CONIFER HEALTH SOLUTIONS®

UFCW Non-Food Annual Review

2019 Annual Report

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Executive Summary

Population Overview	• Medical PMPM rose 6% from 2018 to 2019 impacted by a 36% increase in inpatient room and board charges with nursery utilization double the previous year. • Total membership declined 20% in 2019 to 2,799 member from 3,497 members in 2018. • A larger percent of the population has claims that exceed $10,000, with an average $38,000 per member.
Engagement	• Quarterly Engagement rate during 2019 ranged from 93% to 100% with the Nurses successfully engaging those members with the highest per member spend. • The **able to reach** population had a favorable increase from 36% in 2018 to 63% in 2019.
Results	• Engaged members showed increased adherence to preventive screenings, including a 69% increase in Adult BMI Assessment. This increase shows improved adherence to Primary Care visits for yearly physical assessments. • Members with diabetes saw an improvement of a 7% overall increase in adherence to diabetes care and a 20% increase in adherence to statin medications.
Satisfaction	• 100% overall member satisfaction rate for CY 2019 • Comments include: "*My nurse was exceptional. She stayed on top of everything. She made sure I got exactly what I needed*"

Population Overview

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Monitoring Key Indicators

- Membership continues to decline year over year. Total membership decreased **20%** in 2019 compared to 2018 levels
- **Medical PMPM rose 6% from 2018 to 2019** impacted by a **36% increase** in Inpatient **room and board** charges and nursery utilization
- RX PMPM with average prescriptions per claimant at 2.69 with an average cost of $124.00
- **11%** of the population has claims in excess of $10,000,with an average $38K per member

Trending	2017	2018	2019
Employees	4,002	2,006	1,651
Members	6,453	3,497	2,799
Medical PMPM	$324.83	$327.89	$348.28
RX PMPM	$111.27	$124.51	$132.58
Total PMPM	$436.10	$452.40	$480.86
Age/Gender	1.32	1.36	1.38
Case Mix Index (CMI)	2.92	2.69	3.00
Category of Care PMPM	**2017**	**2018**	**2019**
Hospital Related	$191.63	$177.90	$198.72
Professional	$124.95	$143.52	$142.17
Other	$8.25	$6.47	$7.39
Rx	$111.27	$124.51	$132.58
Total	$436.10	$452.40	$480.86
Claimants over $10,000	**2017**	**2018**	**2019**
Total Claimants	433	252	**324**
% of Population	7%	7%	11%
% of Total Paid	77.40%	74.85%	76.04%
Largest Claimant	$480,263	$670,991	$525,299
Average Cost/Claimant	$44,927	$40,879	$37,893

Monitoring Key Indicators *(continued…)*

Predicted Trends	2017		2018		2019	
	#	% Mbrs	#	% Mbrs	#	% Mbrs
Priority Members from Risk Stratification	1	0.02%	6	0.18%	0	0.00%
High Risk Members from Risk Stratification	544	8.43%	266	8.12%	234	8.3%
% of Population Predicted to Spend >$5,000 in next 12 Months	2,174	33.69%	1,048	31.98%	974	34.79%
Prevalent Chronic Conditions* of those >$5,000	1,867	29.93%	931	28.41%	911	32.5%
High Cost Cancers**	44	0.68%	19	0.58%	**22**	**0.78%**

- High risk members maintain a steady percentage of the total population, while membership decreases over time. This reflects a population with consistent health behaviors and demonstrates the importance of engaging high risk members in management and coordination of their care
- Members with high cost cancers for 2019 are above 2018 levels and represent a larger percentage of a decreasing membership. This may represent newly diagnosed cancers that were not identified last year

** Prevalent Chronic Conditions include Diabetes, Hypertension and Ischemic Heart Disease*
*** High Cost Cancer(s) include breast, soft tissue, lung, leukemia, colon, liver, lymphoma, brain/spinal cord, multiple myeloma, pancreatic and prostate*

Identifying the Most Prevalent High Risk Triggers

Trigger Description	Modifiable Trigger	Q4-2018 Members	Q4-2019 Members
Unique Medical Provider Interactions - 15 + in prior 12 months	Y	75	59
Claims Utilization - Consumed GT $5,000 in RX in prior 6 months	Y	71	67
Unique Prescribing Physician Interactions - 9 + in prior 12 months	Y	66	60
Predicted between $25,000 and above	Y	76	68
Claims Utilization - GT $25,000 in medical in prior 6 months	Y	39	37

