

UFCW Unions and Participating Employers Health and Welfare Fund

Board of Trustees Meeting

2013 Year to date through Qtr. 2

Presentation Overview

- Overview of Services
- Operational and Financial Management
- Population Management
- Medical Management Outcomes
- Success Stories
- Satisfaction Surveys
- Summary

Overview of Services

InforMed has been providing the following services for the Fund since August 2008:

- **Data Warehouse** – Import of Medical and Rx data on a monthly basis to produce financial reporting.
- **Utilization Review – Certification Review** – Medical necessity review based upon established Clinical Guidelines or clinical review criteria conducted prior to, concurrent of, or after receiving any of the health care services that required Pre-certification listed in the Summary Plan Description.
- **Case Management** – The InforMed Case Management program is a collaborative process that assesses plans, implements, coordinates, monitors, and evaluates options and services to meet an individual's health needs.
- **Disease Management** – The InforMed Disease Management program utilizes a comprehensive approach to manage individuals that 1) have one or more chronic disease or conditions that are known to have potential debilitating impact (or have just been newly diagnosed with one or more disease or conditions that will likely have a debilitating impact); and 2) demonstrate a capacity to self-manage their condition with the identified co-morbidities.



Operational and Financial Management

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Plan Performance

Medical Plan	2012(June)	2013 (June)	Variance
Total Claims Paid	\$11,628,141.91	\$11,980,851.83	3%
Participant Lives (avg)	5,589	4,950	-11%
Member Lives (avg)	9,601	8,335	-13%
Per Participant Per Month (avg)	\$373	\$403	8%
Per Member Per Month (avg)	\$220	\$239	9%

*Participant = Employee

Member = Covered Life

Notes:

3% overall spend is in line with lower Membership and similar paid claims experience. 9% increase in PMPM is correlated to Inpatient, Facility and Radiology spend seeing significant increases.

Category of Care Statistics

	Jan 2012 thru Jun 2012			Jan 2013 thru Jun 2013			Trend (%)		
	PMPM	Avg Unit Cost	Units/ 1000	PMPM	Avg Unit Cost	Units/ 1000	PMPM	Avg Unit Cost	Units/ 1000
Inpatient Hospital	\$84.42	\$13,649	74.22	\$89.00	\$16,486	64.79	5%	21%	-13%
Facility	\$45.16	\$1,537	352.73	\$53.60	\$1,873	343.37	19%	22%	-3%
Outpatient Radiology	\$18.08	\$57	3,841.49	\$21.57	\$66	3,952.73	19%	16%	3%
Medicine	\$17.36	\$10	21,531.54	\$19.13	\$15	15,633.83	10%	50%	-27%
Procedures	\$19.50	\$122	1,923.70	\$19.02	\$123	1,858.91	-2%	1%	-3%
Evaluation & Management	\$16.03	\$39	4,918.76	\$17.07	\$43	4,747.21	6%	10%	-3%
Anesthesia	\$4.43	\$487	109.18	\$4.96	\$522	114.22	12%	7%	5%
Emergency Room	\$3.29	\$430	91.70	\$4.76	\$551	103.90	45%	28%	13%
Outpatient Laboratory	\$4.10	\$7	6,840.64	\$4.73	\$8	7,024.36	16%	14%	3%
Other Outpatient Services	\$4.16	\$13	3,745.02	\$2.92	\$9	3,861.31	-30%	-31%	3%
Outpatient Pathology	\$2.43	\$44	657.35	\$2.08	\$46	539.17	-14%	5%	-18%
Ambulance	\$0.61	\$351	20.88	\$0.38	\$179	25.43	-38%	-49%	22%
Undefined Services	\$0.22	\$11	237.65	\$0.22	\$7	394.96	-3%	-36%	66%
Vision	\$0.00	\$0	167.97	\$0.01	\$26	4.32	100%	100%	-97%
Carved Out Mental Nervous & Dental	\$0.00	\$0	0.00	\$0.00	\$0	0.00	0%	0%	0%
Dental	\$0.00	\$0	9.31	\$0.00	\$0	2.16	0%	0%	-77%
Totals	\$219.93	\$54	44,522.14	\$239.59	\$67	38,670.67	9%	24%	-13%

NOTES:

As your main drivers are clear it appears that Radiation and Dialysis are at the root of your trend increases (see page 7) which indicate Chronic Renal Failure as well as Cancer. This is also in line with Unit cost being up and Utilization being down.

