

DCS

**DualCurrency Systems**

making loyalty a rewarding experience



# Financial Incentives for Wellness

Lowering employer healthcare costs and  
addressing the funding dilemma in healthcare

February 2007



Of all cooperative enterprises, public health is the most important and gives the greatest returns.

Dr. Charles Horrace Mayo and Dr. William James Mayo



- Challenge in Healthcare Financing
- Incentives for Wellness
- Introducing *HealthBucks* and *In-Network Advantage*<sup>SM</sup> from DualCurrency Systems

# The Challenge



The high and rising costs of health care, combined with the lack of insurance for many families, confronts the nation with an enormous challenge.

# Current Incentives



Today, a heart attack is a major economic event.

Preventing heart attacks by not smoking, better diet, more exercise and stress reduction are, for the most part, economic non-events.





## The *foundational elements* of health and wellness are self-evident:

- Good nutrition
- Regular exercise
- Proper weight
- Not smoking
- Moderate drinking
- Reduction of stress
- Health education
- Regular check-ups
- Following doctors' orders (compliance)

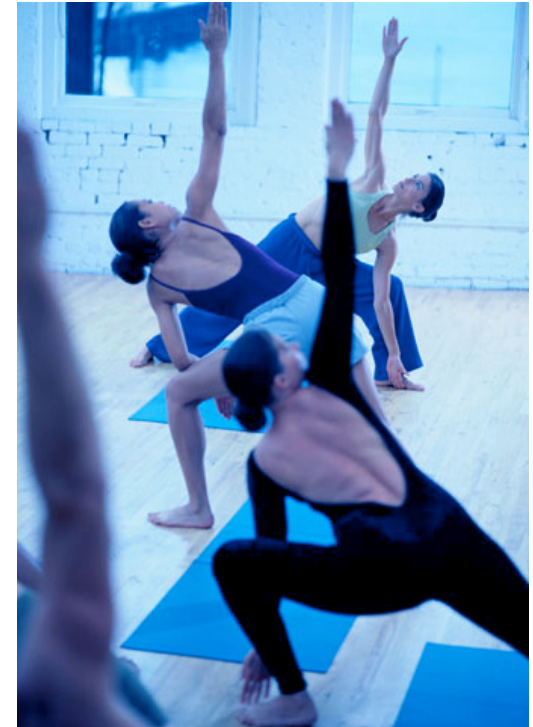
These good habits and healthy activities are not costly!

# Wellness Incentives are a Growing Trend



Healthcare insurers now offer ***Frequent Fitness programs*** to encourage people to exercise more regularly.

Those who participate receive a ***discount*** at their fitness clubs in exchange for a specified number of visits per month.



# Current Approach to Wellness Incentives



- Cash or Gift Cards
- Time off from work  
(both are expensive for employers)
- Logo gear and small gifts  
(cheaper but less exciting and motivating)



"What can I do? The princess isn't on our list of approved specialists."



# A Next Generation of Incentives



Nutrition Matters



Loyalty rewards have proven to be an effective way to influence consumer spending behaviors. DCS developed **HealthBucks** as a way to influence *healthy living behaviors and lower healthcare costs.*



