



Health TechNet Conference

Washington D. C.
2.15.2008





HealthSpring

Medicare Advantage

Six States – 150,000 Members

Founded 2000

NYSE 2006

2007 = \$1.5 Billion





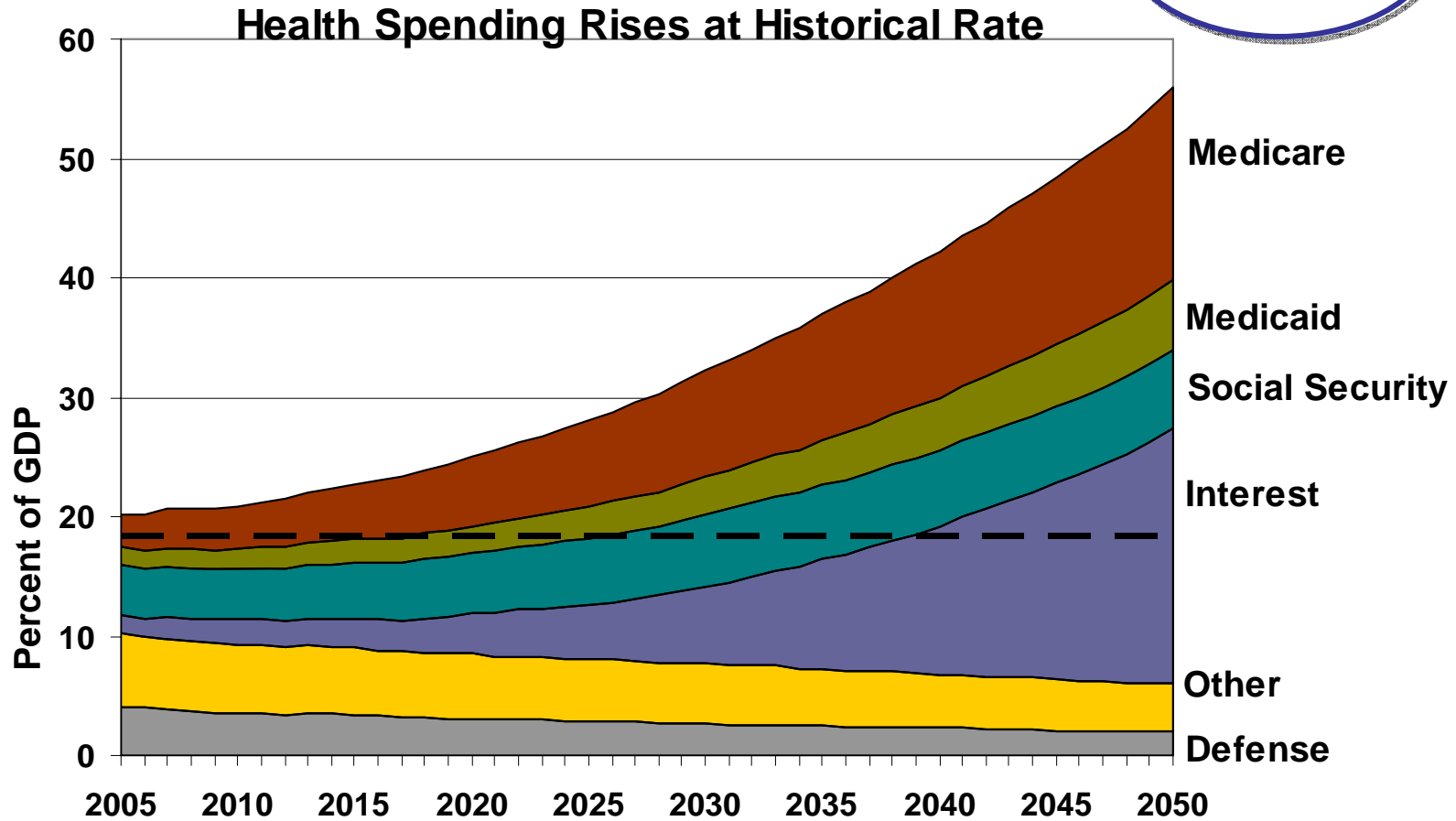
HEALTHCARE
as
WE KNOW IT

IS NOT
SUSTAINABLE
FINANCIALLY / CLINICALLY



Really Overdrawn

*Moody's
Warns !!*



Source: Congressional Budget Office, 2009
Assumptions: excess cost growth of 2.5% for





