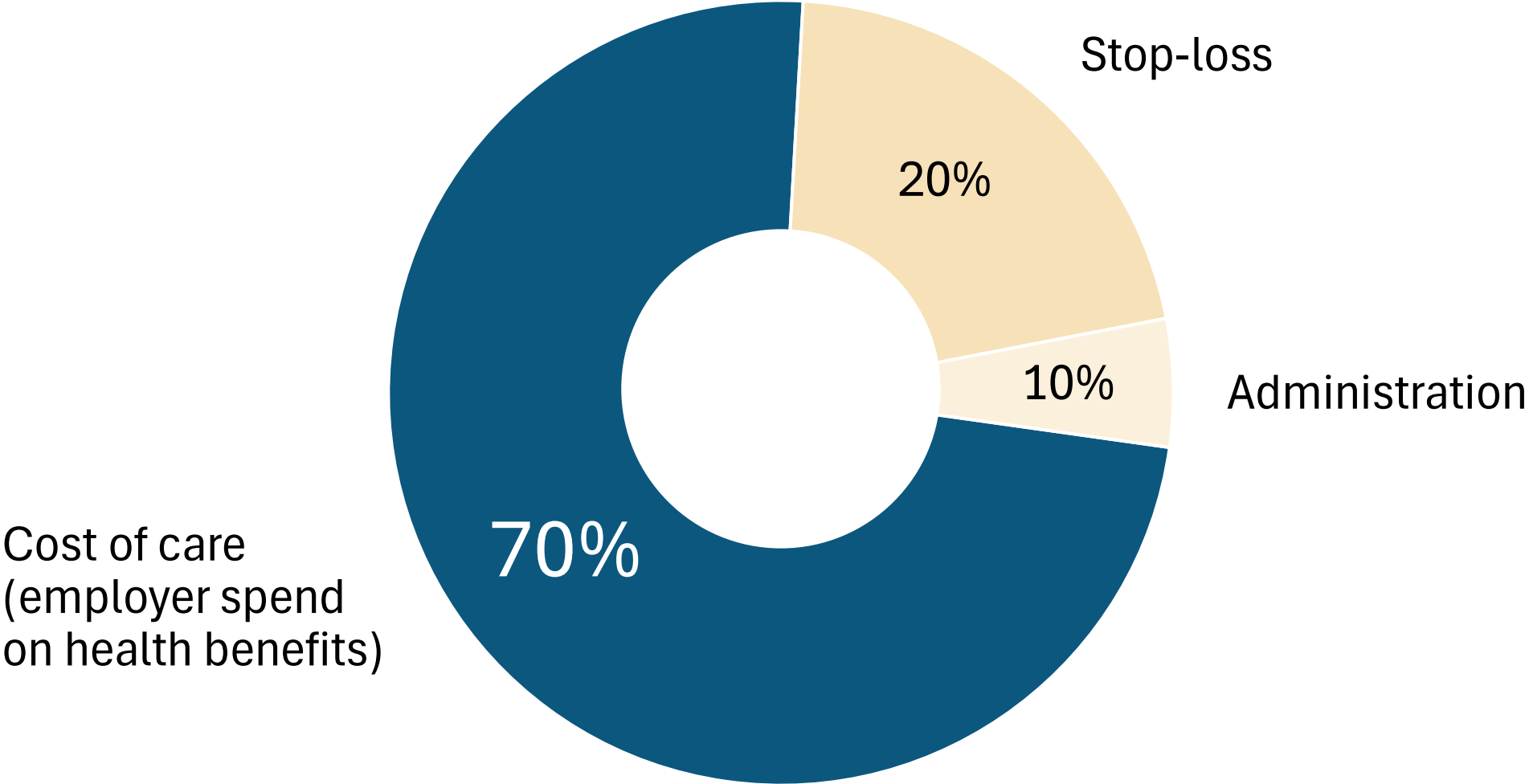
NEW

ParetoInterventions for large claims

NEW

Data & insights

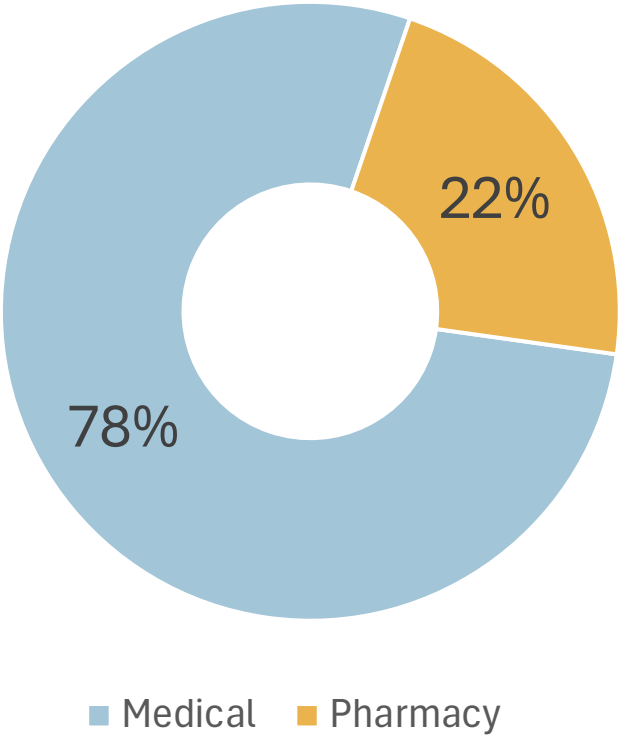
# Cost of care drives 70% of healthcare