

WELCOME TO THE



HBCH CONFERENCE | 2023

The Value of Alternative Medical Facility Sites of Care

as told by employer to employers



HBCH 6TH ANNUAL CONFERENCE
RICE UNIVERSITY
BIOSCIENCE RESEARCH COLLABORATIVE
August 24, 2023

HBCH CONFERENCE | 2023

HBCH Members

The Value of Alternative Medical Facility Sites of Care



abbvie



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GOOSE CRE CONSOLIDATED INDEPENDENT SCHOOL

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HISD

Janssen



KBR



HBCH BOARD MEMBERS



Katrina Daniel
Chief Health Care Officer
TRS of Texas



Denise Crandon
Senior Manager Benefits,
Medical Programs
HISD



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Benefits & Wellness
Harris County



Stephanie Myers
Director, Employee Health &
Wellness
Goose Creek CISD



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& Welfare
Harris Health System



Dan Burke
VP, Director, Corporate
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Karen Rakers, MD
Chief Medical Officer
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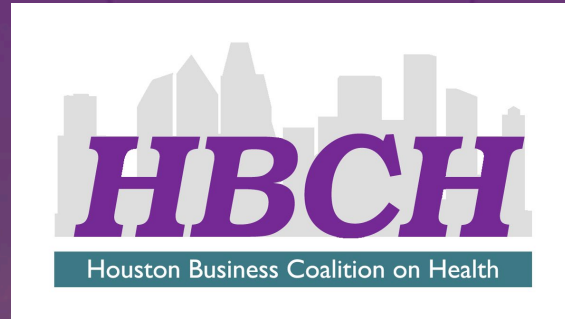
Cecilia Sheeren
Senior Regional Account
Manager
Novo Nordisk



Jenn Roberts
VP, Employer Health Strategy
Hello Heart



Heidi McPherson
Senior Project Manager & Co-
Lead Health Equity Collective
UT Health Houston School of
Public Health



TOGETHER WE CAN CREATE VALUE-BASED HEALTHCARE BENEFITS OF THE FUTURE

TRANSPARENCY | SMART NETWORK | LEGISLATION | COMMUNITY

KEY INITIATIVES



HOSPITAL TRANSPARENCY

HBCH will continue to provide tools and the collective employer voice to drive lower costs for services.



LEGISLATIVE ADVOCACY

Texas Employers for Affordable Healthcare to pass legislation in 2023 to prohibit anti-competitive contract language.



SMART PURCHASING NETWORK

HBCH will continue to work with local providers and employers to introduce a Smart Network with an Advanced Primary Care foundation and referral to specialists based on price and quality.



EDUCATIONAL PROGRAMMING

Will consist of three forums, the annual conference, and webinars on the quickly changing landscape of employer-sponsored benefits.



COMMUNITY VOICE OF THE EMPLOYER

HBCH will continue its role as the Employer Voice in the Community for several local organizations dedicated to health and welfare of all citizens in greater Houston.

CONFERENCE INFO

Wi-Fi: Rice Visitor - (No Password Required)

Space for Calls or Meetings: Room 106

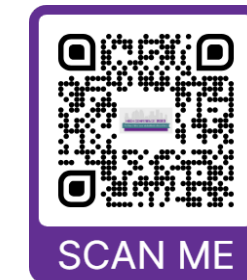
LinkedIn QR Code on Badge

Visit Exhibitors for more Raffle Tickets and opportunities to win giveaways. Drop tickets in raffle box with name and number.

Conference Website



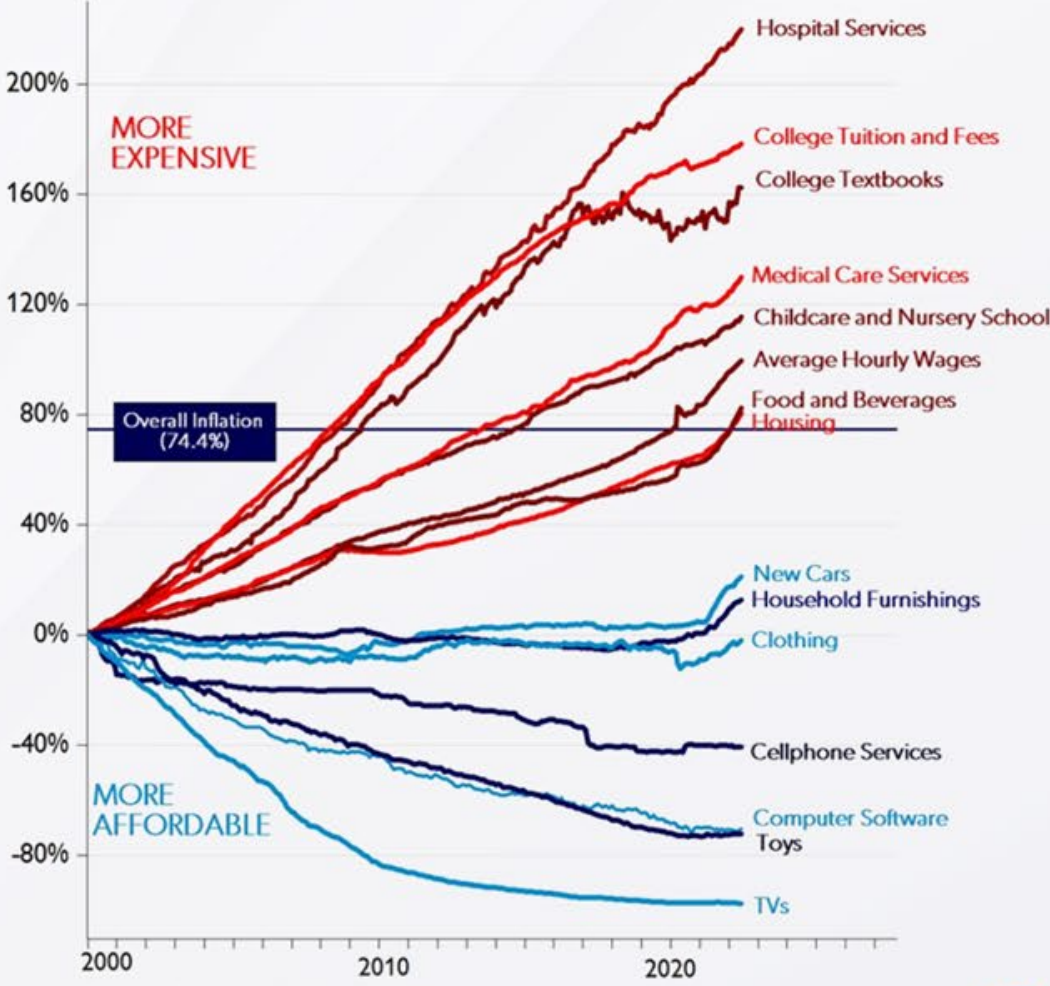
Agenda



Health Care Prices are Unaffordable

Price Changes: January 2000 to June 2022

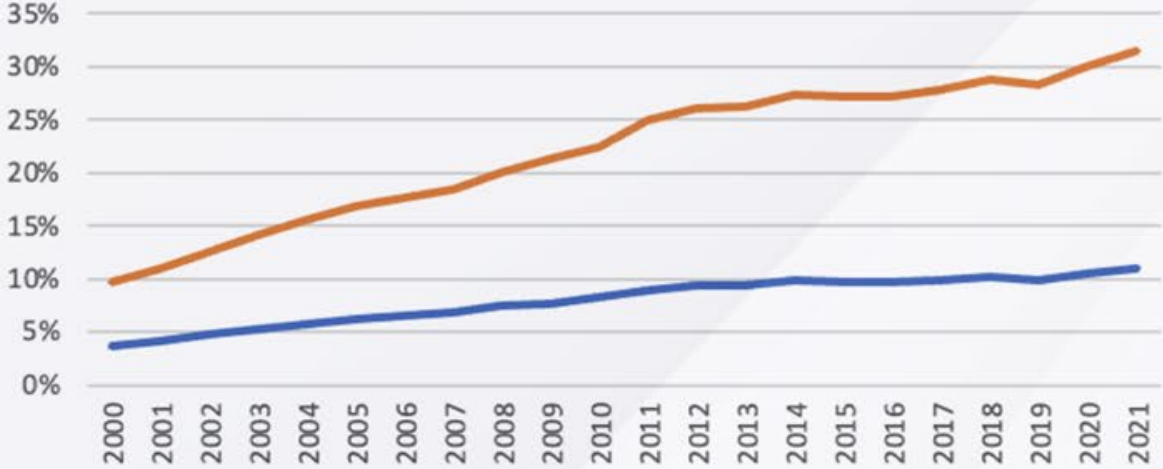
Selected US Consumer Goods and Services, Wages



Source: Bureau of Labor Statistics

Carpe Diem **AEI**

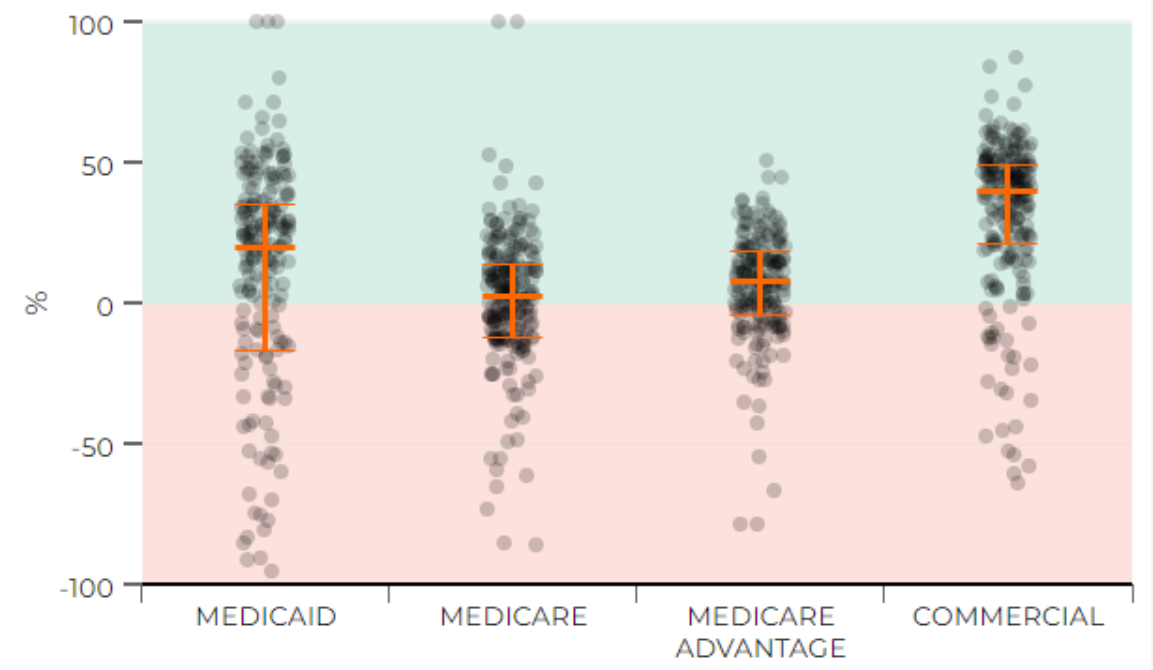
Premiums as % of income over time



Individual premium as % of household income
 Family premium as % of household income

