

2023 YEAR IN REVIEW



Executive Summary

Welcome to the Second Edition of ZERO's Year in Review. This review is to showcase our performance and achievements over the past year. The partnerships and relationships we build with our members, our providers, our employers and all of our partners strengthen who we are as an organization and the impact we have together improving the healthcare system.

Our mission at ZERO is providing the most customer-centric approach to transforming the healthcare experience and removing financial barriers to care. ZERO contracts with healthcare providers with 3 simple goals in mind: to always put members first, to eliminate financial obstacles to accessing care and to reduce the overall cost of care for employers that pay for the majority of healthcare services. Every day all of us at ZERO show up with the vision of a simpler healthcare system where the cost for individuals who use our providers is ZERO,

making healthcare truly accessible and effective for all. **Simply put Healthcare Simplified to \$0.**

Key Achievements in 2023 across our three stakeholder groups of members, providers & employers

- ZERO ended 2023 supporting over **107,000 members** and with our new groups that launched in January 2024 we now serve close to 117,000 members
- Record Engagement of our Members with ZERO with close to **20,000 referrals** processed to ZERO providers
- **211 Provider Organizations** with over 1,000 individual providers in the ZERO network
- **129 Self-Funded Employers** partner with ZERO

Member Growth

At ZERO, our vision is healthcare simplified to \$0, where healthcare truly works for everyone. ZERO helps self-funded employers dramatically reduce medical costs by connecting their members to providers that align with this vision. Healthcare is truly simplified by providing members with compassionate service from our Personal Health Assistants. They are committed to eliminating financial barriers to care as well as offering individualized support to meet the needs of members along their healthcare journey.

At the end of 2023, over 107,000 members across the country had access to ZERO, a 21% increase over the previous year. The chart at the right depicts the growth in membership we've seen since our first employers partnered with us in 2016.

 **21%**
Increase In 2023

ZERO Membership Growth Since 2016

107,664	2023 +18,570
89,094	2022 +12,418
76,676	2021 +17,154
59,522	2020 +22,544
36,980	2019 +10,642
26,338	2018 +6,805
19,533	2017 +14,108
5,425	2016 +5,425

Member Engagement

Engaging consumers in healthcare programs is extremely difficult. But with costs rising, the implications of consumers forgoing unaffordable healthcare services has dire consequences. ZERO removes financial barriers to care and provides a member experience that puts members first. We pride ourselves on our ability to educate, engage, and empower members to get the care they need.

ZERO made enhancements to member outreach in 2023, which drove significant increases in member engagement with ZERO.

During implementation, ZERO creates a Member Engagement Strategy with our HR and Benefit team partners. This strategy includes pre- and post-launch engagement activities including Member Presentations, ZERO Postcards mailed to the home, materials posted on benefit websites and onsite for employers with a large onsite presence like schools, manufacturing plants and retail locations. ZERO also attends onsite Benefit and Wellness Fairs to meet directly with members to share the benefits of ZERO for them and their family members.

The biggest change came in July 2023 with a complete revamp of our Member Email Campaigns. More than half of our members have an email on file with us from either

eligibility sources, files we receive directly from our Employers, myZERO accounts created by members and emails provided by members themselves when they have a referral with ZERO. We kicked off a 4-part series of emails designed to explain ZERO, the cost savings to both members and employers when using a ZERO provider, why providers partner with ZERO to lower the cost of healthcare, and all the benefits of having your own Personal Health Assistant to guide you through the process.

These engagement efforts and others resulted in a 38% increase in calls and chats from our Members to our Personal Health Assistants (PHA), and a 42% increase in referrals to our ZERO providers, while the increase in the number of members with ZERO increased 21%.



The best part of successfully engaging members about the benefit of using ZERO is that we help employers and members maximize their savings! We cover this in detail in the [Employer Savings section](#) of the Year in Review.

Member Satisfaction

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ZERO

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Everything we do at ZERO revolves around our members. We survey members after every visit to a ZERO provider to ensure that the service they receive from our PHA team is courteous, respectful and knowledgeable about serving their needs. We also ensure that scheduling their appointment with our

providers was easy. We believe that healthcare should be affordable, simple and personalized. Our 94 NPS tells us that our members do too! Here's a few of the comments we received in 2023 from our Member Surveys.

