

HEALTH WEALTH CAREER

# IDAHO

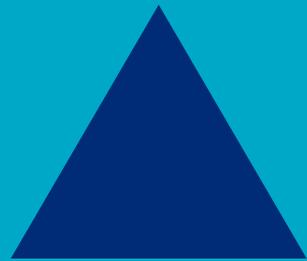
## A REVIEW OF VALUE BASED CARE AND AN OVERVIEW OF STATE OF IDAHO OPPORTUNITIES

NOVEMBER 9, 2018

MERCER BOISE  
SHELLI STAYNER  
SEAN WHITE  
MORGAN BERRETH



# INTERIM COMMITTEE – FINAL REPORT AND HB715 OVERVIEW



# 2017 FINAL REPORT - STATE EMPLOYEE GROUP INSURANCE AND BENEFITS LEGISLATIVE INTERIM COMMITTEE HCR 13 (2017)

## Mercer's recommendations to the Committee are as follows:

1. The State of Idaho should self-fund state employee health benefits.
2. The State of Idaho should exempt itself from Chapter 40 of Title 41, Idaho Code, just as the state exempted all counties of the state in 2001.
3. Cost savings Programs: Mercer has recommended 23 programs that have been shown nationally, if implemented using first-in-class vendors and properly operated, to provide long-term reductions in annual increases of health care costs. These programs are listed in the work products delivered to the Committee.
4. The state should replace its current three health benefit plans for employees as follows:

| Current State Employee Health Benefit Plans  | Mercer Recommendations:  |
|--|--|
| Non-Health Savings Account (HSA) qualified high-deductible health plan (HDHP) with no state contribution for the deductible to the HDHP. | HSA-qualified HDHP with the option of the state funding an HSA contribution of a predetermined dollar amount per employee or employee plus family.                     |
| Preferred Provider Organization (PPO) plan   | Continue same or similar PPO plan, but review operation of the plan for the most cost-effective PPO network and plan management available.                             |
| Traditional plan   | Evaluate Value-Based Care (VBC) opportunities, including an Accountable Care Organization (ACO) model. The VBC plan may be an option or inclusion on each health plan. |

# 2017 FINAL REPORT - STATE EMPLOYEE GROUP INSURANCE AND BENEFITS LEGISLATIVE INTERIM COMMITTEE HCR 13 (2017)

## Committee Recommendations:

It is the unanimous recommendation of the members of the State Employee Group Insurance and Benefits Committee that:

1. The Department of Administration, with the assistance of the Committee's contractor Mercer, shall develop a Request for Proposals (RFP) to be issued by the state, for the selection of one or more administrators, including carriers, third party administrators (TPAs) and vendors to administer an array of health benefit plans adopted for employee health care benefits. The Committee recommends that the RFP request bids on the three health care benefit plans recommended by Mercer in the foregoing chart.

All plans should use as many elements of value-based care as possible. All administrators should incorporate, to the extent possible, the 23 Mercer recommended programs to reduce long-term costs and rates of cost increases to health care. Administrators shall be allowed to bid on any one or any combination of the recommended plans. Bids need not be statewide bids. The RFP shall provide for administrators to bid using the current hybrid fully-insured model or a self-funded model, or both. Bids using the self-funded model should have as part of the bid, an analysis of Chapter 40 of Title 41, Idaho Code, with a recommendation as to whether the state should exempt itself from the chapter, as the state exempted all counties in 2001. The analysis should be based on costs, flexibility, potential liability, and other relevant considerations.

2. The Legislature reauthorize the State Employee Group Insurance and Benefits Legislative Interim Committee to meet in 2018 in order to work with the consultant in acting upon the Committee's recommendations.
3. The Legislature authorize the extension of the contract with Mercer consultants in 2018, contingent upon the successful negotiation of a new statement of work and contract price for the contract between the consultant and the Co-Chairs of the State Employee Group Insurance and Benefits Legislative Interim Committee, as approved by the Committee.
4. The Committee review the results and award of the RFP outlined in Recommendation No. 1, above for compliance, fairness and thoroughness. Based upon that review, the Committee shall make a funding recommendation to the Joint Finance-Appropriations Committee and the Idaho Legislature.

# 2018 - STATE OF IDAHO HOUSE BILL 715 – INTENT LANGUAGE FOR THE DEPT. OF ADMINISTRATION

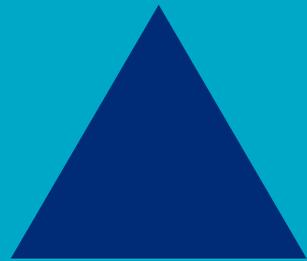
## HB 715

**SECTION 6 - REQUEST FOR PROPOSALS.** Notwithstanding any other provision of law to the contrary, it is the intent of the Legislature that, upon passage and approval of this act, and through June 30, 2019, the Department of Administration develop a request for proposals (RFP) for the selection of one(1) or more administrators, including, but not limited to, carriers, third-party administrators (TPAs), and/or vendors, to administer an array of employee health care benefit plans that begin on **July 1, 2019**, with the goal to reducing long-term costs of health care and providing an enhanced insurance program for state employees and their families, as follows:

- 1) The RFP shall be issued in conformance with the recommendations in the Final Report of the 2017 State Employee Group Insurance and Benefits Legislative Interim Committee (Final Report) and shall consider, but not be limited to, the following:
  - (a) Proposals to use the current hybrid fully insured model or a self-funded model, or both;
  - (b) Proposals to use as many elements of value-based care and other Final Report recommendations as possible;
  - (c) Proposals that provide administrators with any one or any combination of the recommended programs in the Final Report;
  - (d) Proposals shall not be limited to statewide proposals but, instead, may include those that offer regional plan arrangements and/or other plan arrangements;
  - (e) Proposals that are based on the use of a self-funded model should include an analysis of Chapter 40, Title 41, Idaho Code, and a recommendation as to whether the state should exempt itself from the chapter, as the state exempted all counties in 2001, considering costs, flexibility, potential liability, implementation, and other relevant factors.
- 2) The Legislature, or a committee or working group thereof, may review the results and award of the RFP for compliance, fairness, and thoroughness or in any other manner it deems fit. Based upon that review, the Legislature, or a committee or working group thereof, shall make its recommendations to the Joint Finance-Appropriations Committee and the Idaho Legislature during the First Regular Session of the Sixty-fifth Idaho Legislature.

**SECTION 7 -** An emergency existing therefor, which emergency is hereby declared to exist. **Section 6 of this act shall be in full force and effect on and after passage and approval.**

# STATE OF IDAHO DEFINES VALUE BASED CARE (VBC)



# VALUE BASED CARE (VBC) - THE STATE OF IDAHO DEFINITION OF VALUE BASED CARE

*The State of Idaho defines Value Based Care as linking provider payments to improved quality through adherence to evidence-based clinical guidelines and improved patient engagement while managing costs through efficient care delivery and reduced waste in the system. Models should hold health care providers accountable for cost, access, patient experience, and quality of care with efficient, effective, and outcomes-based practices that minimize costs to employees and plan sponsor. Patients are cared for, or Patient is managed in a Patient Centered Medical Home (PCMH) environment, by a multi-disciplinary team. A Coach or Care Manager engages the patient, assesses health risks, and develops an integrated Care Management Plan. Self-care management is enabled through tools, processes, and benefit design. All parties are held accountable for the patient's health.*

## Guiding Principles:

1. Changing providers' financial incentives is not sufficient to achieve person-centered care, so it will be essential to empower patients to be partners in health care transformation.
2. Reformed payment mechanisms will only be as successful as the delivery system capabilities and innovations they support.
3. The goal for payment reform is to transition health care payments from volume to quality.
4. Value-based incentives should ideally reach care teams who deliver care.
5. Payment models that do not take quality into account are not considered value-based care arrangements.
6. Value-based incentives should be intense enough to motivate providers to invest in and adopt new approaches to care delivery, without subjecting providers to financial and clinical risk they cannot manage.
7. There are a variety of care delivery models that can be applied and supported by a variety of payment models. Including:
  - ACO Model
  - Patient Centered Medical Home (PCMH) Model
  - Total Cost of Care Model
  - Attribution
  - Value Based Payments
  - Outcomes & Quality based reimbursements
  - Performance Based reimbursements
  - Bundled Payments
  - Shared Savings/Shared Risk
  - Capitation
  - Centers of Excellence

# VALUE BASED CARE - POTENTIAL VBC OPPORTUNITY

## HIGHLIGHTS OF AN ACO MODEL...

### ACO Duties

- Proactive population health management
- Care management and care coordination
- Team-based care
- Patient-centered care, including engagement and activation
- Enhanced access to care

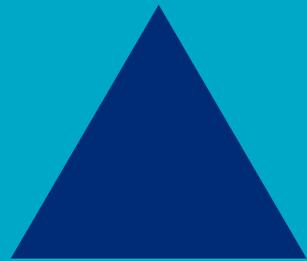
### Commonly Shared and Integrated Duties