# What backs *HealthBucks*?



***Underutilized capacity*** is found everywhere in the business world today. Just add up the value of:

## **Empty...**

- Restaurant Tables
- Airline Seats
- College Desks
- Motel Rooms

## **Off-Peak Hours at...**

- Movie Theaters
- Health Clubs
- Oil Change Shops
- Sports Venues

## **Unsold inventory at...**

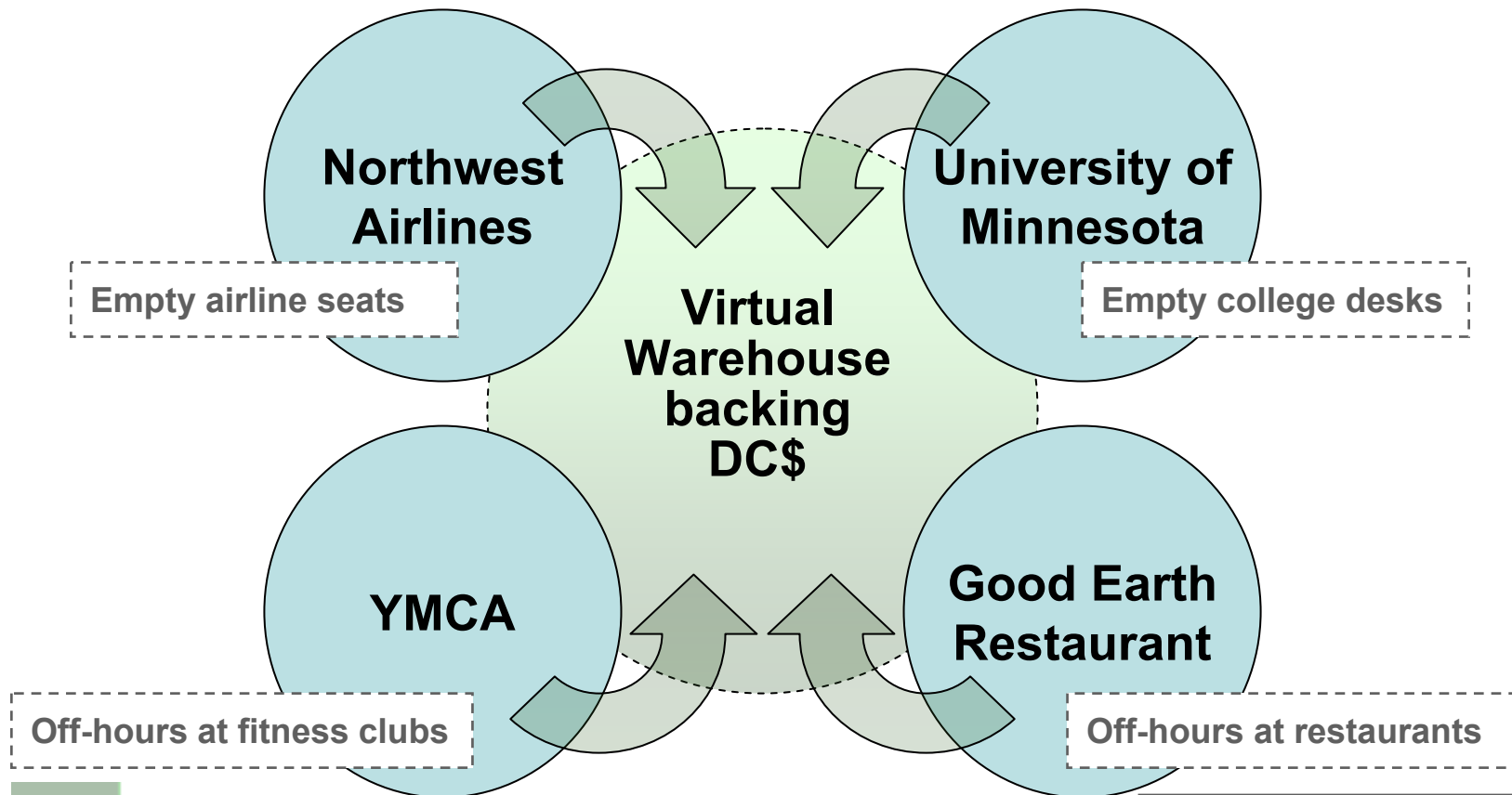
- Big Box Retailers
- Community Retailers
- Factory Outlet Centers
- Auto Dealerships

***When this wasted wealth is pooled and shared in a cooperative network of businesses, everybody wins!***

# The rules are simple...



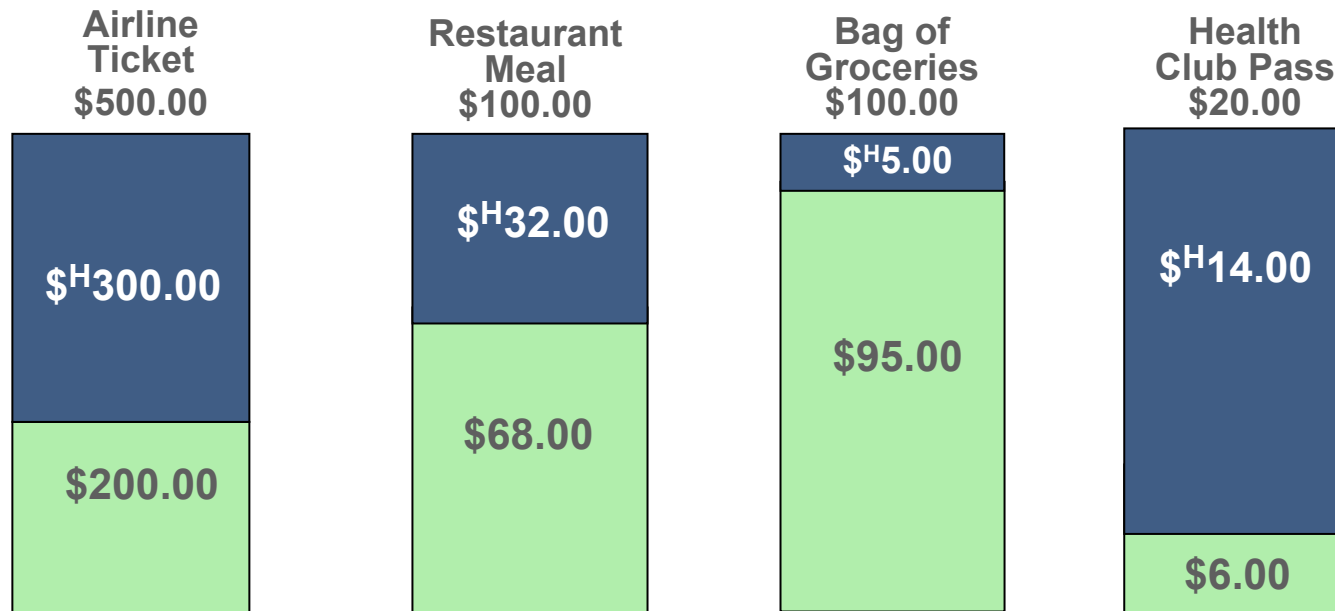
Merchants set prices in a combination of cash and HealthBucks ( $\$^H 1.00 = \$1.00$  of ***In-Network Purchasing Power***<sup>SM</sup>); then set any needed restrictions to drive traffic to their underutilized times or products