94
NPS
**ZERO MEMBER NET
PROMOTER SCORE**

“

Super easy to get the appointment scheduled and get the MRI. I was in and out in less than 30 minutes. The whole process from start to finish was less than 45 minutes. And the best part, my bill was \$0.00!!!

I have raved about ZERO to anyone I've come in contact with! Absolutely love the customer service, zero complaints!

Working with ZERO is awesome! Everyone was so friendly and efficient. The provider I saw gave exceptional service.

ZERO is a seamless process. The staff makes you feel less stressed immediately, whether that's on the phone or chatting. You guys are amazing. Thank you for always making my family feel like you are on our team!

”

Provider Highlights

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ZERO

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The core of ZERO's model of providing high-quality, convenient, lower-cost healthcare solutions is our provider network. Our physicians and other providers believe in our vision of healthcare that truly works for everyone and they genuinely care about our members. ZERO contracts directly with providers for labs, imaging services, physical therapy, women's health services, GI procedures, surgeries like gallbladder removal, tonsillectomies, and orthopedic surgical procedures like total hip, knee and shoulder procedures, spine surgery, and many more services and procedures.

To reduce the cost of healthcare, we use our robust claims database to identify the historical costs for scheduled procedures and compare those costs to our bundled prices. For example, shoulder surgery billed through regular health insurance will include a bill from the surgeon, one for the surgery center, another for the anesthesiologist, and other common services like surgical assistants, labs and pathology tests. We combine all of those costs for over 3 million procedures for nearly 500,000 members across the country, across multiple insurance companies, and establish a typical PPO price for each unique procedure. We then engage providers to offer those **same services and procedures through ZERO for at least 30% less** than the typical PPO price seen in our data.

Providers agree to partner with ZERO for three main reasons: we eliminate the bureaucracy and delays they experience when providing care to members through traditional health insurance. If a member requires a procedure, ZERO puts the decision making into the hands of the members' physicians. Second, we pay our provider partners quickly! Once they submit a claim to us, we process claims daily and collect payment from our employer partners weekly. This allows us to issue payment to the providers within 10-13 days from the initial submission of their claim to ZERO. Lastly, because employers are picking up 100% of the cost of the service and members pay \$0, the provider doesn't have to seek reimbursement from the member, eliminating the lengthy delays in collection most providers experience. These three reasons enable ZERO to grow our provider network to serve our members.

In 2023, our Provider Network Development team **added 46 new healthcare organizations** that have over a 100 providers across 200 facility locations to increase the reach of care available to ZERO members. Those new providers received over 830 referrals from our Personal Health Assistants.