The 88th Legislature is now in session. We need your support today! >> ✕

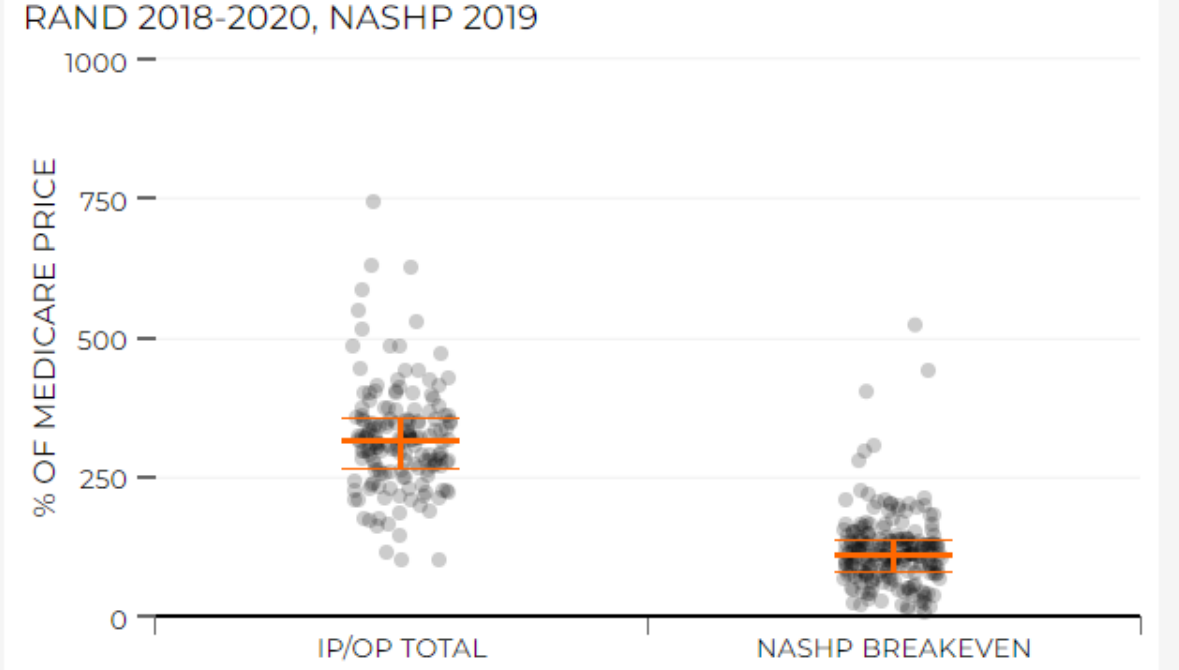
OPERATING PROFIT MARGIN



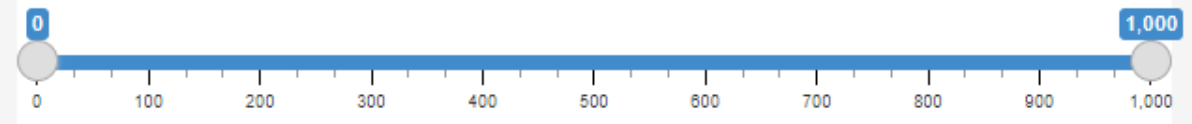
Zoom to range



COMMERCIAL & BREAKEVEN



Zoom to range



Healthcare Prices Are Out of Control and Require a United Employer Voice

- Anti-competitive contract practices have inflated the costs of healthcare at the expense of Texas employers, their employees, and their families.
- Concentrated market power has reduced the beneficial impacts of competition, and the resulting monopoly-like power is being abused.
- Hospital prices have increased 150% more than the average worker hourly earnings in the past 20 years.
- No employer in a consolidated market has enough consumers to influence prices.
- The crisis requires legislators to pass sensible legislation to increase competition.
- **Employers who fund the majority of healthcare in Texas are the only voice that will drive meaningful legislative change.**



The Value of Alternative Medical Facility Sites of Care

STRATEGIC PARTNERS

MEADOWS
MENTAL HEALTH
POLICY INSTITUTE

Kelsey
Care | Health Plans

 St. Luke's Health™



The Value of Alternative Medical Facility Sites of Care

CONFERENCE UNDERWRITERS





The Value of Alternative Medical Facility Sites of Care

PANEL SPONSOR



A Turn For The Better





HBCH CONFERENCE | 2023

The Value of Alternative Medical Facility Sites of Care

EXHIBITORS



WELCOME TO THE HBCH 6TH ANNUAL CONFERENCE

Thursday, August 24

7:00 AM to 5:30 PM

The Healthcare Value Equation

$$V = \frac{Q + S}{C} \times A$$

V (VALUE)
Q (QUALITY)
S (SERVICE)
C (COST)
A Appropriateness (Right place/time/patient/context)

Metrics:
Outcomes
Patient experience

Direct and Indirect



7:00 AM - 7:55 AM	EXHIBITOR HALL/ BRC LOBBY	Breakfast and Networking and Registration and Check-In
SESSION 1		
8:00 AM - 8:15 AM	BRC AUDITORIUM	Welcome and Opening Comments
SESSION 2		
8:20 AM - 9:15 AM	BRC AUDITORIUM	Keynote Panel The Perfect Timing for Employer Action
SESSION 3		
9:20 AM - 9:45 AM	BRC AUDITORIUM	How a Value-Based COE Solution Can Change the Healthcare Dynamics in a Market
SESSION 4		
9:50 AM - 10:15 AM	BRC AUDITORIUM	Employee-Centric Virtual Care Solution: Supporting Families, Visa Employees and HR Teams
10:15 AM - 10:45AM	EXHIBIT HALL	Networking / Exhibits / Refreshments
SESSION 5		
10:45 AM - 11:20 AM	BRC AUDITORIUM	Direct Care Trifecta: Keep Employees Healthier, Access Quality Care and Reduce Cost
SESSION 6		
11:25 AM - 11:50 AM	BRC AUDITORIUM	Near-Site Clinics Create Value and Employee Satisfaction
11:50 AM - 1:15 PM	EXHIBIT HALL	Lunch: Garden Chicken, Balsamic Beef, Cauliflower Steak and House Salad

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Thursday, August 24

7:00 AM to 5:30 PM

The Healthcare Value Equation



SESSION 7

1:15 PM – 1:40 PM

BRC AUDITORIUM

Effective Management of Site of Care Utilization – An ACO Journey

SESSION 8

1:45 PM – 2:10 PM

BRC AUDITORIUM

The Advantage of Maternal Health Home Care

2:10 PM – 2:35 PM

EXHIBIT HALL

Networking / Exhibits / Refreshments

SESSION 9

2:35 PM – 3:00 PM

BRC AUDITORIUM

Employer Evaluation of Switching to a Fully-Aligned PBM

SESSION 10

3:05 PM – 3:30 PM

BRC AUDITORIUM

The Triple Aim: Employers and Providers Work Together to Improve Patient Outcomes and Experience, Saving OOP Costs and the Plan 20-30%

SESSION 11

3:35 PM - 4:00 PM

BRC AUDITORIUM

Integrating Point Solutions into Your Benefit Ecosystem

SESSION 12

4:05 PM – 4:30 PM

BRC AUDITORIUM

Primary Care Through Retail Outlets

SESSION 13

4:35 PM - 5:00 PM

The SMART Way to Purchase Healthcare

SESSION 14

5:00 PM – 5:25 PM

BRC AUDITORIUM

Turning Knowledge into Action! Attendee Feedback

5:30 PM – 7:30 PM

Hilton Rooftop
9th Floor

Post Conference Reception
Adult Drinks and Light Bites

The Perfect Timing for Employer Action



Katrina Daniel
Chief Health Care
Officer
TRS of Texas



James Frank
Texas Representative
CEO
Sharp Iron Group



Elaine Britt Director
Total Rewards
Rice University



Stephanie Myers
Director
Employee Health &
Wellness
Goose Creek ISD

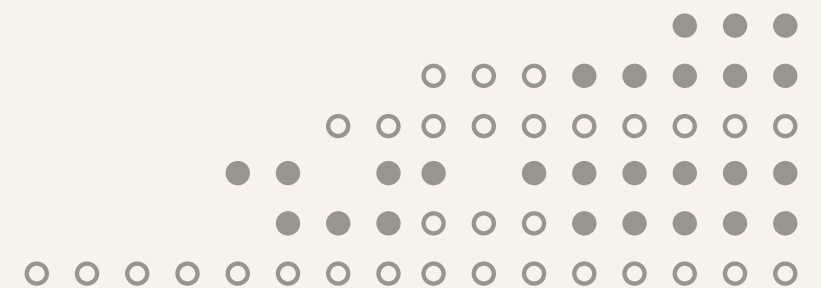


Perfect Timing for Employer Action

- **New transparency tools**
 - TX Hospital prices 252% (avg.) / 316% (median of Medicare) and 3X breakeven
 - 40% (median) commercial profit margin
- **New Texas legislation**
 - HB 711 – anti-competitive contracts
 - HB 2090 – TX APCD
- **New Federal regulations, 2021 CAA**
 - Hospital & health plan price posting
 - Employer C-Suite attestation
- **New coalition purchasing**
 - TX (Houston), WI, CO, CA, ME, Pittsburgh
- Unsupportable cost increases
- Inadequate legacy stakeholder solutions
- Misaligned purchasing incentives
- Consumer tools have failed
- Can no longer claim “did not know”
- Many alternatives to, and in support, of PPO
- Fiduciary responsibility
- Growing number of lawsuits
- Opportunity to purchase on value
- Opportunity to support business & families

