OCTOBER STRATEGY SESSION
New Developments & Emerging Strategies
Thursday, October 11, 2018
Meeting 12:00 pm to 3:00 pm – Lunch & Networking 11:30 am – 12:00 pm
Community First Foundation, 5855 Wadsworth Bypass, Unit A, Arvada, CO 80003
Room: Changemaker/Innovator
CBGH Conference Line: 712-770-8001 PIN 227407
To Register: Eventbrite

MEETING PURPOSE
An overview of new developments and emerging strategies in clinical, health literacy and state engagements for employers.

DISCUSSION AGENDA

<table>
<thead>
<tr>
<th>Topic/Description</th>
<th>Speaker</th>
<th>Time</th>
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<tbody>
<tr>
<td>Lunch &amp; Networking</td>
<td>All</td>
<td>11:30 am</td>
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<tr>
<td></td>
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<td>12:00 pm</td>
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<tr>
<td>Welcome/Introductions</td>
<td>Jeanne Thrower Aguilar President, CBGH Board</td>
<td>12:00 pm</td>
</tr>
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<td>12:00 pm</td>
</tr>
<tr>
<td>Review of Meeting Purpose and Agenda</td>
<td>Bob Smith Exec. Director, CBGH</td>
<td>12:05 pm</td>
</tr>
<tr>
<td>Interventional Orthopedics: A New Medical Specialty</td>
<td>Mark Testa Exec. VP, Regenexx</td>
<td>12:15 pm</td>
</tr>
<tr>
<td>State of Colorado Outlook</td>
<td>Michael Conway Interim State of CO Insurance Commissioner, Dept. of Regulatory Agencies</td>
<td>1:45 pm</td>
</tr>
<tr>
<td>Panel Discussion</td>
<td>Mark Testa Jeff Greene Michael Conway</td>
<td>2:30 pm</td>
</tr>
<tr>
<td>Summary and Adjournment</td>
<td>Bob Smith</td>
<td>3:00 pm</td>
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</tbody>
</table>
--- ABOUT OUR SPEAKERS ---

**Michael Conway, Interim Insurance Commissioner**  
**State of CO**  
Michael Conway was appointed by Governor John Hickenlooper as interim Colorado Insurance Commissioner effective January 1, 2018. In this position Conway serves as the chief executive of the Division of Insurance and oversees the regulation of the insurance industry in Colorado. His role brings together consumers, the insurance industry and other stakeholders to create an inclusive, firm and fair regulatory approach to all lines of insurance such as auto, health, homeowner, life, property and casualty, title and workers’ compensation. Prior to his appointment, Conway served as the Division of Insurance Deputy Commissioner for Consumer and Compliance Services since March 2016.

Before joining the Division, Conway was an assistant Attorney General for the Colorado State Attorney General’s Office from 2010 to 2016, where he represented the Division of Insurance in all facets of the regulation of the insurance industry including mergers and acquisitions of insurance companies, insurer rehabilitation/liquidation, and producer and company licensure litigation.

Conway has also worked as an attorney for Colorado Legal Services, advocating for indigent clients regarding housing rights, homelessness prevention, evictions and subsidized housing.

**Jeff Greene, CEO**  
**MedEncentive**  
Jeff Greene is an entrepreneur, award-winning innovator, population health expert, and human factors engineer. He is the inventor of the “Trilateral Health Accountability Model,” a web-based system designed to improve health and lower costs, for which Greene (Jeff) holds three U.S. patents and a Canadian patent. He is founder and CEO of MedEncentive LLC, a web-based health improvement/cost containment service company, headquartered in Oklahoma City. Greene (Jeff) is well-known for his efforts to improve health and healthcare in ways that lowers costs, often referred to as the “Triple/Quadruple Aim.” He is also known for his interests in promoting health literacy, a strong determinant of health and healthcare costs.

Greene serves on the Advisory Boards of the University of Oklahoma’s School of Industrial and Systems Engineering and the OU Spike Club. Greene attended the University of Oklahoma on an athletic scholarship, where he was a record-setting hurdler. He holds a bachelor’s degree in industrial engineering from OU. He served as a reserve officer in the U.S. Army Corp of Engineers for fifteen years.

**Mark Testa, DC, MHA, Executive Vice President**  
**Regenexx, LLC**  
Mark Testa is a licensed chiropractor, acupuncturist, holistic-healthcare provider, health educator, and entrepreneur. With over 25 years of experience in active clinical practice, Mark also possesses a master’s degree in health administration. He is the first chiropractor on the medical staff at Denver Health and for the span of his career has successfully bridged the gap working side by side with medical doctors, surgery centers, and hospitals, to develop integrated clinical models to treat musculoskeletal pain. Mark has been involved with the growth of Regenexx and regenerative medicine since 2010.
An orthopedic cost reduction strategy for self funded employers
Healthcare costs...

- #2 or 3 line item on the P&L (this puts you in the healthcare business)
- Ortho issues are the #2 reason for doctor visits
Musculoskeletal Conditions are one the Costliest of the Five Major Diagnostic Categories (MDC)

Musculoskeletal conditions are the most rapidly growing group of these categories

Footnote

*Studies done by:*
The National Business Group on Health - July 23, 2013
Truven Health Analytics - April 2013
Healthcare costs...
Spectrum of treatment options for orthopedic issues

- Pharmaceutical
- Non-Surgical
- Surgical
DRUGS

NSAIDS | Opiates | Steroid
Non-Surgical

Physical Therapy | Chiropractic Care | Acupuncture
Surgical

- mixed results
- persistent pain
- progresses the problem

- revisions
- no return
- complications
SURGERY

increases your risk of:

- heart attack
- stroke
- complications; opioid addiction
- blood clot
- death
Ineffective...

53% of surgeries have been shown to be ineffective in clinical trials.
Fraud, waste, abuse...

- 30% IoM
- 50% PwC
Disruptors...