46 New Healthcare Orgs.

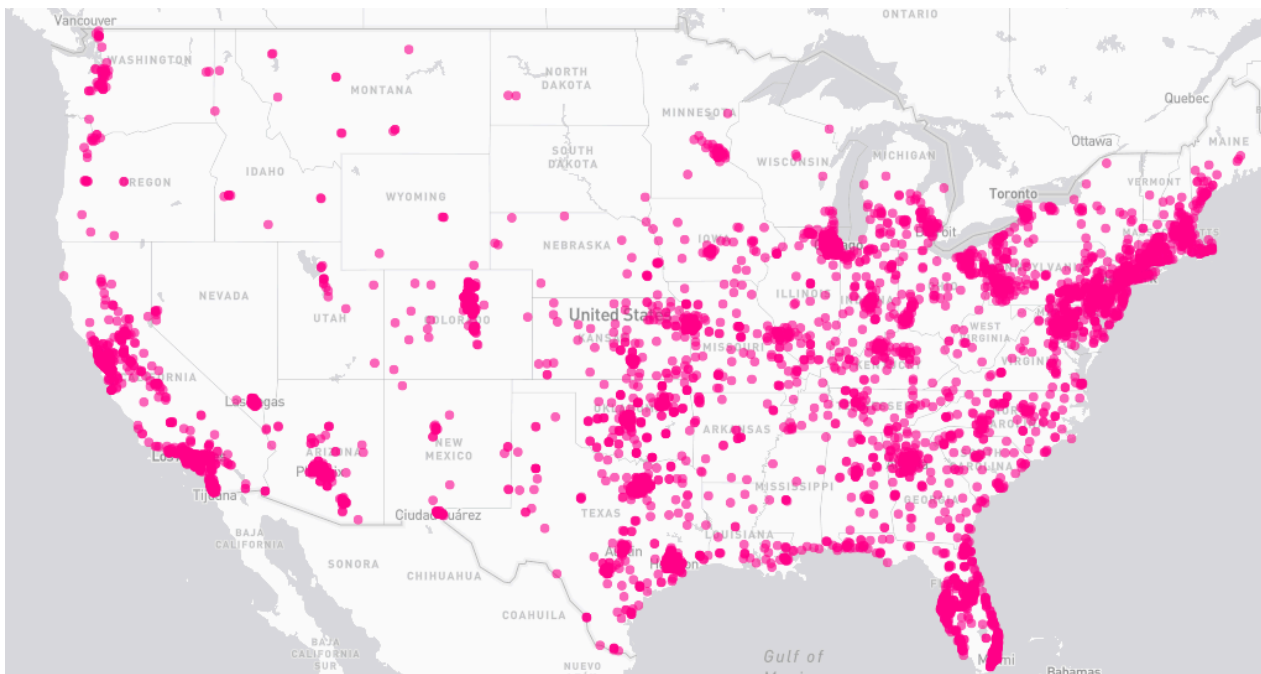
830 Referrals To New Providers

Provider Footprint

Today, **over 215 provider organizations**, representing thousands of providers in **over 6,100 locations** across the country provide options for members to receive care and increase the savings for our employers. In 2023, our Personal Health Assistants processed nearly **20,000 referrals and ZERO processed more than \$30m in claims** for providers in our network.

The map below displays the concentration of both our national and regional contracted

providers. These providers include lab work at Quest Diagnostics locations, national imaging centers supported by Green Imaging and Radiology Assist, as well as locally operated imaging centers. National GI services through ColonoscopyAssist and independent physician group practices and ambulatory surgery centers to provide digestive, urology, musculoskeletal, and women's health surgeries. All ZERO providers are posted on our website and can be easily accessed at care.zero.health.



- If you have a provider that you would like ZERO to contract with, we invite you to share that information with us by emailing us at zerohero@zero.health.