How a **value-based COE solution** can change the healthcare dynamics in a market

Houston Business Coalition on Health
August 24, 2023



Meet Your Speakers



Peter Hayes

Fmr. President and CEO, Healthcare
Purchaser Alliance of Maine



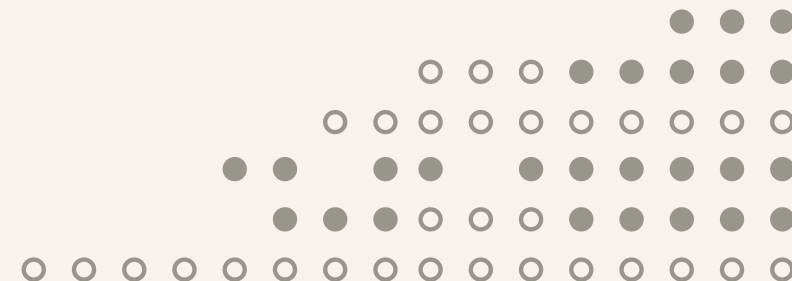
Brent Nicholson

Co-founder & Chief Partner Officer,
Carrum Health

Thank you

info@carrumhealth.com

carrumhealth.com



Employee-Centric Virtual Care Solution: Supporting Families, Visa Employees and HR Teams



Melanie Jones
Sr. Manager
Global Benefits & Immigration
Q2 Software



Lisa Elder
Director of National Enterprise Sales
First Stop Health



Q2

Employee-Centric Virtual Care Solution: Supporting Families, Visa Employees and HR Teams

August 24, 2023



Why Q2 Chose First Stop Health

NOT YOUR TRADITIONAL ELIGIBILITY

Inclusive of the entire employee population and their households – not just those on the group health plan. All families are different, so FSH looks past the traditional “household” definition.

EMPLOYEE ENGAGEMENT CAMPAIGNS

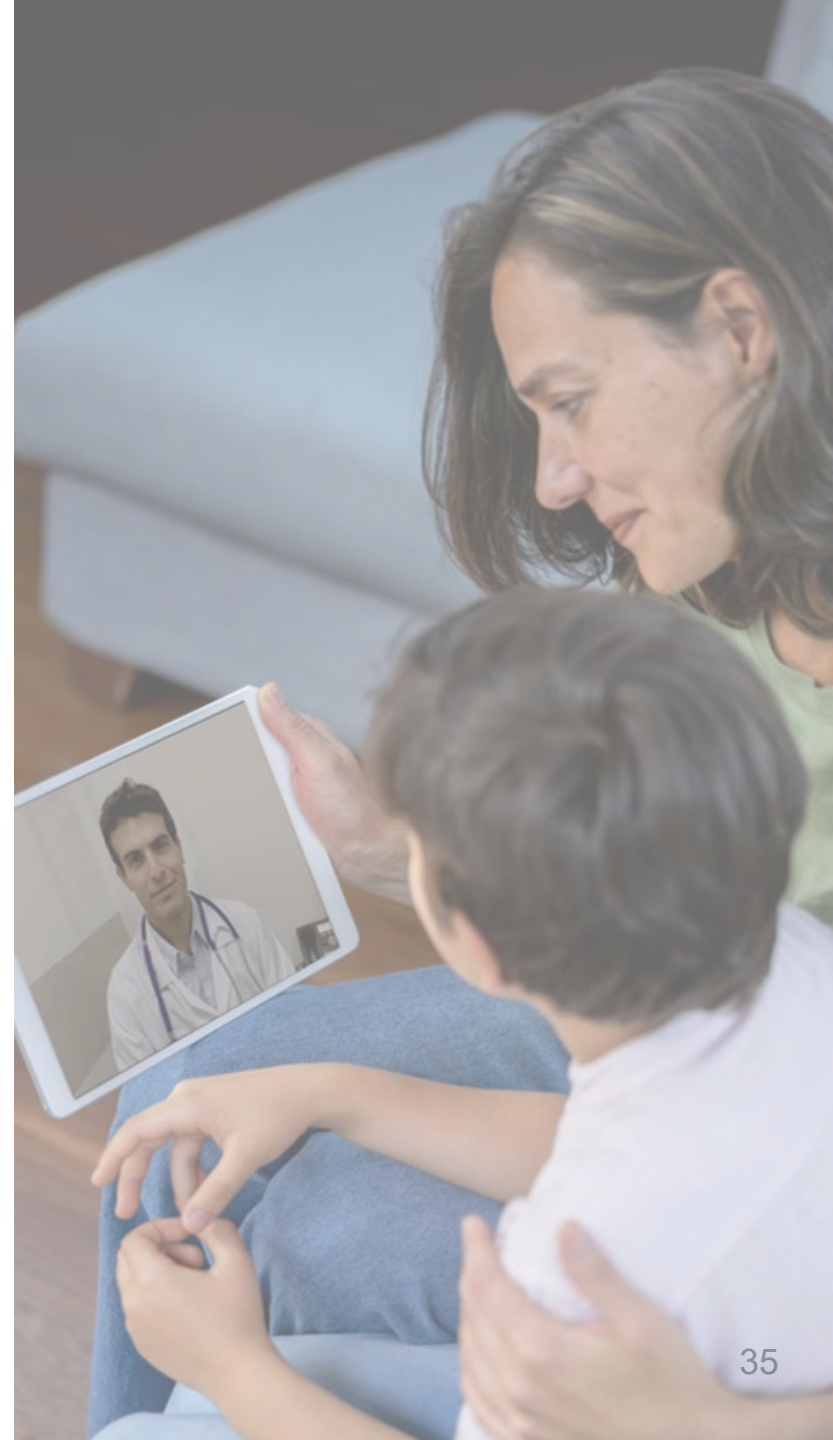
Customized, persona-based campaigns that FSH organizes and implements at no additional cost to take the heavy lift off Q2’s HR Team and drive their incredible utilization.

NON-IMMIGRANT EMPLOYEE PERKS

Leveraged FSH as an easily accessible virtual care solution and first-day benefit to support international employees transitioning into the U.S. health-system.

ROI GUARANTEE

25% Return on Investment performance guarantee ensures the success of FSH virtual care – and makes the finance team happy.



Q2 Results: Mid-Year 2023

66%

VIRTUAL URGENT CARE
UTILIZATION

197%

RETURN ON
INVESTMENT

<6 MINS

TO CONNECT TO A
DOCTOR (ON AVG).
667 EMPLOYEE HOURS
WERE SAVED

31%

VIRTUAL MENTAL
HEALTH UTILIZATION

88%

OF VISITS WERE COST-
DIVERTING FOR
\$188K+ IN SAVINGS

\$125K+

NET SAVINGS ACHIEVED

Feedback From Q2 Employees



4.8/5

Average Dr. Rating



86%

5-Star Visits

“**Simple process.** It was nice to be able to talk to the doctor without having to leave my own home. I did not want to sit in the walk-in clinic or emergency room with people who were much more ill or possibly had COVID so this was perfect. Doctor was **very nice** and **professional** and I was called **within minutes**. I will **definitely use** this service in the future.”

“I had a **wonderful experience** with my visit today! It was **quick, easy,** and super **helpful!**”

START your care with **FH** first stop health®



Urgent Care

24/7 access to a virtual doctor for minor illness and injury. Connect in **minutes via phone, app, or web.**



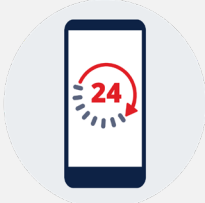
Primary Care

Schedule as soon as **next day** with your virtual PCP for **chronic** issues, **prevention**, and high value **referrals.**



Mental Health

Solution-focused **counseling** for things like **anxiety**, **depression**, **stress**, and **substance** use.



45% Avg. Utilization **70%** No PCP in Last Yr.

Employees Use It



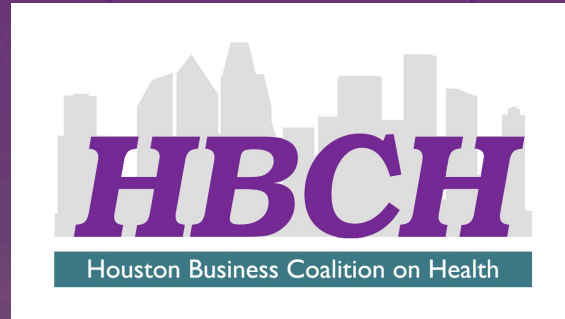
+79 Patient NPS **\$0** Per Visit

Employees Love It



164% Average ROI **30%** Primary Care Util. Guarantee

Employers Get Results



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Direct Care Trifecta: Keep Employees Healthier, Access Quality Care and Reduce Cost



Jeanna Toth
Vice President of
Human Resources
Chesmar Homes/CLM
Mortgage / N Title



Christina Synder
Director of Human
Resources
EHRA Engineering



Juliet Breeze, MD
Founder and CEO
Next Level Urgent Care



Cristin Dickerson, MD
CEO
Green Imaging

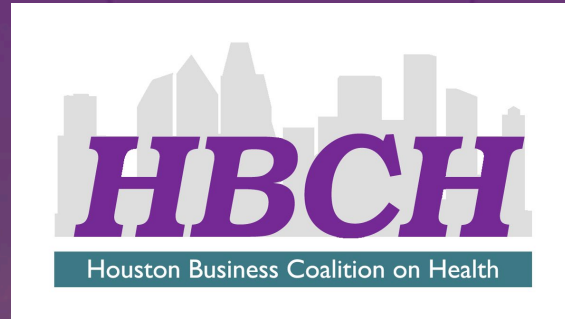
Near-Site Clinics Create Value and Employee Satisfaction



Peggy Haynes
Senior Director of
Auxillary Services
Beaumont ISD



John Farnsley
Executive Vice President
90 degree benefits



TOGETHER WE CAN CREATE VALUE-BASED HEALTHCARE BENEFITS OF THE FUTURE

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Effective Management of Site of Care Utilization – An ACO Journey



Presenters:



Omar Reid

Executive Vice President,
Chief People Officer
Harris Health System



Donnie Aga, M.D.