BOTH are ESSENTIAL



DRIVERS

- Demand for quality, efficiency, consistency, service, and understanding
 - CMS
 - Bridges to Excellence
 - Robert Woods Johnson Survey
- Consumer Demand
- Transparency



P4Q

Head Winds

- Reimbursement = “running the squirrel cage”
- Systems
- Population Management
- Investment
 - Physician Practice
 - Payer
- Operational Burden



CORE PRINCIPLES

- Non-arbitrary
- Transparent
- Fair
- Evidence Based
- Appropriate - Relevant



GOALS

- Engage Physician Partners
- Invest in the long term health of our members
- Provide improved consistency and quality of care

EXPOSE

Systems – Population Management
Information Technology



OPPORTUNITY

- LEARN the FUTURE with a PARTNER and a % of your patients
- Improve the Quality and Consistency of Care delivered
- Improve the Patient's long term Health
- Understand and use Systems to enhance the care of your patients



PAY for QUALITY AT A GLANCE

- **PHYSICIAN** DRIVEN METRICS
- **CONSENSUS** BASED IMPROVEMENT
- **CHART** / HYBRID DATA
- **PROVIDE and FUND ALL SUPPORT**
INCLUDING an ONSITE CLINIC NURSE
- PROVIDE & FUND **DATA MANAGEMENT**
 - DISEASE REGISTRIES
 - ASCENDER



AT A GLANCE

- **FLEXIBLE BONUS STRUCTURE**
- **VALUE METRIC**
 - PATIENT SATISFACTION
 - PATIENT EDUCATION and UNDERSTANDING of THEIR DISEASE and TREATMENT
- **PHYSICIAN ADVISORY COMM.**



