InforMed
Medical Management Services™

UFCW Unions and Participating Employers Health and Welfare Fund

Board of Trustees Meeting

2012 InforMed Annual Report

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Presentation Overview

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

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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.

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Operational and Financial Management

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Plan Performance

Medical Plan	2011	2012	Variance
Total Claims Paid	$28,698,340.80	$24,400,208.25	-15%
Participant Lives (avg)	**$5,589**	**$5,103**	-9%
Member Lives (avg)	**$9,601**	**$8,681**	-10%
Per Participant Per Month (avg)	$428	$398	-7%
Per Member Per Month (avg)	$247	$234	-5%

*Participant = Employee

Member = Covered Life

Notes:

-15% overall spend is in line with lower Membership and significant PMPM trend decrease. The Category of Care Inpatient Hospital is the main cost driver in the negative trend.

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Category of Care Statistics

	Jan 2011 thru Dec 2011			Jan 2012 thru Dec 2012			Trend (%)		
	PMPM	Avg Unit Cost	Units/ 1000	PMPM	Avg Unit Cost	Units/1000	PMPM	Avg Unit Cost	Units/1000
Inpatient Hospital	$103.36	$11,451.98	108.32	$81.11	$13,269.12	73.36	-22%	16%	-32%
Facility	$40.83	$1,500.52	326.60	$53.01	$1,692.54	375.89	30%	13%	15%
Medicine	$16.56	$10.77	18,471.18	$21.08	$12.53	20,206.99	27%	18%	9%
Procedures	$23.23	$147.55	1,894.01	$21.07	$131.96	1,921.04	-9%	-11%	1%
Evaluation & Management	$21.45	$57.84	4,452.50	$18.95	$46.59	4,882.46	-12%	-19%	10%
Outpatient Radiology	$19.16	$77.96	2,952.95	$18.00	$53.78	4,019.77	-6%	-31%	36%
Anesthesia	$5.56	$608.57	109.76	$4.96	$495.41	120.35	-11%	-19%	10%
Outpatient Laboratory	$6.64	$13.47	5,945.01	$4.62	$8.02	6,951.71	-30%	-38%	17%
Other Outpatient Services	$4.53	$12.09	4,507.33	$4.47	$14.04	3,837.81	-1%	17%	-15%
Emergency Room	$2.97	$502.81	70.97	$3.82	$452.15	101.46	29%	-10%	43%
Outpatient Pathology	$2.57	$55.79	553.16	$2.23	$44.55	600.58	-13%	-20%	9%
Ambulance	$0.21	$111.75	22.24	$0.41	$207.52	23.61	97%	86%	6%
Undefined Services	$0.08	$3.46	267.74	$0.15	$10.09	183.57	103%	233%	-31%
Totals	$247.33	$69.54	39,681.8	$234.06	$59.34	43,298.6	-5%	-15%	9%

Notes:

Negative 22% in COC Category of Care is driving trend

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Pre-Authorization UM Activities:

	1st Qtr 2012	2nd Qtr 2012	3rd Qtr 2012	4th Qtr 2012
Total New Referrals	440	464	474	475
Closed for lack of information	4	3	4	4
Required review by External Medical Director	13	15	13	17
Did not satisfy standard of practice*	1	2	3	4

*Notes:

4th Quarter 2011:

Procedures Involved	# of Members	Reason
Saphenous Vein Ablation	2	Not Medically Necessary
Insulin Pump	1	Not Medically Necessary
Lumbar support brace	1	Not Medically Necessary
Adaptive Tricycle	1	Not Medically Necessary
Orthosis Brace	3	Not Medically Necessary
CPM Machine (ACL Reconstruction)	1	Not Medically Necessary
TENS UNIT	1	Not Medically Necessary

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Population Management

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Large Cases ($10,000 and over)

	2008	2009	2010	2011	2012
# of Claimants	550	652	566	563	534
Total Cost	$17,396.164	$21,911,546	$19,244,423	$20,550,967	$17,255,592
Cost Per Claimant	$31,629.39	$33,607	$34,001	$36,503	$32,313

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.

