Driving results through individual health ownership:

The Value of Integration
Driving results through individual health ownership

- Personalized experience
- Health plan design & cost sharing
- Health plan design & transparency
- Population health & productivity
- Simpler member experience
- Better outcomes
- Lower costs

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Today’s session

INTEGRATION
that simplifies

Clinical programs

Pharmacy solutions

Specialty benefits

Richard Migliori, M.D.
Executive Vice President, Medical Affairs
Chief Medical Officer
UnitedHealth Group
INTEGRATION that simplifies

Clinical programs

1-3%+

potential medical cost savings from clinical integration†

† Savings calculated on book-of-business case rate savings for these programs. Savings for enrolled members are case specific and are not a guarantee of results. Results will vary based on client specific demographics and plan design.
## Integrated health framework designed around the individual

### OUR SMARTER, INTEGRATED SYSTEM FOR THE INDIVIDUAL IS DESIGNED TO BE:

<table>
<thead>
<tr>
<th>Faster</th>
<th>Seamless</th>
<th>Adaptive</th>
<th>Reinforcing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pre-adjudicated claims, <strong>real-time data</strong></td>
<td>• Single-point <em>advocacy</em></td>
<td>• Past claims patterns feed the predictive power for improved future interventions</td>
<td>• <strong>Relevant resources</strong> from UnitedHealthcare automatically offered (Premium physicians, treatment decision support)</td>
</tr>
<tr>
<td>• <em>Coordinated</em> relationships across different care needs</td>
<td>• Full view of member and family care needs to <strong>optimize</strong> resources and priorities</td>
<td>• <strong>Personalized</strong> member touch points for current and future decision-making</td>
<td>• Build member <em>confidence and expertise</em> for future decision making</td>
</tr>
<tr>
<td>• Same-time referrals for emerging needs</td>
<td>• Resolve inquiries at time of need and address <strong>gaps in care</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Technology**  **Clinical Expertise**  **Behavior Change Management**

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Incremental savings through clinical integration

INTEGRATION DEMONSTRATES BETTER PERFORMANCE VERSUS STAND-ALONE PROGRAMS†

- Inpatient stays shortened by 12%
- Readmission rates reduced by 7%
- Primary care visits increased by 12%
- Evidence-based medicine (EBM) member compliance improved by 5% - 38% across various conditions
- Reduced back surgery prior to conservative treatment by 37%
- Reduced rate of heart attacks and strokes by 10%
- Improved member engagement in various clinical programs by 33% - 72%

Potential savings of 1-3% or more in medical costs

† Savings calculated on book-of-business case rate savings for these programs. Savings for enrolled members are case specific and are not a guarantee of results. Results will vary based on client specific demographics and plan design.
Clinical Integration Case Study: Telecomm

SITUATION

Overview
- National telecommunications company
- **Integrated Optum clinical services** were provided to UnitedHealthcare’s medical population
- **Carved-out Optum clinical programs** provided to non-UnitedHealthcare population

**UnitedHealthcare Integrated Framework**
- Inpatient advocacy and transitional care management integration for hospitalized patients
- Dedicated nurses within in-network hospitals enabled benchmarking and intervention in cases expected to exceed a reasonable length of stay
- Discharge planning included notifying Optum of cases with a significant risk of readmission and diagnoses appropriate for Optum clinical programs
- Intervention at discharge yielded superior results for Case and Disease Management programs

RESULT: INTEGRATED PROGRAMS YIELDED $3.7 MILLION SAVINGS†

- Significantly **increased employee engagement** in integrated clinical programs
- Savings for integrated population **was double that of carve-out population** PMPM

<table>
<thead>
<tr>
<th>Program Engagement</th>
<th>UHC</th>
<th>Carve-Out</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case Management/1,000</td>
<td>8.69</td>
<td>6.13</td>
<td>42%</td>
</tr>
<tr>
<td>Disease Management/1,000</td>
<td>4.67</td>
<td>3.51</td>
<td>33%</td>
</tr>
<tr>
<td>Complex Conditions/1,000</td>
<td>3.23</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total Engaged/1,000</td>
<td>16.59</td>
<td>9.64</td>
<td>72%</td>
</tr>
<tr>
<td><strong>Savings PMPM</strong></td>
<td><strong>$6.41</strong></td>
<td><strong>$3.14</strong></td>
<td><strong>104%</strong></td>
</tr>
</tbody>
</table>

† Savings calculated on book-of-business case rate savings for these programs. Savings for enrolled members are case specific and are not a guarantee of results. Results will vary based on client specific demographics and plan design.
Clinical Integration Case Study: Food and Beverage

**SITUATION**

**Overview**
- Employer’s medical membership was divided between UnitedHealthcare and other carriers
- Clinical programs were carved out on both populations to third party vendors
- Integration was very limited (e.g., monthly data feeds of claims, limited referral of patient data)

**UnitedHealthcare Analysis**
- The medical membership covered by UnitedHealthcare was benchmarked against clinical peer customers with similar profile in demographics, conditions and illness burden
- For the peer group, clinical program features were similar but were being delivered in a fully integrated fashion