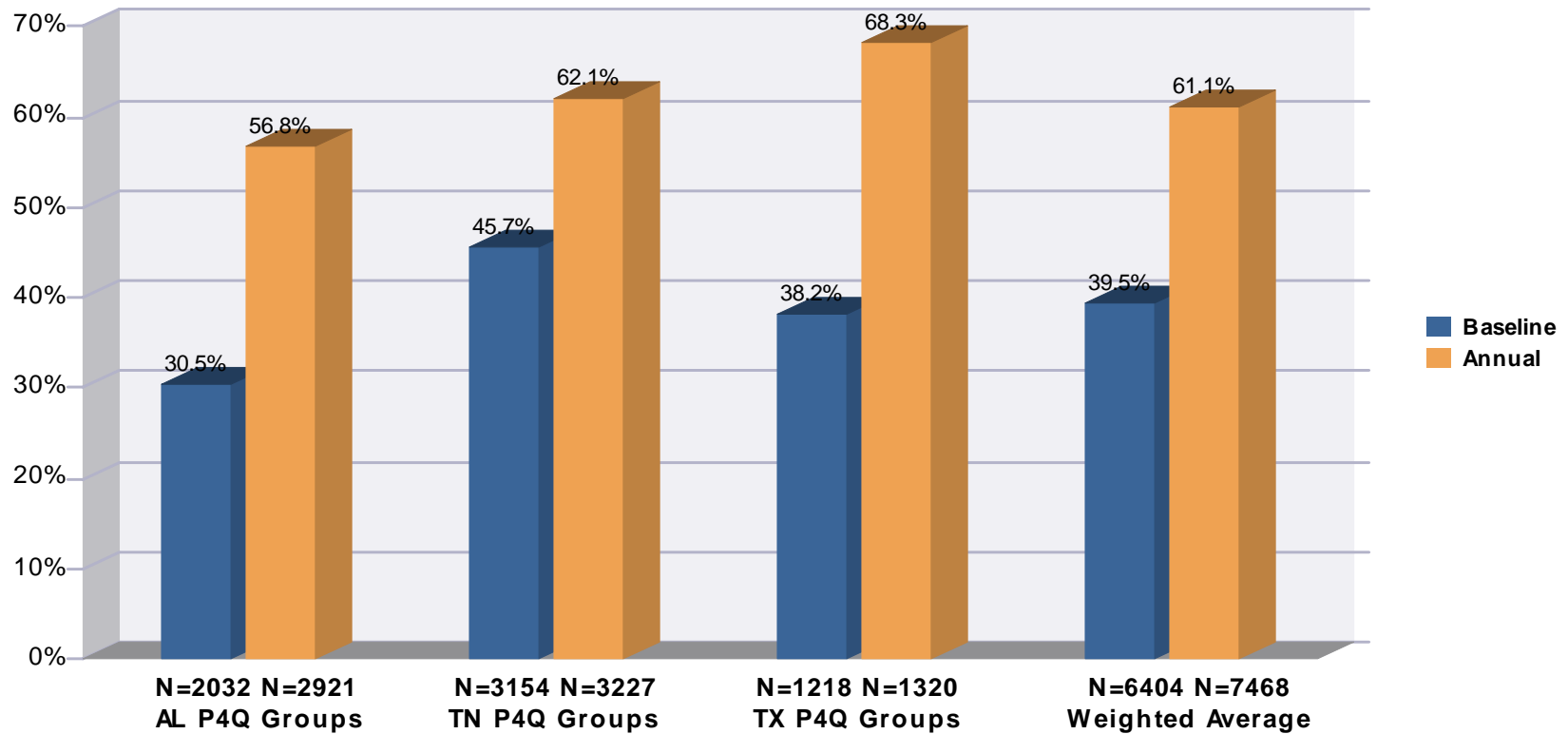
RESULTS

- Quality has uniformly improved
- Significant gap remains
- Plateau without systems
- Utilization
- Financial Impact
 - Short Term
 - Long Term