Members with all five top **modifiable** risk triggers have improved *in the prior 12 month period.* The Personal Health Nurses help modify members behavior to address these triggers in order to improve costs and utilization over time where appropriate

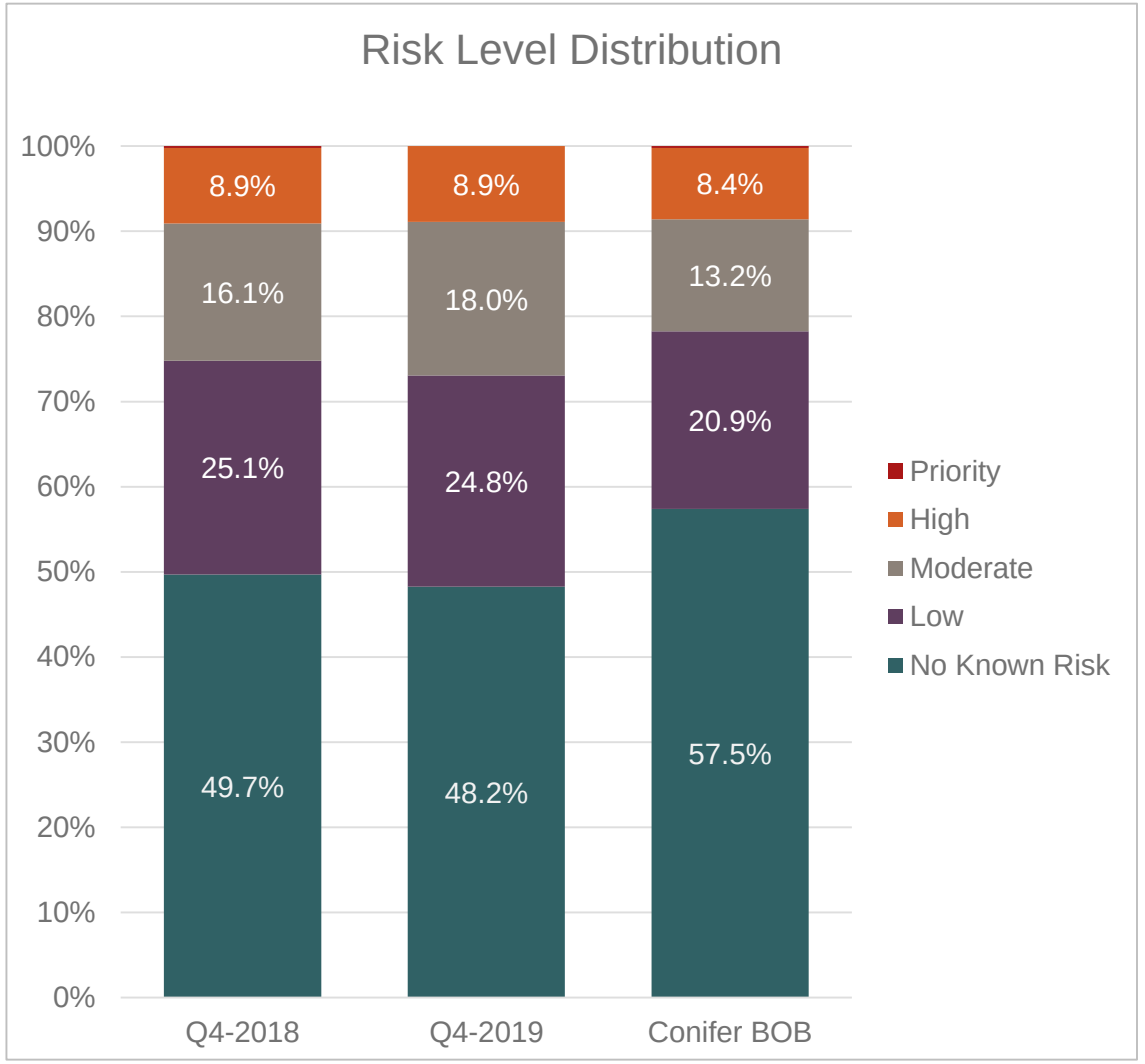
Identifying Cost Drivers by Category of Care (COC)