- Ignaz Semmelweis
- 17 year lag
- Self funded employers
- CMS
- Insurance companies
Are There Better Options?
Interventional Orthopedics
Interventional Orthopedics

• Orthobiologics; stem cell, platelets, platelet lysates, A2M
Common Conditions Treated
<table>
<thead>
<tr>
<th>Back and Neck</th>
<th>Elbow</th>
<th>Hand and Wrist</th>
<th>Knee</th>
</tr>
</thead>
<tbody>
<tr>
<td>lumbar facet injury</td>
<td>arthritis</td>
<td>arthritis</td>
<td>arthritis</td>
</tr>
<tr>
<td>herniated or bulging disc</td>
<td>instability</td>
<td>instability</td>
<td>patellofemoral syndrome / chondromalacia</td>
</tr>
<tr>
<td>radiculopathy</td>
<td>tennis elbow or golfer's elbow</td>
<td>TFCC tear</td>
<td>pes anserine bursitis</td>
</tr>
<tr>
<td>SI joint syndrome</td>
<td>nerve entrapment (ulnar nerve)</td>
<td>baker's cyst</td>
<td>baker's cyst</td>
</tr>
<tr>
<td>cervical instability</td>
<td></td>
<td>patellar tendonitis</td>
<td>patellar tendonitis</td>
</tr>
<tr>
<td>cervical facet injury</td>
<td></td>
<td>meniscus tear</td>
<td>meniscus tear</td>
</tr>
<tr>
<td>neck, back, or rib instability</td>
<td></td>
<td>MCL sprain or tear</td>
<td>MCL sprain or tear</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Shoulder</th>
<th>Hip</th>
<th>Ankle/Foot</th>
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<td>rotator cuff tears</td>
<td>bursitis</td>
<td>arthritis</td>
</tr>
<tr>
<td>arthritis</td>
<td>arthritis</td>
<td>ankle instability</td>
</tr>
<tr>
<td>thoracic outlet syndrome</td>
<td>tenosynovitis</td>
<td>peroneal tendon tear or split</td>
</tr>
<tr>
<td>labral tears or degeneration</td>
<td>labral / labrum tear</td>
<td>ligament sprain or tear</td>
</tr>
<tr>
<td>rotator cuff tendonitis</td>
<td></td>
<td>sub-talar arthritis or instability</td>
</tr>
<tr>
<td>AC joint separation</td>
<td></td>
<td>tarsal tunnel syndrome</td>
</tr>
<tr>
<td>recurrent shoulder dislocations</td>
<td></td>
<td>plantar fasciitis</td>
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<tr>
<td>TFCC tear</td>
<td>pes anserine bursitis</td>
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<tr>
<td>carpal tunnel syndrome</td>
<td>baker's cyst</td>
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<tr>
<td>trigger finger</td>
<td>patellar tendonitis</td>
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<td>plantar fasciitis</td>
<td>LCL sprain or tear</td>
</tr>
<tr>
<td>bunions</td>
<td>instability</td>
</tr>
<tr>
<td>biceps femoris insertional tendinopathy</td>
<td>biceps femoris insertional tendinopathy</td>
</tr>
<tr>
<td>hamstrings tendinopathy</td>
<td>hamstrings tendinopathy</td>
</tr>
</tbody>
</table>
EVIDENCE
AVOIDED SURGERY

> 59,210 procedures
> 45,000 patients
Published...
A multi-center analysis of adverse events among two thousand, three hundred and seventy two adult patients undergoing adult autologous stem cell therapy for orthopaedic conditions

Christopher J. Centeno¹ · Hasan Al-Sayegh² · Michael D. Freeman³ · Jay Smith⁴ · William D. Murrell⁵ · Rostyslav Bubnov⁵

Received: 25 October 2015 / Accepted: 6 March 2016 / Published online: 30 March 2016
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Abstract
Introduction The purpose of the present investigation is to report on detailed complications among a much larger group of 2372 orthopaedic patients treated with stem cell injections who were followed in a treatment registry for up to nine years. Methods All patients underwent an MSC-based, percutaneous injection treatment of an orthopaedic condition between December 2005 and September 2014 at one of 18 clinical facilities. Treated areas of the body included the knee, hip, and back. Results A total of 3012 procedures were performed on 2372 patients with follow-up period of 2.2 years. A total of 325 adverse events were reported. The majority were pain post-procedure (n = 93, 3.9% of the study population) and pain due to progressive degenerative joint disease (n = 90, 3.8% of the study population). Seven cases reported neoplasms, a lower rate than in the general population. The lowest rate of adverse events was observed among patients injected with BMC alone.
Self funded employers...
Case study...

Meredith independently validated the cost savings with their third-party administrator, UMR, to verify the real savings (see table below). Stem cell treatment is simply far less expensive than surgery.

<table>
<thead>
<tr>
<th>Body part</th>
<th>Number of procedures</th>
<th>Surgical cost</th>
<th>Regenexx cost</th>
<th>Savings $</th>
<th>Savings %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elbow</td>
<td>2</td>
<td>$50,124</td>
<td>$3,800</td>
<td>$46,324</td>
<td>92.4%</td>
</tr>
<tr>
<td>Hip</td>
<td>6</td>
<td>$147,281</td>
<td>$14,832</td>
<td>$132,449</td>
<td>89.93%</td>
</tr>
<tr>
<td>Knee</td>
<td>16</td>
<td>$521,237</td>
<td>$120,032</td>
<td>$401,205</td>
<td>76.97%</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>$155,862</td>
<td>$27,524</td>
<td>$128,338</td>
<td>82.34%</td>
</tr>
<tr>
<td>TOTALS</td>
<td>31</td>
<td>$847,504</td>
<td>$166,188</td>
<td>$708,192</td>
<td>80.99%</td>
</tr>
</tbody>
</table>

Table 1. Savings from Meredith’s use of Regenexx stem cell treatments.

Outcomes
Twenty three of the 31 cases in the previous chart returned patient satisfaction surveys demonstrating the following:

- Nearly three-quarters indicated that pain had improved by at least 75%.
- Company savings of nearly three-quarters of a million dollars were realized.
- Simultaneous achievement of significant pain relief was experienced for its employees.
- Good results and shorter recovery periods were recorded.
Case study...