AL-TN -TX Market P4Q Performance Rate

N refers Number of Counted Members



PRELIMINARY RESULTS

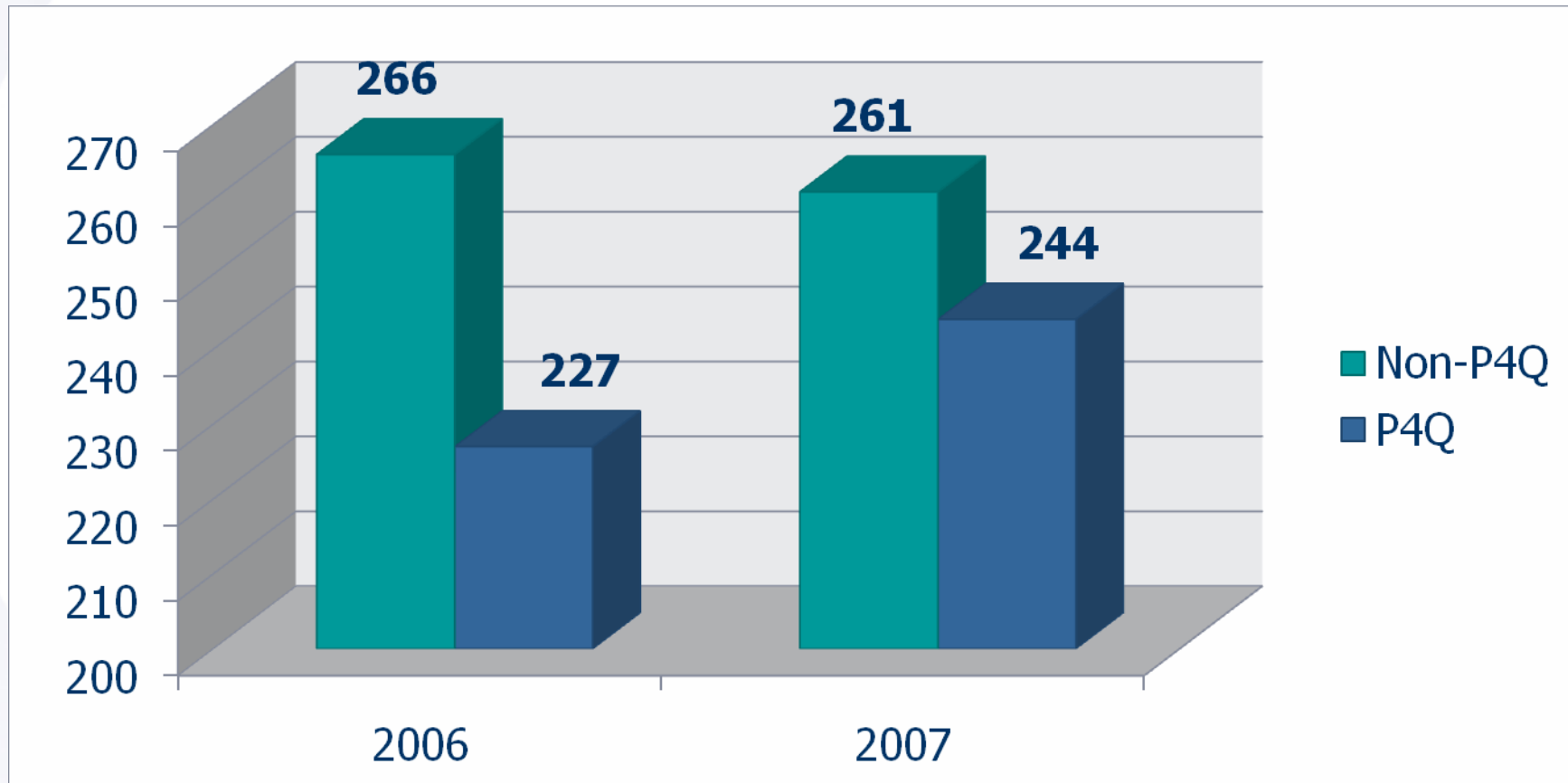
- **Scope:** 3 states, 9 practices, 87 physicians, 7,468 patients
- **Duration:** 3 years for 1 group (SMG), 1 year for others
- **Clinical Measures:**

	<u>% Improvement</u>
Mammography	68%
Pneumonia	65%
Influenza	192%
Colon CA	27%
Diabetic Eye Exam	93%
Diabetic Foot Exam	378%
- **Utilization Benefits:**

	<u>% Improvement</u>
ER Visits per 1,000	7%
Admissions per 1,000	11%
MLR	8%
- **2008:** Expanding to 31 practices, 329 physicians, 27,000+ members