Employer Highlights

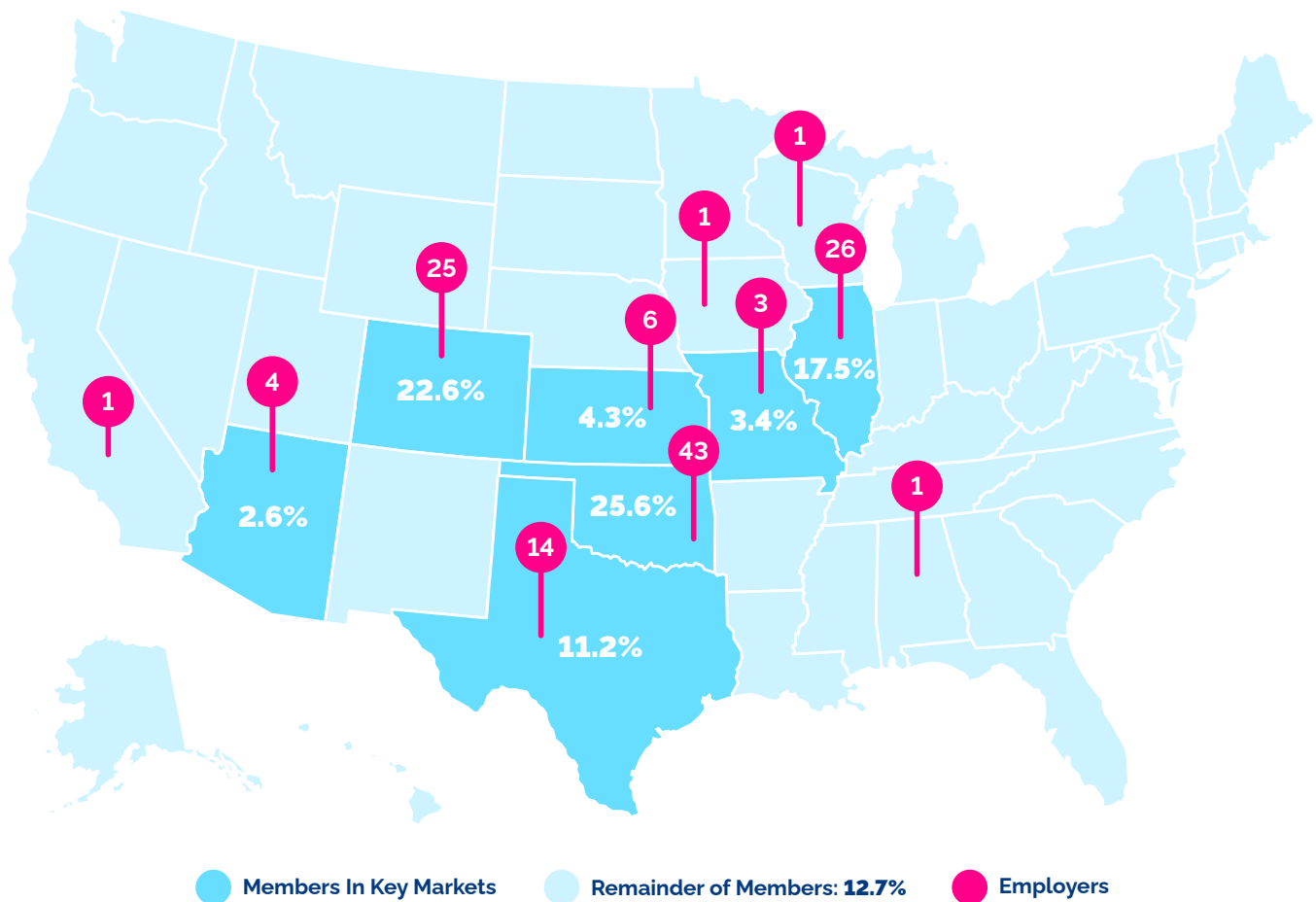
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ZERO

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The successes we saw in 2023 in our member engagement metrics all start with the relationships we build with our partner employers. From our first contact with prospective employers and broker partners, ZERO's member-first approach always focuses on what's best for the member, and backing that up with data and insights. The map below highlights the number of employers in each state, as well as the percentage of our membership in those states.

Employer Headquarters & Member Allocation



Employer Highlights

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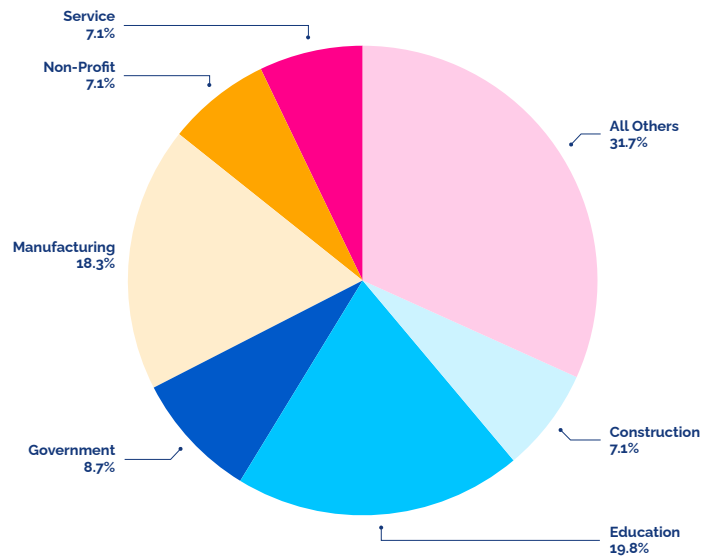
ZERO

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Employers of all kinds struggle with a challenging human resources and budgeting landscape. What is the ideal employer that should add ZERO to their benefit package? Self-funded employers we can help the most are those with highly restricted budgets in this trying economic environment. This includes the public sector: including school districts, colleges and universities, state and local governments. Also nonprofits and faith-based organizations, as well as those employers with a high proportion of lower wage workers and those looking to provide innovative solutions to attract and retain employees find ZERO highly beneficial to their workforce.