Category of Care Statistics Cont.'d

	PMPM	Avg Unit Cost	Units/ 1000	PMPM	Avg Unit Cost	Units/1000	PMPM	Avg Unit Cost	Units/1000
Inpatient Hospital	\$84.41	\$13,649.10	74.22	\$88.98	\$16,485.53	64.78	5%	21%	-13%
Room & Board	\$65.39	\$10,703.78	73.31	\$65.65	\$12,252.80	64.30	0%	14%	-12%
Non Room & Board Services	\$18.24	\$3,337.33	65.59	\$23.24	\$4,505.86	61.90	27%	35%	-6%
Nursery Room & Board	\$0.69	\$1,813.58	4.54	\$0.09	\$284.04	3.60	-88%	-84%	-21%
Global Inpatient Services	\$0.10	\$1,293.45	0.91	\$0.01	\$285.02	0.48	-88%	-78%	-47%
Facility	\$45.16	\$1,536.63	352.69	\$53.59	\$1,873.40	343.31	19%	22%	-3%
Outpatient Services	\$36.87	\$1,567.13	282.34	\$44.98	\$1,991.15	271.10	22%	27%	-4%
Ambulatory Surgery Center	\$6.69	\$1,725.65	46.53	\$7.67	\$1,720.66	53.50	15%	0%	15%
Skilled Nursing Facility	\$0.34	\$415.16	9.99	\$0.63	\$659.84	11.52	83%	59%	15%
Rehabilitation Facility	\$1.25	\$1,088.42	13.84	\$0.31	\$515.22	7.20	-75%	-53%	-48%
Outpatient Radiology	\$18.08	\$56.54	3,841.05	\$21.57	\$65.53	3,952.02	19%	16%	3%
Diagnostic Imaging	\$11.64	\$41.18	3,395.99	\$12.39	\$43.32	3,433.82	6%	5%	1%
Radiation Medicine	\$4.12	\$340.57	145.25	\$6.67	\$344.12	232.47	62%	1%	60%
Nuclear Medicine	\$1.18	\$254.92	55.83	\$1.54	\$211.84	87.09	30%	-17%	56%
Diagnostic Ultrasound	\$1.13	\$55.87	243.98	\$0.98	\$59.27	198.64	-14%	6%	-19%
Medicine	\$17.36	\$9.69	21,529.10	\$19.13	\$14.70	15,631.02	10%	50%	-27%
Infusions & Injections	\$2.23	\$2.11	12,733.30	\$5.39	\$8.04	8,049.42	141%	281%	-37%
Chemotherapy	\$6.90	\$26.48	3,128.86	\$5.36	\$31.32	2,053.38	-22%	16%	-34%
Physical Medicine & Rehabilit	\$3.04	\$14.53	2,514.02	\$3.66	\$14.32	3,069.15	20%	-1%	22%
Dialysis	\$1.10	\$100.87	131.41	\$1.67	\$461.57	43.42	51%	358%	-67%
Neurology	\$1.13	\$58.06	233.99	\$1.30	\$102.45	152.10	15%	76%	-35%
Immunizations	\$0.86	\$19.95	518.15	\$0.79	\$22.56	420.32	-8%	13%	-19%
Allergy	\$0.42	\$5.45	918.05	\$0.38	\$6.13	740.12	-9%	12%	-19%
Psychiatry	\$1.40	\$53.56	312.75	\$0.32	\$28.38	137.47	-77%	-47%	-56%
Special Services	\$0.15	\$1.87	964.12	\$0.13	\$1.72	875.67	-16%	-8%	-9%
Otorhinolaryngologic Service	\$0.12	\$18.94	74.22	\$0.11	\$15.85	81.09	-9%	-16%	9%
Gastroenterology	\$0.01	\$705.45	0.23	\$0.03	\$457.70	0.72	105%	-35%	217%
Dermatology	\$0.00	\$0.00	0.00	\$0.01	\$11.75	7.92	100%	100%	100%
Immune Globulins	\$0.00	\$0.00	0.00	\$0.00	\$19.36	0.24	0%	100%	100%

Pre-Authorization UM Activities

	1st Qtr 2013	2nd Qtr 2013
Total New Referrals	477	425
Closed for lack of information	1	0
Required review by External Medical Director	13	20
*Not Medically Necessary	4	10