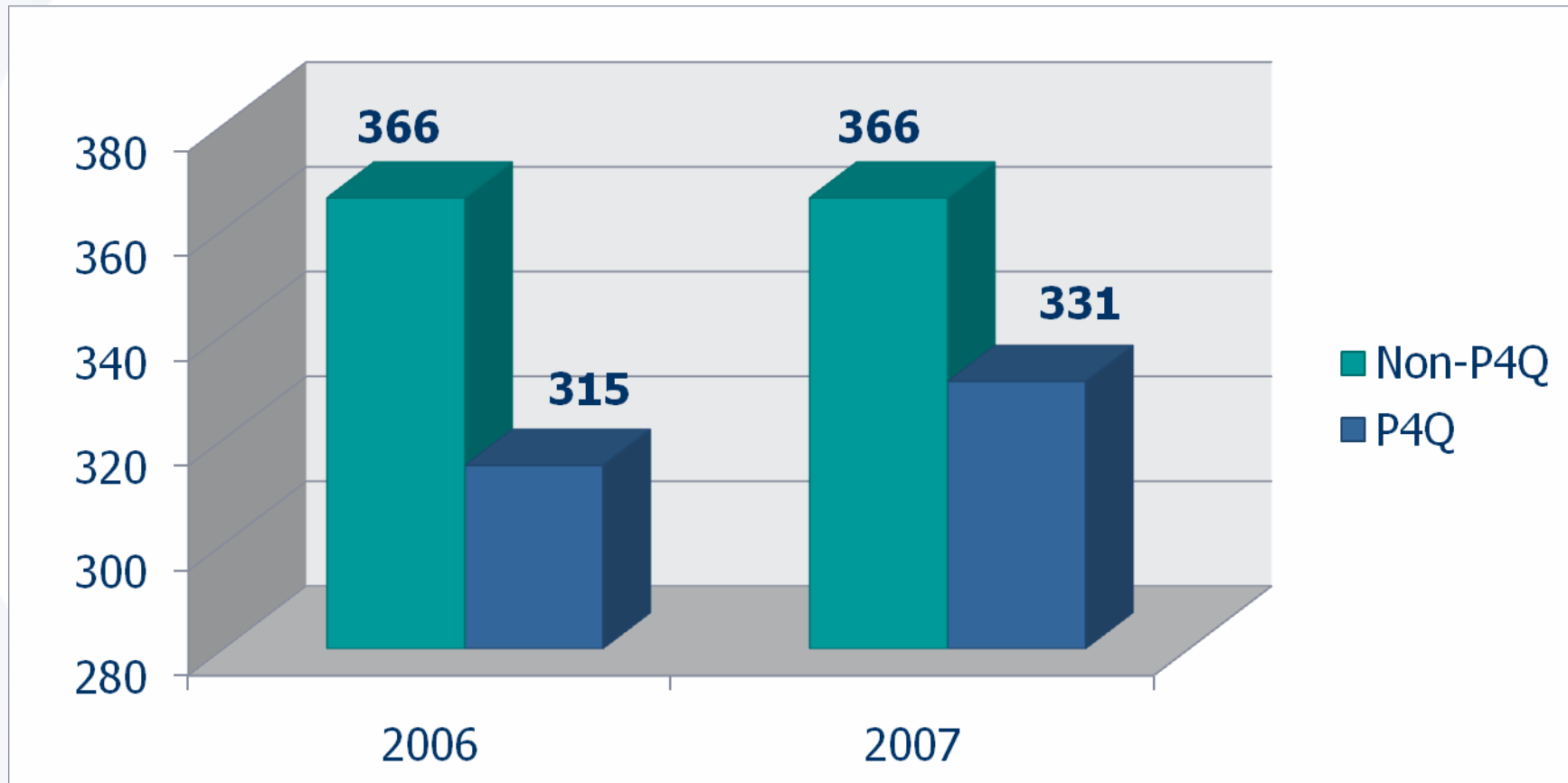


Decrease in Preventable Utilization *ADK*