### CASE STUDY 2
**Municipality Polk County, IA**

**Health plan**

<table>
<thead>
<tr>
<th>Body part (n)</th>
<th>Surgical cost*</th>
<th>Regenexx cost</th>
<th>Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knee 15 (mostly replacement)</td>
<td>$626,000</td>
<td>$104,940</td>
<td>83%</td>
</tr>
<tr>
<td>Hip (2)</td>
<td>$78,000</td>
<td>$3713</td>
<td>95%</td>
</tr>
<tr>
<td>Shoulder (4)</td>
<td>$163,000</td>
<td>$23,381</td>
<td>86%</td>
</tr>
<tr>
<td>Hand/wrist (3)</td>
<td>$79,000</td>
<td>$10,198</td>
<td>87%</td>
</tr>
<tr>
<td>Spine (1)</td>
<td>$65,000</td>
<td>$2625</td>
<td>96%</td>
</tr>
<tr>
<td>Elbow (1)</td>
<td>$25,000</td>
<td>$1900</td>
<td>92%</td>
</tr>
<tr>
<td>Ankle/Foot (3)</td>
<td>$40,000</td>
<td>$12445</td>
<td>69%</td>
</tr>
</tbody>
</table>

Similar savings were demonstrated on the worker’s compensation side with an aggregate savings of 86% versus same-joint surgical intervention.
Partners...
Happier...

- Patients
- Employers
White paper...

• Mark Testa, DC, MHA
  303-885-9630
  mtesta@Regenexx.com
  Regenexx.com
Health Literacy - The Sleeping Giant of Effective Wellness and Cost Containment

October 11, 2018
A Time for Disruption

CVS to Buy Aetna for $69 Billion in a Deal That May Reshape the Health Industry

Amazon, Berkshire, JPMorgan partner to cut U.S. healthcare costs

Walmart, Not Amazon, May Turn Out To Be The Real Health Care Disruptor

Cigna Near Deal to Buy Express Scripts, WSJ Says
Of the Amazon/Berkshire Hathaway/J.P. Morgan Chase partnership to address the healthcare cost crisis in our country.

Warren Buffett said:

“The ballooning costs of healthcare act as a hungry tapeworm on the American economy.”
Americans appear to be finally fed up with the high cost of healthcare and want real solutions…
Health Literacy - The Sleeping Giant of Effective Wellness and Cost Containment

A Disruptive Solution

The Triple/Quadruple Aim, the Trilateral Health Accountability Model, and the Studies that Support the Solution’s Effectiveness
The Triple/Quadruple Aim

1. Better health
2. Better healthcare
3. Lower costs
4. Patient and provider satisfaction
The “Ultimate Objective”

The precisely defined “ultimate objective” expands the Triple/Quadruple Aim to mean a solution that:

1. **improves** the **overall health** of a population to reduce the demand for healthcare;
2. **makes healthcare better and less expensive**;
3. **is simple, fast-acting, and durable**;
4. **is scalable**, which means easy to implement and maintain, and relatively inexpensive;
5. **applies to a whole community**, which means a full and normally distributed population, and not merely an isolated subset;
6. **generates proven and unambiguous, per capita healthcare cost savings**;
7. **results in a return on investment** for the sponsoring health plan;
8. **offers fulfillment to patients and their medical providers**; and
9. **is socially acceptable and sustainable**.
A program based on the Trilateral Health Accountability Model™, a patented process (three U.S. and Canadian patents) that combines:

- Human factors and systems engineering
- Web-technology (cloud-based and mobile-enabled)
- Behavioral science

Improves health and lowers overall medical costs by:

- Tapping into the doctor-patient relationship
- Promoting health literacy
- Rewarding compliance
- Dignifying all parties
Health literacy is the single strongest determinant of health status, well-being, life expectancy and how much health care a person will consume in a lifetime.
World Health Organization: “Health literacy…the cognitive and social skills which determine the motivation and ability of individuals to gain access to, understand and use information in ways which promote and maintain good health.

Health literacy means more than being able to read pamphlets and successfully make appointments. By improving people's access to health information and their capacity to use it effectively, health literacy is critical to empowerment.”
Health literacy is the most impactful social determinant of health.

It is also, the easiest social determinant to fix…
Functional health literacy and the risk of hospital admission among Medicare managed care enrollees
Baker DW et al, 2002

Low health literacy is associated with higher rates of hospitalizations

This study helps substantiate THAM’s effectiveness.
The Association of Health Literacy With Preventable Emergency Department Visits: A Cross-sectional Study
Balakrishnan MP et al, 2017

"Limited health literacy is a risk factor for potentially preventable ER visits, particularly those that result in hospital admission."

Low health literacy is associated with higher rates of preventable emergency room visits

This study helps substantiate THAM’s effectiveness.
Impact of Low Health Literacy on Medical Costs

Involving over 92,000 vets, the largest health literacy to medical cost study, to date.

This study helps substantiate THAM’s effectiveness.
Impact of Low Health Literacy on Medical Costs

VA Study
Health Literacy Associated to Cost

Nearly a 2x difference!
Why is the cost impact of health literacy so important?

Because the U.S. spends over $3,000,000,000,000,000 annually on healthcare!
Inadequate health literacy is prevalent in the U.S.

Only 1 in 9 Americans have proficient health literacy.

Health literacy has been largely ignored and underrated…

“If inadequate health literacy is harmful, expensive and prevalent, then why is it overlooked and undervalued?”
Three reasons health literacy is overlooked and undervalued…

1. The impacts of health literacy are not widely known
2. It seems too simplistic
3. Viable solutions to improve health literacy are non-existent
The importance of health literacy is only now beginning to be recognized…
The importance of health literacy is only now beginning to be recognized…

18 states with health literacy initiatives is better than none, but far from all 50…
The importance of health literacy is only now beginning to be recognized…

Ontario Ministry of Health Booth
HealthAchieve Conference - Toronto

Health Literacy: Canada’s largest province’s top health priority
The “curse of knowledge” is the cognitive bias that tends to afflict highly educated and intelligent individuals who unknowingly:

1. assume others understand what they know; or
2. fail to appreciate what others don’t know; or
3. fail to realize what they themselves don’t know

Decision-makers who are afflicted with the “curse of knowledge” often prevent the promotion of health literacy and the adoption of health literacy innovation.
The CMS, CDC, IOM and NIH recommended solutions to improve health literacy:

1. Doctors should talk more slowly and use smaller words
2. Doctors should practice the “speak-back” method (repeat after me)
3. Doctors should be taught (learn) how to be better communicators and educators
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A Decade of Testing
A Proven Solution
Study of solution selected for presentation at the Annual Health Literacy Research Conference

Join us for HARC X!