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Risk Stratification

4th Qtr 2012

Stratification Level	Avg Risk Score	Part.	% of Tot Part.	Prev. Scrnd Part.	% of Tot Part.	Elig. to be Scrnd Part.
Priority	91.11	10	0%	4	0%	6
High	42.47	576	7%	507	6%	69
Moderate	11.11	977	11%	424	5%	553
Low	1.30	2,160	25%	221	3%	1,939
No known risk	0.00	4,775	56%	61	1%	4,714
Total Unique Participants	4.59	8,498	100%	1,217	14%	7,281

Notes:

- We typically see the percentage of total participants to be 4% to 8% for high risk
- 88% of the high risk participants have been screened by the Personal Health Nurse

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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 - Single Dose GT $5,000 first occurrence for NDC/HCPCS in prior month	Y	3	30%	2	20%	1	10%	☐
2	Priority	Claims Utilization - Gastrointestinal Identified ICD9 Codes first occurrence in prior month	N	3	30%	1	10%	2	20%	☐
3	Priority	Claims Utilization - Lung Cancer Identified ICD9 Codes first occurrence in prior month	N	2	20%	1	10%	1	10%	☐
4	Priority	Claims Utilization - Soft Tissue Cancer Identified ICD9 Codes first occurrence in prior month	Y	2	20%	0	0%	2	20%	☐
5	Priority	Claims Utilization - Pancreatic Cancer Identified ICD9 Codes first occurrence in prior month	N	1	10%	1	10%	0	0%	☐
6	Priority	Claims Utilization - Breast Cancer Identified ICD9 Codes first occurrence in prior month	N	1	10%	0	0%	1	10%	☐
7	High	Predicted between $25,000 and above	Y	5	50%	4	40%	1	10%	☐
8	High	Unique Medical Provider Interactions - 15 + in prior 12 months	Y	5	50%	3	30%	2	20%	☐
9	High	Claims Utilization - GT $25,000 in medical in prior 6 months	Y	3	30%	2	20%	1	10%	☐
10	High	Claims Utilization - Single Dose GT $5,000 in RX in prior 2 months	N	3	30%	2	20%	1	10%	☐

Notes:

- Members can be in multiple triggers.

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High 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	High	Unique Prescribing Physician Interactions - 9 + in prior 12 months	Y	181	31%	171	30%	10	2%	☐
2	High	Unique Medical Provider Interactions - 15 + in prior 12 months	Y	156	27%	144	25%	12	2%	☐
3	High	Claims Utilization - Consumed GT $5,000 in RX in prior 6 months	Y	117	20%	106	18%	11	2%	☐
4	High	Claims Utilization - GT $25,000 in medical in prior 6 months	Y	96	17%	82	14%	14	2%	☐
5	High	Predicted between $25,000 and above	Y	63	11%	59	10%	4	1%	☐
6	High	Chronic Renal Failure	N	36	6%	33	6%	3	1%	☐
7	High	Asthma - Adult(s) with presumed persistent asthma using an inhaled corticosteroid.	Y	31	5%	29	5%	2	0%	☐
8	High	Congestive Heart Failure, Diabetes	N	25	4%	23	4%	2	0%	☐
9	High	Congestive Heart Failure, Hypertension, & Hyperlipidemia	N	23	4%	21	4%	2	0%	☐
10	High	Patients 65 years of age and older that received one or more high-risk medications in the elderly ! the last 12 reported months.	Y	23	4%	19	3%	4	1%	☐

Notes:

- Members can be in multiple triggers.

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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.