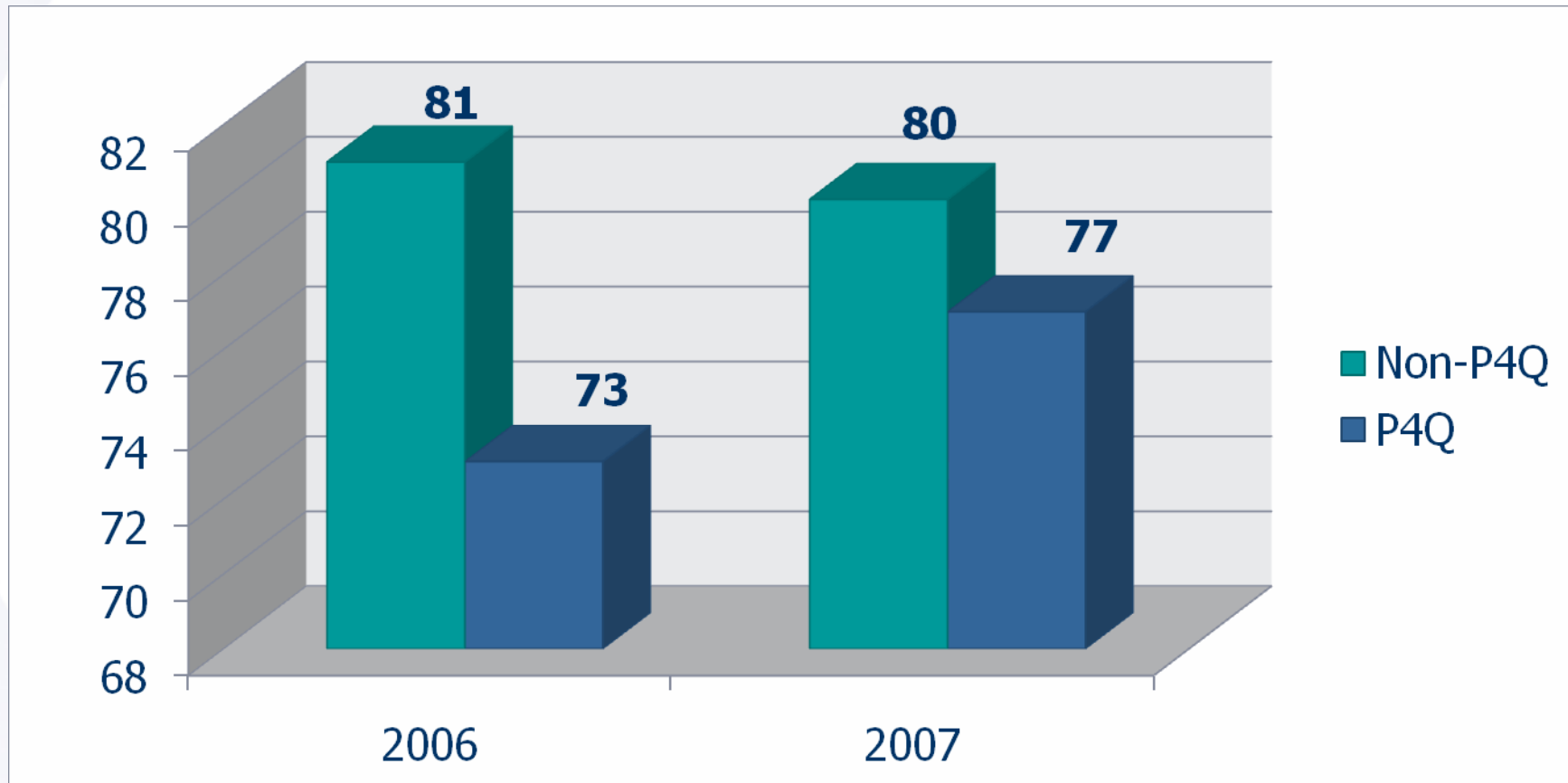
N = 11,000 MA members; Period = 1/1/06 to 7/31/07;
Six TN P4Q Physician groups