- Data sharing
- Quality Management improvement
- Member & patient experience
- Evidence-based guidelines
- Coordinated messaging

### Health Plan Duties

- Claims administration
- Eligibility administration
- Provider contracting
- Provider Credentialing
- Utilization management
- Complex case management
- Appeals processing

# STATE OF IDAHO VITALS FOR CHANGE AND PRIORITIES



# THE VITALS FOR CHANGE - STATE OF IDAHO

## BALANCING HEALTH AND BENEFITS PRIORITIES

### BUSINESS PRIORITIES

- Affordable Benefits for all employees, including their dependents
- Employee Choice/Accountability
- Ensure healthcare/benefits strategy and solutions are relevant to the employee's
- Offer competitive benefits, comparable or better programs
- Promote Well-being – Ongoing cultural change
- Managed Cost/Budget
- Secure “best in class” services and benefits administration solutions?
- Achieve the Triple Aim:
  - ❖ Improve the health of the State of Idaho's population
  - ❖ Reducing the per capita cost of healthcare
  - ❖ Improve the overall patient experience



### COST PRIORITIES

- Keep State's health care spend at below a determined threshold
- Maximize options, but minimize cost pass through to all employees
- Develop and expand upon a Value Based Care model
- Ongoing evaluation of innovations for cost management opportunities



### EMPLOYEE PRIORITIES

- Maximize employee benefit choice
- Empower employee benefit accountability
- Offer programs to support employee health improvement
- Access to well-being resources, incentives
- Provide education, resources and tools to better manage their healthcare



# THE VITALS FOR CHANGE - STATE OF IDAHO

## STRATEGIC LEVERS

### The Elements of Your Strategy



Care  
delivery

*How and where a member accesses care*

- Value Based Care (e.g. ACO, PCMH, TCC, other)
- New care settings (e.g. telemedicine, onsite/near-site clinics, retail Clinics, Direct Primary Care (DPC))
- Narrow Networks
- Carrier network optimization
- Direct contracting



Workforce  
health

*How an employer influences behavior and health*

- Health status awareness
- Education/access to resources
- Potential Incentive strategies
- Physical health environment
- Health management programs
- Well-being focus



Program  
design

*Who is offered what benefits and how they pay for them*

- Plan design offerings/ values
- Contribution strategy
- Eligibility
- Enrollment/shopping experience
- Expanding “core” and “voluntary”
- CDH/HSA-Promote consumerism



Delivery  
infrastructure

*How an employer organizes to deliver and finance benefits*

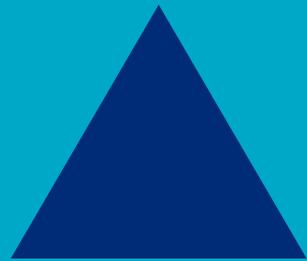
- Qualified Partners that meet the needs of the State of Idaho, now and into the future.
- Vendor management
- Data warehouse
- Insourcing vs. outsourcing
- Carve-in vs. carve-out
- Funding strategy
- Risk management (e.g. stop-loss)

# THE VITALS FOR CHANGE – STATE OF IDAHO

## ORIGINAL STATE OF IDAHO MULTI-YEAR STRATEGIC ROADMAP

| STRATEGIC LEVER          | 2018-2019   | 2019-2020  | 2020-2021  | 2021-2022   |
|--------------------------|---|--|--|---|
| CARE DELIVERY            | <ul style="list-style-type: none"> <li>Understand Value Based Care (VBC) solutions available through Blue Cross of Idaho</li> <li>Conduct exploration of telemedicine solutions in the market</li> <li>Assess outcomes of current Blue Cross of Idaho care management (CM) programs</li> </ul>    | <ul style="list-style-type: none"> <li>Add VBC steerage for PPO plan</li> <li>Implement telemedicine</li> <li>Explore near site clinics at key locations</li> <li>Review Expert Medical Opinion to supplement medical vendor CM programs</li> <li>Review Centers of Excellence (COE) options (vendors and direct contracts)</li> </ul> | <ul style="list-style-type: none"> <li>Launch COE program</li> <li>Launch near-site/on-site clinics where feasible and appropriate</li> <li>Launch Expert Medical Opinion</li> </ul> | <ul style="list-style-type: none"> <li>Implement expanded VBC/COE offerings, including direct contracting if necessary</li> </ul> |
| WORKFORCE HEALTH         | <ul style="list-style-type: none"> <li>Review point solution program options for weight/diabetes and cancer</li> <li>Complete the HERO Best Practice Scorecard to identify gaps and develop a well-being strategy leveraging evidence-based approaches</li> </ul>                                 | <ul style="list-style-type: none"> <li>Launch cancer and diabetes/weight management programs</li> <li>Review point solution program options for maternity</li> <li>Launch evidence-based well-being strategy based</li> <li>Introduce a tobacco-use surcharge</li> </ul>   | <ul style="list-style-type: none"> <li>Launch maternity program</li> <li>Explore transition to outcomes based incentives and specifically targeting top risk areas</li> </ul>        | <ul style="list-style-type: none"> <li>Implement outcomes based incentives</li> </ul>   |
| PROGRAM DESIGN           | <ul style="list-style-type: none"> <li>Begin education campaign for HSA and VBC options to be available 7/1/2019</li> <li>Explore transparency/advocacy vendor options</li> <li>Explore salary-based contribution approaches</li> <li>Explore variation in HSA funding by salary level</li> </ul> | <ul style="list-style-type: none"> <li>Launch new medical program structure offering a market-median PPO plan with higher benefits for higher quality providers alongside an HSA option</li> <li>Conduct voluntary benefits needs assessment</li> <li>Introduce a spousal surcharge</li> </ul>   | <ul style="list-style-type: none"> <li>Monitor plan values against market, make adjustments as appropriate</li> <li>Launch voluntary benefits program</li> </ul>                     | <ul style="list-style-type: none"> <li>Monitor plan values against market, make adjustments as appropriate</li> </ul>             |
| DELIVERY INFRA-STRUCTURE | <ul style="list-style-type: none"> <li>Conduct RFP process for medical administration including self-funded proposals and assessment of VBC capabilities</li> <li>Explore feasibility of carving out pharmacy, including collective purchasing options</li> </ul>                                 | <ul style="list-style-type: none"> <li>Implement medical and pharmacy vendors based on RFP process</li> <li>Monitor competitiveness of vendor programs and fees</li> </ul>   | <ul style="list-style-type: none"> <li>Monitor competitiveness of vendor programs and fees</li> </ul>  | <ul style="list-style-type: none"> <li>Monitor competitiveness of vendor programs and fees</li> </ul>                             |

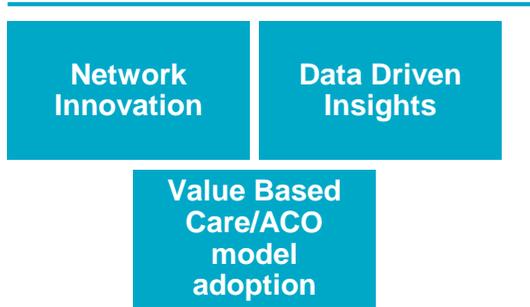
# VALUE BASED CARE REVIEW



# STATE OF IDAHO – VBC REVIEW

## VBC - SOLUTIONS AND/OR OPPORTUNITIES THAT MATTER

**Why?** Reimbursement for value is already happening and will continue



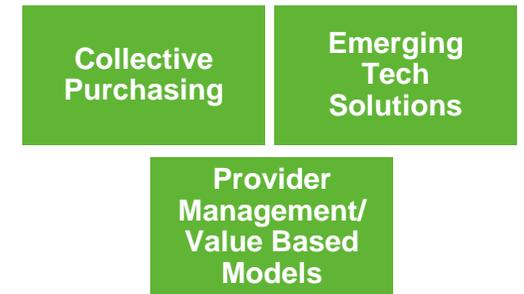
**Why?** Better outcomes eliminate waste and improve care



**Why?** Relevant, timely information prompts action and accountability



**Why?** Fundamental change must challenge the status quo bias



These solutions can be custom-built for you, or you can leverage turn-key options

# STATE OF IDAHO – VBC REVIEW

## VBC - ACCOMPLISHING THE TRIPLE AIM

*How do we measure Value Based Care delivery?*

### VALUE BASED CARE – THE TRIPLE AIM



**SUCCESSFUL VALUE-BASED DELIVERY SYSTEMS WILL ACHIEVE MEASURABLE BALANCE IN THE TRIPLE AIM**

# STATE OF IDAHO – VBC REVIEW

## VALUE BASED CARE MODELS

HOW DO WE MEASURE VALUE-BASED CARE DELIVERY?