**RESULT: OPPORTUNITY FOR IMPROVED UTILIZATION†**

- Members in the clinical peer group using integrated programs achieved higher compliance on evidence-based medicine measures for chronic conditions
- This resulted in better utilization outcomes including fewer inpatient days, readmissions and ER visits

<table>
<thead>
<tr>
<th></th>
<th>Carve-Out Customer</th>
<th>Integrated Clinical Peers</th>
<th>Favorable Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP Days/1,000</td>
<td>202.5</td>
<td>198.3</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>177.2</td>
<td></td>
<td>12%</td>
</tr>
<tr>
<td>30-Day Readmissions</td>
<td>8.1%</td>
<td>8.6%</td>
<td>-1%</td>
</tr>
<tr>
<td></td>
<td>8.2%</td>
<td>8.0%</td>
<td>7%</td>
</tr>
<tr>
<td>ER Visits/1,000</td>
<td>183.1</td>
<td>190.4</td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>155.9</td>
<td>164.9</td>
<td>15%</td>
</tr>
<tr>
<td>Primary Care Visits PMPY</td>
<td>1.65</td>
<td>1.64</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>1.94</td>
<td>1.97</td>
<td>14%</td>
</tr>
<tr>
<td>EBM Diabetes</td>
<td>50.3%</td>
<td>50.0%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>57.6%</td>
<td>57.5%</td>
<td>15%</td>
</tr>
<tr>
<td>EBM Coronary Artery Disease</td>
<td>35.0%</td>
<td>32.4%</td>
<td>52%</td>
</tr>
<tr>
<td></td>
<td>53.3%</td>
<td>52.6%</td>
<td>62%</td>
</tr>
</tbody>
</table>

† Savings calculated on book-of-business case rate savings for these programs. Savings for enrolled members are case specific and are not a guarantee of results. Results will vary based on client specific demographics and plan design.
Pharmacy solutions

63% of health and savings opportunities driven by pharmacy
Pharmacy
Fully synchronized to maximize clinical savings

Unlike a traditional Pharmacy Benefit Manager, we have an incentive to manage specialty pharmacy trend before it happens – keeping the total cost of health care down for your members and you.

3.9%
consistent pharmacy management trend over 5 years vs. industry average of 5-7%\(^1\)

13%
total reduction in medical and pharmacy costs related to oncology in our Specialty Pharmacy Program\(^2\)

$6.31
PEPM Specialty Pharmacy Total Program Savings\(^2\)

Total care coordination
- Total care coordination for better member health.
  - Real-time access to Rx data
  - Personal care team
  - Physician coordination
  - Adherence support

Personalized member experience
- Better member experience and maximization of all touch points.
  - Actionable, relevant information for better decisions
  - High-touch, proactive, multi-media communications

Total cost control
- Total cost control across both pharmacy and medical benefits.
  - Synchronized management, technology and integration of Specialty Rx
  - Drug cost and choice
  - Right benefit – medical or pharmacy

Pharmacy and medical combined enhances member engagement, improves health outcomes and allows better management of total health care costs

\(^1\)Based on analysis of UnitedHealthcare fully insured business post rebate PMPM trend (includes specialty drug spend)
\(^2\)Specialty program outcomes based on UHC commercial membership 2007 to 2010. Network contract savings based on 2011 commercial FI membership. Utilization management savings based on a sample of 2011 commercial ASO membership. Individual plan results may vary. Oncology savings based on year 2 savings only post program implementation. All other categories for ongoing Outcomes Savings based on an average savings of years 2-4. Savings may vary.
Clinical Synchronization: One Team

**ONE Team**

Connecting …
- Member Services
- Pharmacists
- Nurses
- Case Managers
- Physicians

Sharing case notes and expertise.

Aligned goals for better health and lower total cost.

**Fueled by ONE System** with a 360° member health view and real-time data

**Up to 30 days faster** engagement on health and savings opportunities

**Embedded Pharmacists** conduct medication consults with consumers identified as “at risk” for medication mismanagement:

$.53 PEPM avg. savings

**Partnering** across pharmacy and medical benefits to improve specialty pharmacy trends and overall costs.
One System Helps Guide Better Decisions

360° health view of each member

63% of health and savings opportunities driven by pharmacy

Value Factor Pharmacy Risk Score
Indicates complex medication issues
- Chronic conditions/medications
- Quality measures (Rx gaps, STAR ratings)
- Current and future risk factors

Automated Alerts
for prioritizing health and savings opportunities
Synchronization: Pharmacists within the Care Team

Medication Consult by a Pharmacist on the Care Team

- **Full review** of case notes, medication and medical history
- Engages on **clinical, adherence and cost savings** opportunities
- Addresses **adherence** and side effect management
- **Coordinates with physicians** when appropriate

Faster engagement and support for better outcomes

100%

A proprietary predictive modeling tool using medical and pharmacy data provides a **score for each member based on health and savings opportunities**