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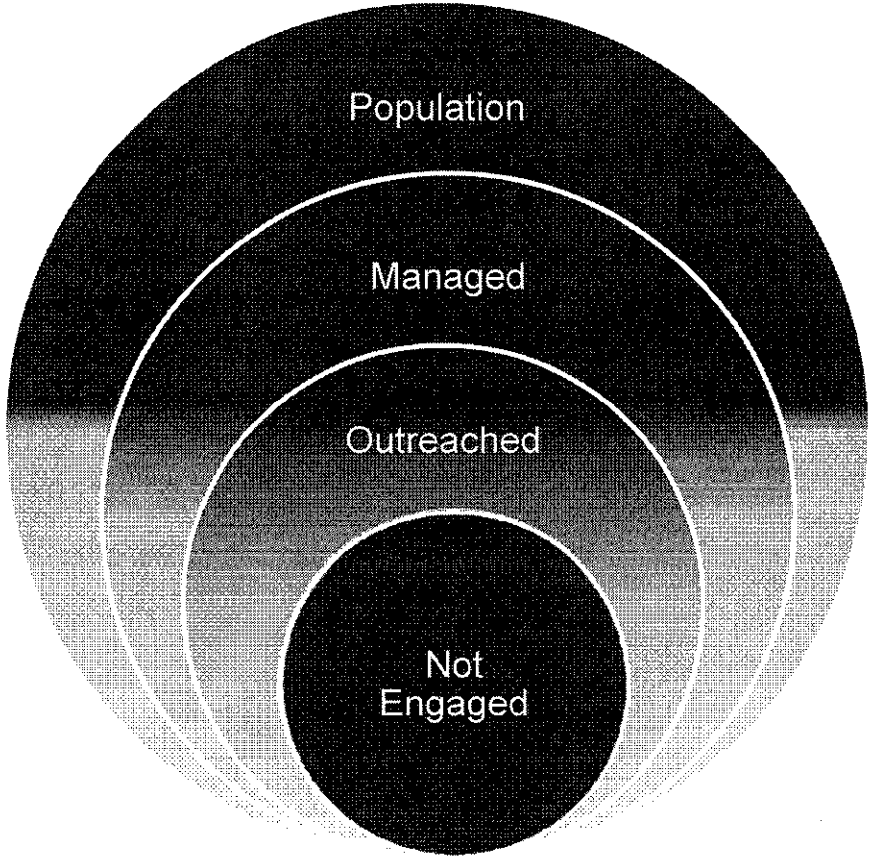
InforMed Population Management Model



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

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Components of the model

- Population – all participants active in the plan during the time 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
- Not Engaged – participants outreached to for enrollment in Personal Health Management who did not respond or who refused enrollment

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Population Identification 2012

POPULATION IDENTIFICATION 2012							
		Population	Managed (Screened)	Determined to benefit from PHM	Unable to reach	Able to reach	Refused
1	N	8,498	1,005	525	269	256	69
3	Total Healthcare costs over last 12 months.	$ 28,015,750	$ 17,247,444	$ 13,262,460	$ 5,534,010	$ 7,728,449	$1,488,488
4	Per participant Healthcare costs over last 12 months	$ 3,297	$ 17,162	$ 25,262	$ 20,573	$ 30,189	$ 21,572
6	Average Risk Score - High Risk	42.47	38.59	52.23	45.32	58.76	45.61

This slide presents the characteristics of the participants in each of the categories reviewed by the UFCW Personal Health Nurse

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Medical Management Outcomes

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Financial Performance

	FINANCIAL PERFORMANCE PHM	2011	2012
1	N (all managed during this period)	1,702	2100
2	Total Cost for Personal Nurse Involvement (across all PHM type EOS cost)	$659,423	$576,239
3	Total Cost for Medical Director Involvement	$250	$750
4	Total Cost for External Educational Resources (care guide kits, etc.)	$1,219	$347
5	Total Client Cost for all managed EOS	$422,037	$386,228
6	Average Managed Cost Per Participant Episode	$247.97	$183.92
7	Average Time Per Participant Episode for quarter in hours:minutes)	3:00	1:32
8	Average savings per EOS	$823.00	$788.29
9	Total savings	$1,400,903	$1,655,406
10	Total ROI for managed episodes open during	3.32	4.80
	FINANCIAL PERFORMANCE UM		
1	Total Cost for UM	$237,343	$190,012
2	Total Savings	$1,060,999	$831,471
3	ROI	4.47	4.38
	FINANCIAL PERFORMANCE ALL		
1	Total Cost for ALL Medical Management Services	$659,423	$576,239
2	Total Savings	$2,461,902	$2,486,877
3	ROI	3.73	4.32