KEY MEASURES – CLINICAL AND STRUCTURAL

- VBC has the ability to drive cost, quality and patient experience improvements but if, and only if, appropriately structured and deployed
- There are several fundamental components of successful VBC models – all pieces are critical to success



Organizations that can demonstrate quality and cost improvements have some or all of these characteristics

## VBC - KEY ISSUES FACING VALUE BASED CARE GROWTH

- Carrier approaches vary dramatically and are at different stages of development
- VBC Partnerships vary by market
- VBC is progressing in larger or more populated markets
- Provider commitments
- Need sufficient enrollment or attributed patients to create the economies of scale to achieve desired goals
- Need care management systems and tools for high-cost/high-risk patients for proactive identification and management
- Electronic Health Records (EHR) systems and information exchanges necessary to exchange information across the continuum of care
- Focused set of cost and quality measures
- Alliances with behavioral health, post-acute care, and community-based health and social providers
- Expanded role of patients and their families in their care
- Roles for transparency and consumerism in the new model

# VBC - CHARACTERISTICS OF A SUCCESSFUL VALUE BASED CARE MODEL...

- **Vision/leadership** – defining the VBC culture, setting direction, guiding decisions, bringing partners together, embracing change
- **Provider and staff engagement** – ensuring providers and staff are ready to adopt a team-based approach to care vs. performing in silos; willingness to change status quo delivery of care
- **Patient engagement/education** – creating a compelling experience that gains and retains members, improving patient health
- **Care model** – proactively identifying, managing and activating high risk patients to participate in high touch care programs
- **Data/analytics** – developing a data management system that transforms integrated data into meaningful and timely action
- **Standardization** – establishing protocols and processes for key care services that are consistent throughout the health system and across partners
- **Infrastructure** – investing in systems and processes that connect providers to patients, and providers to providers

# VBC - WHAT IS NEEDED TO ACHIEVE THE OPTIMAL VBC PROGRAM(S)?

In an ideal scenario, the State will need or require specific elements from all of the following in order to achieve the optimal VBC or ACO plan:

- Administrator/Carrier
- Delivery system
- Patients/members
- State of Idaho/Plan Sponsor
- Other benefit suppliers/vendors?
- Quality and financial management
- Tracking of outcomes, including meeting predetermined goals

## VBC - ADMINISTRATOR CRITICAL ELEMENTS

- Ability to administer Value Based payment methodologies
- Ability to provide timely and accurate data between suppliers
- Vetting of high quality provider groups
- Proactive pursuit of VBC partnership with health systems and providers
- Establish clear administrative processes for the VBC or ACO plan design
- Reinforces the communication regarding the VBC or ACO value proposition
- Ability to “carve out” certain functions that the administrator usually performs when the delivery system proves it has the capabilities (e.g., catastrophic case management and utilization management)
- Ability to adhere to clinical and administrative performance guarantees
- Ability to coordinate all programs, Medical, Pharmacy, Care Management, Patient Engagement and all opportunities implemented by the State of Idaho Employee Group Insurance Programs

## VBC - DELIVERY SYSTEM CRITICAL ELEMENTS

- Leadership commitment with the dedication of appropriate resources
- Consolidated, curated, and distributed data
- Primary care teams with the appropriate staff qualifications and infrastructure to perform proactive population health management
- Provide access to all levels of care and specialties
- Empowered Electronic Health Record (EHR) that provides efficient communication, information sharing, and incorporates evidence-based guidelines
- Control of care delivery pathways and protocols
- Commitment to meet the needs of the patient, including service delivery and clinical delivery
- Rigorous and transparent quality commitment, including reporting and improvement activities
- A Commitment to change

## VBC - PATIENT CRITICAL ELEMENTS

- Clear communication of Benefits options and alternatives
- Understanding of patient engagement requirements, “Engaged Patient”
- Understands and believes in patient responsibility
- Clear relationship with the care team and the delivery system
- Resources to enhance patient/plan participant experience
- Receives support or concierge services
- Experiences low hassle factor with administrative (e.g., eligibility, benefits, etc.) and clinical (e.g., accessing care, interacting with the care team, etc.)
- Feels “delighted” with the delivery system
- Has accessible multiple channels to care (e.g., telemedicine, nurse line, emailing, texting, app, etc.)
- Receives education and support from care team that is understandable and actionable
- Uses tools and resources for self-care (e.g., patient decision aids)

## VBC – STATE OF IDAHO/PLAN SPONSOR CRITICAL ELEMENTS

- Commitment to the Triple Aim - improving the quality of care, improving the patient experience and reducing costs by providing healthcare more efficiently
- Confidence in a Value Based Care Model or approach
- Promote population education and communication for health management and health improvement
- Partner with carriers, administrators, vendors, health systems, providers that meet the needs of the State of Idaho population and opportunities
- Create plan design(s) and incentives that facilitate enrollment into the Value Based Care Model or ACO
- Communicate and reinforce the significance of the model to the population
- Support Partner(s) integration and collaboration
- Ensure timely and accurate information and data sharing routinely occurs
- Negotiate meaningful clinical and administrative performance guarantees

# VBC - QUALITY AND FINANCIAL MANAGEMENT AND IMPROVEMENT

- Quality Improvement

- ✓ The VBC or ACO delivery system needs to clearly articulate how it is engaged in an on-going, systematic quality management and improvement program that delivers improved outcomes and better patient satisfaction/engagement, including key quality measures that are a part of the program evaluation and financial reconciliation process.
- ✓ How is healthcare quality (including clinical processes and outcomes as well as patient satisfaction and engagement) factored into the program evaluation and financial reconciliation process?

- Financial Reconciliation Methodology

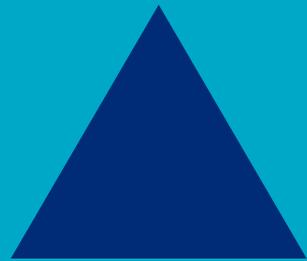
- ✓ The financial reconciliation methodology needs to be clearly articulated in order for all parties to understand how this will be performed, including such items as upside and downside risk, outlier exclusions (if any), attribution methodology, risk corridors (if any), etc.
- ✓ What is the process for calculating the financial penalties and rewards?

# VBC – ACHIEVING THE GOALS OF THE STATE OF IDAHO'S HEALTHCARE PROGRAM(S). THE REQUIREMENTS...

How do we know that the delivery system can manage a VBC model or perform as an ACO and/or a Patient Centered Medical Home (PCMH)? The State of Idaho needs to know that the delivery system will be a highly functioning ACO with the requisite population health management capabilities, with the necessary tools, resources, staff, methodologies, etc. in place in order to achieve the desired State of Idaho goals. What is necessary:

- Patient experience/engagement measurements
- Program Specific Customer Service
- Concierge Resources
- Healthcare quality/cost transparency
- Data and reporting
- Financials/costs
- Integration of all programs and services
- Proactive Communications
- Benefit plan design models
- Benefit administration expertise
- Outcomes Based Performance

# STATE OF IDAHO OPTIONS AND OPPORTUNITIES



# OPTIONS AND OPPORTUNITIES

| Options   | Considerations for Optimization  | Priorities/Impact Rank 1-5 (least to most important) |
|---|--|--|
| <p><b>Overall Medical Plan Administration</b></p> <p>Delivery infrastructure</p>         | <ul style="list-style-type: none"> <li>• Review funding alternatives, including FI, Hybrid and Self-funding.</li> <li>• Review a full comparison of carrier/administrator capabilities.</li> <li>• Evaluate for the most appropriate partner for today and into the future.</li> <li>• Explore value based care alternatives, including accountable care organization (ACO), patient centered medical home (PCMH), regional care model and direct primary care (DPC) options.</li> <li>• Goal to implement “Best in Class” Carrier/Administrator(s)</li> </ul>   | 5  |
| <p><b>Medical Network</b></p> <p>Care delivery</p>                                       | <ul style="list-style-type: none"> <li>• Review PPO network capabilities and access throughout Idaho. Identify numbers of providers by specialty, by location (City/County) and current level of discounts.</li> <li>• Potential gaps in care?</li> <li>• Potential disruption?</li> <li>• Direct or leased network(s)?</li> <li>• State of Idaho leverage in markets?</li> </ul>  | 5  |
| <p><b>Network Strategies (Narrow, high performance, ACO)</b></p> <p>Care delivery</p>  | <ul style="list-style-type: none"> <li>• Evaluate established networks.</li> <li>• Evaluate the potential for narrow or high performance networks throughout the State of Idaho.</li> <li>• Evaluate for appropriate level of access – is the access Statewide, or only available in specific regions, areas or markets in the State?</li> <li>• Achieve an enhanced level of discounts?</li> <li>• Achieve an enhanced quality?</li> <li>• Achieve an enhanced patient experience?</li> <li>• Ability to measure the positive impact to the State and the State’s plan participants.</li> <li>• Potential to offer as an option, versus replacement.</li> </ul> | 5  |

