



MASSACHUSETTS

WAYFAIR RFP PLAYBOOK

STRATEGIES TO SUCCEED, RETAIN & GROW

CLIENT PROFILE: WAYFAIR

CLIENT DETAILS

- Business Services client since 2019
- 10.7k medical members
- HQ in Boston, MA (31.5% of members in MA)
- Next highest membership in TX, NJ, GA & IL
- Decrease in enrollment over the last 4 years.

CONTRACT TERMS

Current

- 1/1 anniversary date
- Rate guarantee expires 1/1/2026
- CPC: \$30.50
- BAP: 1.00%
- Credits: \$500k per year
-

OTHER LINES & SERVICES

With BCBSMA

- Stop Loss (HRMP)
- Telehealth
- 2nd.MD buy-up

Outside of BCBSMA

- Pharmacy (CVS w/ Mercer Coalition)
- Dental
- Vision
- Life/Disability
- Spring Health (BH)
- Progyny (carve out fertility)
- WEX (HSA Administration)
- Acc & CI (Voya)

KEY PERSONNEL

Wayfair

- David Roth, Global Talent Leader (Total Rewards, Talent Acquisition & Employer Branding)
- Ben Grabscheid, NA Benefit Manager
- Ali Lynch, Head of Talent Operations, People Analytics, and Total Rewards

Mercer

- Greg Hendrickson, Senior Principal
- Michael Thompson, Principal
- Mitch Grenier, Actuarial/Financial Team



Wayfair is a **platform** focused exclusively on the **>\$800B home goods market**

>22 Million
Active Customers

>20 Thousand
Suppliers

>11 Thousand
Employees

~2 Thousand
Technologists

Strong brand recognition
in North America and Western Europe

Purpose-built technology
solving unique category challenges

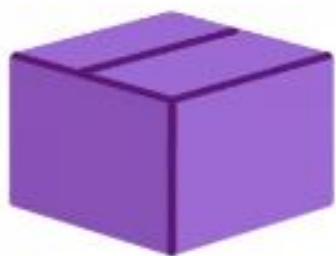
Fragmented and largely unbranded
supplier base

Proprietary end-to-end **logistics network**

Focused on profitable growth at scale

Co-founders lead the business and are the largest shareholders

Employee Groups



	Supply Chain & Retail	Call Center	Corporate	Technology
Number EE All / US	3,700 3,400	1,240 950	4,300 3,930	2,200 1,300
Location	Dispersed - Distribution Centers	Dispersed - Remote	Central - Boston	Central - Boston
Attributes	<ul style="list-style-type: none">- High turnover- Hard to reach	<ul style="list-style-type: none">- Generally have higher claims	<ul style="list-style-type: none">- Younger on average with more employee only coverage	<ul style="list-style-type: none">- Have higher expectations- Much healthier than average

Benefits Strategy & Priorities

1. Our plans help Wayfair attract and retain the talent our business verticals need to execute their objectives
2. Our plans contribute to our enterprise employee value proposition where our culture of empowerment and opportunity are front and center
3. We offer benefit plans targeted at the market median:
 - Targeting retail peer
 - But with an eye toward competitiveness amongst tech peers
4. We empower our employees to become informed and savvy health care consumers:
 - Provide them with knowledge
 - Guide them with plan design, pricing, and incentives

Medical Plan Strategy

- We employ a “Good / Better / Best” medical plan strategy
- This strategy drives employees to our mid-tier Enhanced plan which is an HDHP with HSA that has market median premiums and deductibles paired with HSA seeding
 - Employee Only - \$500
 - All other tiers - \$1,000
- We offer very affordable coverage with higher deductibles under our Basic plan for those with fewer healthcare needs and those looking for lower premiums.
- We offer our PPO Only plan for employees who wish to pay for more coverage



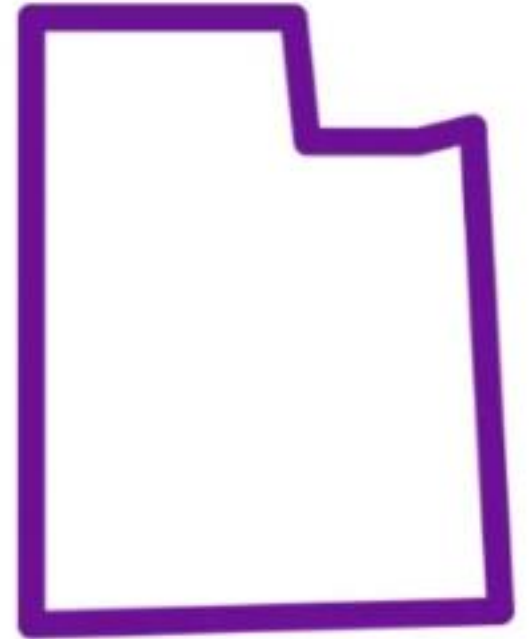
Plan	Category	Premium	Premium Target Market Position	Type of Plan
<i>Basic</i>	Good	Very low	Below Median	CDHP w/ HSA
<i>Enhanced</i>	Better	Middle	At Median	CDHP w/ HSA
<i>PPO Only</i>	Best	Highest	Just Above Median	PPO