***Notes:**

<u>Procedures Involved</u>	<u># of Members</u>	<u>Reason</u>
Bone Growth Stimulator	2	Not Medically Necessary
Ambulance Transport	1	Not Medically Necessary
Avastin Injections	1	Not Medically Necessary
Corneal Transplant	1	Not Medically Necessary
Contraceptive implant	1	Not Medically Necessary
Back Brace	2	Not Medically Necessary
Hip Replacement	1	Not Medically Necessary
Hip Injection	1	Not Medically Necessary
Bilateral Mastectomy	1	Not Medically Necessary
TENS Unit	2	Not Medically Necessary

Population Management

Large Cases (\$10,000 and over)

	2008	2009	2010	2011	2012	YTD 2013
# of Large Claimants	550	652	566	563	534	222
Total Cost	\$17,396,164.00	\$21,911,546.00	\$19,244,423.00	\$20,550,967.00	\$17,255,592.00	\$8,069,116.00
Cost Per Claimant	\$31,629.39	\$33,606.67	\$34,000.75	\$36,502.61	\$32,313.84	\$36,347.37

Notes:

- Total Claimants and Cost are significantly down in this area and should be considered trend drivers
- InforMed will continue to aggressively manage the over \$10,000 cases through our Risk Stratification Tool.

Risk Stratification

Stratification Level	Avg Risk Score	Part.	% of Tot Part.	Prev. Scrnd Part.	% of Tot Part.	Elig. to be Scrnd Part.	% of Tot Part.
Priority	87.51	3	0%	0	0%	3	0%
High	43.05	580	7%	488	6%	92	1%
Moderate	10.80	937	11%	345	4%	592	7%
Low	1.31	2,117	26%	218	3%	1,899	23%
No known risk	0.00	4,657	56%	68	1%	4,589	55%
Total Unique Participants	4.60	8,294	100%	1,119	13%	7,175	87%

Notes:

- We typically see the percentage of total participants to be 4% to 8% for high risk
- 84% of the high risk participants have been screened through second by the Personal Health Nurse

Priority Risk Triggers

Strat Level	Trigger Description	Modifiable Trigger	Part.	% of Tot Part.	Prev. Scrnd Part.	% of Tot Part.	Elig. to be Scrnd Part.	% of Tot Part.	Select (All)	
1	Priority	Claims Utilization - Breast Cancer Identified ICD9 Codes first occurrence in prior month	N	3	60%	0	0%	3	60%	☐
2	Priority	Claims Utilization - Colon Cancer Identified ICD9 Codes first occurrence in prior month	N	1	20%	0	0%	1	20%	☐
3	Priority	Claims Utilization - Gastrointestinal Identified ICD9 Codes first occurrence in prior month	N	1	20%	0	0%	1	20%	☐

Notes:

- Members can be in multiple triggers

High Risk Triggers

Strat Level	Trigger Description	Modifiable Trigger	Part.	% of Tot Part.	Prev. Scrnd Part.	% of Tot Part.	to be Scrnd Part.	% of Tot Part.	Select (All)
4 High	Claims Utilization - GT \$25,000 in medical in prior 6 months	Y	80	14%	0	0%	80	14%	☐
5 High	Predicted between \$25,000 and above	Y	69	12%	0	0%	69	12%	☐
6 High	Chronic Renal Failure	N	38	7%	0	0%	38	7%	☐
7 High	Asthma - Adult(s) with presumed persistent asthma using an inhaled corticosteroid.	Y	26	5%	0	0%	26	5%	☐
8 High	Patients 65 years of age and older that received one or more high-risk medications in the elderly in the last 12 reported months.	Y	25	5%	0	0%	25	5%	☐
9 High	Depression - Patient(s) with evidence of complex medication regimes, substance abuse or certain dissociative or personality disorders that had psychiatric consultation in last 6 reported months.	Y	22	4%	0	0%	22	4%	☐
10 High	Claims Utilization - Breast Cancer Identified ICD9 Codes in prior 6 months	N	20	4%	0	0%	20	4%	☐
11 High	Congestive Heart Failure, Hypertension, & Hyperlipidemia	N	19	3%	0	0%	19	3%	☐
12 High	Congestive Heart Failure, Diabetes	N	17	3%	0	0%	17	3%	☐
13 High	Asthma - Patient(s) with an asthma related hospitalization or ER encounter in last 3 reported months or frequently using short-acting beta2-agonist inhalers that had an office visit in last 3 reported months.	Y	14	3%	0	0%	14	3%	☐