Chief Medical Officer
Kelsey-Seybold Clinic

- The 4th largest community-based hospital system in the United States
- Level One and Level Three Trauma Center designations
- 43 Ambulatory Care locations

What Sets Harris Health System Apart?

- Achieved #1, the 2022 Top 100 Healthiest Workplaces in America.
- Ranked #1, two consecutive years in the Houston Business Journal's Healthiest Employers within the "Extra Large Companies" category.
- 60% of Harris Health's employees are enrolled in the KelseyCare powered by Cigna health plan.



#1 Healthiest
Workplaces in
America

#1 Healthiest
Employers in
Texas

Harris Health System is dedicated to improving the health of those most in need in Harris County, Texas, through quality care delivery, coordination of care, and education.

Kelsey-Seybold Clinic

Recognized by NCQA as the nation's first accredited Accountable Care Organization



Kelsey-Seybold Clinic is a multispecialty group practice, dedicated to delivering coordinated, accountable care.

We offer medical care in **65 specialties**, employ **750+ physicians**, and operate **37 locations** across the Greater Houston area – growing to **60+ locations** and **1,000+ providers** by 2026.

- NCQA Recognition, Excellence in Diabetes
- NCQA Recognition, Cardiovascular and Stroke Care
- NCQA Recognition, Patient-Centered Medical Home
- National Certification, Quality Oncology Practice Initiative (QOPI) Certification Program for Quality Cancer Care

70+ years delivering collaborative, coordinated care.



 Kelsey-Seybold Cancer Center
healing happens here...



ACO-Based Health Plan Care Coordination

In ACO's, providers collaborate to coordinate care for best outcomes. **ACO's deliver quality care through care coordination, directing patients to the right site of care at the right time:**

- ✓ Reduces the duplication of tests and services
- ✓ Focuses on preventive care and disease management
- ✓ Practices evidence-based care
- ✓ Delivers coordinated care
- ✓ Focuses on value over volume and better health outcomes

Kelsey-Seybold Clinic was named the nation's first accredited NCQA Accountable Care Organization in 2012.

ACO health plans, like KelseyCare and Kaiser Permanente Health Plans, leverage ACO's and major carriers to provide employers a value-based healthcare option.

The KelseyCare health plan model delivers:

- **better** health outcomes
- **higher** member satisfaction
- **significant** savings for businesses (*15-30% lower total medical cost than PPO plans*)



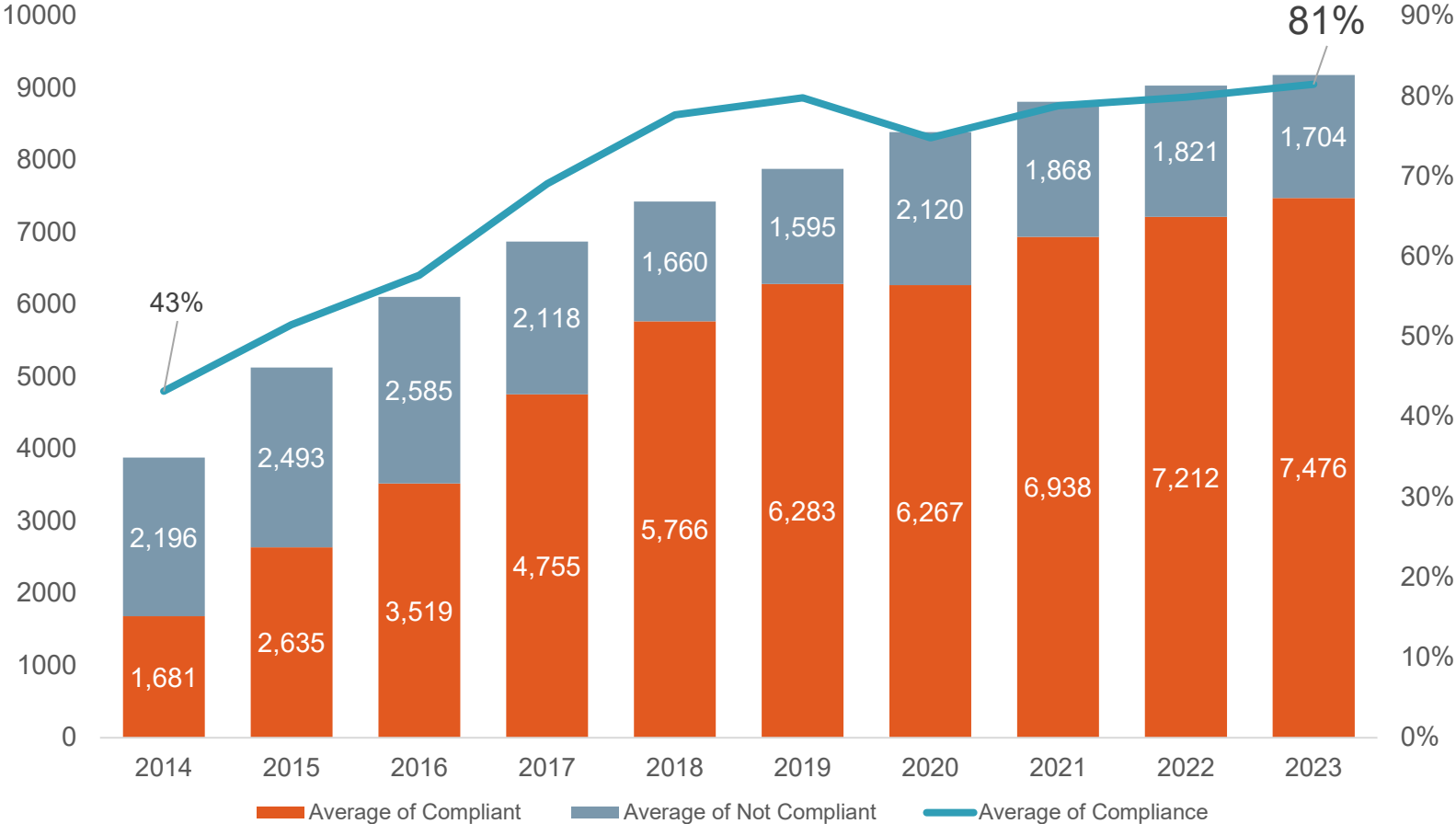
KelseyCare: Integrated Prevention, Disease Management, and Population Health

Current Year Harris Health Active Disease Management

Disease State	Members with Condition	Non-Par%
Diabetes	1,164	5%
<ul style="list-style-type: none"> • HbA1c test < 6 mos: 100% • HbA1c < 8: 74% 	<ul style="list-style-type: none"> • HbA1c < 7: 49% • HbA1c < 9: 84% 	
Asthma	626	10%
	<ul style="list-style-type: none"> • Visit with PCP/Pulm/Allerg < 13 mo: 95% 	
CHF	86	0%
<ul style="list-style-type: none"> • Echo/Cath < 5 yrs: 90% 	<ul style="list-style-type: none"> • Visit with PCP/Cardio < 13 mo: 98% 	
Renal	158	0%
<ul style="list-style-type: none"> • Creatinine test < 12 mo: 100% 		
Hypertension	2,186	1%
<ul style="list-style-type: none"> • BP controlled (<140/90): 77% 		

- 100% of diabetic plan members got their Hba1c tests within 6 months.
- 95% of members with Asthma had a visit within 13 months.
- 98% of members with CHF had a visit within 13 months.
- 100% of members with renal conditions had a creatine test within 13 months.
- 77% of members with Hypertension are currently within controlled levels.

Harris Health Active Periodic Physical Compliance Has Risen Every Year, Currently at 81%



Summary

- Overall compliance is at an all-time high of 81%.
- The longer the ACO engages with members, the higher the participation.
- “Compliance” is the percent of patients that have had their physical according to U.S. Preventive Services Task Force guidelines:
 - <40 every 2 years
 - >40 annually

* Data is Average for each year. Compliance naturally fluctuates as new members are onboarded, as they would be non-compliant by default. By the end of the plan year the compliance is at its highest.

KelseyCare PMPY and High-Cost Claims Compared to PPO

Per Member Per Year Cost Trending

	PPO	KelseyCare	Variance
2020	\$7,379	\$5,716	-23%
2021	\$9,139	\$6,641	-27%
2022	\$9,066	\$6,579	-27%

In 2022, KelseyCare Plan members' PMPY was 27% less than PPO plans.

Catastrophic Claimants Per 1,000 Members*

	PPO	KelseyCare	Variance
2020	20	5.6	-72%
2021	21	9.4	-55%
2022	21	7.8	-63%
AVG	21	7.6	-63%

Over the period 2020-2022, **PPO plans increased 23%**, while **KelseyCare Plans only increased 15%**.

Freestanding Outpatient Facility

Procedure	Utilization	% Freestanding	Savings
Colonoscopy	400-450/year	99%	\$350,000
Joint Replacements	15/year	94%	\$54,000
Radiation Oncology	10-15/year	100%	\$75,000
Annual Savings			\$479,000

ACO-based physician care management more effectively manages the conditions leading to catastrophic claims.

**The catastrophic claimant threshold is \$50,000*

Effective Management of “Site of Care” – ER and Hospital Utilization

ER Per 1,000 Members

	PPO	KelseyCare	Variance
2020	278.6	221.6	-20%
2021	335.4	254.1	-24%
2022	335.4	233.1	-31%

The ER per 1,000 members (2020-2022), show that PPO had higher utilization compared to KelseyCare (-31%).

KelseyCare had 42% fewer bed days in 2022 — 154 fewer days that were not spent in the hospital.