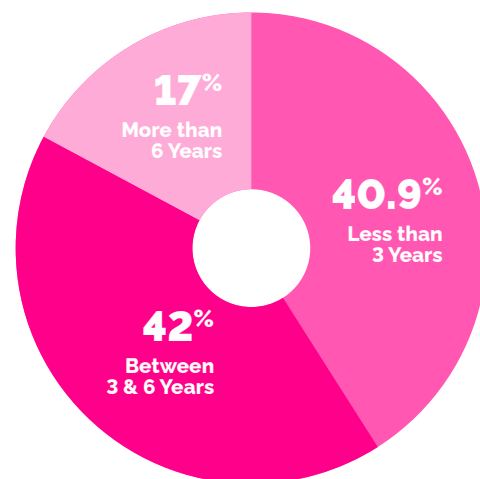
ZERO proudly serves a wide variety of industries with offering their employees and families a high-quality, convenient and no-cost option to healthcare services. We serve the **highest number of clients (19.8%) across the broader Education sector** which includes elementary and secondary schools, and colleges and universities. Next are **Manufacturing (18.3%)**, and **Government entities (8.7%)**, which include county and city governments. To the right is a representation of the employer industries that are part of the ZERO family today as well as a breakout of the duration of time our employers have partnered with ZERO.

Employer Industries



All Others includes: Agriculture, Automotive, Chemical, Computer, Electrical Services, Entertainment, Financial Services, Healthcare, Hospitality, Insurance, Mass Media, Petroleum, Publishing, Telecommunications, Transport

Length of Time w/ ZERO



Employer Implementations

Seventeen employers launched ZERO as a new benefit to their members in 2023, serving over 20,000 members. Because HR and Benefit teams are asked to do more with much less staff, the ZERO Client Success team is committed to making implementation effective and easy. ZERO is implemented in 30-45 days and doesn't need to coincide with a new plan year. In fact we see the best benefits launching ZERO "off cycle" because both the HR team and employees are not swamped by information overload.

During implementation we work with our partners to develop and deploy member engagement strategies targeted to best meet the unique needs of their employees. We understand that it takes different approaches to reach a police officer of a Colorado municipality, an employee out in the fields for an oil & gas company in Texas, an electrician working as a team on a large construction site in Arizona, a bank manager of a local credit union supporting their community in Oklahoma or a technician for a large garage door manufacturer and onsite installer located in the Kansas City metro area.

We ask our employer partners to provide feedback on their implementation of ZERO. Here are a few comments they shared with us.

- ▶ *"ZERO more than exceeded my expectations. I would highly recommend any employer to ZERO. This is the second partnership that I have had with ZERO."*
- ▶ *"I don't think anything needs to be changed. This was the easiest and most seamless implementation I have ever gone through in 20 years!"*
- ▶ *"Very easy to implement!"*
- ▶ *"The whole ZERO team was incredibly helpful and is there every step of the way!"*