Notes:

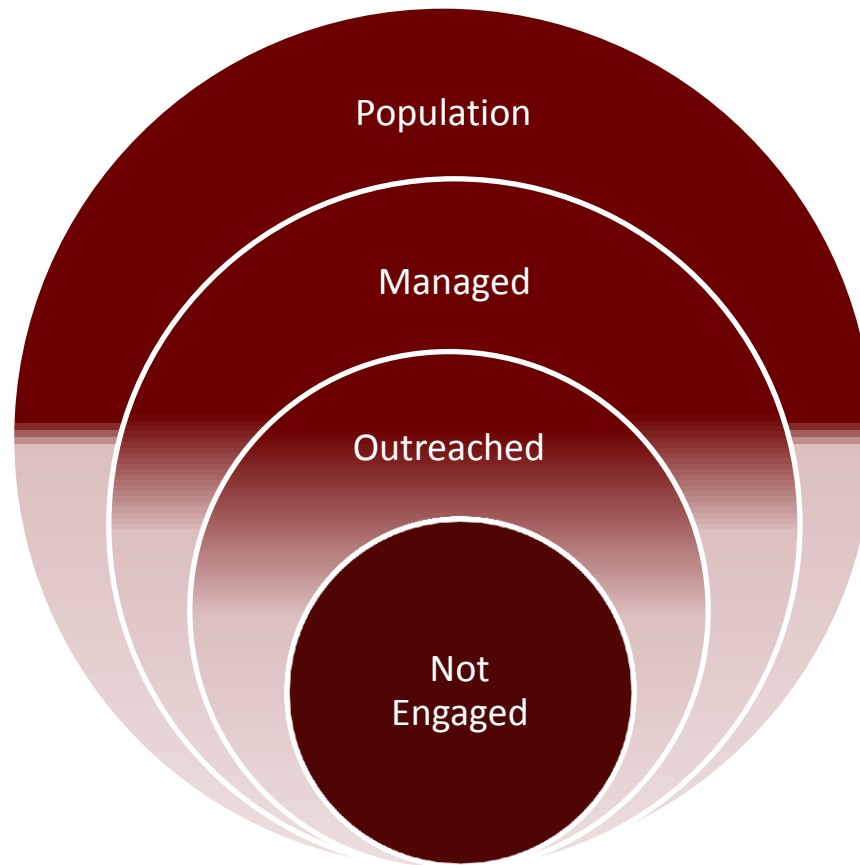
- Members can be in multiple triggers.

Risk Categories

Risk Category	% of Population	% of Managed
High Predicted Cost	16%	65%
Poor or Ineffective Utilization Patterns	24%	69%
Conditions Contributing to Instability	34%	85%
High Retrospective Cost	4%	23%
Non-Compliance with EBM Guidelines	1%	5%
Lab Results Out of Range	1%	7%

Multiple factors contribute to the risk of an individual and a population. Because of these multiple factors the Personal Health Nurses work to address those factors as they are working with the participants. This table provides information on the type of factors impacting UFCW high risk participants who were outreached to during this time period.

InforMed Population Management Model



InforMed assesses the population risk and prioritizes those participants, selecting those at highest risk for outreach.

