

Total Population Health Management

PRESENTED BY

Currahee Health Benefits Solutions, Inc.

“COMMUNITY HEALTH MANAGEMENT PROGRAMS”

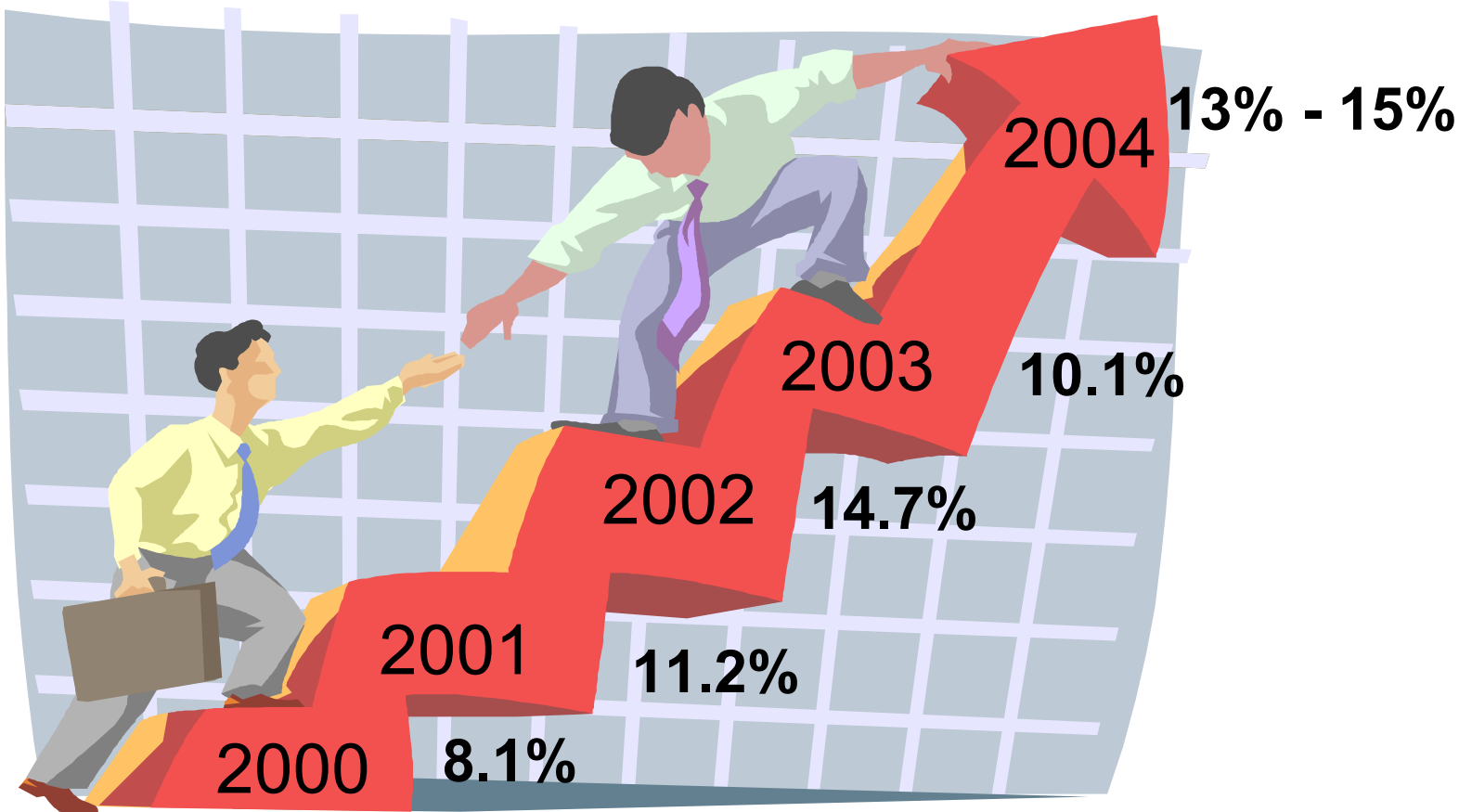
Mack Bryson, President and CEO

Experience

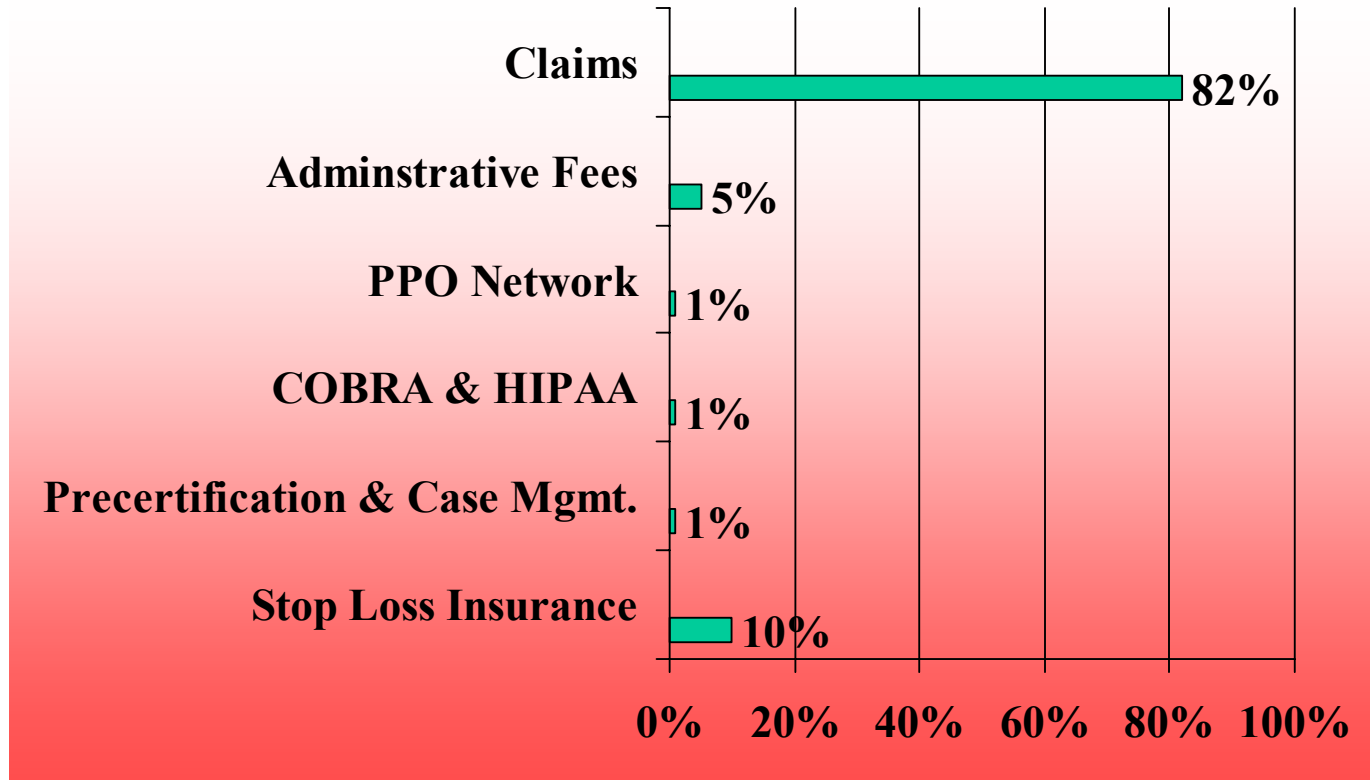
- **Founded in 1997**
- **Over 26 Clients and 52,000 covered members**
 - **Industry**
 - **Hospitals**
 - **Government**
- **50 Registered Nurses & Diabetic Educators**
- **Services**
 - **Chronic Illness Claims Analysis**
 - **Disease Management**
 - **Individual Health & Wellness**