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

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Savings Detail

Savings Description 2012	Savings	% of Savings
Savings based on improved health related behaviors	$1,616,256	65%
Reduced Length of Stay	$682,079	27%
Medical Director review - Medical necessity criteria not met	$62,762	3%
Reduced Level of Service	$51,952	2%
Self-care in lieu of previous utilization pattern	$24,708	1%
Medical Director review - Coverage criteria not met based on clinical review	$15,000	1%
Outpatient Care in lieu of Inpatient Care	$14,443	1%
Nurse Level review - Coverage criteria not met based on clinical review	$8,773	0%
Reduced/Eliminated DME Cost	$5,790	0%
Alternative Coverage coordinated / identified	$4,320	0%
Medical Director pharmacy review - medical necessity criteria not met	$795	0%
Totals (*Unique)	$2,486,878	100%

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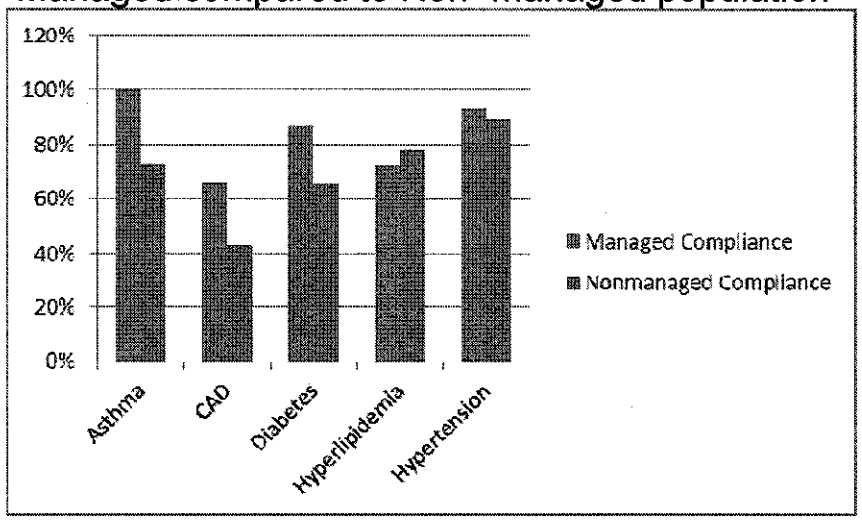
Primary Behavioral Outcomes
Compliance with Evidence-Based Medicine Guidelines for Major Chronic Conditions
Managed versus Non-managed

		Managed		Not Managed	
		Number	Compliance	Number	Compliance
1	Asthma	2	100%	22	73%
2	CAD	24	66%	78	43%
3	Diabetes	58	87%	562	65%
4	Hyperlipidemia	30	72%	232	78%
5	Hypertension	101	93%	3180	89%
6	Total Unique	215	84%	4074	70%