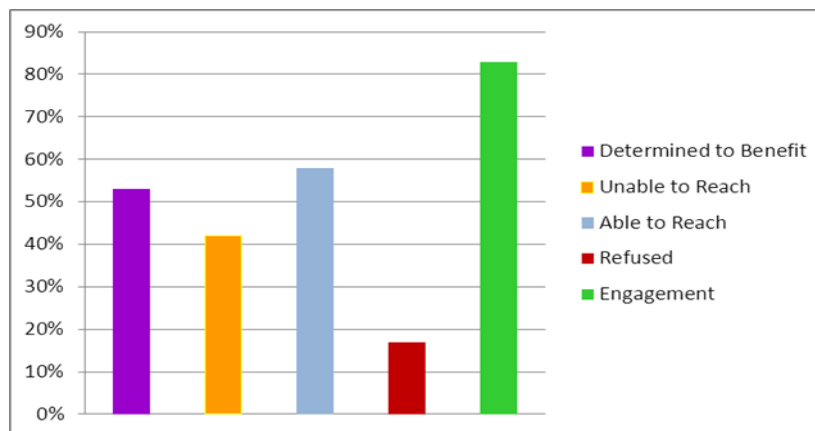
Components of the model

- Population – all participants with active enrollment during the reporting period
- Managed – participants who were identified for management and assessed by the Personal Health Nurse for risk identification and outreach planning if appropriate
- Outreached – participants identified at highest risk and outreached to for enrollment in Personal Health Management
- Engaged – participants identified at highest risk for management and outreach by the Personal Health Nurse that have been successfully contacted and consented to Personal Health Management

Population Identification

January 1, 2013- June 30, 2013

POPULATION IDENTIFICATION 01/01/13 - 06/30/13							
		Population	Managed (Screened)	Determined to benefit from PHM	Unable to reach	Able to reach	Refused
1	N	8,251	386	203	85	118	20
3	Total Healthcare costs over last 12 months.	\$ 27,575,496	\$ 9,145,099	\$ 7,761,534	\$ 3,450,000	\$ 4,311,534	\$ 539,322
4	Per participant Healthcare costs over last 12 months	\$ 3,342	\$ 23,692	\$ 38,234	\$ 40,588	\$ 36,538	\$ 26,966
6	Average Risk Score - High Risk	38.55	41.26	59.51	58.90	60.01	51.08



This slide represents the characteristics and engagement of the participants in each of the categories reviewed by the UFCW Personal Health Nurse

Medical Management Outcomes

Financial Performance

FINANCIAL PERFORMANCE PHM		01/01/13-06/30/13
1	N (all managed during this period)	927
2	Total Cost for Personal Nurse Involvement (across all PHM type EOS cost)	\$176,160
3	Total Cost for Medical Director Involvement	\$0
4	Total Cost for External Educational Resources (care guide kits, etc.)	\$665
5	Total Client Cost for all managed EOS	\$176,825
6	Average Managed Cost Per Participant	\$190.75
7	Average Time Per Participant Episode for quarter in hours:minutes)	3:13
8	Average savings per EOS	\$1,056.00
9	Total savings	\$978,955
10	Total ROI for managed episodes open during	5.54
FINANCIAL PERFORMANCE UM		
1	Total Cost for UM	\$92,196
2	Total Savings	\$391,697
3	ROI	4.25
FINANCIAL PERFORMANCE ALL		
1	Total Cost for ALL Medical Management Services	\$269,021
2	Total Savings	\$1,370,652
3	ROI	5.09

This represents information on the costs of Personal Health Nursing and the associated Return on Investment.

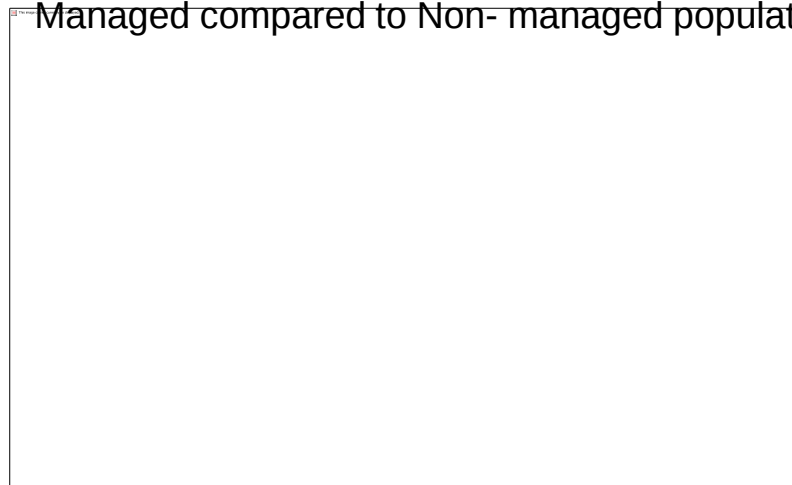
Savings Detail

Savings Description 01/01/13 - 06/30/13	Savings	% of Savings
Savings based on improved health related behaviors	\$946,253	69%
Reduced Length of Stay	\$281,976	21%
Medical Director review - Medical necessity criteria not met	\$101,383	7%
Self-care in lieu of previous utilization pattern	\$32,700	2%
Reduced Level of Service	\$2,577	0%
Reduced/Eliminated DME Cost	\$2,477	0%
Outpatient Care in lieu of Inpatient Care	\$2,000	0%
Nurse Level review - Coverage criteria not met based on clinical review	\$1,284	0%
Totals (*Unique)	\$1,370,650	100%