Climbing Employer Healthcare Costs

57% Average Increase since 2000



Accounting for Costs*



* Reflects industry average

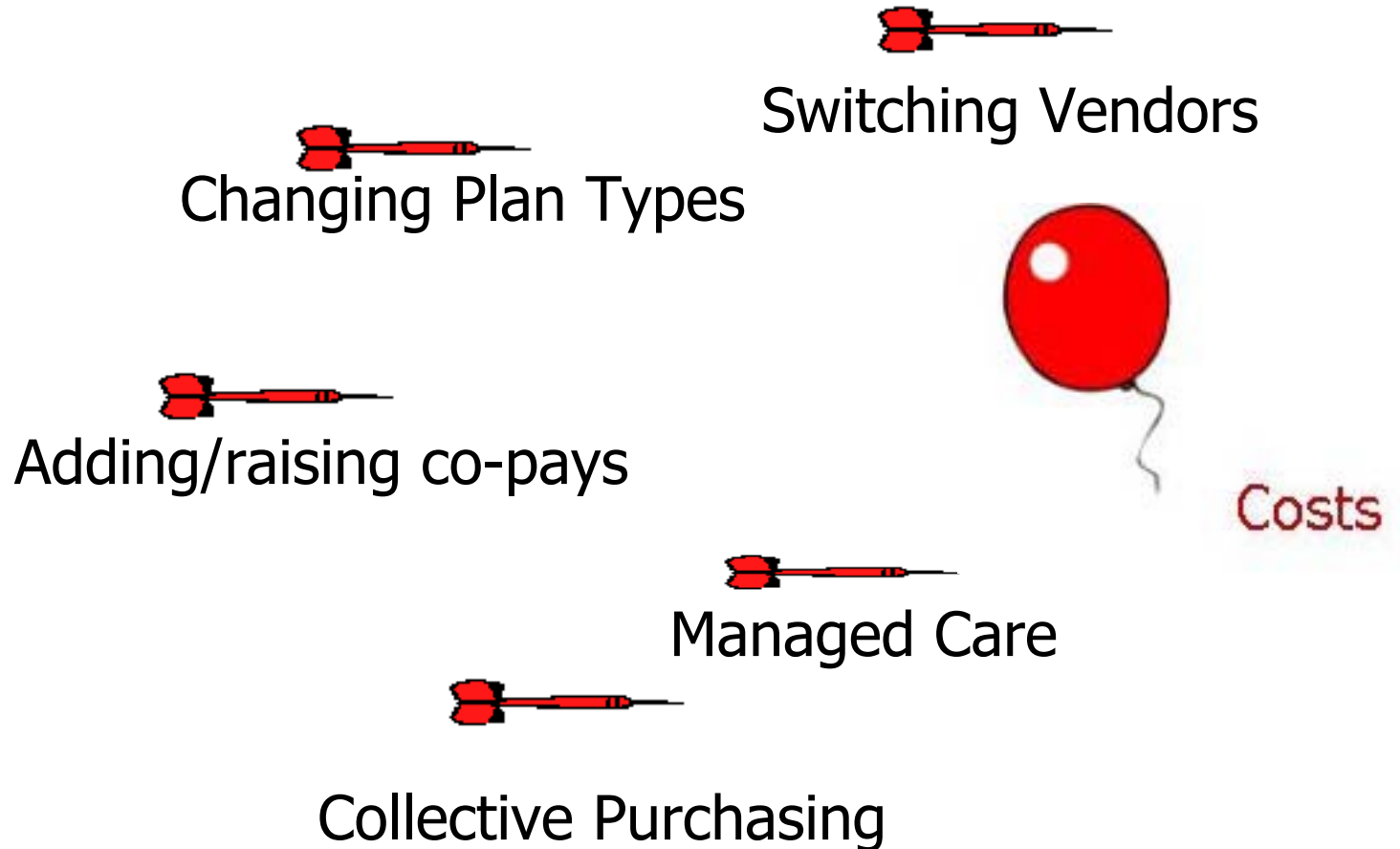
Smaller employers: 25% to 30% fixed costs

Larger employers: As low as 3% fixed costs

How Did We Get Here?

