

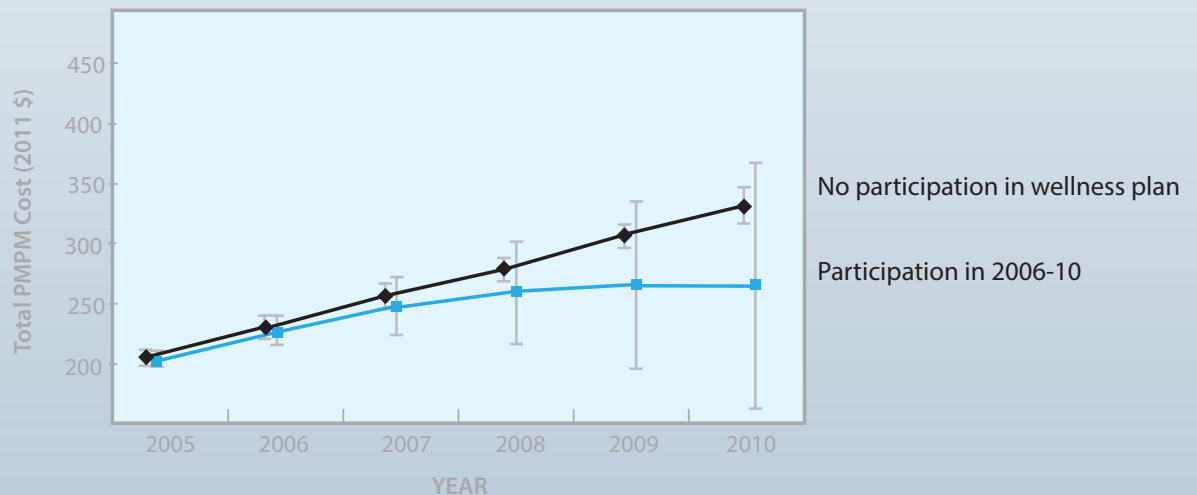


Wellness Plan Incentives New Tax Savings & A Healthier Workforce

Why The Affordable Care Act makes a great idea even better.

Data from multiple sources including Rand Corporation, McKinsey & Company, The Internal Revenue Service and The American College of Physicians indicate that access to primary care and corporate wellness programs reduce health-care cost and absenteeism, and improve health and productivity.

LOWER HEALTHCARE COSTS



Cumulative simulated effects of wellness plan program participation on total health care costs per health plan member per month. Source: RAND "Workplace Wellness Programs Study," April 2013.

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This information should not be considered tax or legal guidance.

Keeping Workers Healthier, Happier and On The Job

A preventive wellness plan isn't just a valuable benefit for your employees. It's a smart investment for your company. The more your workforce uses a wellness plan, the *less* it ends up costing you.

Appropriately designed wellness programs have the potential to contribute importantly to promoting health and preventing disease.

—IRS Bulletin No 2013-27, July 1, 2013

A HEALTHIER WORK FORCE MEANS...

LOWER COSTS

- Fewer and lower claims against your medical policy
- Lower claims may qualify you for lower premiums

MORE PRODUCTIVITY

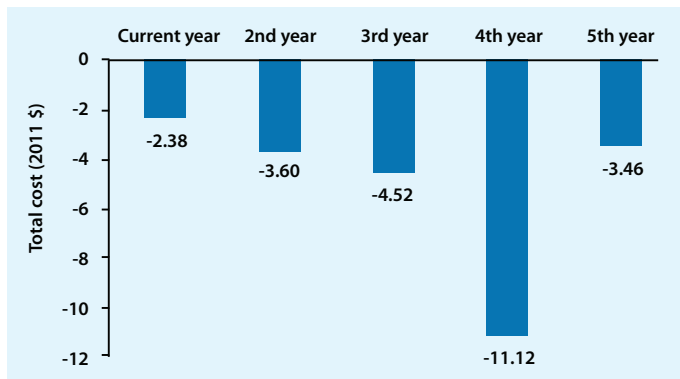
- Less absenteeism
- More-energized, higher-morale workforce

LOYALTY BETWEEN COMPANY AND EMPLOYEES

- A very high perceived value to employees
- This premium wellness program differentiates you from your competitors

WELLNESS PLANS LOWER HEALTHCARE COSTS

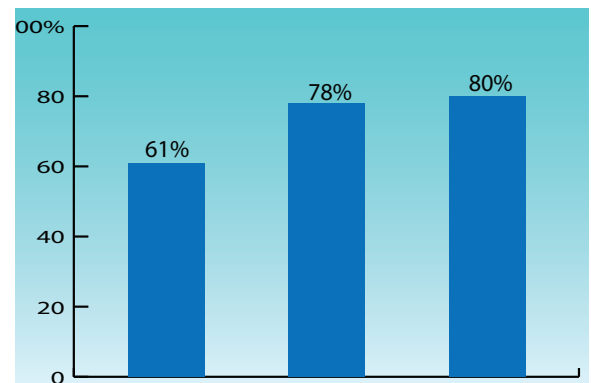
Effect of 1-year wellness program participation on total health care costs per health plan member per month



Source: RAND analysis of health plan claims and screening and wellness program data in the CCA database. NOTE: 2005–2010 data are from four employers; 12,127 propensity score matched pairs. *p<0.05; **p<0.01.