- Year over year cost drivers represent a **net increase of 6%** which aligns with the trends seen on the key indicator report (slide 5)
- **Inpatient Hospital admissions down 1%** with costs increasing year over year by 17**%,** most notable was an increase in room and board costs along with **nursery** utilization doubling
- **Emergency Room utilization decreased by 9% in 2019** but PMPM costs increased year over year by 10% due to an average cost per visit increase of 21%
- **Medicine** has decreased primarily related to lower infusion and injections cost but we saw a large spike in Dialysis that we are exploring further for potential interventions

COC	Q4'18	Q4'19	Δ
Inpatient Hospital	$104.83	$122.51	17%
Facility	$63.06	$65.22	3%
Evaluation & Management	$34.75	$35.45	2%
Procedures	$27.86	$31.64	14%
Medicine	$46.14	$38.86	-16%
Emergency Room	$9.98	$10.98	10%
Outpatient Radiology	$19.71	$21.18	7%
Outpatient Laboratory	$6.29	$5.85	-7%
Anesthesia	$5.83	$6.61	13%
Other Outpatient Services	$5.49	$5.33	-3%
Outpatient Pathology	$3.01	$2.58	-14%
Undefined Services	$0.22	$0.93	323%
Ambulance	$0.53	$0.95	79%
Totals	**$327.70**	**$348.09**	**6%**

Comparing Risk Stratification

- Overall Risk for members is consistent year over year and mirrors the book of business at the high risk levels
- As moderate risk members increase year over year, this increase is drawing members from lower risk levels and represent an emerging risk
- With ongoing medical management, we continue to assess these members for early intervention and support



Personal Health Management

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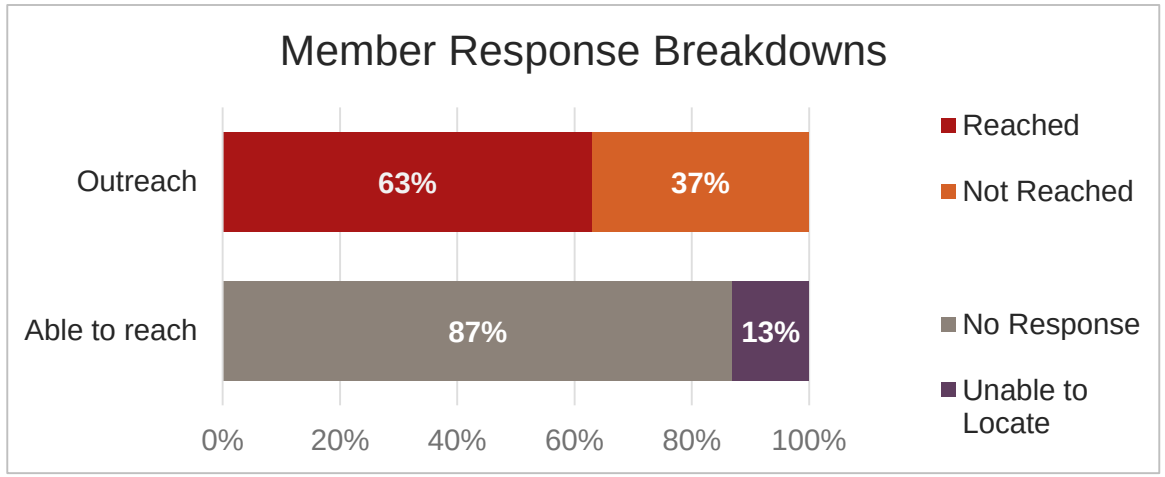
Engaging High Risk Members with the Highest Spend

	Population	Outreached	Not Reached	Reached	Refused	Engaged
Number of Unique Members	2799	220	138	135	12	126
Total Healthcare Costs over Last 12 Months	$16.1M	$7.3M	$3.0M	$4.9M	$414K	$4.8M
Healthcare Costs/Member over Last 12 Months	$5.8K	$33.2K	$21.7K	$36.3K	$34.5K	$38.1K
Average Risk Score: High Risk	93.67	126.02	124.32	128.74	130.15	129.43