- ✓ Dramatic Rise in Prevalence of Chronic Conditions
- ✓ Reactive Approach to Healthcare Costs
- ✓ Entitlement Philosophy to Health Insurance
- ✓ “Take a pill for it” mentality

Attempts to Pop the Cost Balloon



Personal Health Management Programs (PHMP)

PHMPs are **innovative** programs **custom designed** to **motivate** and **support** responsible **health** choices for **enrolled members** of an **employer's** health plan.

Key Components

- ✓ Risk Identification
- ✓ Risk Assessment
- ✓ Participation
- ✓ Behavior Modification
- ✓ Management of Chronic Illness
- ✓ Prevention of Complications of Chronic Illness

A Case Study

Client Type:	Hospital
Employees:	2,016
Dependents:	2,605
Total Covered:	4,621
Rx Claims:	\$ 2,913,197 (PY 2002)
Medical Claims:	\$12,717,858 (PY 2002)

Chronic Illness Claims Analysis

Disease State	Identified Members
Asthma	55
Co-Morbid	546
GERD	219
Hypertension	319
Elevated Cholesterol	78
Diabetes	24
Diabetes Co-Morbid	164
Total DM Eligible	1,241
Total Non-DM Eligible	3,380
All Eligible Health Plan Members	4,621
Data Period: 10/01/01 to 09/30/02	

Chronic Illness Claims Analysis

Disease State	#	Rx Claims	Medical Claims	Total Claims	Per-Member-Per-Month
Asthma	55	\$54,491	\$126,963	\$181,454	\$274.93
Co-Morbid	546	\$1,378,483	\$4,686,549	\$6,065,032	\$925.68
Digestive	219	\$248,852	\$760,396	\$1,009,248	\$384.04
Diabetes	24	\$23,570	\$40,146	\$63,716	\$221.24
Hyperlipidemia	78	\$76,907	\$186,483	\$263,390	\$281.40
Hypertension	319	\$268,740	\$1,205,123	\$1,473,863	\$385.02
Diabetes Co-Morbid	164	\$579,023	\$1,641,155	\$2,220,178	\$1,128.14
Total DM Eligible	1,241	\$2,051,043	\$7,005,660	\$9,056,703	\$608.16
Total Non-DM Eligible	3,380	\$862,154	\$5,712,198	\$6,574,352	\$162.09
All Eligible Members	4,621	\$2,913,197	\$12,717,858	\$15,631,055	\$281.88