Compliance with Evidence-Based Medicine Guidelines for Major Chronic Conditions Managed versus Non-managed

	Managed		Not Managed	
	Number	Compliance	Number	Compliance
1 Asthma	9	81%	147	60%
2 CAD	14	94%	78	79%
3 Diabetes	47	79%	678	63%
4 Hyperlipidemia	62	76%	807	75%
5 Hypertension	95	90%	1484	74%
6 Total Unique	227	84%	3194	70%

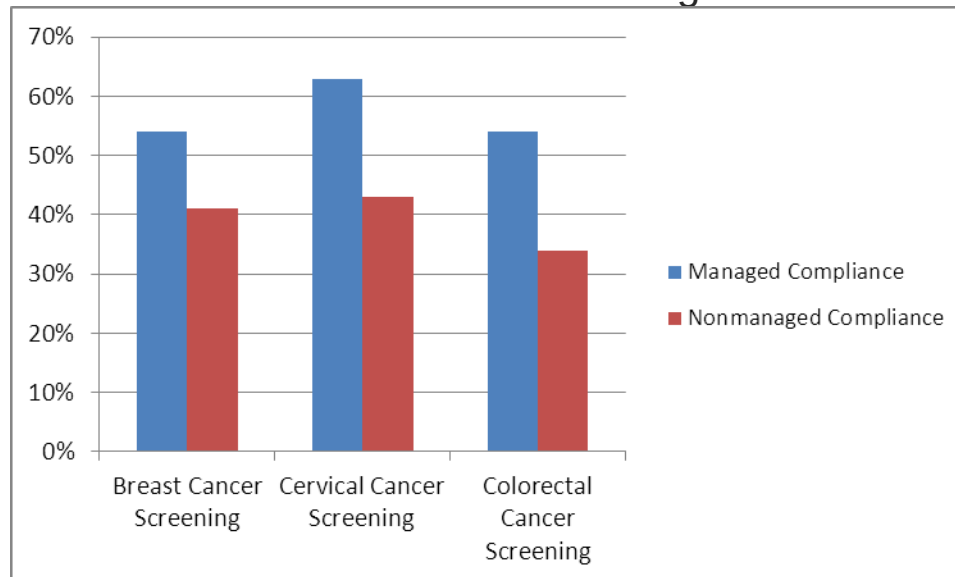
2013 Q2 Compliance with Major Chronic Conditions –
Managed compared to Non- managed population



Compliance with Evidence-Based Medicine Guidelines for Preventive Screenings Managed versus Non-Managed

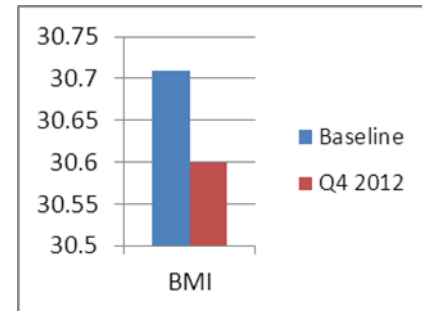
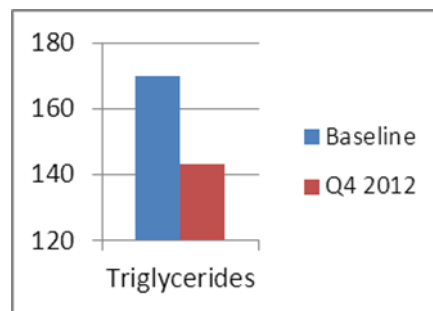
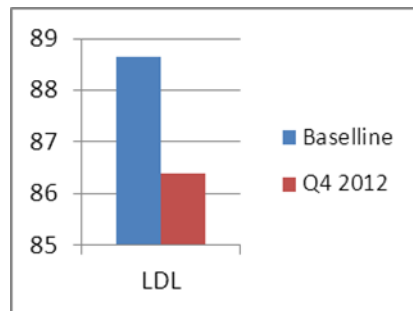
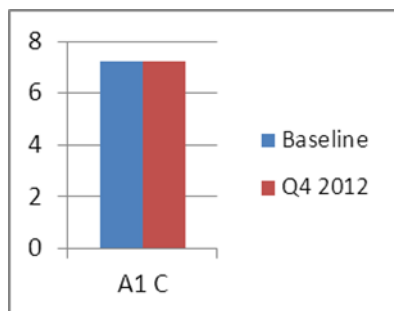
		Managed		Not Managed	
		Number	Compliance	Number	Compliance
1	Breast Cancer Screening	71	54%	2187	41%
2	Cervical Cancer Screening	60	63%	2800	43%
3	Colorectal Cancer Screening	106	54%	2616	34%