Quarterly Engagement

Q1-2019: 100%

Q2-2019: 95%

Q3-2019: 93%

Q4-2019: 97%

Note: See Appendix C for population definitions

Comparing Outreach Members Who Do Not Engage

Members as of Q4 2019 with Data as of Q4 2019

Utilization Risk Triggers	Primary Health Conditions	Average Health Care Costs	Outreach Results	Ongoing Focus
• Future Predicted Costs • Multiple Providers • Multiple Prescribers	• Hypertension • Hyperlipidemia • Obesity	• $21,700 per member in last 12 months	• 13% unable to locate (i.e., bad number) • 87% no response (i.e., no answer)	• Utilize Fund office, providers, and online resources for updated contact information • Utilize Gaps in Care letter with Introduction letters

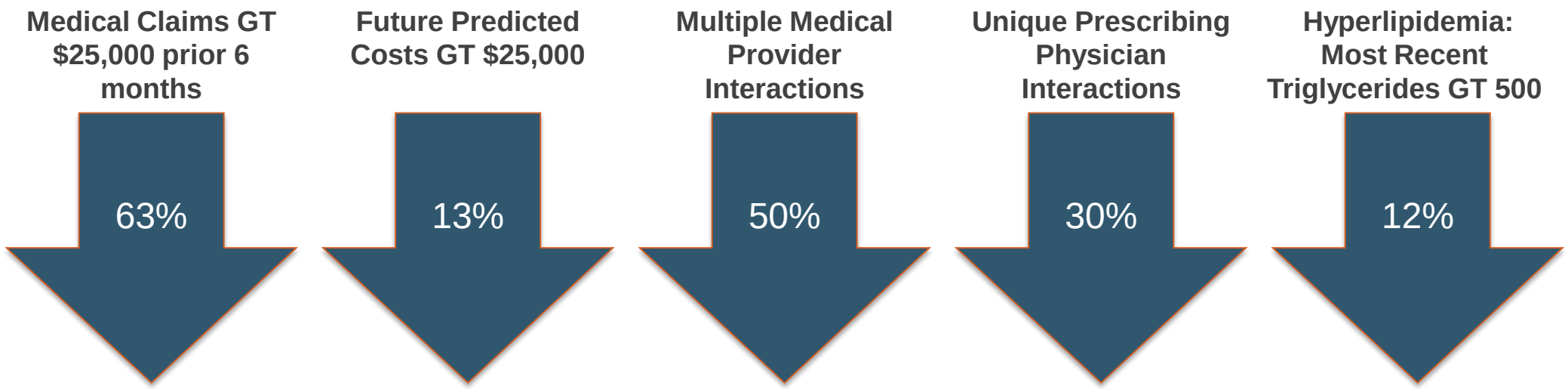
Utilization Risk Triggers	Primary Health Conditions	Average Health Care Costs	Outreach Results	Ongoing Focus
• Prior Medical Claims • Multiple Providers • Future Predicted Costs	• Hypertension • Hyperlipidemia • Congestive Heart Failure	• $34,500 per member in last 12 months	• 75% conditions are well managed • 17% no needs at this time • 8% not interested at this time	• Adjusting clinical scripts to address primary reasons for refusal

Engaging Members Improves Risk Score

- Members who engaged in medical management improved their risk stratification scores year over year.
- Nurse advocacy, education, and care coordination have driven significant improvement in the following outcomes.

Risk Level*	Risk in Q4 2018	Risk in Q4 2019
Priority	0.0%	0.0%
High	58.8%	47.1%
Moderate	32.4%	38.2%
Low	2.9%	8.8%
No Known Risk	5.9%	5.9%