Ingredients for a Successful PHMP Initiative

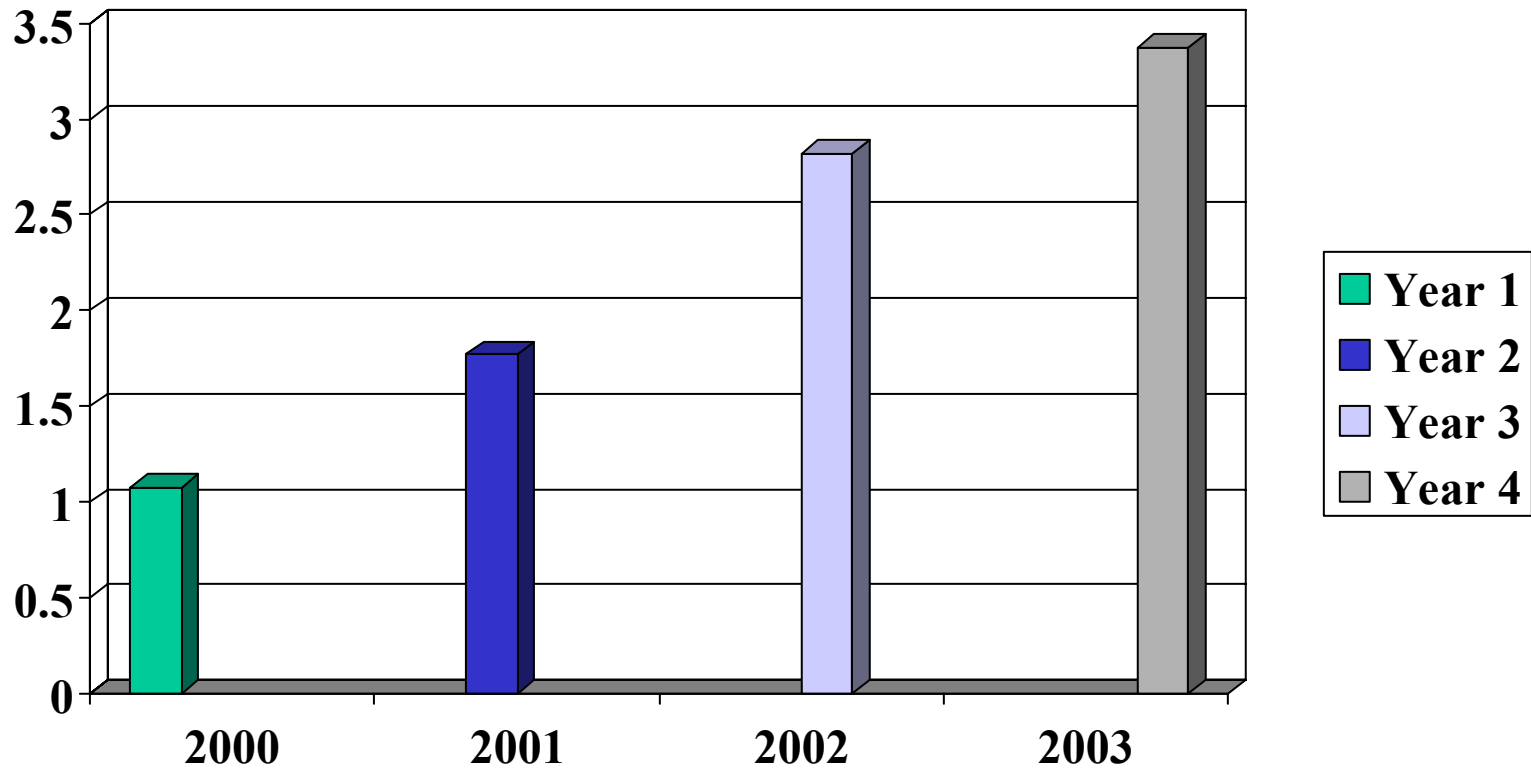
- ✓ Management Buy-in and commitment in terms of time and resources
- ✓ Participation and Compliance Incentive(s)
- ✓ Data Analysis to determine Risk Assessment
- ✓ Coordination with Primary Care Physician
- ✓ Interventions via phone and on-site
- ✓ Outcomes Measurement
- ✓ Satisfaction Surveys

Working With Clients

- ✓ Identify the Burden of Illness
- ✓ Develop Specific and Measurable Outcomes
- ✓ Focus on Programs to include Member Accountability
- ✓ Expect Positive Financial Outcomes by the end of 18 months