Bed Days Per 1,000 Members

	PPO	KelseyCare	Variance
2020	279.1	191.8	-31%
2021	350.2	241.1	-31%
2022	369.6	216.1	-42%

Hospital Utilization is managed by the ACO’s Hospitalist Team, 49 dedicated providers who manage admissions and care “at the bedside.”

Harris Health Survey Highlights

96%

Would Recommend Kelsey to a family / friend

94%

Had a Good or Excellent Experience with the physician.

97%

Had a Good or Excellent Experience with the nurses.

93%

Had a Good or Excellent Experience with Wait Time

Source: Feedtrail Healthcare XM analysis of 332 Harris Health member surveys submitted in January 2023.

Net Promoter Score: A net promoter score is calculated by percent promoter minus percent detractors.

Kelsey-Seybold NPS	92
Amazon NPS	73
HEB NPS	65
Southwest Airlines NPS	48

How Does the KelseyCare Model Improve the Patient Experience?



Reduces Duplication



Increases Preventive Care



Improves Disease Management



Aims to Improve Overall Health



Providers Are Accountable for Cost and Quality

Questions?

The Advantage of Maternal Health Home Care



METRO
NASHVILLE
PUBLIC
SCHOOLS



THE
LACTATION
NETWORK™



Johnsie Holt
Director of Employee Wellness

**Metro Nashville Public
Schools**



Kim Kozeny
VP, Strategic Partnerships

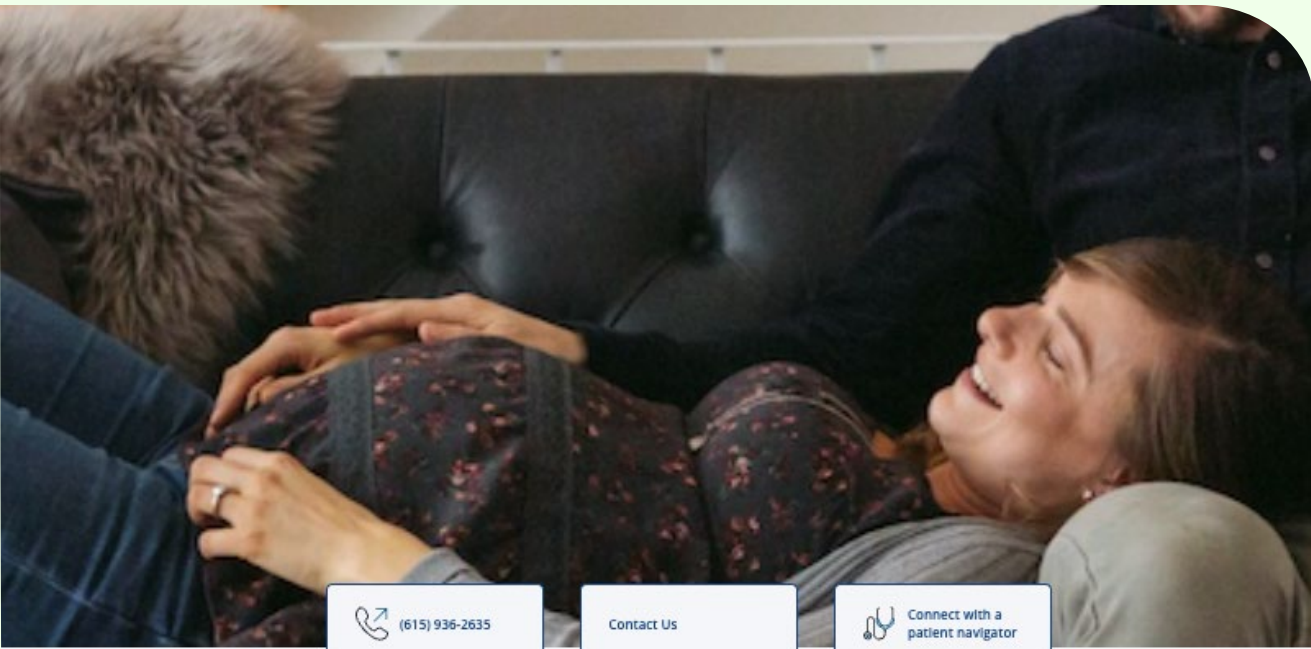
The Lactation Network

84%

of parents intend to breastfeed for both
personal and health reasons.


25%

of parents meet American Academy of
Pediatrics breastfeeding guidelines.



 (615) 936-2635

Contact Us

 Connect with a patient navigator

MyMaternityHealth

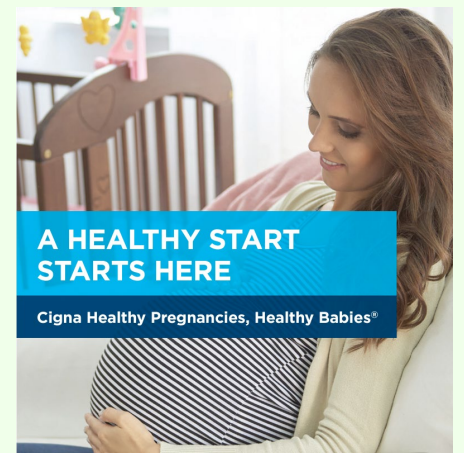
[Benefits](#) [Services](#) [Contact Us](#) [More Information](#)

Welcome a New Bundle of Joy Without a Bundle of Bills

MyMaternityHealth provides an enhanced medical care and service experience for expectant mothers with low to no out-of-pocket costs. The program is an innovative approach that coordinates and 'bundles' all of the services an expectant mother and baby need to receive the best care in Middle Tennessee.

Metro Nashville Public Schools

Prioritizing Maternal Healthcare



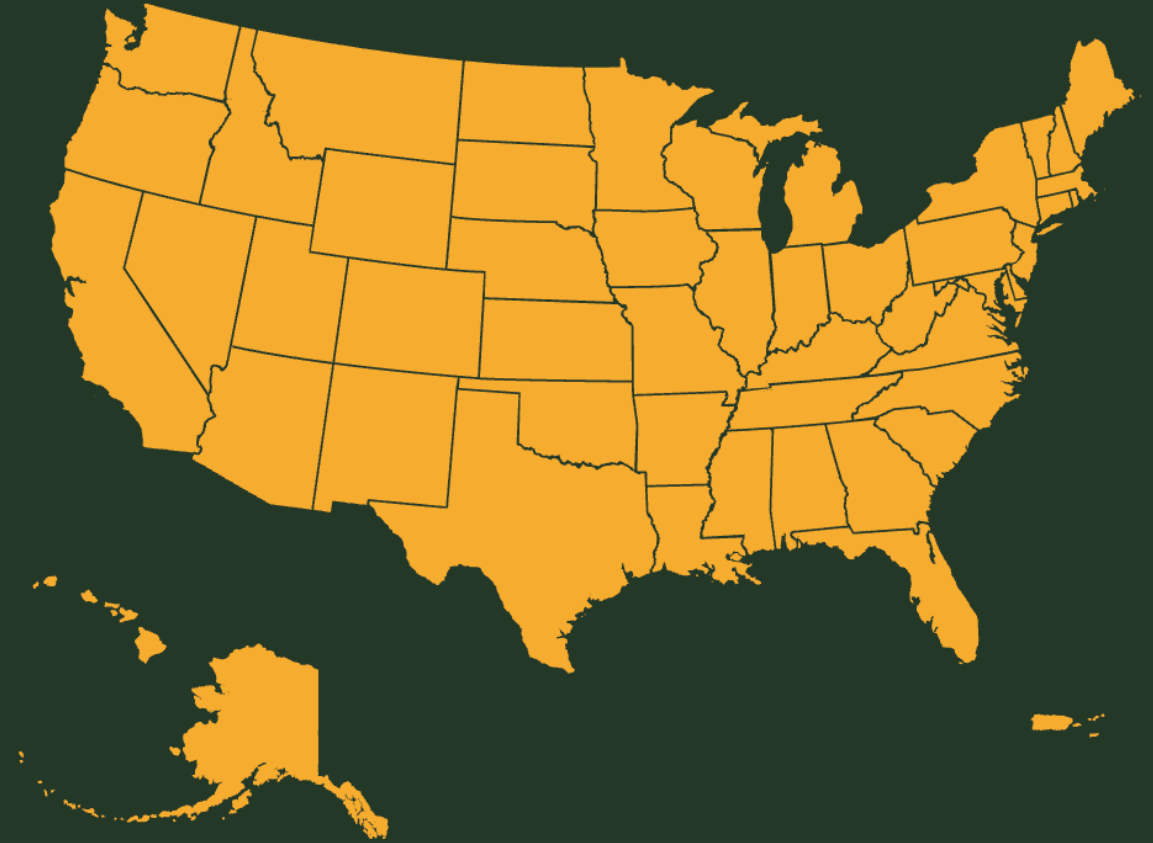
OUR REACH

Providing essential care across the U.S.

With over 2,200+ lactation consultants practicing in all 50 states, TLN is the largest network of IBCLCs in the nation.

We're also the only nationwide network offering in-person care. (We offer virtual options, too.)

- **2,200+ IBCLCS ARE PART OF TLN**
- **IN ALL 50 STATES PLUS DC & PR**
- **AVAILABLE IN-PERSON AND VIA TELEHEALTH**



88% of TLN consultations occur in patients' homes



Introducing The Lactation Network

We connect families with the lactation consultations, breast pumps, and **products they need to thrive**



5-STAR
Patient care
team



**LARGEST
NETWORK**
IBCLCs serving all
50 states



**QUICK
IMPLEMENTATION**
Seamless integration
into existing benefits



UTILIZATION-BASED
No PEP
1 time set up fee + 3
visit bundle



DIRECT CLAIMS BILLING
Bill through your
health plan or directly
through TLN

Telehealth and in-person care are *not created equal*.

While telehealth care is preferable to no care at all, telehealth is not a replacement for in-person lactation care.

> [Breastfeed Med](#). 2021 Jan;16(1):39-45. doi: 10.1089/bfm.2020.0200. Epub 2020 Dec 23.