**Content relates to members engaged greater than 3 months from Q4 2018 compared to Q4 2019*

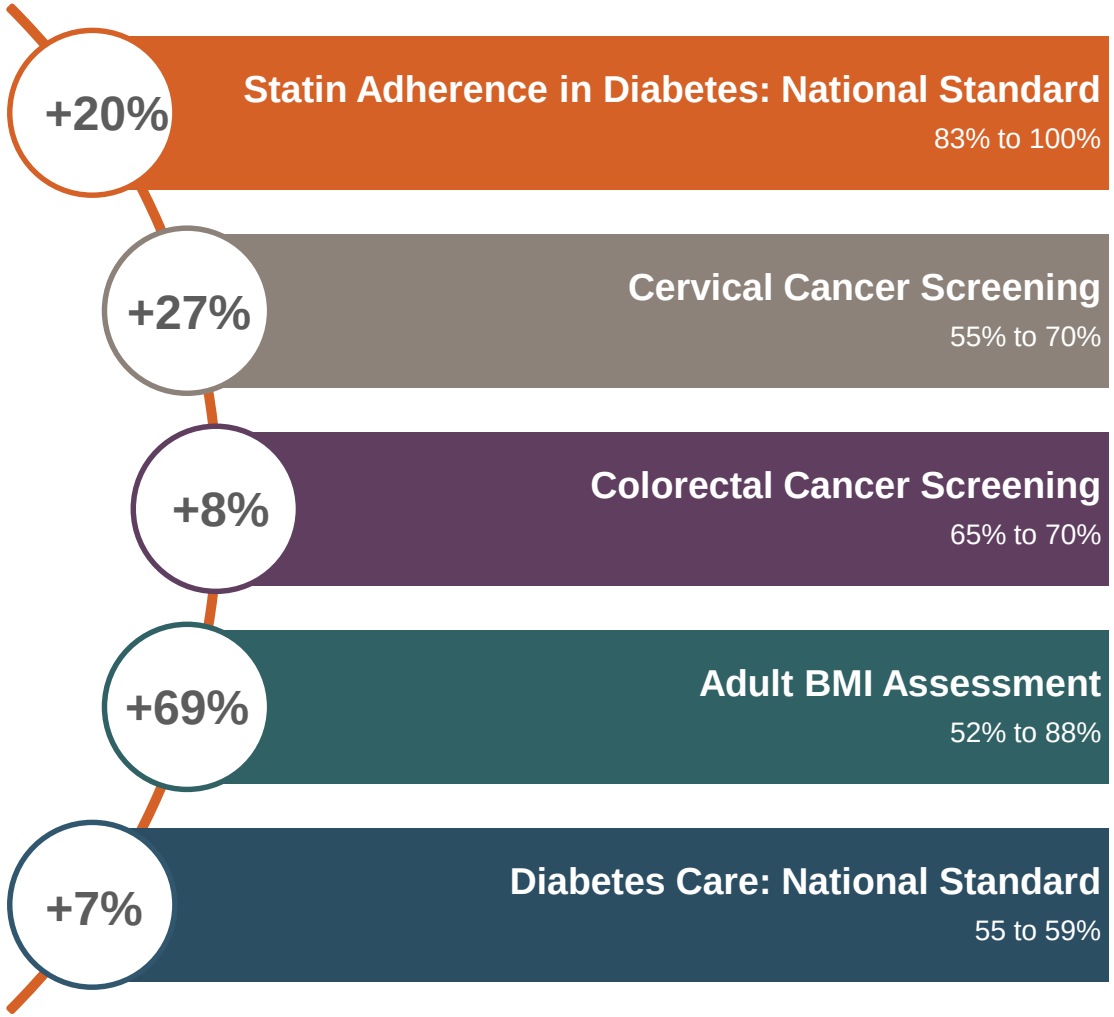


Monitoring Preventive Screening Adherence

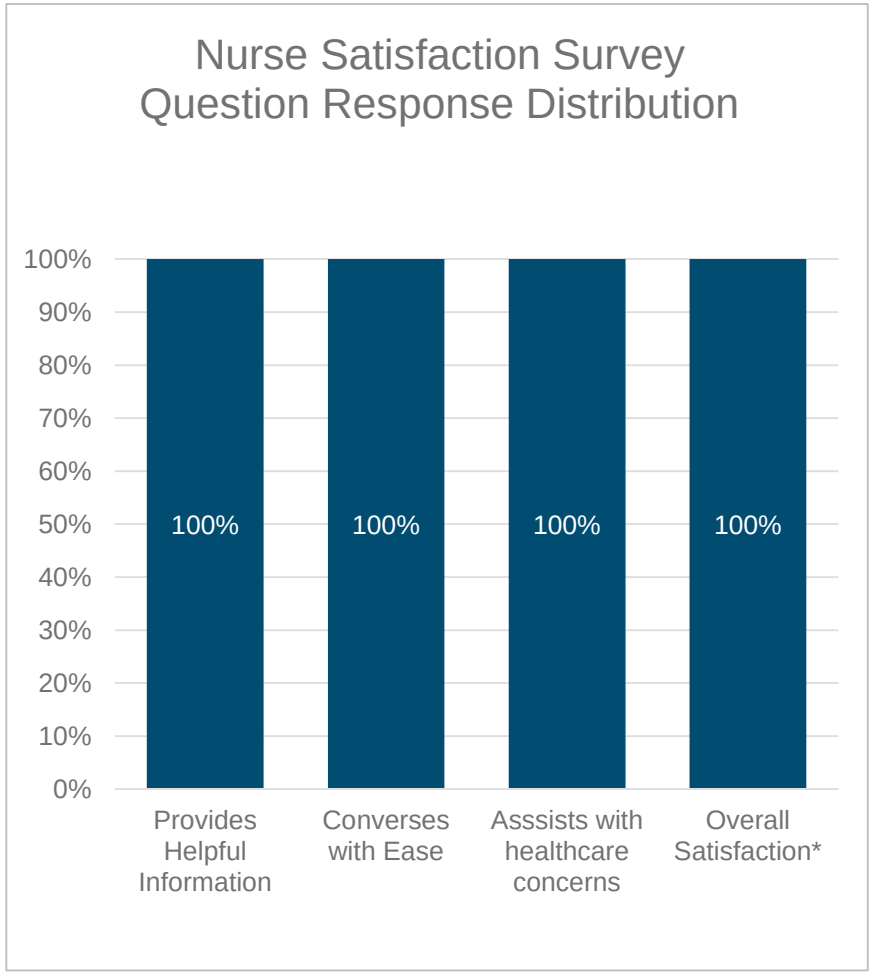
Members Engaged Q4 2018 with Adherence as of Q4 2018 v. Q4 2019

Personal Health Nurses impact compliance to preventive screenings while managing members in acute or chronic medical management:

- Engaged members see an increase over the general population with adherence to cervical cancer and colorectal cancer screenings.
- An increase in BMI Assessment represents increased adherence to primary care visits.
- Focusing their education and interventions on chronic diseases, the nurses are able to improve adherence to national standards preventing complications or exacerbations in the future.



2019: 100% Overall Member Satisfaction Rate



She is always very friendly and concerned about my health.

My nurse is a very pleasant, knowledgeable lady with helpful concern and advice. She helped to monitor me after my surgery.