Decrease in Preventable Utilization *ERK*



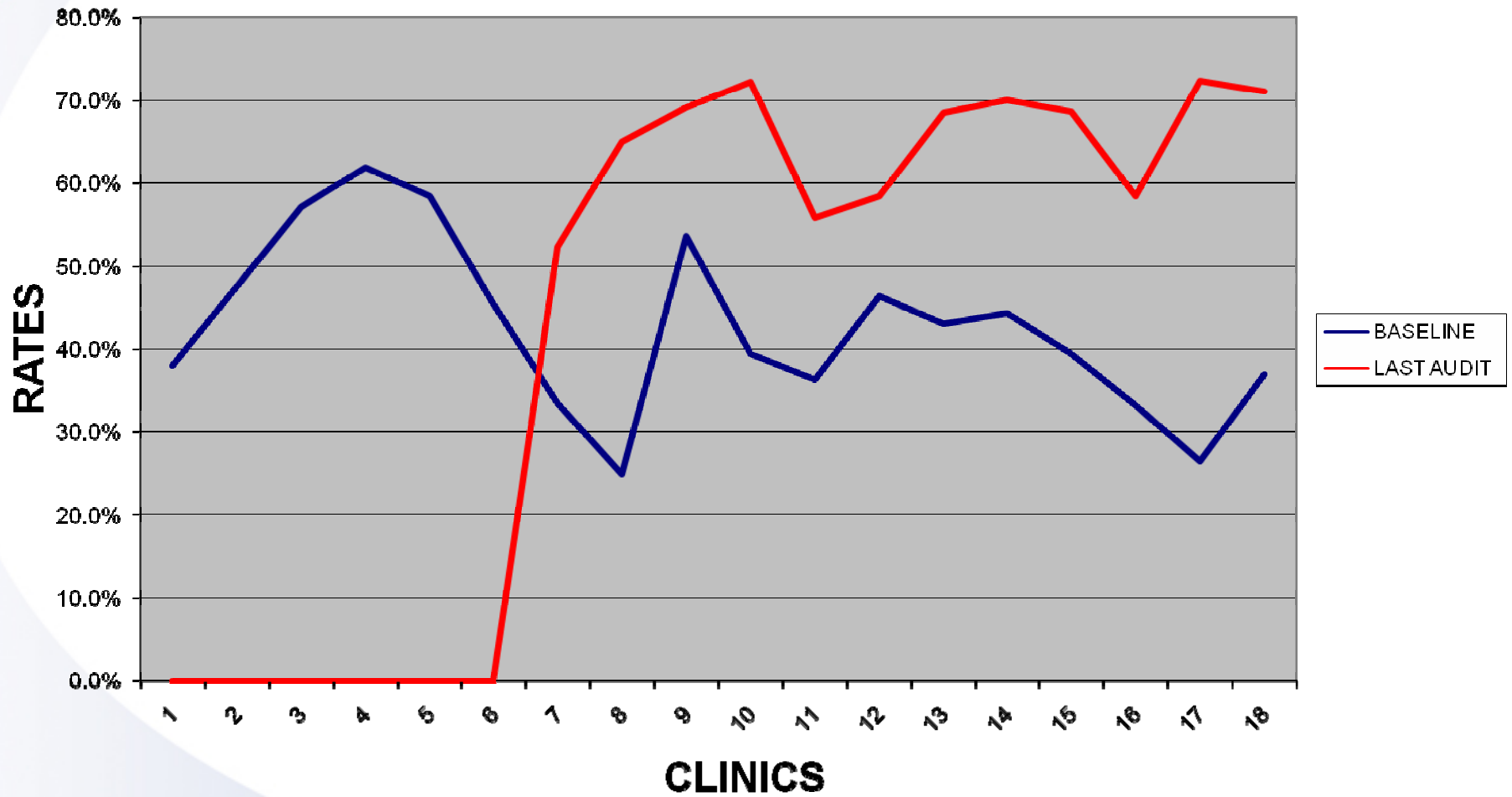
N = 11,000 MA members; Period = 1/1/06 to 7/31/07; Six TN P4Q Physician groups
Three groups started on or before 1/1/06; Three groups started Q1 '07