spend—the biggest opportunity for savings



Illustrative

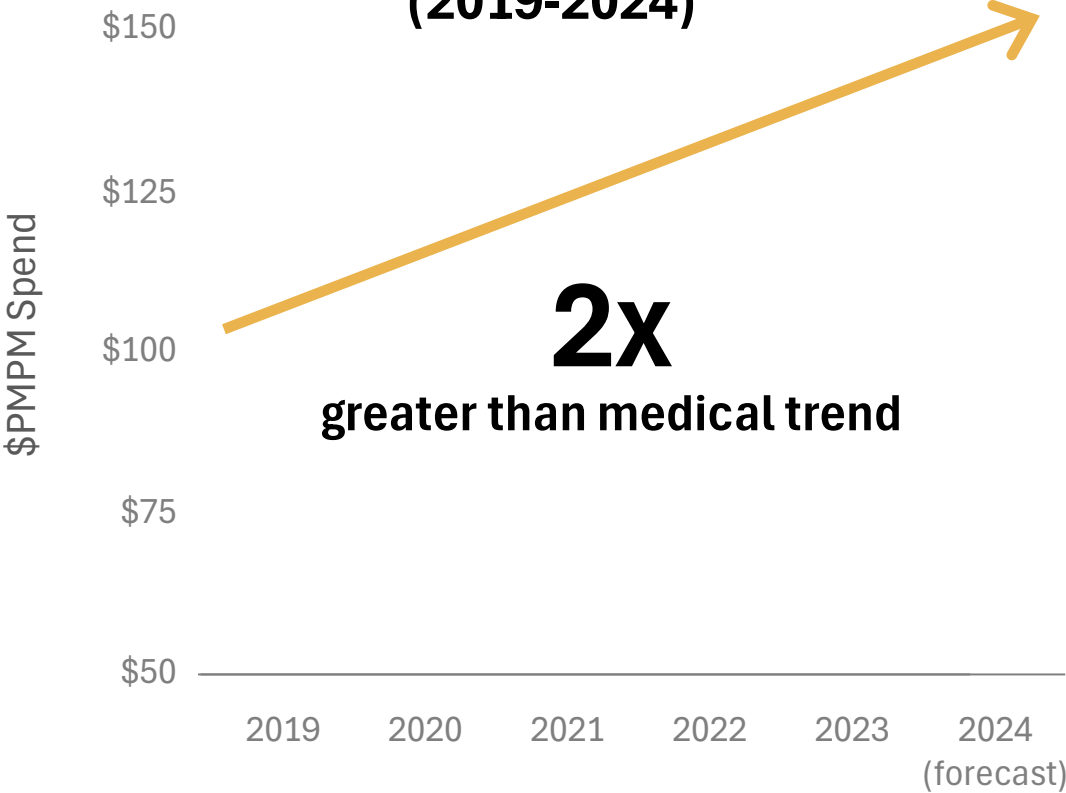
# Medical spend is 78% of costs, while pharmacy spend is 22% and growing 2x faster