# OPTIONS AND OPPORTUNITIES

| Options  | Considerations for Optimization   | Priorities/Impact Rank 1-5 (least to most important)        |
|--|---|---|
| <p><b>Value Based Care (VBC) strategy</b></p>       | <ul style="list-style-type: none"> <li>• Review potential plan administrator/carrier partners. Analysis should include: accountable care organization (ACO), patient centered medical home (PCMH), regional care model, direct contracts, or other VBC models.</li> <li>• Confirm locations or markets for VBC models or opportunities.</li> <li>• Include plan design steerage to incent utilization of high value providers.</li> <li>• Achieve the “Triple Aim” – cost, quality, satisfaction targets</li> <li>• Integrated Care Delivery.</li> <li>• Confirm appropriate access to all levels of care and specialties.</li> <li>• Potential to implement in markets where VBC is available.</li> <li>• Educate employees and dependents on the benefits of VBC models.</li> </ul> | <p>5</p>  |
| <p><b>Population Health (CM, DM CCM, HCC)</b></p>  | <ul style="list-style-type: none"> <li>• High Cost Claimants (HCC) are a substantial driver of overall total healthcare spend. Review options for HCC management.</li> <li>• Explore care and disease management options available.</li> <li>• Implement “Best in Class” program(s).</li> <li>• Effective/efficient care management.</li> <li>• Enhance participant/patient engagement.</li> <li>• Offer resources for chronic condition management.</li> <li>• Promote compliant, healthier and a happier population.</li> <li>• Provide resources that would not otherwise be accessible to population.</li> </ul>  | <p>5</p>  |
| <p><b>Telemedicine</b></p>                        | <ul style="list-style-type: none"> <li>• Initially, target of 10%-15% utilization.</li> <li>• Reduce costs at PCP, urgent care and Emergency room.</li> <li>• Improved employee productivity.</li> <li>• Convenience and efficiency are major factors.</li> <li>• Integrate with Medical Plan.</li> <li>• Positive option for HSA plan participants (less cost than other options).</li> </ul>  | <p>5<br/>(introduced for July 2018, via MDLive and BCI)</p> |

# OPTIONS AND OPPORTUNITIES

| Options   | Considerations for Optimization  | Priorities/Impact Rank 1-5 (least to most important) |
|---|--|--|
| <p><b>Pharmacy Plan Management</b></p> <p>Care delivery</p>            | <ul style="list-style-type: none"> <li>• Pharmacy costs continue to increase, year-over-year.</li> <li>• Specialty Pharmacy is the main cost driver (15.4% annual increases).</li> <li>• Specialty Pharmacy Management strategy - carve-in, carve-out?</li> <li>• Explore savings opportunities.</li> <li>• Improved contract terms.</li> <li>• Implement care management features.</li> <li>• Integration with medical care management programs.</li> <li>• Explore Specialty Pharmacy management options, including Specialty Rx tiers.</li> </ul> | 5  |
| <p><b>Stop-loss (Self-funding)</b></p> <p>Delivery infrastructure</p>  | <ul style="list-style-type: none"> <li>• Self-funding recommended for the financial sustainability of the Employee Group Insurance Programs.</li> <li>• Flexibility in plan design, coverage options, State of Idaho VBC alternatives, State of Idaho specific approaches and cost management.</li> <li>• Stop-loss mitigates risk and liability to the State.</li> <li>• Manages the financial impact of high cost claimants to the plan.</li> </ul>  | 5  |
| <p><b>Vision</b></p> <p>Delivery infrastructure</p>                   | <ul style="list-style-type: none"> <li>• Review “Best in Class” vision options and opportunities.</li> <li>• Integrate with medical plan.</li> <li>• Improve access.</li> <li>• Potential to enhance benefits.</li> <li>• Improve overall costs.</li> </ul>  | 3  |
| <p><b>Behavioral Health Management</b></p> <p>Workforce health</p>   | <ul style="list-style-type: none"> <li>• Behavioral Health issues are a major issue in employee well-being and productivity.</li> <li>• For a typical plan sponsor, behavioral health claims account for 20% of healthcare costs.</li> <li>• Improve access, improve quality of care, remove negative stigma, manage costs and maintain compliance.</li> <li>• Promote prevention, treatment and recovery.</li> </ul>  | 4  |

# OPTIONS AND OPPORTUNITIES

| Options  | Considerations for Optimization   | Priorities/Impact Rank 1-5 (least to most important) |
|--|---|--|
| <p><b>EAP</b></p> <p>Workforce health</p>                       | <ul style="list-style-type: none"> <li>• Review access and potential for enhancement – “Best in Class” resources.</li> <li>• Potential for enhanced benefits, or number of visits.</li> <li>• Potential coordination with medical plan and other behavioral health management resources.</li> <li>• Communicate access to BHM resources and education.</li> <li>• Educate and encourage increased utilization.</li> </ul>   | 3  |
| <p><b>Concierge/Advocacy</b></p> <p>Workforce health</p>        | <ul style="list-style-type: none"> <li>• Explore concierge/advocacy solutions to provide a resource for employees and their families to better navigate the healthcare system.</li> <li>• Improves employee/plan participant experience by facilitating a “better understanding”.</li> <li>• Promote employee/plan participant engagement – “Empowered Consumer”.</li> <li>• Proactive support outside of carrier services.</li> <li>• Personalization - highly valued by the population .</li> </ul> | 4  |
| <p><b>HSA</b></p> <p>Delivery infrastructure</p>               | <ul style="list-style-type: none"> <li>• Offer a High Deductible Health Plan (HDHP), accompanied by an HSA contribution, on behalf of individuals and families.</li> <li>• Explore salary based contributions and/or account contributions as a means to address affordability for employees (reverse discrimination).</li> <li>• Enhance Choices.</li> <li>• Enhance Consumerism.</li> </ul>   | 5  |
| <p><b>Expert Medical Opinion</b></p> <p>Workforce health</p>  | <ul style="list-style-type: none"> <li>• Implement EMO program to improve diagnosis, treatment decisions, and outcomes for those with complex diagnosis and high cost claims.</li> <li>• Prevents unnecessary procedures or treatment.</li> <li>• Empowers patient via access to experts, education and coordination with treating physicians, not available locally.</li> <li>• Results in enhanced quality and cost management.</li> </ul>  | 4  |

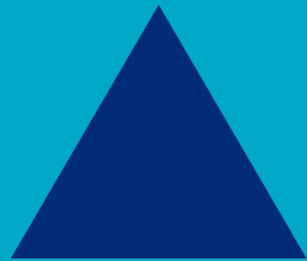
# OPTIONS AND OPPORTUNITIES

| Options   | Considerations for Optimization   | Priorities/Impact Rank 1-5 (least to most important) |
|---|---|--|
| <p><b>Patient Engagement - Targeted-point solutions</b></p> <p>Workforce health</p>  | <ul style="list-style-type: none"> <li>• Chronic condition management opportunities.</li> <li>• Review options and/or potential for multiple point solution options Promote plan participant/patient engagement with target or point solutions (i.e.. Diabetes, weight, maternity, cancer, etc.).</li> <li>• Enhance patient education and compliance with innovative and interactive patient engagement solutions.</li> <li>• Target conditions specific to the State of Idaho population.</li> <li>• Potential to offer enhanced benefits for specific conditions.</li> </ul> | 5  |
| <p><b>Retirees/Medicare Options</b></p> <p>Program design</p>                        | <ul style="list-style-type: none"> <li>• Potential Retiree options, outside of the State of Idaho Programs?</li> <li>• Available Retiree Administration resources and support?</li> <li>• Coordination with PERSI?</li> <li>• Retiree 65+ Exchange Opportunities?</li> <li>• Other options?</li> </ul>  | 3  |
| <p><b>Dental Plan Management</b></p> <p>Delivery infrastructure</p>                | <ul style="list-style-type: none"> <li>• Review Dental Plan administration, including funding options, or potential conversion to self-funding.</li> <li>• Potential integration of dental with medical management?</li> <li>• Potential to unbundle dental enrollment from Medical enrollment. (Current requirement – <i>“When an employee enrolls in a medical plan they are required to enroll for at least self-only dental coverage.”</i>)</li> </ul>  | 3  |
| <p><b>COBRA</b></p> <p>Delivery infrastructure</p>                                 | <ul style="list-style-type: none"> <li>• COBRA plan administration options – bundled or unbundled?</li> <li>• Simplified administration.</li> <li>• Options outside of COBRA election?</li> </ul>   | 2  |