EMPLOYERS SEE RETURNS ON INVESTMENT

Percentage of employers reporting benefits from their wellness programs



Source: RAND Employer Survey, 2012. NOTE: The graph represents information from the subset of employers with at least 50 employees that offer a wellness program (51 percent). propensity score matched pairs. *p<0.05; **p<0.01.

A Wellness Plan gives you control over rising health care costs

Increased reliance on preventive primary care and team-based care significantly lowers the costs for treating high-risk patients while decreasing ER visits, hospitalizations and readmissions from 20–25%.

("Strengthening primary care improves outcomes, lowers costs."
-McKinsey & Co. 2013)

Win: Increased tax incentive for you

Receive a tax deduction of up to 38%* of your wellness plan cost. Plus, see if you qualify to for a new federal subsidy for setting up a wellness plan.

Win: Lower health care premiums for workers

For qualified corporate wellness plans linked to health plans that start on or after January 1, 2014, a reward of up to 30% of the employee's medical premium (including employee + employer contribution) can be provided back to the employee. This incentive increases up to 50% for smoking cessation programs. This allows employees to become vested in their health and lower their healthcare and insurance costs.

Win: Employee satisfaction and loyalty

Evening and weekend appointments keep employees at work. You may choose to also cover spouses and children who are welcome at Amai because a healthier lifestyle is a family affair. Amai Corporate Wellness 360° promotes a sense of team, loyalty, cohesion and camaraderie.

*Consult with your tax advisor to determine tax savings.

IT'S ESTIMATED THAT 5 MILLION ADMISSIONS TO U.S. HOSPITALS EACH YEAR MAY BE PREVENTABLE WITH HIGH-QUALITY PRIMARY AND PREVENTIVE CARE TREATMENT.

("Preventable Hospitalizations: A Window into Primary and Preventative Care, Agency for Healthcare Research and Quality 2000.)

WITH AN AVERAGE HOSPITAL STAY AT \$9,700 AND RISING, THIS WOULD SAVE THE U.S. HEALTH CARE SYSTEM \$48.5 BILLION PER YEAR.

(AHRQ Statistical Brief #146, 2010).

An Amai Corporate Wellness Primer

Health-Contingent Wellness Plans

These types of wellness plans condition a reward based on a participant meeting a health-related standard or engaging in a specific activity (e.g., quitting smoking, attaining a certain score on a diagnostic test, engaging in a walking program, etc.).

Amai specializes in activity-based health-contingent wellness plans.

Plans can be new, existing, insured or self-insured. The Employer decides who can participate (Employee, Employee + One, Employee + Family).

Amai Health-Contingent Program activities are identified

Participants engage in a health evaluation and activities such as walking, diet or exercise. Anyone who can't participate due to a medical condition are offered an alternative.

Employees can receive a monetary incentive for participation

The employer decides on the amount of the incentive (up to prevailing limits). The employer then qualifies for a tax deduction based on the cost of the wellness program. In addition, the aim of the wellness program is to lower healthcare costs through lower healthcare utilization, lower health claims and higher worker productivity.

Plan requirements

- Employees must be able to qualify for the reward at least once per year.
- Plan must be reasonably designed to promote good health or prevents disease, giving employees a realistic chance of attaining those results. Standards and criteria cannot be overly burdensome or a method for discrimination.
- The full program reward must be available to all similarly situated employees and offer a reasonable alternative if a medical condition prevents an employee from participating. (See Rules Regarding Alternatives.)

Rules regarding alternatives

- Participants can elect to involve their personal physician at any time for either type of program (Activity or Outcome). The employer must provide an alternative if the physician states that the program, standard or offered alternative is not medically appropriate for that participant.
- Employers must disclose the information for obtaining an alternative and a statement that the recommendation of the participant's personal physician will be accommodated if the program terms are described. However, a disclosure is not needed in plan materials that just mention a program, without describing the standards or rewards of the program.
- Employers may wait until a participant requests an alternative.
- An employer may waive the applicable standard and just provide the reward instead of providing an alternative.

The Amai Corporate Wellness 360^o™ program involves a customized wellness plan that includes the input of a physician and the participant in designing the goals, it is unlikely that an alternative plan will be required.