Q2 2013 Adherence to Preventative Screenings



Primary Clinical Outcomes

Clinical Outcomes for Managed Population		Baseline	Q2 2013
1	A1 C	7.21	7.21
2	LDL	88.64	86.38
3	Triglycerides	170.07	143.41
4	BMI	30.71	30.6



These are clinical indicators measured in the two selected time periods for those participants who engaged in medical management and for whom we have at least two responses

Success Stories

PHN began working with participant with hypertension and history of stroke. Previously, participant was having high blood pressure readings. Participant has been keeping an accurate daily log of his blood pressure readings. Blood pressure readings include: 159/129, 150/110, & 160/105. Participant denied any headaches or blurry vision. Participant stated that his physician was very concerned about his high blood pressure and increased his Metoprolol to 50 mg twice daily. Participant stated that since the increase in medication his blood pressure has improved slightly. PHN discussed the importance of continuing to check his blood pressure on a daily basis and possibly multiple times a day. PHN informed participant that he should notify the physician if he starts to have any signs of stroke, such as weakness, inability to raise both arms, slurred speech, or inability to stick tongue out straight. PHN educated Participant on importance of limiting sodium intake in the diet. Participant denied adding salt to any of the foods that he ate and felt he was eating a low salt diet. However, PHN reviewed foods that are typically high in sodium content including canned soups, lunch meats, and processed foods. PHN reviewed the elements of a heart healthy diet with participant. Participant's blood pressure returned to normal and his reading's decreased to 114/73. Participant's triglycerides decreased from 207 to 173, LDL decreased from 162 to 93, and BMI improved from 31.3 to 30.3. Participant returned to work with no further episodes of hypertension or stroke. PHN also provided stress management techniques and also encouraged ongoing smoking cessation which assisted Participant to not relapse with nicotine.

Satisfaction Survey Results

UFCW and Participating H&W Satisfaction Surveys				
01/01/13 - 06/30/13				
	Sent	Returned	Response Rate	
	75	25	33%	
A. How well did the services provided by your nurse meet your needs?	Very well	Well	Somewhat Well	Not Helpful
	18	7		
	72%	28%		
B. The ease with which I could talk to my nurse was?	Very Easy	Easy	Somewhat Easy	Not Easy
	21	4		
	84%	16%		
C. Was the information provided by your personal nurse concerning your health helpful?	Very helpful	Helpful	Somewhat Helpful	NA
	18	6	1	
	72%	24%	4%	
D. What is your overall satisfaction with the quality of the services provided by your nurse?	Very Satisfied	Satisfied	Somewhat Satisfied	NA
	19	6		
	76%	24%		

75 sent, 25 returned

Satisfaction Survey Comments January 1, 2013 – June 30, 2013

Satisfaction Survey Comments
I feel she goes above and beyond her call. I really like her.
She sent me information.
My nurse Tammy was very helpful with the information she provided me. It was very satisfying to have someone to talk to who understood what I was going through.
Tammy was both pleasant and professional. Very easy communication.
There can't be enough said about Tammy. She was always very helpful on any of my questions and just a professional person. You people are very lucky to have her.
Katie was great working with me. She had me back on my feet in no time.

Summary

- PMPM costs are up 9% specifically Cancer and Chronic Renal Failure appear to be the most influential factors which is supported by unit cost being up while utilization is down.
- Although trend is up 6 months over 6 months, this is a non mature period and is not necessarily an indicator of how the year will close. We will continue to monitor the high cost claimants and target them for management in an effort to contain cost.
- Engagement remains strong which is complimented with an ROI which is well above our average at \$4.84