Challenges

- **Cost Escalation & ROI**
 - Unsustainable YoY cost / premium increases
 - Difficulty in separating intervention impacts from unit cost inflation
- **Creating informed consumers**
 - Understanding how insurance plans work
 - Understanding how HSA's work
 - Understanding how to comparison shop for care
 - Understanding networks & finding in-network providers
- **Reaching employees**
 - Front-line workers do not access email or computers often - but they all have smartphones
 - Cutting through the clutter for office workers
 - "Portal Fatigue" - too many logos and places to go
- **Encouraging healthy behaviors**
 - Our lean team does not have time or resources to execute traditional wellness programming
 - Our employees lives are busy
- **Care navigation & case management**
 - Our employees often struggle to coordinate or find the appropriate care
 - Our sickest members don't have the coordination of care or case management that would benefit them
 - Too many "point solutions" and entry points to care

Utah

- We currently have 285 employees in Utah, mostly in the Salt Lake / Ogden and Provo / Orem MSAs
- Currently we offer their choice of Select Health or Blue Cross
- We would prefer to eliminate Select Health but we need to ensure that there is sufficient coverage in this market



CURRENT MEDICAL PROFILE

BENEFITS

- Benefit Design Offering: BlueCard PPO
- VPCP
- Telehealth
- 55.7% In-network discount
- OON at 150% of Medicare, 2.2% use
- No COE, HPN or Select today
 - HPN was in place, but removed 1/1/2025

FINANCIAL

- Base fee: \$30.50
- Telehealth: \$0.50
- Commission: Net of Commission; N/A
- \$500k credits
- BAP @ 1.00%
- OON Shared Savings Cap set at \$50K per Claim
- \$570k at risk for PG's (Med)

KEY THREATS

- **Leadership Initiative:** Risk team has been brought in to create efficiencies within various departments, including HR/Benefits with this RFP.
- **New HR Team:** Existing relationship is not as strong given recent turnover.
- **Decision Makers:** Procurement and Risk are heavily involved in this RFP, making it weigh strongly on financials.
- **Mercer** as new consultant partner will be working to prove their worth to Wayfair and may push for what they perceive to be the best opportunity
- **Cost:** Extremely important and the focus of the RFP. Current CPC is \$30.50. We will see aggressive CPC offers from national carriers; total revenue of competitive bids is vital
- **High name recognition,** National's may look to buy the business with fee holidays, etc..
- **Perception:** It will be important to showcase our ability to service a mostly National Account.

TACTICS, STRATEGIES TO RETAIN

- A demonstrated track record of delivery and innovative best-in-class services and solutions with plan management, including excellence in these areas:
 - Flexible and creative approach to **managing cost trends**;
 - Partnering with other Wayfair LLC vendors to provide an **integrated** and seamless service experience to members; and
 - Best-in-class claims administration, **customer service, and account management** to support Wayfair LLC's employees and expectations.
- Administer the plan designs as described and accommodate alternative plan designs in the future.
- Provide a **designated member service team with a dedicated toll-free number** to the member call center.
- Provide highly competitive and cost-effective pricing terms and guarantees.
- Maintain a highly competitive network of providers providing multiple network solutions to Wayfair LLC to deploy that drive additional savings while increasing quality of care.
- Support Wayfair LLC's data needs including:
 - Strong reporting capabilities;
 - Proven capability to turn data into actionable recommendations; and
 - Willingness to support additional Wayfair LLC initiatives such as wellness, preventive care, etc.
- Willingness to coordinate with other vendors as appropriate through data sharing and integration including data warehousing, to support optimal medical outcomes and quality of care for members.
- Provide consumer-focused tools and resources, and effectively minimize disruption for Wayfair LLC and their employees.
- Capacity to customize services and processes to meet Wayfair LLC's unique needs.