Decrease in Preventable Medical Costs

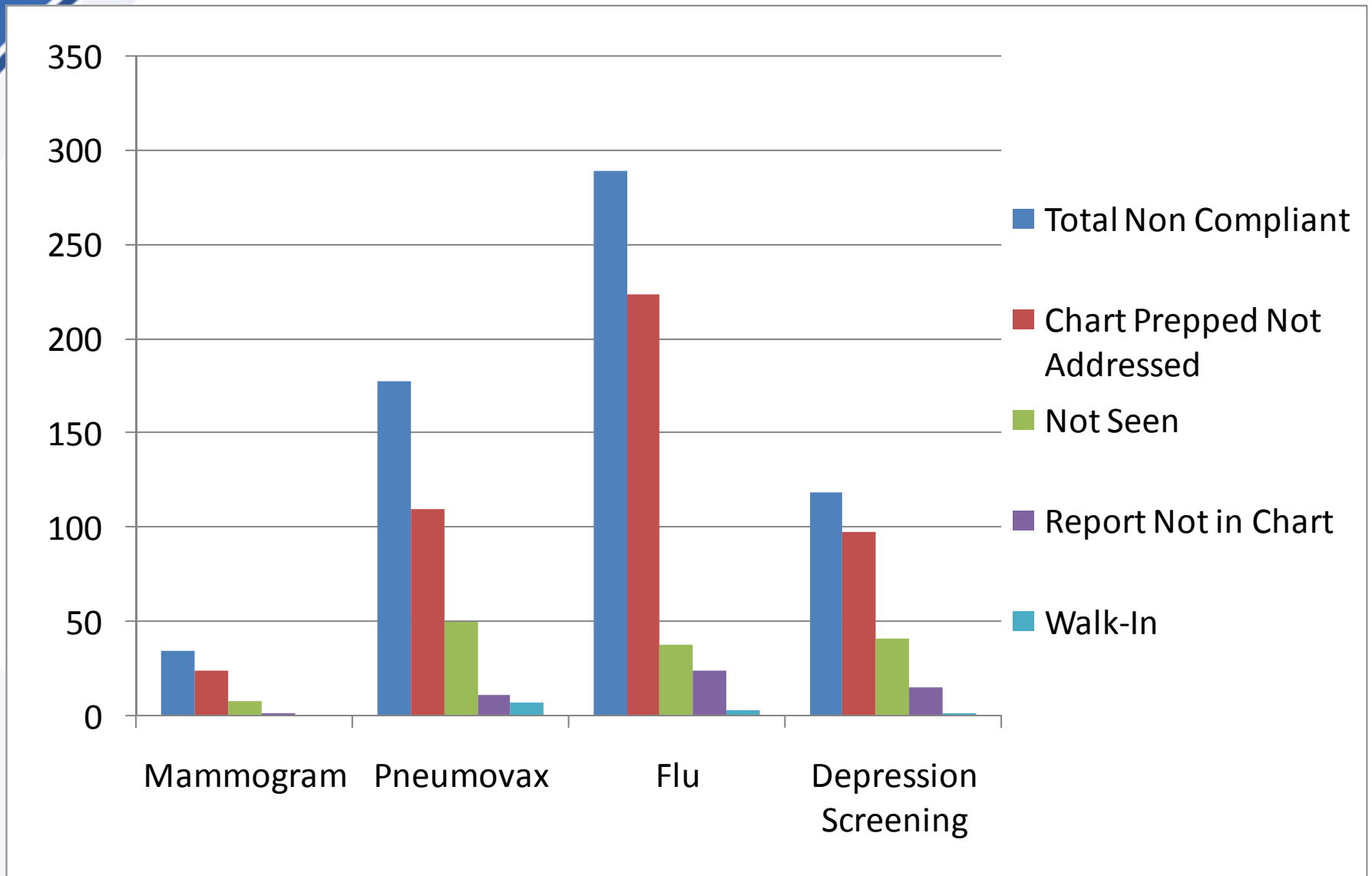


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CORPORATE RATE COMPARISON



Non Compliant Preventative





TRANSITION to SCALE

ASCENDER

- Data aggregation
- Contemporaneous data
- Decreased audit costs and clinic disruption
- Population based management



TENSION

- Core Values
- Data Source
- Integration with HealthSpring
- Unique work flow – physician office

ADJUST without COMPROMISE



ESSENTIALS

- Adequate Bonus: 15%+
- Minimal Impact on Work Flow
- Minimal Financial Burden
- Obvious Value to the Physician Practice and Patient
- Access to Systems and IT Tools
 - No Expense
 - Web Based