October 21-23, 2018

Hilton DoubleTree, Bethesda, Maryland, USA

The Health Literacy Annual Research Conference is an interdisciplinary meeting for investigators dedicated to health literacy research. It is an opportunity to advance the field of health literacy, a method to raise the quality of our research, and a venue for professional development.
When people know the “how” and “why,” and are “entrusted” to care for themselves, they are more empowered and motivated to comply with recommended treatments and adopt healthy behaviors.

Behavioral science describes this as the:

Knowledge-Empowerment-Motivation-Adherence (KEMA) Response
To achieve the knowledge-adherence response, the solution improves health literacy by delivering the right information at the right time, so patients can make an informed decision.

This is called:

**Information Therapy**

Symbolized by $I_x^\text{®}$
A brief description of how the solution works…

Through the solution, both doctors and patients are offered a financial incentive from the plan sponsor (i.e., government, self-insured employer, commercial insurer, or health system) with each office visit (or rewardable event) for accessing the solution’s website to hold each other accountable for incorporating information therapy (and other health promotions).
How does the solution work?

1. It’s a program bolts on to the health insurance plan as an additional benefit for the plan members (patients).

2. Member eligibility and replicate claims are electronically transmitted to program regularly by the plan’s administrator.

3. At program launch, plan members receive a program orientation letter notifying them of their enrollment in the benefit.

4. Each office visit or health event represents an opportunity for the patient to participate in the program and earn a financial reward.

5. Doctors are also invited to engage with the program and receive additional compensation, but, while their inclusion is essential, physician participation is unnecessary to achieve program effectiveness.

6. Participation by enrolled plan members and their doctors is completely voluntary with each office visit or health event.
Each time a covered plan member has an office visit...

**Physicians** have the opportunity to earn additional compensation by accessing the program’s website to:

- Prescribe educational material to the patient as “homework” (information therapy - Ix®)

Takes less than a minute, making participation in the Program one of the easiest and most lucrative services rendered in clinic.

**Patients** can earn financial reward by accessing the program’s website, in response to the information therapy prescription letter sent to their home after each office visit, to:

1. Read the prescribed educational article;
2. Pass a test to demonstrate their understanding (open-book);
3. Declare their adherence or provide a reason for non-adherence;
4. Agree to allow their physician to review;
5. Rate their physician’s performance.
Physicians have the opportunity to earn additional compensation by accessing the program’s website to:

- Solution creates checks and balances between doctors and patients, called “mutual accountability,” that drives better outcomes.

Takes less than a minute, making participation in the Program one of the easiest and most lucrative services rendered in clinic.

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4. Agree to allow their physician to review;
5. Rate their physician’s performance.
Each time a covered plan member has an office visit...

Physicians have the opportunity to earn additional compensation by accessing the program’s website:

- Scoring co-creation with patients and accountability

Patients can earn financial rewards by accessing the program’s website, in response to the information therapy prescription letter sent to their home after each office visit, to:

1. Read the prescribed educational article;
2. Pass a test to demonstrate their understanding (open book);
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Physicians have the opportunity to earn additional compensation by accessing the program’s website to:

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Takes less than a minute, making participation in the Program one of the easiest and most lucrative services rendered in clinic.

Each time a covered plan member has an office visit...

The solution is often referred to as:

The Mutual Accountability and Information Therapy Program (MAIT)

Solution creates checks and balances between doctors and patients, called “mutual accountability,” that drives better outcomes.
Patient Step #3: Declaring adherence is an important behavioral science component that is overlooked and undervalued.

Promising-keeping, in the program, is the act of doctors and patients declaring their compliance to treatment guidelines, then agreeing to allow the other party to have access to their declarations. In effect, this process involves creating an obligation to oneself and to someone each party respects (doctor to patient, and patient to doctor).

As a result, both intrinsic and extrinsic motivators are summoned that locate promise-keeping behavior within the theory of guilt aversion, which is based on the desire to avoid taking actions that let down oneself or another person’s expectations.
Patient Step #4: Agreeing to allow one’s physician to access the patient’s responses is another important behavioral science component that is overlooked and undervalued.

**The Hawthorne effect** is a psychological phenomenon that produces an improvement in human behavior or performance as a result of increased attention from superiors or persons in positions of authority and trust.

In all cases, observed individuals behave or perform better than unsupervised individuals for a limited time if they suspect or know about the observation.
Doctor-Patient Relationship Influences Patient Engagement

Researchers asked 8,140 people in the U.S. with chronic illnesses about their experiences with their physicians, as well as about their socioeconomic status, overall health and how they make use of health services.

*Patients who perceived their physicians were involved in their care were more likely to monitor their blood pressure, exercise five days a week and adhere to medication regimens, among other healthy behaviors.*
Zeke Emanuel, MD, PhD, Kevin Volpp, MD, PhD, and Amol Navathe, MD, PhD call for patient-physician aligned incentives
Study confirms aligned patient-physician incentives are most effective...

Effect of Financial Incentives to Physicians, Patients, or Both on Lipid Levels: A Randomized Clinical Trial.
Asch D, et al


Aligned patient and physician incentives are more effective at producing superior outcomes

This study helps substantiate THAM’s effectiveness.
Health Literacy - The Sleeping Giant of Effective Wellness and Cost Containment

Provider Webpages
Physicians are offered $15 per office visit, for one minute’s effort, to access website via Internet or EHR to enter patient’s diagnosis, and…

Doctor enters patient’s diagnosis code or description – system can also integrate with EHRs
...once online, they simply select an article for the patient as “homework.” This is called “information therapy.”

Doctor selects an article from a list of educational content compiled by the MAIT system, and presented in relevancy order to the patient’s diagnosis.

Educational articles listed by relevancy to patient’s diagnosis:
Health Literacy - The Sleeping Giant of Effective Wellness and Cost Containment

The Patient’s Experience
Patients receive a letter or email at home after each office visit, offering them a refund of $15 or more for accessing the website to complete an information therapy prescription.

Mentions the doctor's name, date of service, and amount of the reward.

Provides username to secure, HIPAA-compliant website.

Participation is completely voluntary.