Social Support During COVID-19: Perspectives of Breastfeeding Mothers

Kailey Snyder ¹, Gwen Worlton ²

Affiliations + expand

PMID: 33372829 DOI: [10.1089/bfm.2020.0200](#)

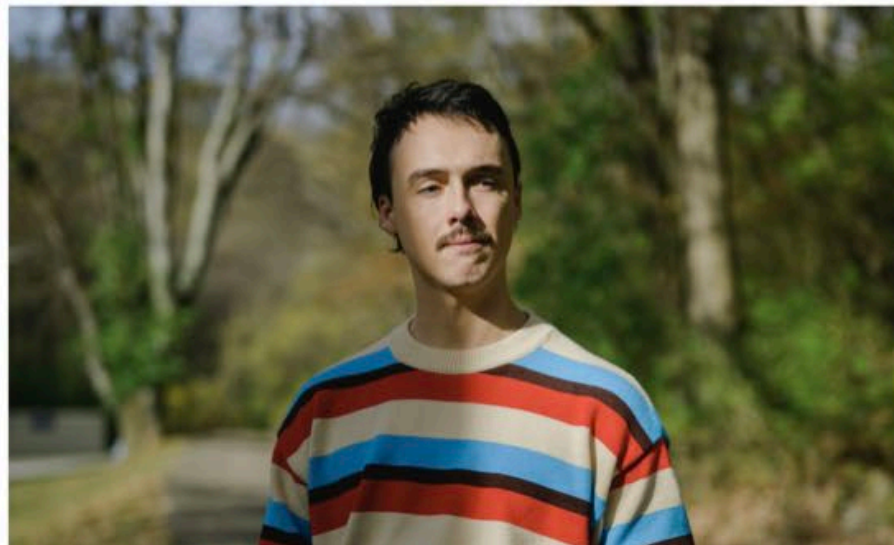
Abstract

Introduction: Effective social support can have a critical influence on a mother's ability to initiate and continue breastfeeding. Coronavirus disease (COVID-19) has created unprecedented barriers for breastfeeding mothers to obtain various types of support: emotional, instrumental, informational, and appraisal. However, no research has evaluated the influence the pandemic has had on breastfeeding supports. The purpose of this study was to explore perceptions of social support among breastfeeding mothers during the COVID-19 pandemic. **Materials and Methods:** A cross-sectional phenomenological approach was taken utilizing semistructured interviews (March-June 2020) with currently breastfeeding mothers ($n = 29$). Data were analyzed through a process of immersion and crystallization. **Results:** Mothers are still able to obtain each type of support, however, support has been negatively influenced by the pandemic. Mothers reported experiencing increased stress and isolation and had an immense desire to receive in-person support from peers, family, childcare providers, and lactation specialists. Furthermore, mothers of multiple children felt if they did not already have breastfeeding knowledge from previous experiences they would be unsuccessful in breastfeeding due to their current lack of support. Conversely, a majority of mothers felt the pandemic had positively influenced their breastfeeding journeys due to concerns of formula shortages and extended maternity leaves. Finally, mothers were concerned about safely

THE WALL STREET JOURNAL

The Failed Promise of Online Mental-Health Treatment

Heavy advertising and other strategies from Silicon Valley's playbook boost providers' growth but not the quality of care



FIERCE Healthcare Providers Health Tech Finance Payers Regulatory Special Reports

in

twitter

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envelope

link

HEALTH TECH

ED discharges with tele follow-ups more often return visits, admission finds

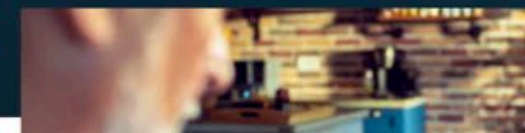
By Dave Muolo · Oct 27, 2022 03:50pm

Telehealth

JAMA Network

Readmissions

Quality



Employer coverage goes a long way

ATTRACT TALENT

83%

of millennials would change jobs for better family benefits.

LIFT PRODUCTIVITY

2x

Parents miss work more than twice as often when their babies aren't breastfed.

SAVE MONEY

\$75,000

is the average cost of replacing a new parent as an employee.

Let's close the coverage gap together

HERE'S WHAT TO DO NEXT:



GET CURIOUS

Explore the care options you offer from the perspective of a parent



START A CONVERSATION

Contact your insurer about coverage options. Remember that this care is mandated by the ACA



TAKE ACTION

If your network is limited (or even non-existent), an in-house workplace lactation program could be the answer

What are your coverage questions?

THANK YOU

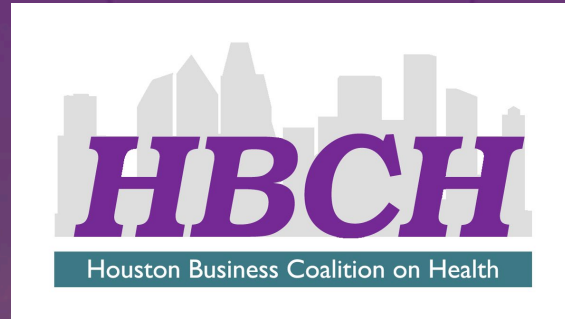


1621 W. CARROLL AVE.
CHICAGO, IL 60612

TLN.CARE

WE ARE AN EVOLVING

parenthood movement.



TOGETHER WE CAN CREATE VALUE-BASED HEALTHCARE BENEFITS OF THE FUTURE

TRANSPARENCY | SMART NETWORK | LEGISLATION | COMMUNITY

Employer Evaluation of Switching to a Fully-Aligned PBM



Karen McConnell
System Vice President
Pharmacy Enterprise
Chief Pharmacy Officer
Common Spirit/St. Luke's Health



Josh Golden
Senior Vice President, Strategy
CapitalRx

Employer Evaluation of Switching to a Fully Aligned PBM

Karen McConnell, PharmD, MBA
System Vice President, Pharmacy Enterprise
Chief Pharmacy Officer, CommonSpirit Health

Josh Golden
Senior Vice President, Strategy
Capital Rx

One of the nation's largest nonprofit health care systems, *by the numbers*:

2300
143
21

Care sites

Hospitals

States

150,000

Employees

25,000

Physicians/advanced practice clinicians

\$34B

Annual operating revenue

20M

Patients served in big cities and small towns

\$4.9B

Charity care provided



Evaluation Plan

- CommonSpirit evaluated avenues to reduce the cost and improve service for our employee pharmacy benefit plans (PBM), currently engaged in a traditional PBM model
- A multi-disciplinary team was created with employee benefits and pharmacy leaders to evaluate a set of PBM options
- We set a timeline for decision making and implementation so we could drive value as soon as possible
- We evaluated traditional PBM models, in addition to alternative PBM approaches





FTC Deepens Inquiry into Prescription Drug Middlemen

Goal of the FTC's inquiry is to shed light on several PBM practices:

- Charging fees and clawbacks to unaffiliated pharmacies
 - **Results in high costs for the retail pharmacies**
- Steering patients towards PBM-owned pharmacies
 - **Results in less competition for PBM and keeping revenue in-house to the PBM**
- Potentially unfair auditing of unaffiliated pharmacies
 - **Creates an unfair advantage for affiliated pharmacies**
- Use of complicated and opaque pharmacy reimbursement methods (e.g., spread pricing)
 - **Increases costs of medications, as more is charged for higher costs medications**
- Negotiating rebates and fees with drug manufacturers that may skew the formulary incentives and impact the costs of prescription drugs to payers and patients
 - **There is an adverse incentive for high-cost medications instead of using clinically appropriate and cost effective medications**

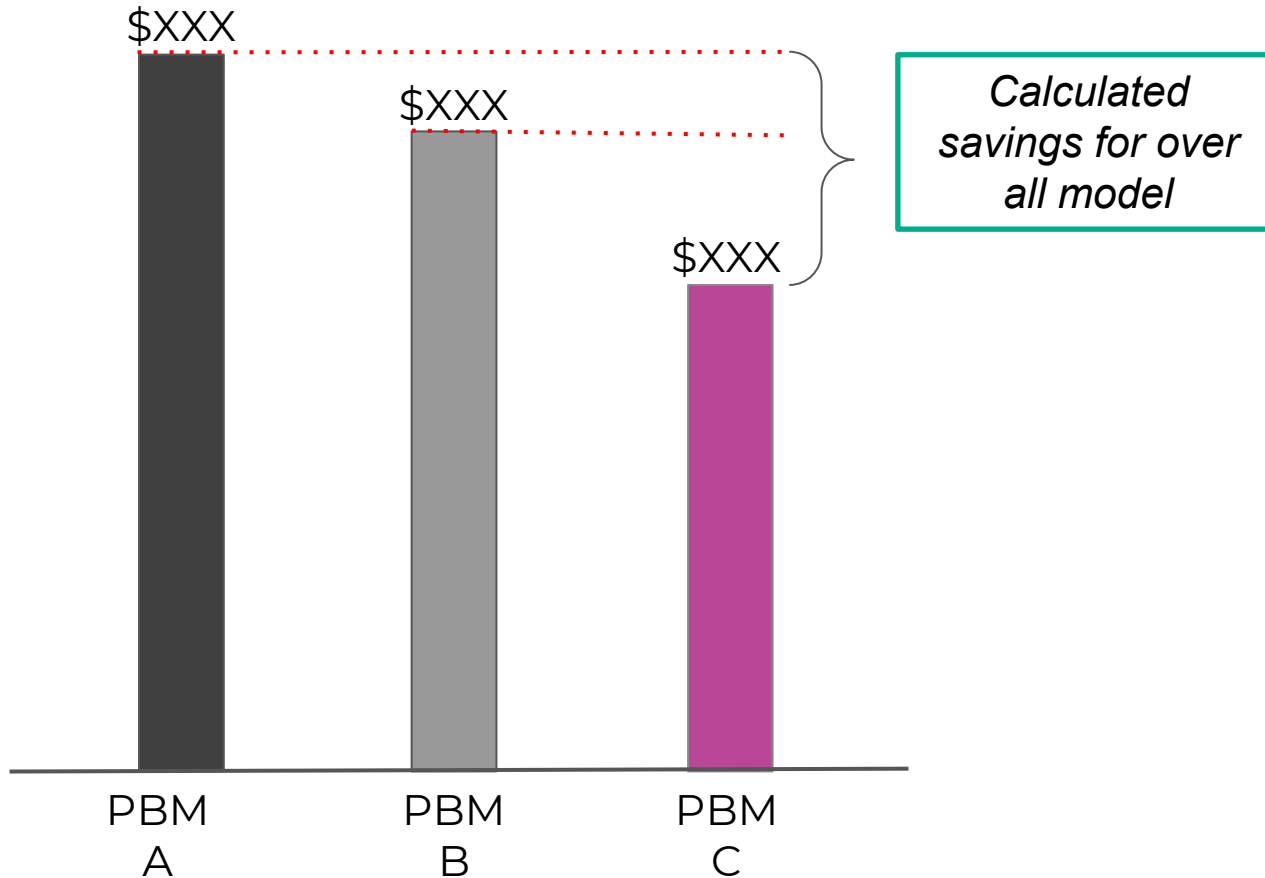
Focusing on:
CVS Caremark; Express Scripts, Inc.; OptumRx, Inc.; Humana Pharmacy Solutions, Inc.; Prime Therapeutics LLC; and MedImpact Healthcare Systems, Inc.; Zinc Health Services, LLC, and Ascent Health Services, LLC.