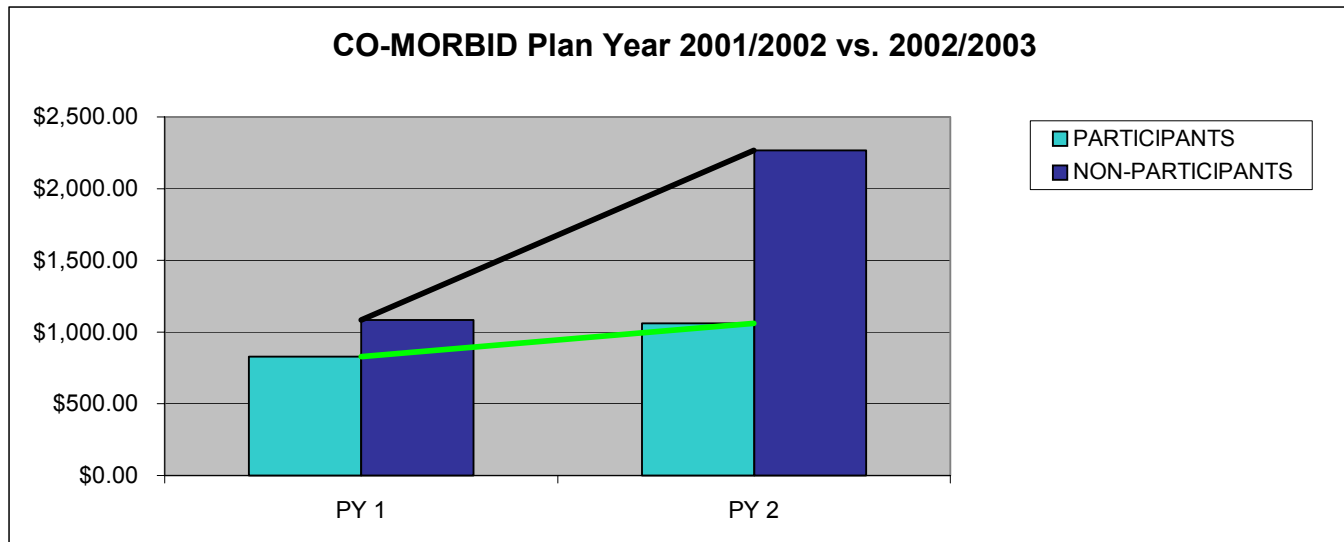
4-Year Financial ROI

(Actual results Initial DM Client)



Co-Morbid Claims Trend (2 Yr)

CO-MORBID		PARTICIPANTS		NON-PARTICIPANTS	
Period	Total Costs	PMPM	Total Costs	PMPM	
PY 1	\$268,145.42	\$827.61	\$168,952.49	\$1,083.03	
PY 2	\$344,388.50	\$1,062.93	\$353,805.24	\$2,267.98	
\$ Variance	\$76,243.08	\$235.32	\$184,852.75	\$1,184.95	
% Variance	28.4%	28.4%	109.4%	109.4%	



Disease Management ROI

- ✓ Two aspects: earning a return, avoiding a cost
- ✓ 2:1 first year average
- ✓ Short-term savings: asthma
- ✓ Longer-term savings: progressive illnesses such as diabetes
- ✓ Increased productivity
- ✓ Employee loyalty and retention
- ✓ **Healthier Population**

Community Health Management Initiative

❑ **Purpose** ... To develop a “**Total Population Health Management Program**” (TPHP) for rural hospitals in Georgia designed to reach **local employers** utilizing **local hospitals and physicians**. With the local **hospital** as the central point of contact in the project, **local employers** work collaboratively with the hospitals and physicians to improve the overall health of the community in addition to controlling health care costs.

Community Health Management Initiative

BENEFITS ... Hospital

- ✓ **Increase positive visibility**
- ✓ **Strengthening employer/provider relationships**
- ✓ **Potential reduction of emergency room use – conserving resources**
- ✓ **Data Warehousing community wide claims & Chronic Illness history**
- ✓ **Potential for Additional Revenue**

Community Health Management Initiative

BENEFITS ... Employers

- ✓ **Chronic Illness Claims Analysis ... Identify at risk members**
- ✓ **Program (PHMP) designed to reduce impact of chronic illness claims**
- ✓ **Annual Outcome Reports to track effectiveness of the program**
- ✓ **Potential reduction in both fixed cost and claims liability**
- ✓ **Positive "Return on Investment" and claims trends**

Community Health Management Initiative

BENEFITS ... Community

- ✓ **Improvement in overall health**
- ✓ **Improvement in productivity**
- ✓ **Reduction in the cost of health care ... incentives & better health**

Community Health Management Initiative

INCENTIVES ...

- ✓ **Direct contracting with employers**
- ✓ **Development of “Transparent Pharmacy Benefit Programs”**
- ✓ **Co-pay waivers for employees and dependents**
- ✓ **Coordinated discounts at health clubs and hospital wellness facilities**

What's in it for your Communities...

✓ WIN ... *PARTICIPANTS' are healthier*

✓ WIN ... *PARTICIPANTS' are more productive*

✓ WIN ... *PARTICIPANTS' have reduced Claims*

✓ WIN... *Employer's ... higher productivity & lower costs*