# OPTIONS AND OPPORTUNITIES

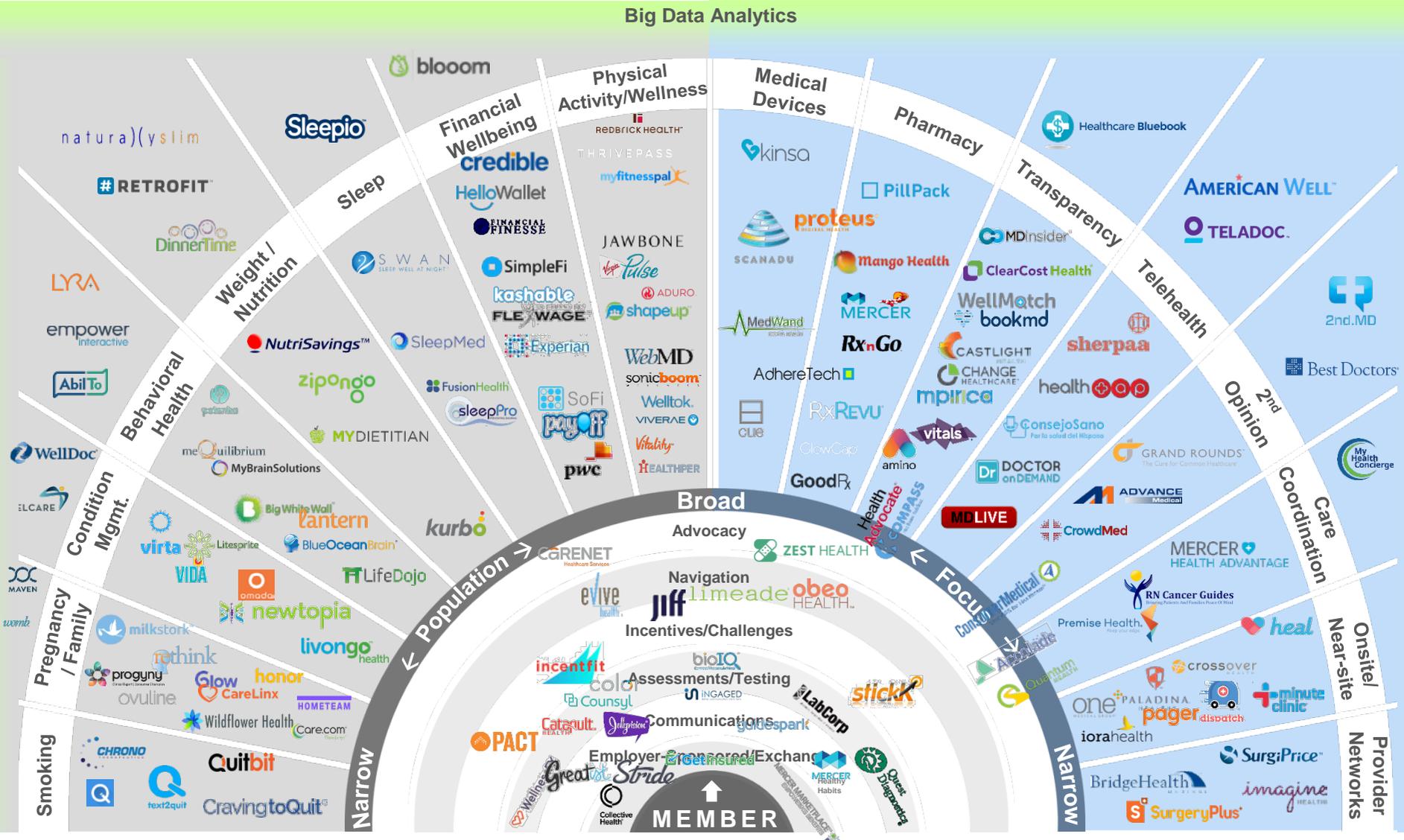
| Options   | Considerations for Optimization  | Priorities/Impact Rank 1-5 (least to most important) |
|---|--|--|
| <p><b>Idaho Statewide Healthcare Innovation (SHIP)</b></p> <p>Delivery infrastructure</p>  | <ul style="list-style-type: none"> <li>• Explore possibility of leveraging PCMH model of care or network being developed and refined under the Idaho SHIP program.</li> <li>• Secure plan administrator that is able to support a State of Idaho specific fee schedule or payment arrangement.</li> </ul>                    | <p>3 – Impact not quantifiable at this time</p>      |
| <p><b>Catastrophic Plans</b></p> <p>Program design</p>                                     | <ul style="list-style-type: none"> <li>• Employer strategy to offer employee “Choices”.</li> <li>• Employee satisfaction, offering “Choices”.</li> <li>• Affordable - Low cost program.</li> <li>• Lowest actuarial value, still compliant with ACA.</li> <li>• Potential to enhance number of covered employees.</li> </ul> | <p>2</p>   |
| <p><b>Spousal Surcharge</b></p> <p>Program design</p>                                     | <ul style="list-style-type: none"> <li>• Employer choice or strategy.</li> <li>• TBD – Potential to Implement spousal surcharge for those with access to other coverage of \$50-\$100 per month (via affidavit).</li> </ul>  | <p>2</p>   |
| <p><b>Tobacco Nicotine Surcharge</b></p> <p>Program design</p>                           | <ul style="list-style-type: none"> <li>• Employer choice or strategy.</li> <li>• Introduce Nicotine/tobacco surcharge (\$50-\$100/month).</li> </ul>   | <p>2</p>   |

# APPENDIX - INNOVATIONS SUPPORT THE STATE OF IDAHO OPPORTUNITIES



# INNOVATIONS SUPPORT THE STATE OF IDAHO OPPORTUNITIES NEW APPROACHES - THE HEALTH CARE MARKET IS EVOLVING

## EXPLOSION OF INNOVATION AND TECHNOLOGY



(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING PROVIDER STRATEGIES



|            | Expert Opinion   | Shared Decision Making   | Centers of Excellence  | Quality Improvement Collaborative   |
|------------|--|--|--|---|
| High light | Confirms right diagnosis and directs patients to the most effective treatment plan                           | Providers include patients in the decision making process, laying out all potential care paths and their risks/rewards               | Multidisciplinary team approach for disease-based medical management by a hospital or health system  | Mercer's clinical team works with identifies regional hospitals that are "best-in-class" to implement change in specific high cost clinical areas |
| Pro        | Access to clinical consultations with world-leading experts on rare and complex conditions                   | Patients are empowered to take charge of their care paths, patients feel their interactions with their provider are more transparent | COE designation is generally based on different quality, safety, efficiency, and/or outcome measures | Can be a first step toward a "supply side" strategy for employers moving toward value based purchasing and ACO development planning               |
| Con        | Requires employers to offer an additional vendor and teach employees to use this service; may be higher cost | Patients may urge providers to take a decision path that is not clinically in the patient's best interest                            | Often rating quality is across physician groups not individual physician quality                     | Only targets hospital systems in select geographies currently.  |



|           | Onsite Clinic  | Carrier High-Performing Networks                         | ACO Strategies   | Customized Networks   |
|-----------|--|--|--|---|
| Highlight | On or near site of employment clinics that can offer primary care, occupational health and physical therapy, or pharmacy services. | Narrow Networks steer to high quality physicians         | Delivers integrated care to the patient by bringing together groups of doctors, hospitals, and other health care providers, with providers taking responsibility for results | Build out networks of high quality, high value providers for each geography the employer operates in. |
| Pro       | Convenient location can lead to increased Physical Therapy and Pharmaceutical adherence.   | Bundled payment models can generate meaningful savings   | Incentives are aligned between providers and payers. All aspects of care are integrated and centrally managed.   | All providers in the network are vetted and preapproved by the employer                               |
| Con       | Employees may have a preferred PCP or pharmacy in a different location. Cost.  | Steerage and/or health plan integration can be challenge | Geographic variability in access and quality indicators.   | Time and cost intensive. Must be done for each geography.   |