This leads to **faster engagement for a medication consult** before the member is high risk or a medical event potentially happens.
Medication Consult Outcomes

<table>
<thead>
<tr>
<th>Medication consultations with pharmacists</th>
<th>55% addressed clinical gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14% delivered immediate cost savings</td>
</tr>
<tr>
<td>$1,200</td>
<td>pharmacy and medical cost savings per consult. ¹</td>
</tr>
<tr>
<td>$0.53 PEPM</td>
<td>Average savings from medication consults with a pharmacist within the care team</td>
</tr>
</tbody>
</table>

Synchronized Approach … Preliminary Results

Supercharging the clinical model with pharmacy

Answering member questions, then engaging on health and savings opportunities

15% Increased Care Management
57% Acceptance Rate for Care Mgmt. Enrollment thru PBM

30% Benefitted from a Pharmacist Medication Consult
55% Newly Identified Members

1. Based on UHC Book of business pmpm value of care and disease management plus incremental value estimates for clinical synchronization
2. Early directional results from July 2013 with middle and large UHC ASO soft launch groups with integrated OptumRx PBM
3. These #’s are representative of the targeted 0.5-0.75% membership enrollment.
Diabetic member was admitted to hospital for hypoglycemia. He was self-dosing his insulin and had declined diabetic case management.

**Intervention**
- Pharmacist performs a medication consult and reviews all lab values.
- **Member counseled** on how to check glucose levels and to adjust the dose accordingly.

**Outcome**
- Member joined diabetes management program
- **Drug-to-drug interaction** identified and eliminated
- Medication regimen adjusted and stabilized
- Member is adherent and lab values within normal limits

Reduced risk of renal failure and dialysis

Pre-post intervention medical costs for individual. Cost savings will vary.
Member Story: Asthma

Medication Consult

eSync identifies a non-adherent member with frequent ER visits and Hospital admits for exacerbations of asthma.

Intervention

- Pharmacist performs a medication consult. Claims show sporadic prescriptions of long-acting (maintenance) inhalers and rescue inhalers.
- **Member contacted** and receives counseling on the importance of being adherent.
- **Physician contacted** to discuss non-adherence.

Outcome

- Member is adherent to therapy
- **No additional ER visits** or hospital admits.

$29,713

medical savings

Reduced hospitalizations and ER visits

Pre-post intervention medical costs for individual member. Cost savings will vary.
INTEGRATION
that simplifies

Specialty benefits

15%

reduction in medical claim costs when individuals with chronic illness get preferred dental care†

† OptumInsight Medical Dental Integration Study March 2012
Combining medical and specialty benefits for clinical integration and cost savings

Integrated Solutions for Greater Value

- Engage members
- Provide resources and support
- Influence health outcomes
- Increase access to benefits
- Decrease medical costs
- Reduce absence days
- Improve productivity at work

All products connect with medical

“Highest in Customer Satisfaction with Vision Plans”
according to J.D. Power¹

- 15% reduction in medical claim costs when individuals with chronic illness get preferred dental care²
- 78% of referrals had not been identified for care management prior to disability/medical integration³
- 65% engagement rate – more than doubled – for individuals who had not been previously identified for care management³

Connecting specialty benefits with medical identifies additional opportunities for consumer engagement and better outcomes

2 OptumInsight Medical Dental Integration Study March 2012.
3 First six months experience for population of 103,128. Employees under UnitedHealthcare/UNUM—Health Resources Connects Program Management.

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Healthy Mouth, Healthy Body
Dental B2H

If you want to feel good and stay healthy, you might be surprised at the difference a healthy mouth makes.

Dental health
Managing oral disease positively impacts chronic illness.

Asthma
COPD
Heart disease
Pregnancy
Diabetes
Kidney disease

We understand the connection between oral health and the challenge of managing chronic illness. This is why we use an integrated personalized approach with at-risk members and encourage positive health changes.

Helping At-Risk Members
We identify high-risk members through coordination across products and communicate ways they can engage in better dental health.

1 Identify at-risk members
2 Encourage better health decisions
3 Monitor, report, identify new opportunities

↑ Improve health outcomes
Dental compliance independent of medical can have an impact on health

Dental can connect with a subset of the population non-compliant on medical

Ensuring consistent compliance across medical and dental yields the best result
Accountable Reporting

Key Performance Indicators
Financials, network, discount, utilization

Bridge2Health Engagement
Group level view of impacted population, program execution and engagement results

Healthplan Manager Application
Innovative and intelligent user interface across benefit lines to analyze financial impact, clinical and individual dental, medical and RX decision making within a group

Healthplan Manager Application
View of monitored population by dental engagement – financial, ER visits, risk levels

Healthplan Manager Application
Medical expense sliced by dental engagement

Our commitment
Identifying new subsets of opportunity to impact health and reduce overall cost
Driving results through individual health ownership

INFORMATION that motivates

INTEGRATION that simplifies

INNOVATION that empowers

Personalized experience

Health plan design & cost sharing

Network design & transparency

Simpler member experience

Better outcomes

Lower costs

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