### Pareto Member total healthcare spend



Source: 2024 ParetoHealth Claims Analysis

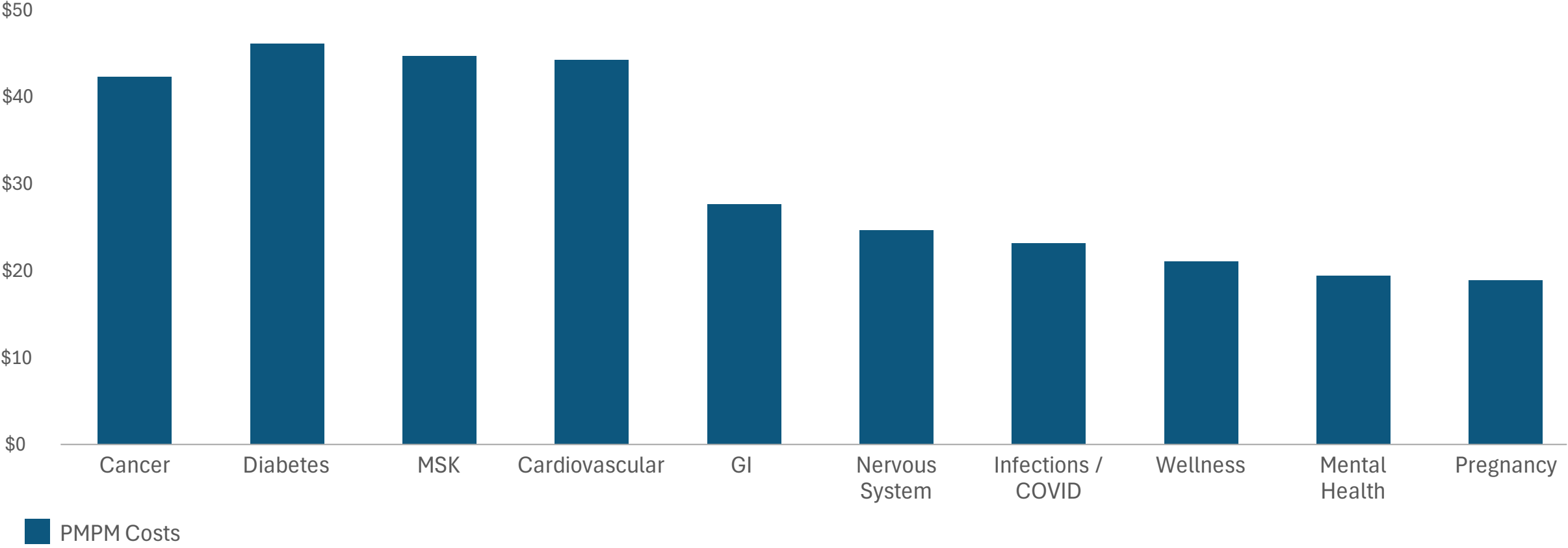
### Prescription spend (2019-2024)