Two-week time limit.
If the doctor does not participate, then, once online, the patient selects an article relevant to the diagnosis from the office visit claim submitted by the doctor.

If the doctor doesn’t participate, then the system takes the diagnosis from the office visit claim submitted by the doctor to create the list of articles in relevancy order, from which the patient makes a selection.

Educational articles listed in order of relevancy to patient’s diagnosis.
Step 1 – Patients read the article, and then....

High Blood Pressure

Topic Overview

What is high blood pressure?
Blood pressure is a measure of how hard the blood pushes against the walls of your arteries as it moves through your body. It’s normal for blood pressure to go up and down throughout the day, but if it stays up, you have high blood pressure. Another name for high blood pressure is hypertension.

When blood pressure is high, it starts to damage the blood vessels, heart, and kidneys. This can lead to heart attack, stroke, and other problems. High blood pressure is called a “silent killer,” because it doesn’t usually cause symptoms while it is causing this damage.

Your blood pressure consists of two numbers, systolic and diastolic. Someone with a systolic pressure of 120 and a diastolic pressure of 80 has a blood pressure of 120/80, or “120 over 80.” Blood pressure is measured in millimeters of mercury (mm Hg).

- The systolic number shows how hard the blood pushes when the heart is pumping.
- The diastolic number shows how hard the blood pushes between heartbeats, when the heart is relaxed and filling with blood.

An ideal blood pressure for an adult is less than 120/80. High blood pressure is 140/90 or higher. Many people fall into the category in between, called prehypertension. People with prehypertension need to make lifestyle changes to bring the blood pressure down and help prevent or delay high blood pressure.

About 1 out of 3 adults in the United States has high blood pressure. 

Articles are supplied by top content suppliers, like Healthwise

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Step 2 – …take an “open book” test to assess and document the patients’ understanding of how to self-manage their health or medical condition.

Questions that pertain to you and this article

Please answer the following questions pertaining to you and this article, and then click the “Continue” button at the bottom of the page.

1. If your doctor prescribed medication for treating your high blood pressure, and you do not have any symptoms, is it okay to stop taking your medicine?
   - Yes
   - No

2. High blood pressure is the same as:
   - Indigestion
   - Hypertension
   - Headache

3. According to the article, the path that leads to successful lifestyle change includes:
   - Having your own reason for making a change
   - Following the path of least resistance
   - Set long-term goals and short-term goals that you can measure easily
   - Measure improvements to your health
   - Set a path of no return
   - Thinking about what might get in your way, and prepare for slip-ups
   - Getting support from your family, your doctor, and your friends

4. Untreated high blood pressure:
   - is not that serious
   - can lead to back spasms

Questions are true-false and multiple choice, focused on actionable information.
Step 3 – Patients are then asked to declare their adherence to recommended treatments or provide a reason for non-adherence.

Responses indicating non-adherence prompt a series of questions to determine why the patient is choosing to be non-compliant.
Step 4 – Patients must then agree to allow their doctors to have access to their knowledge assessment test and adherence declaration.

Having patients agree to share their test scores and adherence declarations with their physician, adds another important motivator, i.e., the Hawthorne effect.
Step 5 – Finally, patients are asked to rate their doctor’s performance against what they have just learned.

Patients are asked, on a scale, to rate how consistent their doctor’s treatment was compared to what the patient just learned.
Based on documented evidence, the MAIT Program works because...

1. Financial incentives (behavioral economics) attract patients and physicians to the website.

2. Knowledge-adherence (KEMA) response, promise-keeping (guilt aversion) and the Hawthorne effect cause an improvement in medication adherence and other types of patient compliance.

3. Hospitalizations and emergency room visits decline.

4. Doctors don’t want their patients to think they practice substandard care, which relieves some degree of defensive medicine.

5. Costs are contained to the point that a return on investment is realized by the plan sponsor.
Health Literacy - The Sleeping Giant of Effective Wellness and Cost Containment

Measuring How Well the Program Works

Trial results and independent analyses
Independent confirmation of program’s effectiveness

1. The Oklahoma Trial - Over 4 years, the City of Duncan:
   • Realized a savings of between $3.1 and $17.7 for each $1 invested in the MAIT Program.

2. The Kansas Trial - In 2½ years at the Wichita Clinic:
   • Office visits increased 13%
   • Medication adherence reported at 94%
   • Hospitalizations decreased 55%

3. The Washington Trial - Over 3 years at Lourdes Health System:
   • Medication consumption increased
   • Hospitalizations decreased
   • 12:1 ROI

4. The Pennsylvania Trial – Over 3 years at the Loomis Company:
   • Medication consumption increased
   • Hospitalizations decreased
   • 15:1 ROI
Independent confirmation of program’s effectiveness

1. The Oklahoma Trial - Over 4 years, the City of Duncan:
   • Realized a savings of between $3.1 and $17.7 for each $1 invested in the MAIT Program.

Though none of these relatively small, self-insured employer installations would be considered irrefutable evidence, the fact that they all produced similar results, i.e.,
• medication adherence improve;
• hospitalizations and ER visits declined;
• claims costs saving were realized; and
• a substantial ROI was achieved

built the case in favor of the Program’s effectiveness…

• Medication consumption increased
• Hospitalizations decreased
• 15:1 ROI
The independent studies led to special stop-loss discounts…

No stop-loss carrier has ever publicly endorsed a health improvement program.

Now three of the top-ten have...

...Sun Life, AIG and IHC Risk Solutions (Swiss Re), by offering a special MAIT discount on stop-loss coverage.

Scott Beliveau, Sun Life Financial Stop-Loss Vice President
The independent studies also led to the State of Oklahoma Mutual Accountability Program Pilot
As a result of the previous successes:

- Learning of the Program’s successes, Oklahoma legislators, interested in lowering healthcare cost, approached us about conducting a pilot.

- The pilot was mandated by legislative statute in 2011.