PBM Market Overview

- The biggest traditional PMBs own approximately 80% of the PBM market
- These PBMs are quite profitable (~\$30B+ in profits off \$350B+ in revenues), but the current rebates structure, pricing and risk sharing models often do not align with employer interests
- Next generation PBMs are now entering the market with increased technological sophistication, greater transparency, consistent pricing models and alignment with Health systems

Total PBM Expenses Comparison

Comparing PBM options, we wanted a lower expense model that also enabled technology, transparency and outstanding customer service

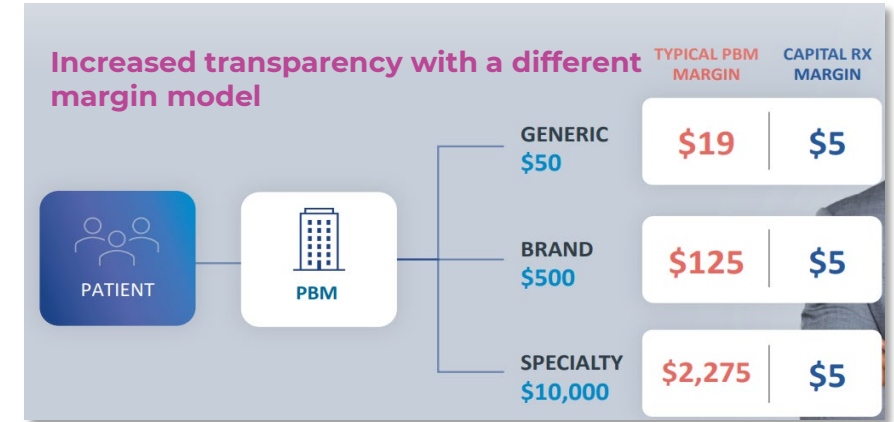


- A business model reliant on consistent pricing compared to spread pricing in traditional model) and transparency
- Tech-enabled framework for optimization, ease of use and cost management
- Great customer service demonstrated objectively
- Optimized medication use to more cost-effective, clinically appropriate options

Our choice? Capital Rx

A fully aligned PBM company:

- Formed by industry veterans looking to bring new thinking and alignment in PBM
- Differentiated by
 - In house technology, JUDI, for easier implementation and innovation
 - Optimized transparency – including all rebates
 - Different pricing model – all claims, regardless of drug price, cost the same to adjudicate
 - Demonstrated great customer services



Award-Winning Customer Service

#1 in PBM

DELIVERING AN UNPRECEDENTED EXPERIENCE 24/7, 365 DAYS A YEAR

4 SECONDS AVERAGE TIME TO SPEAK TO A PHARMACIST

5 SECONDS AVERAGE TIME TO SPEAK TO A CUSTOMER CARE REPRESENTATIVE

97% FIRST CALL RESOLUTION YTD CUSTOMER SATISFACTION RATING

70% OF REPS are PTCB-certified PHARMACY TECHS

Capital Rx At A Glance

THE FASTEST GROWING HEALTHTECH COMPANY IN AMERICA

- 200 Active Clients
- >2 Million Member Lives
- Commercial & Health Plan Market Presence
- Founded in 2017 | 450+ Employees
- 62,000+ Pharmacies In-Network
- \$175M in Funding Raised (Management Controlled)

100% IMPLEMENTATION SATISFACTION

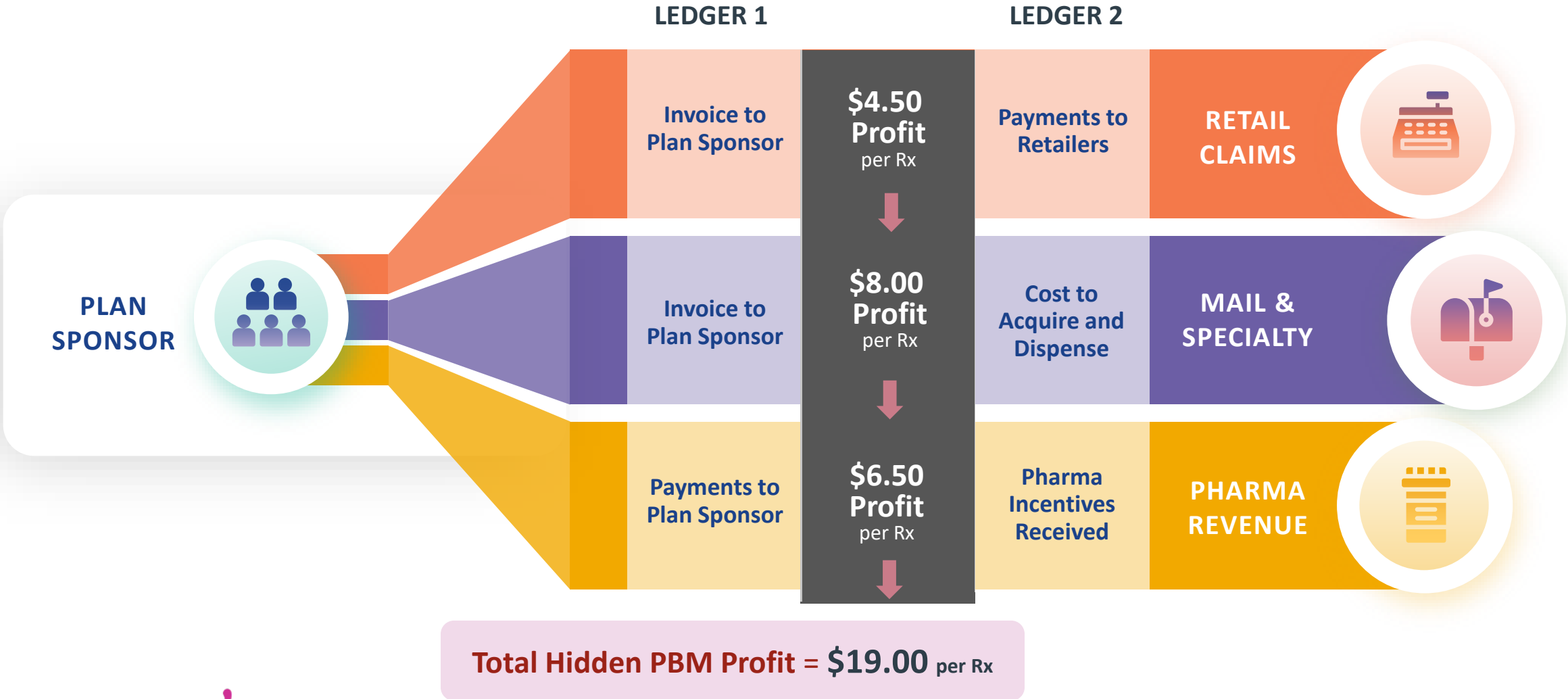
99.5% CLIENT RETENTION

96 NET PROMOTOR SCORE (NPS)

90 PATIENT SURVEY NET PROMOTOR SCORE

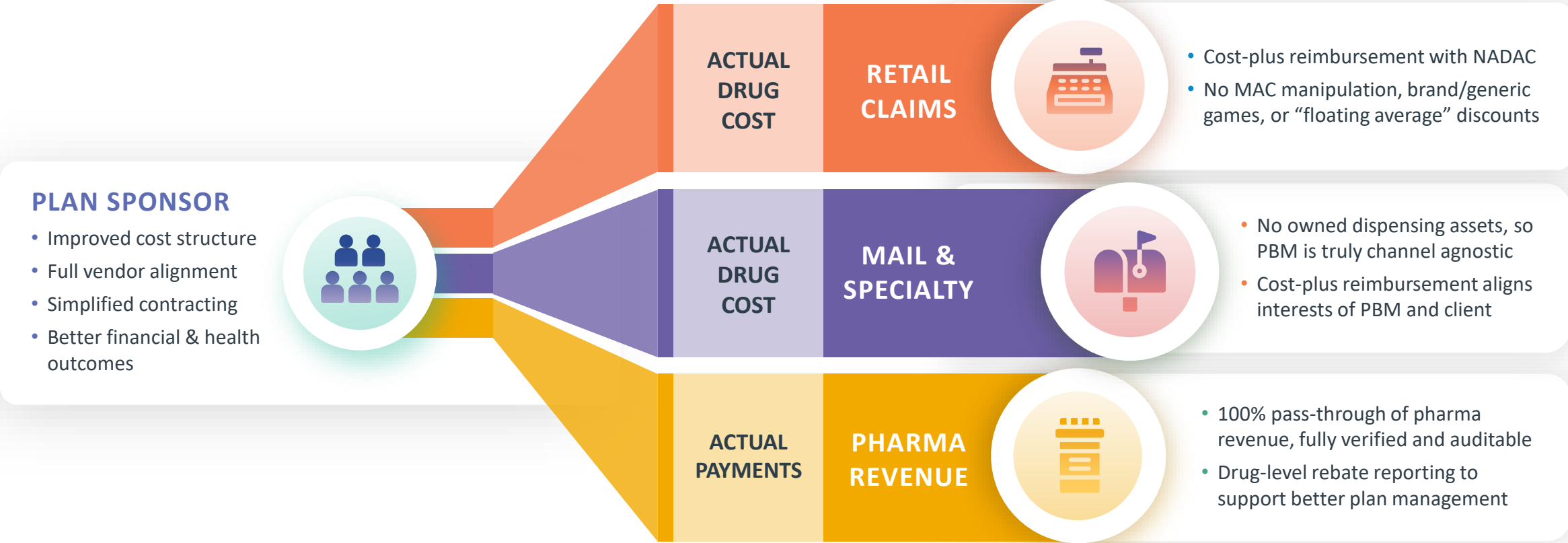
10% to 30% AVG PMPM COST TREND REDUCTION IN YEAR 1