2012 Q4 Compliance with Major Chronic Conditions – Managed compared to Non- managed population



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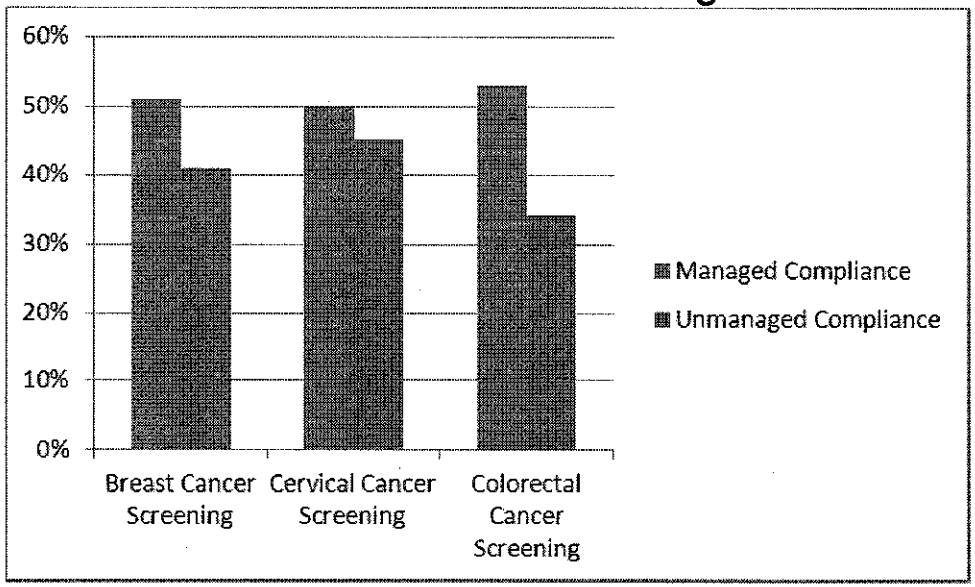
Primary Behavioral Outcomes
Compliance with Evidence-Based Medicine Guidelines for Preventive Screenings Managed versus Non-Managed

		Managed		Not Managed	
		Number	Compliance	Number	Compliance
1	Breast Cancer Screening	35	51%	962	41%
2	Cervical Cancer Screening	31	50%	1354	45%
3	Colorectal Cancer Screening	61	53%	947	34%

2012 Adherence to Preventative Screenings



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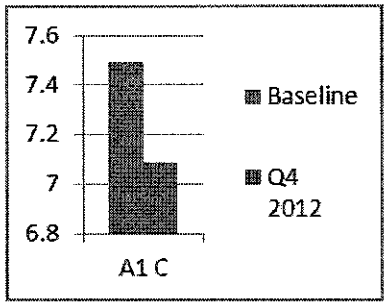
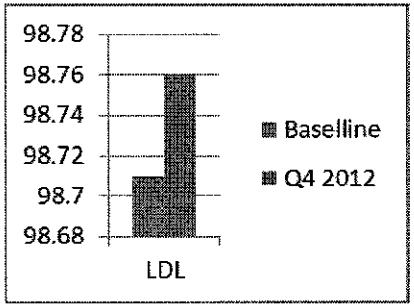
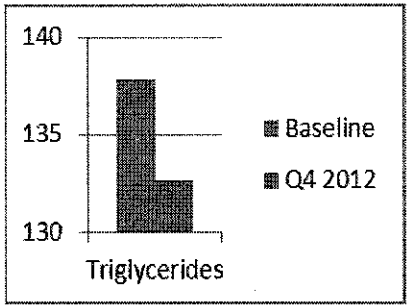
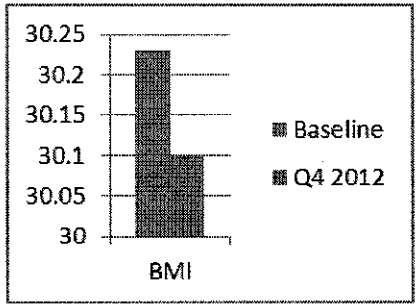
Primary Clinical Outcomes

Clinical Outcomes for Managed Population			
		Baseline	Q4 2012
1	A1 C	7.49	7.09
2	LDL	98.71	98.76
3	Triglycerides	137.84	132.68
4	BMI	30.23	30.1