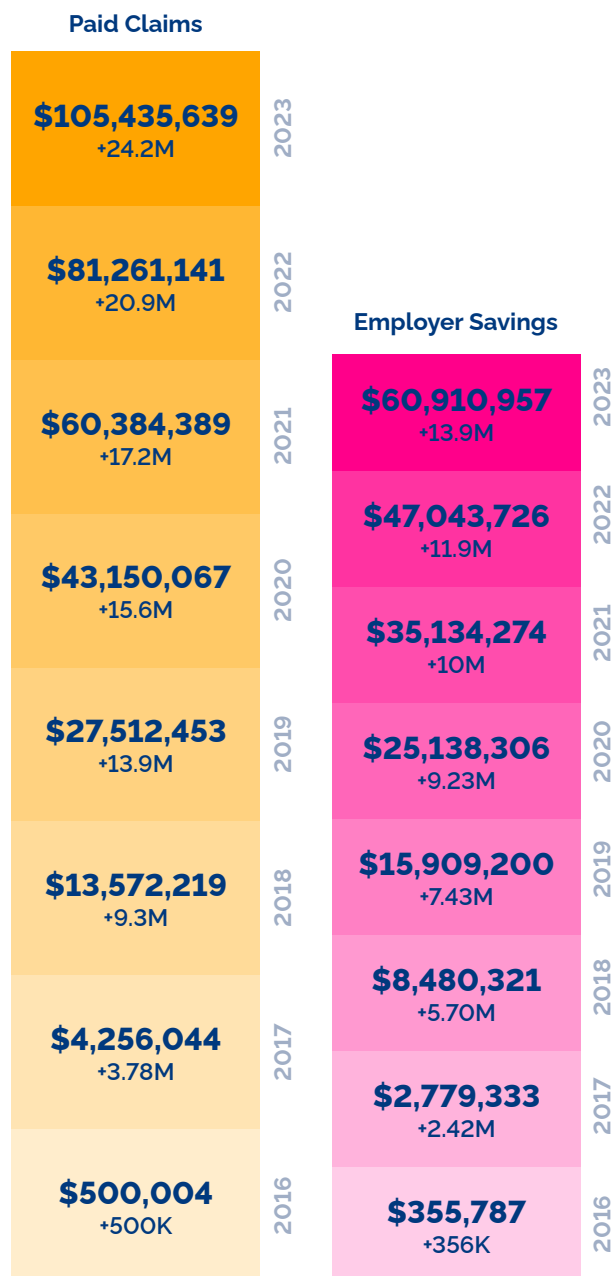
Employer Savings

ZERO calculates savings by analyzing historical PPO claims from our prospective clients, as well as past and current clients, and creates a "bundled price" based on the costs for all the claims associated with a procedure. Our database of claims contains over **\$530m in claims costs for 3m procedures**. The average cost for a specific procedure is flagged as the Typical PPO cost for a procedure. The "Savings" is the difference between the Typical PPO cost for a procedure and the ZERO cost.

The chart to the right shows the cumulative claims we have paid to our providers and the subsequent savings we achieved over the last 8 years for our employer partners. **In 2023, we helped our employer partners save nearly \$14m!** We served **over 13,000 unique members** and supported those members with **over 102,000 procedures** and services.

At ZERO, we are thankful for the chance to support our customers. Our commitment is to work alongside you, enhancing the efficiency of the healthcare system, reducing costs for everyone involved and simplifying the experience. If you know of others who could benefit from including ZERO in their benefits package, please reach out to us at zerohero@zero.health. Your support is essential in our journey to expand and improve healthcare access for all.

Cumulative Paid Claims & Cumulative Employer Savings



Wrap Up

What's On The Horizon For 2024

We're proud of what we've accomplished for our members, providers and employers this past year and work is in full swing to ensure that 2024 is filled with even greater accomplishments. If you didn't get a chance to see the video of *2023 ZERO Wrapped* - check it out on our [website](#).

This year we will enhance the posting of updated reports, case studies, and materials for employers and advisors, members and podcasts from our Chief Medical Officer and co-founder, Stan Schwartz, MD (on the [Resources Page](#) of our ZERO.health website). We want everyone to have access to information about how ZERO helps simplify healthcare!

Expanding our reach and serving more members is a key focus for us at ZERO. To achieve this, we are implementing several strategies. **First**, we are expanding our network of healthcare providers that share our vision. We want to ensure that our members have expanded access to high-quality, \$0 member-share services and providers. This means forging more partnerships with physicians, surgery centers and other healthcare facilities.

Second, we continue our focus on engagement strategies to raise awareness about our services, and help members become better consumers of healthcare resources. We'll use targeted campaigns to attract new members and retain existing ones.

Third, we continue to invest in our technology platforms to improve our service delivery and efficiency. This includes continued enhancements to our provider referral platform, goZERO, to streamline the referral process, reduce administrative burden for providers and ensure seamless care transitions for members. And for teamZERO, our reporting portal for the employer and broker partners, we continue to expand access to the reports, data and insights our partners need to track the impact of ZERO's services on their medical costs and member engagement and satisfaction with their ZERO benefit.

In conclusion, our commitment to serving our members is unwavering. We will continue to innovate and expand our reach to ensure that we can meet the healthcare needs of as many people as possible.

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