# It looks like traditional marketing, except...



Merchants enjoy **full retail value** for their sales in a combination of cash and **HealthBucks**. Merchants, employers, employees, and healthcare systems all enjoy **In-Network Purchasing Power<sup>SM</sup>**



This is similar to the economics of promotional programs such as Cyber Fares, 2 for 1 Dining, Senior Citizens Specials, Dollar Movie Night and so forth.

# Sample *In-Network Advantage*<sup>SM</sup> offers



1. Bryant Lake Bowl (BLB) sets the price for meals at 68% cash and 32% **HealthBucks**. BLB decides that where they need the most new traffic is at breakfast, so they set available hours at 8:00 – 11:00 am Monday-Friday.

2. Best Buy decides to participate *In-Network* through online offers and sets the rate at 90% cash and 10% **HealthBucks**. Best Buy selects specific items for promotion.



3. Employees of Bryant Lake Bowl and Best Buy enjoy special offers at each others companies. In the long run, DC\$ will help employees with insurance co-pays and lower premiums.
4. Bryant Lake Bowl and Best Buy enjoy *In-Network* savings on advertising, travel and accommodations, professional services and anything else that *In-Network* vendors and suppliers offer.

# Employee Earning and Spending



1. Sally Thorston works at a restaurant as a waitress. The current health insurance program is too expensive for her to participate. Besides a monthly award of **\$<sup>H</sup>100.00** Sally earns **\$<sup>H</sup>25.00** for taking a health risk assessment and **\$<sup>H</sup>20.00** for donating blood in a Red Cross Blood Drive.

2. Using her **HealthBucks**, Sally is now able to participate in the company health insurance plan. She has also joined the YWCA with a **part-cash, part-\$<sup>H</sup> membership** and is taking Yoga lessons.



3. Sally looks online to see her **HealthBucks** earning and spending. She now has **affordable health insurance** for her family. Through **In-Network Advantage<sup>SM</sup>** and **HealthBucks**, her employer now enjoys lower overall employee healthcare costs and healthier, more productive employees.

# DualCurrency Systems



- Minnesota company
- First U.S. patents on systems to expand US\$ resources with noncash rewards
- Design, development and licensing of DualCurrency programs



US005687323A

**United States Patent** [19] [11] **Patent Number:** 5,687,323  
**Hodroff** [45] **Date of Patent:** \*Nov. 11, 1997

[54] **DUAL CURRENCY DEBIT CARD** Anonymous, Time Honored Barter System Returns Under the Name Trade American Card, PR Newswire p0156LA4, May 1988.

[75] **Inventor:** Joel Hodroff, Minneapolis, Minn.

[73] **Assignee:** Commonweal Incorporated, St. Louis Park, Minn. Anonymous, TradeAmericanCard Brings Barter and Business Independence to Sequoia Conference Center, PR Newswire, May 1993.

[\*] **Notice:** The term of this patent shall not extend beyond the expiration date of Pat. No. 5,592,376. Anonymous, California Barter Organization Promotes Primitive Use of Transaction Plastic, Card News, ISSN: 0894-0797 Jun. 1988.

[21] **Appl. No.:** 657,418

[22] **Filed:** Jun. 3, 1996

**Related U.S. Application Data**

[62] **Division of Ser. No. 261,459, Jun. 17, 1994, Pat. No. 5,592,376.**

[51] **Int. Cl.<sup>6</sup>** ..... **G06F 17/60**

[52] **U.S. Cl.** ..... **395/230; 395/239; 235/380**

[58] **Field of Search** ..... **235/379, 380, 235/492; 395/201, 216, 217, 226, 230, 239**

[56] **References Cited**

**PUBLICATIONS**

Anonymous, Integrated BartercreditFiles Stock-Warrant Issue, PR Newswire NYPR81, Sep. 27, 1983.