Source: 2023 Workforce Health Index, apree/Castlight Health

# We focus on the largest and most impactful spending areas

Top 10 spend drivers by condition



Source: 2024 ParetoHealth Claims Analysis

# Savings Engine solutions address high-cost conditions and enhance employee benefits

ParetoHealth vets, contracts, and manages a **trusted ecosystem of solutions:**

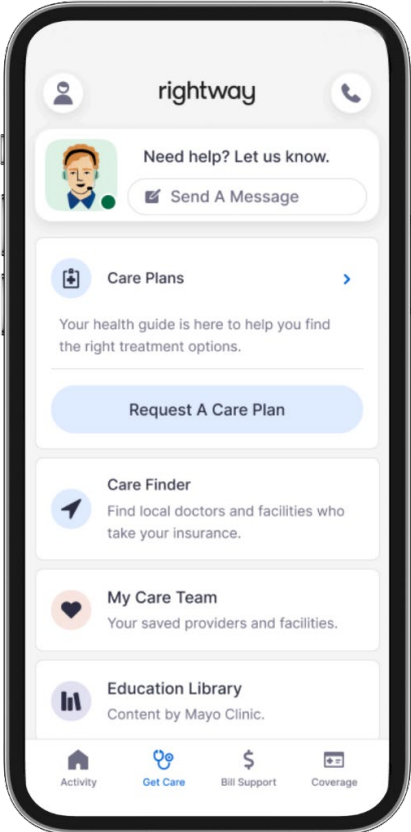
- ✓ Surgeries & imaging
- ✓ Neonatal intensive care
- ✓ Medicare/ACA enrollment
- ✓ Benefit compliance support
- ✓ Wellness
- ✓ Cancer
- ✓ Data & claims analytics
- ✓ Care navigation (**NEW**)
- ✓ Weight & GLP-1 cost management (**NEW**)
- ✓ Chronic kidney disease & dialysis (**NEW**)
- ✓ Primary care (**NEW**)
- ✓ Mental health (**NEW**)



# Care navigation: Guide employees to high-quality, cost-effective care

## Easier benefits, for everyone, at no cost:

- **Find quality care:** provider & facility search
- **Access all your benefits in one place** – digital ID "wallet" and portal to all benefit programs
- **Get live help:** Care navigation teams help with finding care or answering benefit questions



## 2. Lower healthcare cost

### Savings Engine

Proven solutions to manage costs & enhance benefits

Medical solutions

Pharmacy solutions

Care navigation **NEW**

ParetoInterventions for large claims **NEW**

# ParetoInterventions uncover high-cost savings opportunities at the claimant-level

BOOK OF BUSINESS: Medicare Opportunities			
Company	# of claimants	Cost	% of employer TCOC
Employer 1	26	\$153,000	6%
<b>Employer 2</b>	<b>3</b>	<b>\$468,000</b>	<b>24%</b>
Employer 3	12	\$66,000	6%
Employer 4	61	\$318,000	7.5%

EMPLOYER 2: Medicare-eligible Claimant-level Insights					
# on policy	2025 Paid	% of employer TCOC	Diagnoses	Dependents?	Plan Design
1	\$362,033	<b>19%</b>	multiple myeloma	<b>No</b>	<b>Ded: \$2000 OOP Max: \$6000</b>
2	\$98,434	5%	lymphoma	Yes	OOP Max: \$5000