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

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Success Stories

- Personal Health Nurse received referral from Utilization Review on 57 y.o. male with myocardial infarction (heart attack) and uncontrolled diabetes. Participant underwent CABG and Personal Health Nurse provided pre and postoperative teaching to prevent complications. Common complications of CABG include pneumonia, congestive heart failure, and infection at graft site. Personal Health Nurse coordinated Cardiac Rehab and ensured adherence with treatment plan. Personal Health Nurse provided education regarding link between diabetes and heart disease. Participant's A1c decreased from 10.7% to 5.9% as a result of Personal Health Nurse's interventions.
- Personal Health Nurse received referral from Utilization Review on 64 y.o. female with recurrent admissions for electrolyte imbalances and dehydration due to short bowel syndrome. Personal Health Nurse provided education to Participant at risk for dehydration and electrolyte imbalance. Education provided on adequate and proper nutrition and hydration. Personal Health Nurse provided education on home blood pressure monitoring. As a result of Personal Health Nurse's interventions, Participant was able to remain out of the hospital.

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Satisfaction Survey Results 2012

UFCW H&W				
CY 2012				
	Sent	Returned	Response Rate	
	137	45	33%	
A. Was the information provided by your personal nurse concerning your health helpful?	Very Helpful	Helpful	Somewhat Helpful	Not Helpful
	37	6	1	
	84%	14%	2%	
B. The ease with which I could talk to my nurse was?	Very Easy	Easy	Somewhat Easy	Not Easy
	39	6		
	87%	13%		
C. How well did the services provided by your nurse meet your needs?	Very Well	Well	Somewhat Well	Not Well
	38	6	1	
	86%	14%		
D. What is your overall satisfaction with the quality of the services provided by your nurse?	Very Satisfied	Satisfied	Somewhat Satisfied	Not Satisfied
	41	3	1	
	91%	7%	2%	

137 sent 45 returned

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Satisfaction Survey Comments 2012

My nurse helped me understand my diabetes much better than the doctor or any of his nurses did. She is very informed and is very helpful.
My nurse and I have established a very effective nurse/patient relationship which is always very helpful when my nurse and I have a problem to address. She is a very important part of my healthcare program.
My nurse is a very good nurse. She calls me about Lab work, if I have high sugars, she tells me what to do. I like her, I want her to be my nurse. Thank you and Happy New Year!
My nurse was very understanding and even called my doctor. She talked with him about everything going on with my health. I am very pleased.
What I went through you understood me. I could talk to her.
When she realized she had my wife a few months earlier and I told her she had passed away, she really helped me by letting me talk about it. She really helped me by keeping me talking about how important it is to try and eat healthier and watch my weight. Thanks.

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Additional Satisfaction Survey Comments 2012

My nurse is very nice and helpful. She is very easy to communicate with and seems intested in my health and well-being.
My nurse was a great benefit for me. She helped me tremendously with my health issues. She always listened to my needs and questions. She was very knowledgeable about my well-being.
My thoughts, she has impressed me so much with her experience. I feel very at ease when we talk. I would like to meet her some day, but I don't reckon that dog will ever get to hunt. In closing, yes sheis a keeper.
Service was outstanding!
She was very concerned and helpful, caring and understanding. She was easy to talk to, persistantly called when she could not get a hold of me, asked questions and gave good information about my health. Looked forward to speaking with her when she called.
She was very helpful. Gave me the opportunity to talk with her on other matters as well.(Health issues)I thank her very much. Good Luck.
My nurse is a good listener. She gives me plenty of time to talk about my concerns. I enjoy talking to her. I am about to retire. I'm concerned about my weight after I stop working. She has suggested several things I can do to improve my diet. She has suggested preparing my meals and staying away from processed foods. Since I'll have the time, making my meals will be easy. I thanked her for her advice. Tammy does her job well!!
Thank you for providing this service.
The nurse I talked to was very cordial and knowledgeable. She seemed to be very thorough in all the details I needed to know.
She has a voice of an angel!

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Summary

- **PMPM costs are down 5%, inpatient hospitalizations are down 22%.**
- **The number of claimants over $10,000 has decreased greatly, although we will continue to aggressively manage this population to continue this trend.**
- **Number of members in program is increasing each month**
- **Savings and ROI have increased and are within predicted ratios**
- **Communication with Associated Administrators continues to coordinate eligibility, high dollar claimants, appeals, etc.**