- The statute (HB1062) passed by the Oklahoma Senate 46-0 and the House 86-9

- The statute called for a 3-year pilot to test the cost containment capabilities of a “mutual accountability program” in Oklahoma public employee health plan (HealthChoice)

- MedEncentive was awarded the contract, and the pilot launched on January 1, 2014, and concluded on December 31, 2016

- In spite of the lack of agency support, the program succeeded in every aspect…
The State of Oklahoma and MedEncentive conducted one of the largest health improvement/cost containment ("triple/quadruple aim") experiments ever attempted in the U.S.
The Oklahoma pilot experimental design…
A randomized control trial (RCT)

1. Two matched groups, one covered by the program, one not covered

2. Covered group was comprised of 41 state agencies, school districts and local governments, concentrated in 7 counties

3. If, in an apples to apples comparison of the two groups by independent experts, the group covered by the program has lower per capita costs, inclusive of the program, then program would be judged effective
Does the MAIT Program work?

The Hypothesis: If the MAIT program is effective, then according to health literacy studies, the program’s effectiveness should be corroborated by a reduction in healthcare expenditures due to a decline in hospitalizations and emergency room visits.

If the program is effective, then health and healthcare should improve in a manner that lowers costs, while doctors and patient express fulfillment.
Metric that predicts success…

Patient Engagement

- The strongest determinant of a return on investment is the **Patient Success Rate**\(^1\), which is a measure of patient engagement.

- In previous trials, a Patient Success Rate of **55%** or greater produced a ROI in each instance.

---

\(^1\) Patient Success Rate = the total number of information therapy sessions ÷ the total number of office visits incurred by the covered population
Patient success rate far exceeded the 55% goal

Information Therapy Program
Oklahoma Patients' Annual Success Rate by Quarter

The 2016 success rate represents over 53,300 information therapy sessions
Provider successes started at a level adequate to achieve the pilot’s ROI goal, and then doubled...
Health Literacy - The Sleeping Giant of Effective Wellness and Cost Containment

Pilot Clinical and Economic Outcomes
The Validation Institute was retained to confirm claims of healthcare cost containment efficacy.

1. Not-for-profit joint venture of GE and Intel
2. Formed to establish truth in population health claims after Al Lewis, who wrote a book, entitled: “Why Nobody Believes the Numbers,” about vendors claiming false and misleading results in the field of healthcare cost containment
3. Board is comprised of the leading experts in the field of population health, who set forth rules to test the accuracy of claims by anyone in the field
Group covered by the program demonstrated a 10.5% and 4.7% greater decline in hospitalizations and emergency room visits per 1,000 compared to the control group in the pilot's first year.
Group covered by program experienced 4.3% decline in total PMPY costs compared to the control group, translating to a 280.9% return on investment in the first year of the pilot.

This equates to a 280.9% ROI.
2015-16 Results
Corroborating and Projecting the State Pilot’s Outcomes
Located in Payne County, the Stillwater Medical Center’s installation ran concurrent with the State of Oklahoma pilot.
Health Literacy - The Sleeping Giant of Effective Wellness and Cost Containment

Stillwater Clinical and Economic Outcomes over Three-year Period
Stillwater Medical Center
(with 2,000+ lives)
Three-Year Results with MAIT Program Against Nat’l Trend

Projected trend based on average of applicable Kaiser Family Foundation, Segal, and Nat’l Health Expenditure Accounts Indices

Actual results for 2013 and 2014 established a trend

Projected trend based on national indices was consistent with SMC’s trend

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Stillwater Medical Center
(with 2,000+ lives)
Three-Year Results with MAIT Program Against Nat’l Trend

Cost trend was slowed in the first year

---

Note: Projected trend based on average of applicable Kaiser Family Foundation, Segal, and Nat’l Health Expenditure Accounts Indices.
Stillwater Medical Center
(with 2,000+ lives)
Three-Year Results with MAIT Program Against Nat’l Trend

Stillwater Medical Center Employee Health Plan
Annual per Capita Expenditures w/Rx

- $5,975 (2013)
- $6,498 (2014)
- $6,540 (2015)
- $7,128 (2016)
- $7,492 (2017)

Prior to implementing program

1 Projected trend based on average of applicable Kaiser Family Foundation, Segal, and Nat'l Health Expenditure Accounts Indices

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Stillwater Medical Center
(with 2,000+ lives)
Three-Year Results with MAIT Program Against Nat’l Trend

Projected trend based on average of applicable Kaiser Family Foundation, Segal, and Nat’l Health Expenditure Accounts Indices

Actual Expenditures including the Cost of Program

PMPY cost declined in the second and third year to a point that 2017 was less than 2013

1 Projected trend based on average of applicable Kaiser Family Foundation, Segal, and Nat’l Health Expenditure Accounts Indices

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To test attribution, health literacy studies indicate hospitalizations and emergency room rates should corroborate the results.

1 Projected trend based on average of applicable Kaiser Family Foundation, Segal, and Nat'l Health Expenditure Accounts Indices.
According to health literacy studies, if SMC’s reduced costs can be attributed to MAIT, then hospitalizations and ER visits should decline against the baseline – and they continue to...

Prior to implementing MAIT program

20.4% decrease in hospitalizations and emergency room visits after the program was implemented
Stillwater Medical Center
(with 2,000+ lives)
Three-Year Results with MAIT Program Against Nat’l Trend

Net Savings of $5,143,550

1 Projected trend based on average of applicable Kaiser Family Foundation, Segal, and Nat'l Health Expenditure Accounts Indices
Stillwater Medical Center
(with 2,000+ lives)
Three-Year ROI Results with the MAIT Program Against Nat’l Trend

Stillwater Medical Center
2015-17 MedEncentive Program Return on Investment

$5,143,550

Net savings associated with the Program

$515,849

Cost of the Program including rewards

$5,0

$4.0

$3.0

$2.0

$1.0

$0.0

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1 Projected trend based on average of applicable Kaiser Family Foundation, Segal, and Nat'l Health Expenditure Accounts Indices

Represents a 998% (10:1) ROI over a 3-year period
Health Literacy - The Sleeping Giant of Effective Wellness and Cost Containment

Better Health
Better Healthcare
Lower Cost

What about patient and provider satisfaction?
Patients, doctors, insurers, employers love the program

“After analyzing the results from MedEncentive’s trials, we are impressed with the firm’s approach to mitigating healthcare costs by promoting health. Because of our confidence in the MedEncentive Program, we will provide a discount on Sun Life Stop-Loss premium to customers who participate in the program.”