## 2. Lower healthcare cost

### Savings Engine

Proven solutions to manage costs & enhance benefits

Medical solutions

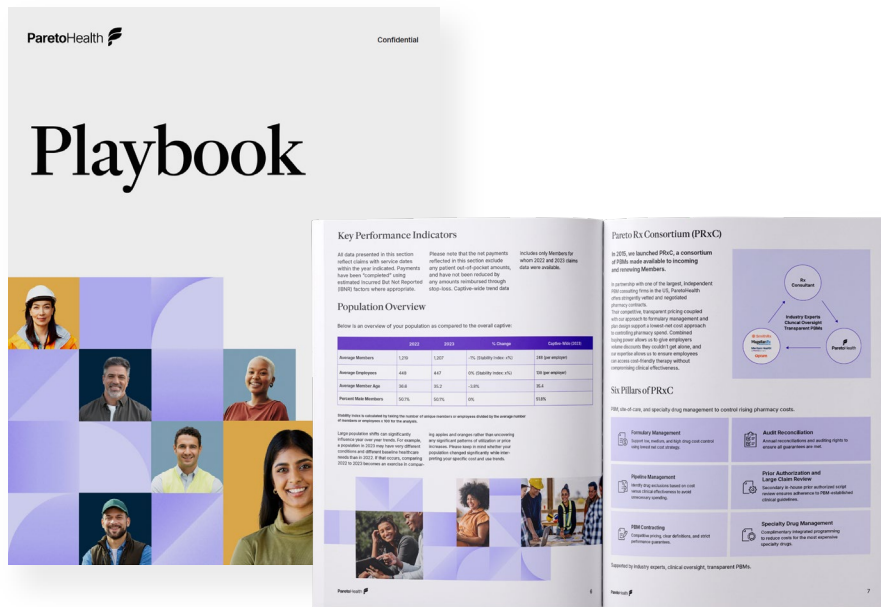
Pharmacy solutions

Care navigation

ParetoInterventions for large claims
NEW

# Personalized insights and actionable recommendations all year long

## Annual strategy



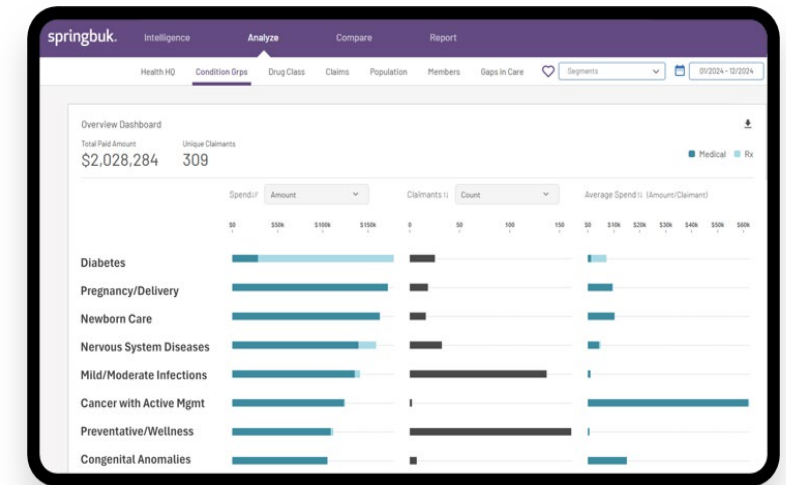
Member Playbook\*

## Quarterly insights



Quarterly Value Report\*\*

## Self-service analytics



Springbuk analytics

\*Requires Springbuk and a PBM that is Pareto-approved for claims data-sharing: CarelonRx, CVS Caremark, EmpiRx Health, Express Scripts, Liviniti (FKA Southern Scripts), MedOne, Meritain Pharmacy, OptumRx, Prime Therapeutics, ProAct, Rx Benefits, SmithRx, True Rx, TrueScripts  
ParetoHealth

# How Members save with access to surgery and imaging through a Savings Engine solution

## The problem

- Employees face high out-of-pocket costs for common procedures like MRIs, CT scans, and surgeries
- Without direct contracting, employers overpay, too



## The solution

Valenz provides bundled and transparent prices for:

- ✓ Labs
- ✓ Direct contracting
- ✓ Imaging
- ✓ Surgical networks



## MEMBER CASE STUDY WITH VALENZ

**576**

enrolled employees

**141**

procedures

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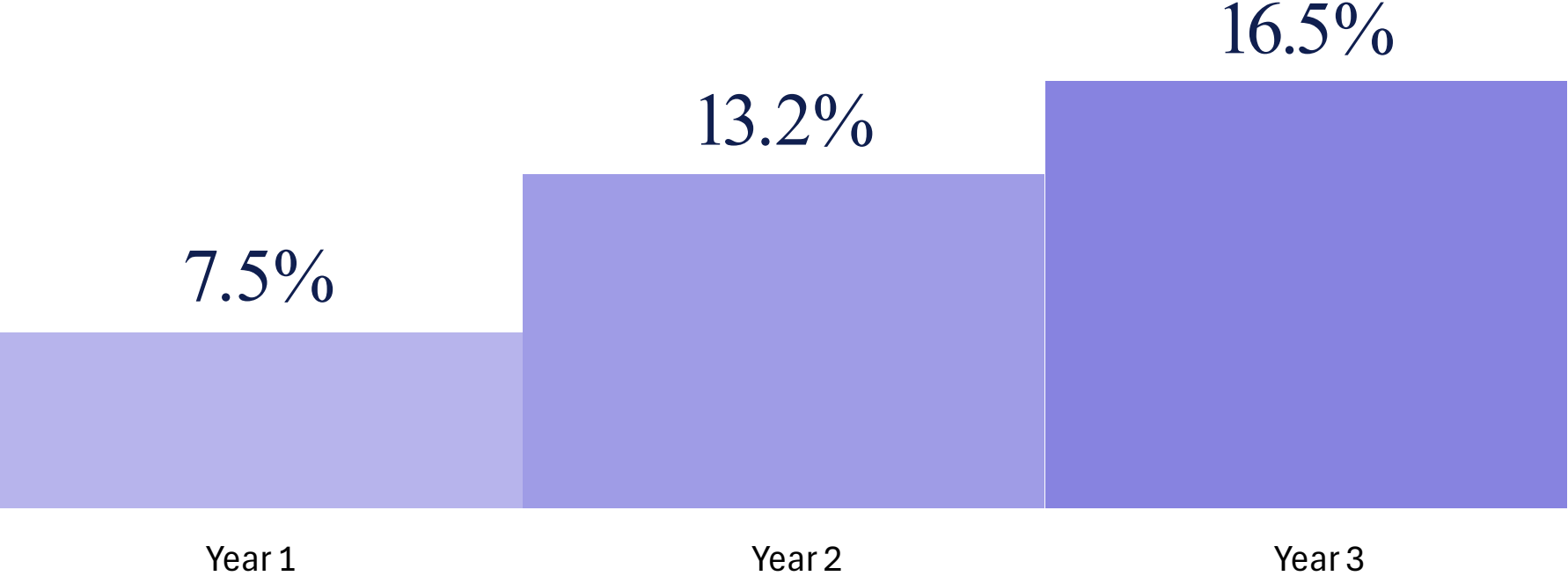
**\$523,851**

saved annually

# Pareto Member community

# A longitudinal, claims-based study demonstrated that Pareto delivered consistent savings compared to traditional insurance

Total Healthcare Savings with Pareto vs. Fully Insured Plans



Methodology independently reviewed and validated by Milliman

Source: Claims-based cost impact methodology independently reviewed and validated by Milliman 2025

# What to expect next:



- ✓ Debrief with your consultant
- ✓ Your consultant can provide data to create an Indication customized to you
- ✓ Meet the community at an upcoming Members' Meeting

Fort Lauderdale, FL

[March 29–31](#)



Nashville, TN

[April 19–21](#)



Palm Springs, CA

[May 10–12](#)



# 2026 Prospective Members' Meetings

See how ParetoHealth delivers stability and results

San Diego  
Aug 17-19



San Diego, CA

Nashville  
Aug 26-28



Nashville, TN

Washington, DC  
Sept 16-18



Washington, DC

## Why attend?



### How It Works

Get an inside look at the ParetoHealth solution, its governance, and the results it delivers



### Exclusive Cost Containment Strategies

Learn about cost-management solutions available only to ParetoHealth Members



### Real Conversations

Connect with current Members and the ParetoHealth leadership team in candid discussions

# Thank You