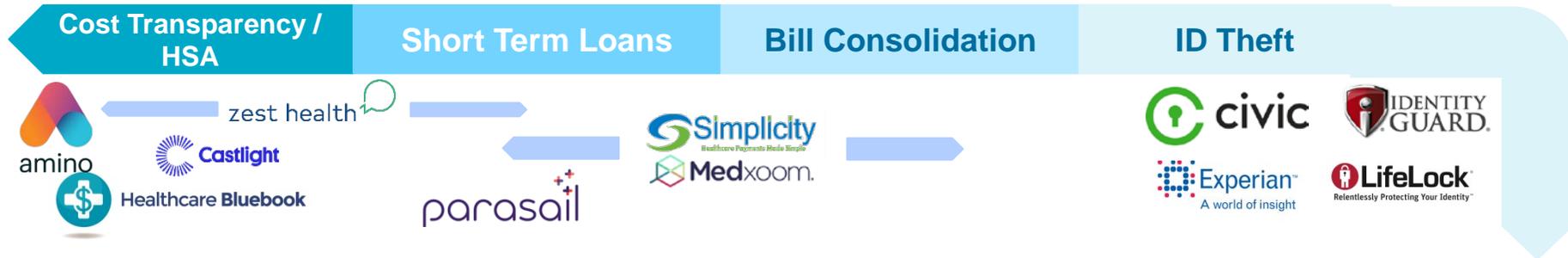
(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING PROVIDER QUALITY

|                   | Consumer Resources   | Carrier Distinction Programs  | Third Party Price Transparency  | Third Party Quality Transparency   | COE/Narrow Networks  |
|-------------------|--|---|---|--|--|
|                   |  |   |   |  |  |
| <b>Highlights</b> | Mostly free resources for employers and members to find local physicians/hospitals                       | Designations within the broad PPO network for providers that have shown quality and cost control  | Transparency tools centered around helping members shop for commodity services (MRIs)   | Transparency tools focused on quality across many different provider specialties                               | Narrow networks or COE models steer to high quality physicians |
| <b>Pro</b>        | Some provide a level of quality information where previously there was none                              | Simple tool for members to follow that may or may not have a meaningful impact on quality, possible to steer employees with cost share differential | Members may be familiar with shopping for care using these tools and it does not require members to utilize a separate tool for quality     | Produce much more sophisticated quality measures because of advances in data analytics                         | Bundled payment models can generate meaningful savings         |
| <b>Con</b>        | No incentive for employees to utilize the program and many use patient satisfaction as a key measurement | Relies on members to search for a provider with this designation and carriers often are rating quality across physician groups not individuals      | Vendors are repurposing quality data from multiple consumer resources and as a result data displayed is limited in its sophistication level | Requires employers to offer an additional vendor and teach employees to use this service for physician quality | Steerage and/or health plan integration can be challenge       |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING HEALTHCARE PAYMENTS



|                   |   |   |   |   |
|-------------------|---|---|---|---|
| <b>Highlights</b> | Tools to help employees compare the costs of providers and save on deductible costs | Short term loans available to employees to finance unexpected healthcare costs              | Consolidation of an employee's many EOBs into a single monthly bill—includes ability to pay the bill over time, interest free | Monitoring of employee's credit score, social security number, and other identifying factors for fraud or theft |
| <b>Pro</b>        | Allow employees to save money on commoditized services, like MRIs                   | Better rates than available on open market due to full time, stable workforce credit rating | Simplifies and consolidates disparate EOBs to improve patient experience  | Offer dedicated case managers and \$1M in insurance in case of theft, offering employees piece of mind          |
| <b>Con</b>        | Low engagement, little coordination with quality of the providers                   | Doesn't solve the real cost issue; temporary fix for employee shortfall                     | Only works with TPAs  | Generally, these programs alert employees more quickly to ID theft, but do nothing to prevent theft             |



|                   |  |   |   |   |
|-------------------|--|---|---|---|
| <b>Highlights</b> | (Sampling of vendors and/or services, not meant to be all inclusive) | Using humans or algorithms to detect fraud/waste/abuse in claims data                               | A large store of data accumulated from a range of sources within a company and used to guide management decisions | Third party vendors who seek to recover claims that the payer is not liable for     |
| <b>Pro</b>        | (Sampling of vendors and/or services, not meant to be all inclusive) | Reduces overpayments and fraud within the billing process; requires little from employees/employers | Can be used to track spend over time and pinpoint high-cost programs  | Increased recoveries, up to 200-300% with improved member services vs. health plans |
| <b>Con</b>        | (Sampling of vendors and/or services, not meant to be all inclusive) | May only work with TPAs, scalability and false positive challenges until AI is strong enough        | Traditional players do not offer on-demand manipulation of data and require expert interpretation of data         | Takes 12-18 months to ramp up and see results, scalability may be an issue          |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING ADVOCACY/CONCIERGE



|            | Concierge  | Digital Navigator  | Administrative Advocate  | Care Advocate  |
|------------|--|--|--|--|
| Highlights | Personal assistant to help take care of daily tasks such as getting event tickets, finding a plumber, planning a vacation, etc.  | Online/digital tools seek to provide personalized, timely health and benefits information via portal/app; new entrants emerging with great frequency: existing wellness and EAP vendors are rapidly retooling to serve this function as well | Generally focused on helping members navigate the health care system by carving out/replacing a number of health plan customer service functions. For example, can help members with claim issues, interpret EOBs, find a provider, etc. | Models capitalize on inbound customer service inquiries from members to engage the member in the underlying health issue; aims to simplify and improve the member's health and healthcare experience   |
| Pro        | Can free up employees for more important, more complex activities (e.g., leading to more productivity, more time with loved ones which can improve happiness/reduce stress, more healthy activities, etc.) | Lower cost tools that offer the ability to steer users to other programs and benefits, utilizing personalization recommendation engines to filter suggestions  | Help employees navigate a complex healthcare system and provide users with knowledge and skills to make rationale decisions  | Basic customer service inquiries may often be triggered by a medical need – advocates can transition the trust built around transactional needs to improve health decisions, behaviors and increase engagement with other available programs |
| Con        | Service can get lost within other discount or work/life programs; some EAPs are getting in this space, but may be tainted by low utilization/poor brand  | The “intelligence” driving these digital experiences still is lacking  | Valued by employees, but generally underutilized by the workforce; more limited in scope and operates more as an episodic experience   | Higher disruption for employers to implement; can be difficult to measure the impact of changed health decisions and increased engagement in other programs  |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING DIABETES



Free Content

Metabolic Syndrome

Connected Glucometers

Continuous Glucose Meters

Diabetes Reversal

|            | Free Content   | Metabolic Syndrome  | Connected Glucometers  | Continuous Glucose Meters   | Diabetes Reversal   |
|------------|--|---|--|---|---|
| Highlights | Free educational content aimed at helping patients understand their disease and treatment plan | Targeted weight management programs aimed at members with Metabolic Syndrome or pre-Diabetes that aim to drive at least 5% body weight loss which reduces future disease risk | Cloud based diabetes management program that provides employees with free BG testing supplies and real time CDE interventions when adverse test results are detected | Targeted at insulin dependent diabetics this wearable device measures BG every few seconds and communicates with wearable insulin dispenser | Intervention platform that utilizes a low carb diet and remote monitoring by a physician and care team to aggressively bring down patients BG and HbA1c |
| Pro        | Free resource with strong brand association that can help employees upon diagnosis             | Per engaged user cost model paired with wireless scales enables tracking of program effectiveness   | Enables CDE's to reach out to members any time there is a BG test result out of a normal range helping reduce potential ER visits/hospitalizations                   | By actively monitoring a patients BG they are able to better manage their condition by administering insulin in real time based upon need   | Produces significant improvements in patients BG and HbA1c numbers which reduces their medication needs and long term effects of disease                |
| Con        | Limited mechanism for driving engagement to these resources                                    | Not applicable to the entire population and requires successful communication to those eligible   | Requires members to learn how to use a new BG monitor and to enroll in the program   | Very expensive device to distribute to a large population   | Requires members to adapt to a new eating style and diet that is outside of the traditional American diet   |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING CANCER



|                   |   |  |   |   |
|-------------------|---|--|---|---|
| <b>Highlights</b> | Hereditary cancer-risk gene screening or liquid biopsy early cancer indicator testing   | Advocacy and navigation through cancer journey; both clinical and for lifestyle decisions  | Tools to help employees struggling to deal with cancer treatment and work-related issues                      | Guidance and access to collective knowledge and resources for difficult cancer cases  |
| <b>Pro</b>        | High quality, low-cost testing to identify risk with education and guidance through on-staff genetic counselors                             | High touch and concierge level guidance and support for individuals managing cancer diagnosis and treatment; high cost reductions if able to avoid unnecessary ER visits / complications | Includes multimedia online education on cancer treatment and the employer's benefits                          | Access to clinical trials, case studies and investigational therapies specific to individuals' genetic pathology and cancer |
| <b>Con</b>        | Requires working with health plans to redefine testing eligibility or going outside of the plan; liquid biopsies are still very early stage | High cost  | Requires employee to engage with another point solution—though the solution provides the employee great value | Risk of unproven treatments   |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES...