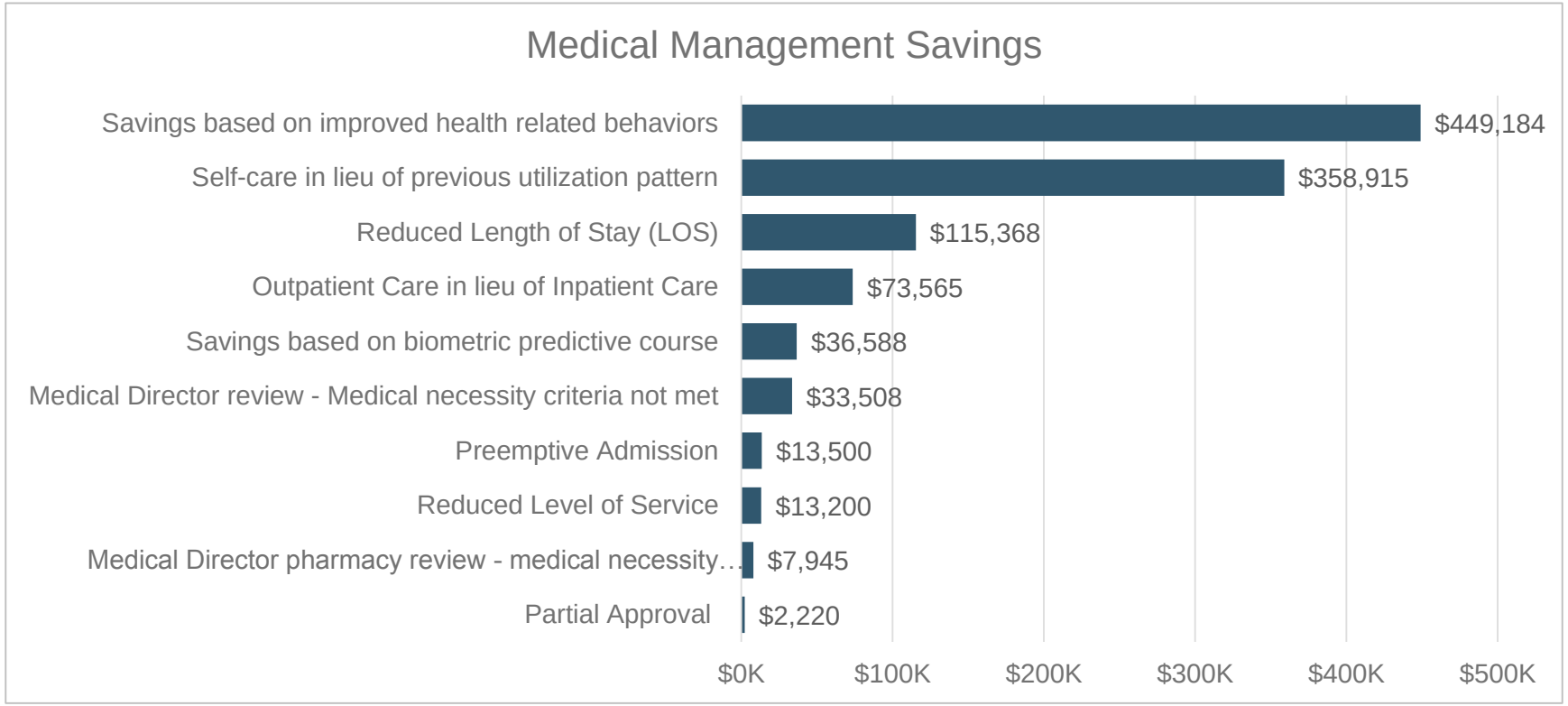
I was extremely pleased with my nurse. I feel she went above and beyond what was expected of her. Thank you to my nurse!

My nurse was exceptional. She stayed on top of everything. She made sure I got exactly what I needed. She went above and beyond her duties to make sure my medications were at the pharmacy quickly. She worked with my doctor and pharmacy to ensure I was going to get my new medication after I was sick. Now everything is better thanks to my nurse.

It's always a pleasure talking with my nurse. I love her advice she gives and the talking with her when she calls.

Saving on Services while Helping Members

Metric	CY 2018	CY 2019
Cost of medical management services	$236,402	$187,465
Savings from medical management services	$788,078	$1,103,993
Savings Ratio	**3.5**	**5.9**



Note: See Appendix D for cost savings description definitions

Improving Health Behaviors

58 Year-old Male

- *Medical history includes **back pain** and **hyperlipidemia***
- *During pre-op testing before a lumbar fusion surgery, member was found to have a **dangerously high blood pressure of 200/100***

How Conifer Helped

- *The PHN **educated member** on blood pressure management, monitoring and recording blood pressures daily, and lifestyle changes including a low sodium diet and exercise.*
- *With PHN education and support, member was able to **adhere to his treatment plan** and **decrease his blood pressure** to normal limits, 130/80, and received cardiac clearance for his surgery.*
- *Member **then completed his surgery** and continued to work with his PHN to be sure he did not have any complications after his lumbar fusion.*

Results

Member had his lumbar fusion without complications.

Member met all goals related to blood pressure management and he completed his surgery without complications. The PHN educated and monitored member until his incisions healed and his physical therapy was complete. At this time the member has met all goals.

Working Together to Support Your Members

Focusing Our
Efforts

- Partnership to increase awareness and participation
- Chronic condition adherence
- Priority and high risk member outreach
- Continue to engage members identified from Utilization file feed
- Postcard outreach to refused and Unable to Reach

Moving Forward
Together

- Link Gaps in Care letter to Introduction Letters
- Implement campaign to outreach high risk/high cost members
- Conifer contributions to Newsletters
- Consider posters in gathering areas to promote program