Scott Beliveau, Sun Life Financial Stop-Loss Vice President

“We’ve saved millions of dollars over the years with our wellness program and MedEncentive, the most important attributes about MedEncentive are how much our employees appreciate the program, how simple it is to maintain and how very little administrative support is required. It has been a win for our organization, our employees and our physicians.”

Shannon Douglas, Compensation/Benefits Manager | Human Resources Lourdes Health Network

“We are very pleased with how easy the MedEncentive Program was to implement and how very little time is needed in support of this program. Our employees like the program and participation has reached over 65% within 6 months with very little effort on our part.”

Erica Pridy, Benefits Director Heyco Products, Inc. Toms River, New Jersey

“This is great! I like the information and getting paid to take better care of myself is the BEST idea ever!” - Elayne (Patient)

“This program is easy to use! I have found the information relevant to my health care needs. The articles are easy to read and the questionnaire is quick to fill out. I appreciate this opportunity to earn some cash!” - Rhett (Patient)

“This is a wonderful program. One of very few targeted to personalize my healthcare & physician relationship. I will continue to take advantage of this program as long as it is offered.” - Rita (Patient)

“I see it (MedEncentive) as a tool that’s been a blessing for me and my patients.”

Jenny Vickrey, M.D., Washington state obstetrician-gynecologist and MedEncentive practitioner

“MedEncentive is easy and quick to use... I think it serves as a good second opinion for me and provides valuable information to my patients. And to top it off, the program increases my reimbursement and my patients are very motivated to get their co-pays back.”

Todd Clapp, M.D., Oklahoma Internal Medicine and Pediatrics, INTEGRIS Health
Thousands upon thousands of voluntary patient testimonials...

“This is great! I like the information and getting paid to take better care of myself is the BEST idea ever!”

Elayne
April 24, 2014

"I love the program. It is very beneficial for patients."

Janice
May 2, 2015

"5 stars!"

Paul
October 2016

"I really enjoyed reading the information about medications to help me stop smoking. I plan on talking to my doctor after reading this [article]."

Rita
March 2, 2017
“This is a unique tool to improve a critical component of health care - patient compliance”

Steve Connery, M.D.
Family Physician
President of the Norman Physician Hospital Organization
Norman, Oklahoma

“I have found the program useful in increasing patient engagement, and think ultimately will lead to better health outcomes. It is user friendly and minimally disruptive to my normal workflow.”

Jesse R. Campbell, M.D.
Internal Medicine, Pediatrics
Medical Director, Mercy Physician Group
Edmond, Oklahoma
What employers say…

“While we’ve saved millions of dollars over the years …, the most important attributes [of the program] are how much our employees appreciate [it], how simple it is to maintain and how very little administrative support is required.

It has been a win for our organization, our employees and our physicians.”

Shannon Douglas
Compensation/Benefits Manager | Human Resources
Lourdes Health Network
Pasco, Washington
Program is extremely popular – thousands of petitions from state employees and teachers seeking a continuation of the pilot…
Does the MAIT Program work?

The Hypothesis:
If the MAIT Program is effective, then according to health literacy studies, the program's effectiveness should be corroborated by a reduction in healthcare expenditures due to a decline in hospitalizations and emergency room visits.

If the program is effective, health and healthcare should improve in a manner that lowers costs, while doctors and patients express fulfillment.

- 15 conditions in support of hypothesis were confirmed
- 9 alternate explanations were tested and disproved in the null hypothesis
- It can be reasonably concluded that the Program is effective at solving the Quadruple Aim
Health Literacy - The Sleeping Giant of Effective Wellness and Cost Containment

The MAIT Program: How difficult is it to implement, what is included in the service, and how much does it cost?
The MAIT Program is easy to implement and maintain, plus it’s inexpensive…

1. It is completely turnkey, including all the required components…

   • An incentive system based on patented methods and research that has been proven effective at solving the Triple Aim
   • Proprietary website applications available to doctors and patients 24/7
   • EBM provider treatment guidelines and Healthwise patient educational articles linked to patient diagnosis
   • Full system integration with plan administrators and medical intervention providers
   • Automated doctor and patient notifications and reminders (letter, email and fax)
   • On-going doctor and patient outreach/recruiting services
   • Physician advocates
   • 24/7 bi-lingual, handicapped enabled call center for doctors and patients
   • Forms and postage
   • Reliable computing capacity, including cloud back-up and disaster recovery protocol
   • Complete quality assurance monitoring system
   • Full HIPAA compliancy and data security
   • Reporting, analysis, population health expertise, and on-going program upgrades

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2. Customers confirm that the MAIT Program is easy to implement and maintain

“We are very pleased with how easy the MedEncentive Program was to implement and how very little time is needed in support of this program. Our employees like the program and participation has reached over 65% within 6 months with very little effort on our part.”

**Erica Pridy**
Benefits Director
Heyco Products, Inc.
Toms River, New Jersey
The MAIT Program is easy to implement and maintain, plus it’s inexpensive…

1. It is completely turnkey, including all the required components…

   …website applications, Healthwise patient educational articles; automated doctor and patient notifications and reminders (letter, email and fax); on-going doctor and patient outreach/recruiting services; 24/7 bi-lingual and handicapped enabled call center for doctors and patients; forms and postage; full HIPAA compliancy and data security; reporting, analysis, population health expertise, and on-going program upgrades

2. Customers confirm that the MAIT Program is easy to implement and maintain

3. It is inexpensive, at $80 to $100 per person per year, all-in costs, to include patient rewards, provider comp, and administration fees.