## INNOVATIONS TARGETING MATERNITY/PREGNANCY

### Risk Identification



|            |   |
|------------|---|
| Highlights | Inherited gene screening/ counseling  |
| Pro        | High quality testing to identify risk with education and guidance w/ genetic counselors |
| Con        | Requires working with health plans to redefine testing eligibility; still high cost     |

### Fertility

### Pregnancy Apps

### Pregnancy Coaching

### Parenting

### Breast Milk Delivery



|                   |  |   |   |   |
|-------------------|--|---|---|---|
| <b>Highlights</b> | Fertility and pregnancy monitoring through mobile apps         | Access to coaches/providers specializing in women's health, access to breastfeeding coaches | Online and mobile resources for new parents         | Breast milk delivery for working moms   |
| <b>Pro</b>        | Engaging tools for moms-to-be; supports future/family planning | Easy, instant access for an often overwhelmed parent  | Closed social network for sharing pictures, updates | Simple solution to deploy               |
| <b>Con</b>        | Member must be willing to share data with employer             | Similar services may be provided by local hospitals   | Many free parenting resources avail. in the market  | Small segment of workforce will benefit |

### Infertility / Preservation

### Adoption / Surrogacy



|                   |   |
|-------------------|---|
| <b>Highlights</b> | Improved infertility treatment pricing and clinical quality, plus support for adoption/surrogacy resources; fertility preservation/egg-freezing |
| <b>Pro</b>        | Can reduce multiple births and improve patient experience   |
| <b>Con</b>        | Carve-out from health plan network; integration with HSAs   |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES...

## INNOVATIONS TARGETING CARDIOVASCULAR HEALTH



| Highlights | Solutions to help employees develop healthy eating habits                        | Targeted outreach to address highest risk population for pre-diabetes or metabolic syndrome | Solutions targeting the management and/ or reversal of diabetes. | Apps that track CHF, weight, BP to monitor health and influence positive behavior change |
|------------|--|---|--|--|
| Pro        | Weight loss will lead to high downstream savings as other conditions are avoided | Pay for outcomes models to ensure engagement and results                                    | High success rate of lowering HbA1c                              | Regular use can lead to reduced blood pressure and heart attack / stroke risk            |
| Con        | Unlikely to get a high level of sustained employee engagement                    | Weight-based outcomes measurement could be improved   | Long-term engagement lacking or unproven                         | Require sustained behavior change over long periods of time                              |

### Health Literacy/Ongoing Management/Intense Management



| Highlights | Increasing health literacy and health engagement through learning modules or group exercises           | Weekly engagement with personality-matched coach               | Behavioral health program for those undergoing treatment for a medical condition  |
|------------|--|--|---|
| Pro        | Engaging platforms through gamification and/or storytelling, improving patient understanding of health | Meets members where they want coaching, on their mobile device | Focus on cardiac, diabetes, chronic pain, temporal substance issues, respiratory, depression, postpartum, bereavement, caregiver issues |
| Con        | Deep review required for long term impact  | High price   | High price  |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES...

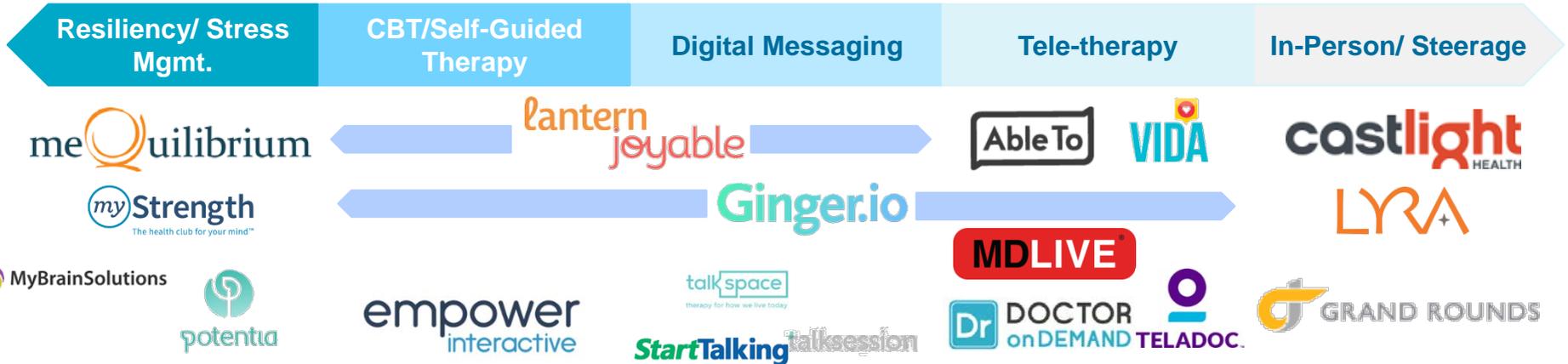
## INNOVATIONS TARGETING SLEEP



| Highlights | Tools that screen and track for sleep disorders, and help users keep a regular sleep routine                               | Apps, trackers wearables that can track real time data for sleep quality; wearables that go on the finger, wrist or head  | Programs focused on treating clinical insomnia.  | Proactive screening through digital, on-site, and data mining modalities to provide simple access and engagement for sleep apnea risk identification  | Ongoing therapy for sleep apnea, with compliance management.  |
|------------|--|---|--|---|---|
| Pro        | Often use methods similar to digital CBT, which can change behaviors at lower cost and without side effects of sleep drugs | Ongoing measurement in natural sleep environment, versus one-time inpatient sleep lab/at home sleep test; can play a large role in compliance related to safety | Engaging self guided sleep programs that employees can use to assess their risk of having insomnia. Programs modules can address jet lag mitigation, shift workers, etc. | Proven clinical impact, sleep affects a range of downstream conditions; validated tests for diagnosing sleep disorders                                | Reduction in costs associated with side effects of poor sleep, and lack of sleep apnea treatment adherence; supports safety initiatives |
| Con        | Generally not integrated with carriers. Difficult to quantify ROI.   | Wearables can be expensive, not always accurate. Can't be used for clinical diagnosis. Limited ability to test for sleep apnea                                  | Some programs do not address/ provide clinical intervention for sleep apnea related conditions   | Can be cumbersome to do in person testing at a facility. At home sleep test solutions can be uncomfortable and awkward for members to self-administer | Can affect many ancillary illnesses but difficult to fully quantify the systemic impacts on health, productivity & safety               |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING BEHAVIORAL HEALTH



|            | Resiliency/ Stress Mgmt.  | CBT/Self-Guided Therapy   | Digital Messaging   | Tele-therapy   | In-Person/ Steerage   |
|------------|---|---|---|--|---|
| Highlights | Simple self-help tools that help members build skills to cope with stress | Provides easy access to CBT interventions on demand; may have light coaching  | On demand messaging with coach or behavioral health specialist  | Improves access to licensed behavioral health professionals by utilizing traditional telemedicine channels | Helps guide members to higher quality INN physicians to improve the level of care received                      |
| Pro        | Simple engagement mechanism through promotion of brain training           | Low barrier to entry for members struggling with behavioral health challenges | Provides members access to interventions in an anonymous environment  | Removes barriers to seeking care by allowing members to speak with therapists on their own time            | Helps guide members through the complex behavioral health system and facilitates appointment scheduling         |
| Con        | Requires continued engagement to reap preventive effects                  | Limited in the scope of conditions that each company can treat                | Diagnosis of serious mental illness isn't possible without a clinician on the back end – potential for improper treatment | Limited ability to establish a true long term member and therapist relationship                            | Limited provider quality data available calling into question the ability to steer members to quality providers |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING MUSCULOSKELETAL



|                   | Preventive/Coaching  | Therapy/Rehab  | Pre-Surgical  | Surgical   | Post-Surgical   |
|-------------------|--|--|---|--|---|
| <b>Highlights</b> | On-demand physical therapy for specific MSK conditions                 | Collaborative with PCP and specialty to increase clinical availability and value   | Expert decision support and guided second opinion to ensure right diagnosis and treatment | Narrow networks or COE models steer to high quality physicians | Intense precertification and/or post-operative audit                          |
| <b>Pro</b>        | Access to coaches, peer-to-peer support, self-guided content from home | Drastic reductions in recovery times for members   | Prevents high-cost, unnecessary treatment or surgeries                                    | Bundled payment models can generate meaningful savings         | Manages financial risk/payment integrity, provider networks and clinical care |
| <b>Con</b>        | Limited programming  | For digital services, member compliance with exercise routines may be less rigorous. For in-person services, requires significant associate volume in one location | Challenging to identify when individuals will need support                                | Steerage and/or health plan integration can be challenge       | Integration with plan required; high implementation cost                      |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING CHRONIC DISEASE

| Substance Abuse | Weight Loss / Pre Diabetes | Diabetes | Heart Disease |
|-----------------|----------------------------|----------|---------------|
|-----------------|----------------------------|----------|---------------|



|                   |   |   |   |  |
|-------------------|---|---|---|--|
| <b>Highlights</b> | Digital intervention covering addictions from drinking, drugs, and eating disorders, to gambling and spending | Targeted outreach to address highest risk population for pre-diabetes or metabolic syndrome | Connected glucometer or app with real-time diabetic educator outreach | Apps that track CHF, weight, BP to monitor health and influence positive behavior change |
| <b>Pro</b>        | Access to professional counseling from a social worker  | Pay for outcomes models to ensure engagement and results                                    | Real-time outreach reduces high-highs and low-lows for testing        | Regular use can lead to reduced blood pressure and heart attack / stroke risk            |
| <b>Con</b>        | Not fully- integrated with treatment plans  | Weight-based outcomes msmt. could be improved   | PBMs may evaluate potential rebate impact                             | Require sustained behavior change over long periods of time                              |

## Ongoing Management/Intense Co-morbid Management



|                   |  |   |
|-------------------|--|---|
| <b>Highlights</b> | Weekly engagement with personality-matched coach               | Behavioral health program for those undergoing treatment for a medical condition  |
| <b>Pro</b>        | Meets members where they want coaching, on their mobile device | Focus on cardiac, diabetes, chronic pain, temporal substance issues, respiratory, depression, postpartum, bereavement, caregiver issues |
| <b>Con</b>        | High price   | High price  |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES...