Anonymous, Choosing the Right Exchange, Practical Accountant, v28n12, Dec. 1995.

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[57] **ABSTRACT**

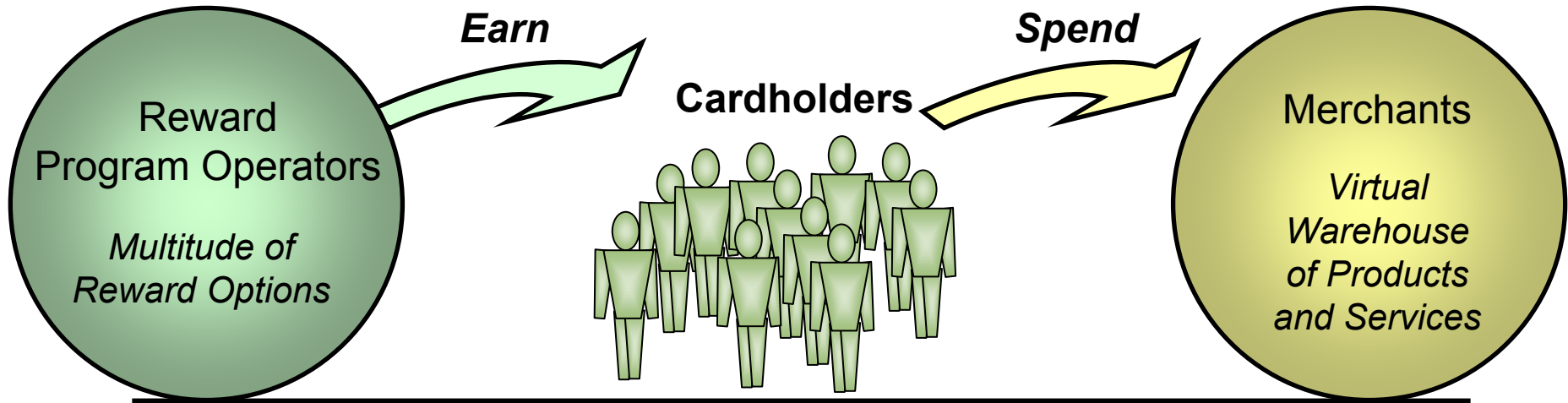
The Currency Exchange Network transaction management and accounting system assists businesses, employees, and consumers to engage in productive economic activity that is not supported by traditional cash- and credit-based transaction systems. The system functions as a currency exchange between the non-cash, volunteer and barter economies and the mainstream cash economy. This dual-currency system handles transactions for goods and services using a combination of cash and Community Economic Development Scrip, a new currency based on non-cash service credits.

**9 Claims, 6 Drawing Sheets**

# The Bigger DualCurrency Picture



**More ways to earn rewards ♦ More places to spend rewards**

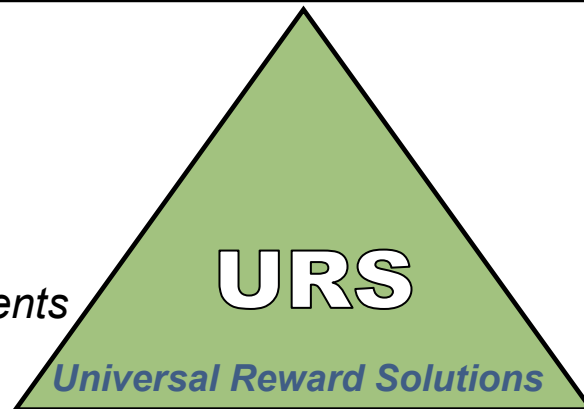


## **Universal Rewards for:**

- *Customer loyalty*
- *Wellness incentives*
- *Employee benefits*
- *Savings and Investments*
- *Social Security enhancements*
- *Volunteer rewards*

## **Redeem from unsold:**

- *Retail inventory*
- *Entertainment venues*
- *Leisure and travel*
- *Health and wellness*
- *Government and nonprofit offerings*





# Review of Benefits



- Lower cost employee healthcare with ***In-Network Advantage***<sup>SM</sup>
- Subsidies for insurance co-pays and premiums without raising employer expenses
- Merit-based rewards for wellness activities
- Healthier, more productive employees and improved company morale

# Discussion of Next Steps



***DualCurrency Systems***

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[www.dcsrewards.com](http://www.dcsrewards.com)

**“No, I can’t be bothered  
seeing any crazy salesman.  
We’ve got a battle to fight.”**

# Thank you for the opportunity to introduce *In-Network Advantage*<sup>SM</sup> and the *HealthBucks* Solution