   This compares to national average annual incentive of $742 for employees and $694 for dependents, according to 2018 Fidelity and NBGH Annual Survey
Stillwater Medical Center
(with 2,000+ lives)
Three-Year ROI Results with the MAIT Program Against Nat'l Trend

Stillwater Medical Center
2015-17 MedEncentive Program Return on Investment

Cost of the Program PMPY, including rewards
$85.42

PMPY net savings associated with the Program
$851.77

Represents a 998% (10:1) ROI over a 3-year period

1 Projected trend based on average of applicable Kaiser Family Foundation, Segal, and Nat'l Health Expenditure Accounts Indices

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1. Health literacy is a sleeping giant that can be awakened with “information therapy”

2. The MAIT Program achieves significant patient and provider engagement with the process of aligned incentives and “mutual accountability”

3. Studies, to date, indicate the Program solves the Triple/Quadruple Aim

4. MAIT is one of the few solutions ready and willing to be subjected to the scrutiny of public demonstrations

5. MAIT is one of the few solutions that has agreed to the Validation Institute’s authentication rules and the “Do No Harm” pledge

6. MAIT is easy to implement and maintain, plus it’s inexpensive

7. We encourage HBCH and others to join us in elevating health literacy with “information therapy” and “mutual accountability”…

Q&A | Jeff Greene | jgreene@medencentive.com
Colorado Business Group on Health – October 11, 2018
2019 Individual & Small Group Plans & Premiums

Key Take-Aways

- 5.6% for the individual market and 7.28% for small group
- Stability
<table>
<thead>
<tr>
<th>Rating Area</th>
<th>Location</th>
<th>Enrollees Eligible for Tax Credit</th>
<th>2018 Net Premium After Tax Credit</th>
<th>2019 Net Premium After Tax Credit</th>
<th>Average Impact of Renewing in Same Plan</th>
<th>Average Savings by Switching to Lowest Cost Plan in the Same Tier</th>
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<tbody>
<tr>
<td>1</td>
<td>Boulder</td>
<td>8,226</td>
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<td>4</td>
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<td>7,713</td>
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<td>-49%</td>
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<td>5</td>
<td>Grand Junction (Mesa)</td>
<td>2,881</td>
<td>$189</td>
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<td>-56%</td>
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<td>6</td>
<td>Greeley (Weld)</td>
<td>3,845</td>
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<td>-49%</td>
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<tr>
<td>7</td>
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<td>-50%</td>
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<td>-54%</td>
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<td><strong>Statewide</strong></td>
<td><strong>104,001</strong></td>
<td><strong>$156</strong></td>
<td><strong>$119</strong></td>
<td><strong>-24%</strong></td>
<td><strong>-50%</strong></td>
</tr>
</tbody>
</table>
# Premium Changes for Enrollees

**Non Subsidy-Eligible**

<table>
<thead>
<tr>
<th>Rating Area</th>
<th>Description</th>
<th>Enrollees</th>
<th>2018 PMPM Premium</th>
<th>2019 PMPM Premium - Auto Renew</th>
<th>% Change Over 2018</th>
<th>2019 PMPM Premium – Switch to Lowest Cost</th>
<th>% Change Over 2018</th>
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<td>1</td>
<td>Boulder</td>
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<td>$536</td>
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<td>2,224</td>
<td>$478</td>
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<td>10%</td>
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<td>Fort Collins (Larimer)</td>
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<td>4%</td>
<td>$546</td>
<td>-2%</td>
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<tr>
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<td>Grand Junction (Mesa)</td>
<td>316</td>
<td>$816</td>
<td>$827</td>
<td>1%</td>
<td>$695</td>
<td>-15%</td>
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<td>1,000</td>
<td>$508</td>
<td>$528</td>
<td>4%</td>
<td>$507</td>
<td>0%</td>
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<td>-2%</td>
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<td>$502</td>
<td>$544</td>
<td>8%</td>
<td>$496</td>
<td>-1%</td>
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</table>

Source: Wakely

*On-exchange enrollment only*
$50,000 Salary

Annualized Premium = $6,528
Deductible = $3,000 - $5,000

Total out of pocket = 19.1% - 23.1% of salary
What are we doing to help consumers???

- “Stability” isn’t good enough
- Tackling the high costs of health care
Health Care Costs

Hospital profit margins exceeding 30% - Chris Osher Denver Post

Average % of Medicare for Outpatient Services = 520% - CIVHC

From 2009-2016, hospital administrative costs doubled – Chris Osher Denver Post
Three approaches

1. Reinsurance
2. Network Adequacy
3. Community Purchasing Model
Reinsurance and 1332 waiver

I. What is “reinsurance?”
II. What is a “1332 waiver?”
### Reinsurance

<table>
<thead>
<tr>
<th>Other States</th>
<th>Colorado’s Bill - 2018</th>
<th>2019 Bill?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Alaska</td>
<td>• Reps. Kennedy &amp; Rankin, Senators Donovan, Coram</td>
<td>• Almost certain</td>
</tr>
<tr>
<td>• Oregon</td>
<td>• Passed House</td>
<td>• How do you “pay” for state share?</td>
</tr>
<tr>
<td>• Maryland</td>
<td>• Died in Senate Comm. in part because of financing</td>
<td>• Cost controls?</td>
</tr>
<tr>
<td>• Wisconsin</td>
<td></td>
<td>• Assesments?</td>
</tr>
<tr>
<td>• Minnesota</td>
<td></td>
<td>• General fund?</td>
</tr>
</tbody>
</table>

- Almost certain
- How do you “pay” for state share?
- Cost controls?
- Assessments?
- General fund?
Network Adequacy
Regulation

I. What is “network adequacy”?  
II. Regulation 4-2-53  
a) Primarily time and distance standards by provider type  
b) Five different geographic categories by population*  
c) Applies to ACA compliant individual, small group and large group plans  

Large metro, metro, micro, rural and counties with extreme access considerations
Network Adequacy Regulation - misuse

I. Used as a bargaining tool by providers

II. Geo rating factors consistently higher where there is less provider part.

III. Frustrating the intent of the regulation
I. Insurers can apply for a waiver if:
   a) Good faith bargaining on reasonable terms has been unsuccessful;
   b) Insurer provides evidence that a provider is acting in an anti-competitive or monopolistic fashion; and
   c) Insurer demonstrates that the waiver will result in consumer savings
Network Adequacy Regulation – proposed amendments

I. No unreasonable delay in receiving services

II. Providers and the public will have an opportunity to respond to a waiver request
Community Purchasing Model

I. Combine the major medical markets

II. Direct negotiation - referenced based pricing

III. RFP to insurers
Community Purchasing Model – Health Care Coverage Cooperatives

I. “Continued escalation of health care costs threatens the continued economic vitality of the state”*

II. “Promote control of the cost of health care... by pooling purchasing power among consumers and organizing providers so that health care services are delivered in the most efficient manner”**

III. Don’t forget about the individual market 10-16-1001(2)(b)* and 10-16-1001(4)(a)**
Questions?

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Thank you!