## INNOVATIONS TARGETING OTHER CHRONIC DISEASES AND ASTHMA



Adherence



Asthma/COPD



|                   |  |  |   |
|-------------------|--|--|---|
| <b>Highlights</b> | Tools from CPAP to CBT to sleep hygiene  | Use technology to track adherence to medications, diet, and use of scales and blood pressure sensors   | Inhaler-attachable device that reminds users to be compliant with daily dosing and tracks adherence |
| <b>Pro</b>        | Sleep health correlates directly to other aspects of health, including weight and mental health                      | These platforms often use reminders or incentives to promote adherence to a routine preventative behavior, avoiding catastrophic costs like ER visits or heart attacks | Lessens the number of adverse asthmatic reactions and digression of COPD symptoms                   |
| <b>Con</b>        | The savings are typically downstream, in avoided costs in other disease categories, not an immediate hard dollar ROI | Previous models have involved expensive hardware and have demonstrated low continued engagement over time  | The device does not work with all inhalers  |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING SENIOR CARE

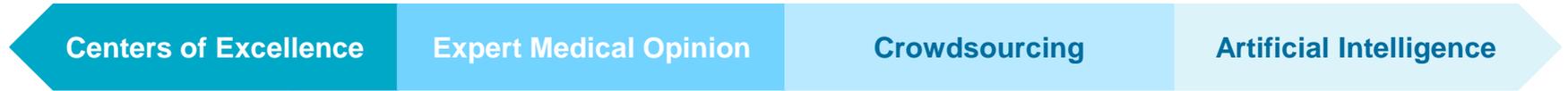


|                   | Education/End-of-Life Planning                    | Fraud & Estate Issues   | Communication/Coordination  | Caregiver Advocacy   | In-Home Care  |
|-------------------|---|---|---|--|---|
| <b>Highlights</b> | Content and education around end-of-life planning | Specialized services to help mitigate dependent adult financial abuse                                       | Communication/Coordination platforms across care team               | Assistance navigating the elder care space and guidance on finding the right options   | Finding caretakers for in-home care   |
| <b>Pro</b>        | Support for often complicated topic               | Can help users resolve existing issues and provide suggestions for proactive measures to protect the estate | Provides technology for care team to collaborate                    | Support for often complicated and stressful things <ul style="list-style-type: none"> <li>• Education</li> <li>• Create care plans, care teams</li> <li>• Fraud and Estate Issues</li> <li>• Placement services</li> <li>• Medicare assistance</li> <li>• Team coordination</li> </ul> | More personalized and affordable alternative to finding in-home caretaker vs. traditional care agency referral services |
| <b>Con</b>        | Variability in regulations across states          | Narrow service that should be connected to other products along the spectrum                                | One more app/platform for people to use on their phone and computer | Variability in services and regulations across states and can be expensive   | Can be expensive and most companies are very local  |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES...

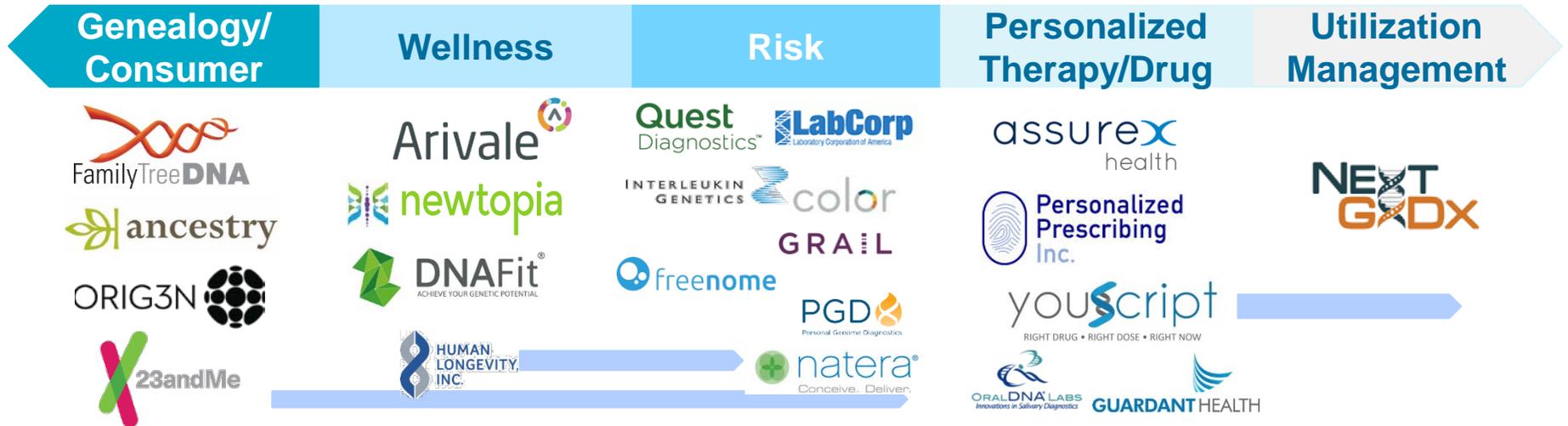
## INNOVATIONS TARGETING DIAGNOSIS AND TREATMENT OF COMPLEX OR RARE CONDITIONS



|                   |  |  |   |   |
|-------------------|--|--|---|---|
| <b>Highlights</b> | Multidisciplinary team approach for disease-based medical management of chronic-type conditions by a hospital or health system     | Confirms right diagnosis and directs patients to the most effective treatment plan                           | Harnessing 'the wisdom of crowds' to help solve difficult medical cases quickly and accurately online                                   | Machine learning. single, secure database that could read symptoms and run through thousands of clinical studies, medical records, and medical textbooks to present a risk-matched list of potential diseases |
| <b>Pro</b>        | COE designation is generally based on different quality, safety, efficiency, and/or outcome measures                               | Access to clinical consultations with world-leading experts on rare and complex conditions                   | Challenging for doctor(s) to parse out which symptoms are caused by which obscure diseases in order to treat them                       | Outperforms doctors 98% of the time for complex cases   |
| <b>Con</b>        | Often self-designated status with varying metrics Often rating quality is across physician groups not individual physician quality | Requires employers to offer an additional vendor and teach employees to use this service; may be higher cost | The "medical detectives" are mostly physicians, but there are a number of them with no medical background who are interested in helping | Results are only as good as the data inputs   |

(Sampling of vendors and/or services, not meant to be all inclusive)

# OPPORTUNITIES... INNOVATIONS TARGETING GENETICS



| Highlights | Non-medical, commercially available genomic tests that report on risk for certain conditions                          | Use genetic screenings to determine if users are predisposed to certain wellness traits: i.e., predisposed to gaining weight  | Genetic testing for risk of developing hereditary diseases, common examples include: cancer gene screenings and preimplantation and neonatal genetic testing          | Genomic tests used to identify a patient's individual metabolic rate with reference to specific drugs—allowing for more precise prescribing | Tools for utilization management of genetic tests and certain prescription drugs that are affected by an individual's genotype |
|------------|---|---|---|---|--|
| Pro        | Users find their genealogic history and their genetic predisposition towards certain traits and illnesses interesting | Programs can be tailored to each individual's genetic makeup—leading to higher personalization and higher rates of engagement | Genetic tests can allow for earlier detection of cancers and other diseases, as well as aid in proper embryo implantation during IVF                                  | Costs of these tests is dropping, and they can indicate a patient's likelihood to have an adverse reaction to a specific drug               | Can be used to impact prescribing patterns towards more effective drugs or lower cost genetic screenings                       |
| Con        | No clinical value, as risk and disease are more complicated than the results of these tests show                      | Programs end up being more expensive, with little to no clinical difference in outcomes                                       | Testing protocols are changing rapidly; information without genetic counseling can cause undue stress for employees (Color provides genetic counseling w/ their test) | Data is still early on efficacy of prescribing common drugs (hypertension, depression) based on genomic profile                             | Wholly reliant on provider uptake—a difficult employer play without sufficient leverage over a captive provider network        |

(Sampling of vendors and/or services, not meant to be all inclusive)



**MERCER**

**MAKE TOMORROW, TODAY**