

Review of Local Governments & Municipalities

Local governments and municipalities face increasing pressure to provide high-quality, affordable healthcare benefits while managing limited budgets. At ZERO, we understand the unique challenges that come with public sector employment—tight funding cycles, complex procurement rules, and the need to serve a broad and diverse workforce.

Our mission is to make healthcare simple and affordable—as affordable as \$0 out-of-pocket—for employees and their families. For municipal employers, this means healthier communities, happier workforces, and lower healthcare spend.



Impact of Rising Healthcare Costs for Counties, Cities and State Governments

The Engelberg Center for Health Care Reform at the Brookings Institute, held a conference on April 11, 2014 entitled The Future of U.S. Health Care Spending. A topic covered at this conference was **Why Health Spending Growth Matters to State and Local Government**. Insights from this report highlight the following:

The Fiscal Threat for Local Governments

State and local governments are on the front lines of a long-term fiscal challenge of rising healthcare costs. Healthcare spending by state and local entities nearly **doubled as a share of the economy over 25 years**, totaling **\$475 billion** by 2012. That represented **24% of all state/local spending from own-source revenues and over one-third of tax revenue**.

Implications for Local Governments

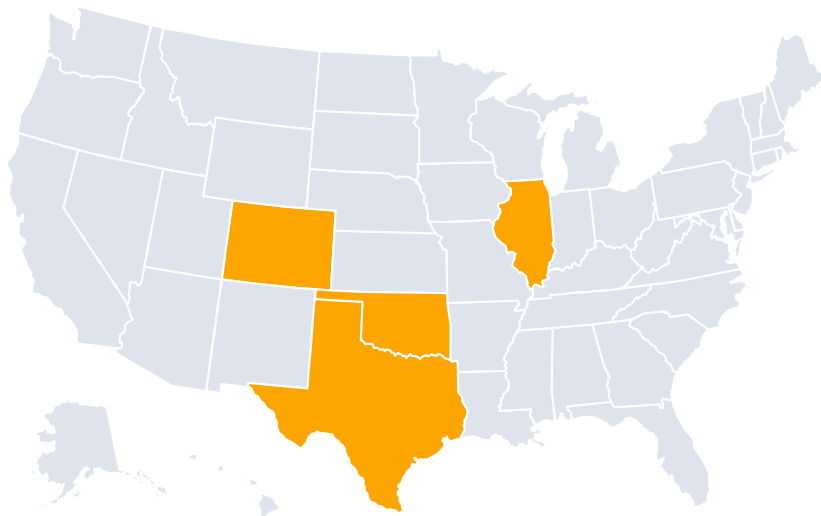
They employ 3-4 times more workers than states, and most cover employee healthcare costs themselves. Non-Medicaid spending, particularly retiree health benefits and current employee health insurance, are the largest contributors to projected cost growth and are often underfunded.

ZERO's Growth in Supporting Local Governments

For cities and counties, the stakes are high—rapidly growing healthcare costs threaten not only fiscal health, but also the ability to offer competitive benefits to attract and retain public workers. Solutions that reduce total healthcare spend, while preserving or enhancing benefit generosity, are urgently needed.

Our 8-year history supporting local governments began in mid-2018 when the City of Bartlesville, Oklahoma reached out to ZERO to enhance its self-funded healthcare plan. Bartlesville, a small city 50 miles north of Tulsa with fewer than 300 employees on its medical plan, **has saved \$1.9m on medical costs** through its partnership with ZERO. Delivering over \$1 million in direct savings to employees and their families by giving them access to high-value healthcare services with zero out-of-pocket costs. And perhaps most telling of the program's success: **50% of the employees who had access to ZERO on day one are still active today!**

ZERO has seen a steady increase in the number of local governments that recognize the power of our model. Today we serve close to **20,000 members** across 11 municipalities in Oklahoma, Texas, Illinois and Colorado, 3 county governments, and a local park & recreation district in IL.



20K
Members ACROSS **15**
MUNICIPALITIES &
COUNTIES IN 4 STATES



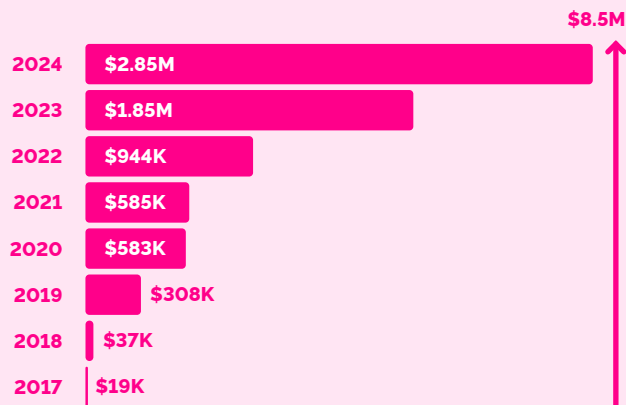
WINNEBAGO COUNTY
ILLINOIS



Saving Taxpayer Dollars, Supporting Public Workers

Because ZERO is simple and easy to implement, and integrates seamlessly with existing health plans, it's a natural choice as a **cost-containment solution for local governments**. By lowering the total cost of care, ZERO supports cities and counties in fulfilling their fiscal responsibilities to taxpayers—without compromising the quality of care or employee satisfaction.

Achieving meaningful healthcare savings hinges on active member engagement; with an average **engagement rate of 63%** among total eligible members, we've demonstrated that empowering individuals in their healthcare decisions is key to driving substantial cost reductions. This engagement has resulted in our **local government partners saving over \$8.5 million** since 2017 with ZERO added to their benefit offering.



"Addressing complex healthcare cost challenges has been made significantly more manageable with ZERO as a partner. Their approach to cost containment has not only kept our employees healthier and happier, but also more productive when they feel their best. ZERO is a vital part of our overall benefits strategy."

Robin Betts- HR Director- City of Bartlesville

While our financial achievements underscore the effectiveness of ZERO, it's the personal experiences of our members that truly bring our impact to life. Their stories reflect the real-world benefits and satisfaction derived from our partnership.

"It is such a nice change of pace in the medical field to feel like someone genuinely cared and wanted to make the process as easy as possible."

Drew - CO Municipality Member

"ZERO is an amazing supplemental benefit that has helped my family save thousands of dollars over the years. My family and I are very grateful and appreciative that the company I work for is partnered with ZERO."

Richard - OK Municipality Member

"I found the entire process of working with ZERO extremely easy. I was so pleasantly surprised! I went online, chatted with a real person (and to be honest, I originally wasn't excited about this. It's normally a "bot") and it was so easy! It was definitely the best, most pleasant and easiest online experience I have ever had!"

Missy - IL Local Government

As municipalities face pressure to do more with less, programs like ZERO allow governments to maintain vital services by reducing one of their fastest-growing expenditures: healthcare. As we look ahead, ZERO is committed to expanding our reach and deepening our impact—bringing cost savings and equitable access to more public servants and their families across the country.