Appendix

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Appendix A: Team Structure

		Interaction	
Senior Client Director	Ron Wheelock	**Operations** *Daily/Wkly*	Account lead, escalation point, manage performance and day-to-day, client-specific resource for Conifer team
Manager, Population Health	Michele Hamilton	**Daily**	Direct oversight of clinical operations and PHN team; Only resourced through Client Delivery request
Director, Population Health	Christy Beherns	**Operations** *Wkly/Mthly/Qrtly*	Operational oversight of PHN teams
AVP, Practice Management	Justin Berry	**Senior Leadership** *Qtrly/As needed*	Executive oversight of Calvert relationship as it relates to TPA transition. Serves as the second level of escalation for Adventist needs
VP Medical Management	Bridget McKenzie		Executive oversight for Care Management / PHN services
Senior Executive Sponsor	Mary Bacaj		Executive oversight and highest level of escalation, Serves as Conifer SME as it relates to Provider based clients.

Primary POC

Appendix B: Acronyms

Acronym	Expansion
A1C or HgbA1C	Hemoglobin A1c
ALOS	Average Length of Stay
BMI	Body Mass Index
BOB	Book of Business
CAD	Coronary Artery Disease
CHF	Congestive Heart Failure
COC	Category of Care
CMI	Case Mix Index
EBM	Evidence Based Medicine
ED	Emergency Department
EOS	Episode of Service
ER	Emergency Room
GT	Greater Than
ICD	International Classification of Diseases
IP	Inpatient
LDL	Low Density Lipids

Acronym	Expansion
LOS	Length of Stay
PEPM	Per Employee Per Month
PHM	Personal Health Management
PHN	Personal Health Nurse
ROI	Return on Investment
UM	Utilization Management

Appendix C: Glossary of Terms

Term	Definition
Engaged	the total unique reached members who agreed to engaged in medical management
Not Reached	the total unique members who a personal health nurse (PHN) attempted to reach by phone but were either unable to locate (UTL) because of a bad phone number or were unresponsive and did not pick up the phone
Outreached	the total unique members who a personal health nurse (PHN) attempted to reach by phone and were either reached or not reached
Pending	the total unique triggered members a personal health nurse (PHN) is still attempting to reach by phone
Reached	the total unique triggered members with whom a personal health nurse (PHN) has spoken on the phone and who either agreed to engaged in medical management or refused to participate at the given time
Refused	the total unique reached members who refused to participate in medical management at the given time
Targeted	the total unique members identified as “Priority” or “High” risk in Conifer’s proprietary “Risk Stratification” application

Appendix D: Cost Savings Definitions

Cost Savings Description	Definition
Alternative Funding for Pharmaceuticals	The case manager seeks alternative funding for a service. If this is for medications that are not covered by the plan the case manager cannot claim that the cost of the pharmaceuticals was saved. They can, however, claim savings if the receipt of such equipment, service or pharmaceutical averted further costly complications.
Outpatient Care in lieu of Inpatient Care	The case manager coordinates outpatient therapies in lieu of an admission to an inpatient rehabilitation facility.
Pre-emptive Admission	Case Manager identifies, before the patient, a deterioration in condition warranting hospitalization. Cost savings is calculated using Milliman ORG Base Days + Co-morbids = extended stay category. Base days + Max of extended day level (brief, moderate, prolonged) - actual LOS divided by 2.
Reduced Length of Stay	If the LOS is less than the guideline LOS and the CM determines that they have made sure that the service was provided in a shorter LOS then this is the category for savings. We do not claim savings if the CM did nothing to impact the savings. Whether through UM or CM the CM may have worked to coordinate alternative services or facilitated patient / family self-management and communicated the patient's and / or family's abilities in order to reduce the length of stay.
Reduced Level of Service	This category is used when the case manager has assessed the needs of the individual and the goals of care and determined that the services are not required at the level at which they are being delivered. This will apply to therapy and other outpatient visits, as well as in acute care situations where the case manager has been involved in making sure that a participant is moved from a higher level of care (ICU) to a lower level of care (med-surg unit).
Savings based on improved health related behaviors	
Self-care in lieu of previous utilization pattern	The case manager has educated the participant re: management of their condition. The participant demonstrates effective engagement in self-management and their previous utilization pattern has changed. This pattern could be a pattern of frequent hospitalizations and / or emergency room visits. The documentation must be specific regarding the previous pattern of utilization. This can be obtained by reviewing the CCC.

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Thank You