How a Traditional PBM Uses a Dual-Ledger System for Profit



Capital Rx's Single-Ledger Model Eliminates Hidden Profit

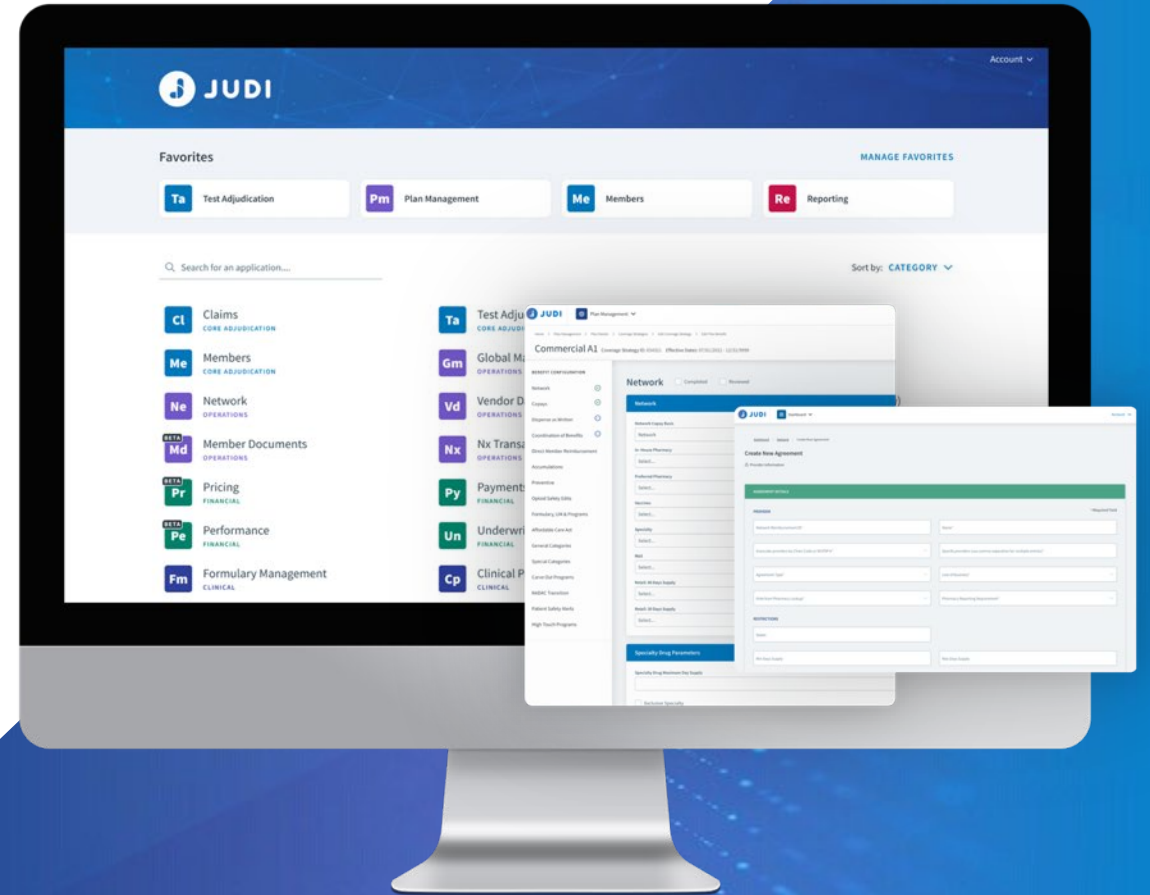
SINGLE LEDGER



Let Us Bring Your Pharmacy Plan Into the 21st Century




DEFINING A NEW INDUSTRY STANDARD FOR HEALTHCARE TECHNOLOGY

LEGACY PLATFORMS



The Competitive Landscape

A HIGH-LEVEL COMPARISON OF JUDI® VS. LEGACY INDUSTRY PLATFORMS

	JUDI®	RXCLAIM	LAKER
Architecture	Cloud (AWS) - PaaS	On-premise	On-premise
Developer	Capital Rx	Optum (United)	Elixir (Rite Aid)
Released	2020	1993	2004
Open API Architecture			
Versions	Capital Rx 	CVS, MRx, Prime, United 	Elixir, Maxor,  vitus
Platform Code	Python, React	Synon, COBOL	C++, .NET
Platform Interface	Natural Language / GUI	Coded / Backend	Coded / Backend
Change Order (plan level)	3-5 <u>MINUTES</u>	30-45 DAYS	30-45 DAYS
New Plan Setup	8-12 <u>HOURS</u>	400-600 HOURS	250-350 HOURS
Infrastructure Deployment	1 <u>DAY</u>	6-12 MONTHS	3-6 MONTHS

Evaluation Checklist



- ❑ How do the costs stack up?
 - ❑ Consider analysis by a 3rd party to evaluate all-in costs
 - ❑ Evaluate total PMPM costs, inclusive of rebates (not % savings)
 - ❑ Is spread pricing used?

- ❑ Are high cost medications being approved when clinically appropriate, cost-effective medications are an option?
 - ❑ Ask internal/external pharmacy experts to evaluate your formulary

- ❑ What are the PBMs net promoter scores?
 - ❑ How well will they interact with your employees and your leaders?

Evaluation Checklist



- ❑ How easy is the transition to the new PBM?
 - ❑ What are their implementation satisfaction scores?
 - ❑ How up-to-date is the technology that they are using?
 - ❑ What innovations do they have to drive cost-effectiveness, convenience and satisfaction

- ❑ How transparent is the PBM when you ask about the rebates they receive from pharmaceutical companies?
 - ❑ Are you getting all of the information you are asking for?
 - ❑ But are you really?

Questions or Comments?

HBCH CONFERENCE | 2023

The Value of Alternative Medical Facility Sites of Care

The Triple Aim: Employers and Providers Work Together to Improve Patient Outcomes and Experience, Saving OOP Costs and the Plan 20-30%



George Brown
Director of Health Plan
Strategy & Operations L&F
Distributors, LLC



Andres Martinez
Benefits Manager
L&F Distributors, LLC



Sean Kelley
Co-Founder &
Managing Partner
Texas Medical Management



Texas Medical Management & L&F Distributors

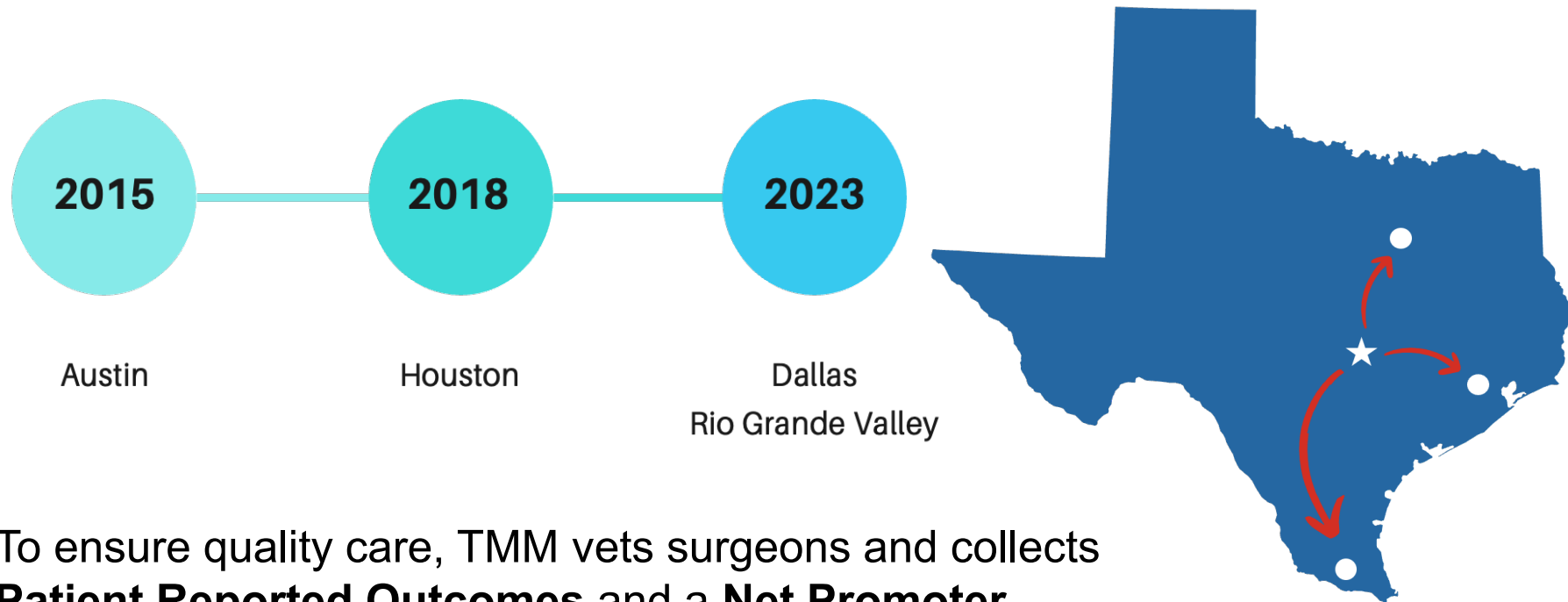
Trusted surgery center offering bundled surgeries to
L&F Distributors Health Plan members since 2016



Texas Medical Management & L&F Distributors

Trusted surgery center offering bundled surgeries to
L&F Distributors Health Plan members since 2016

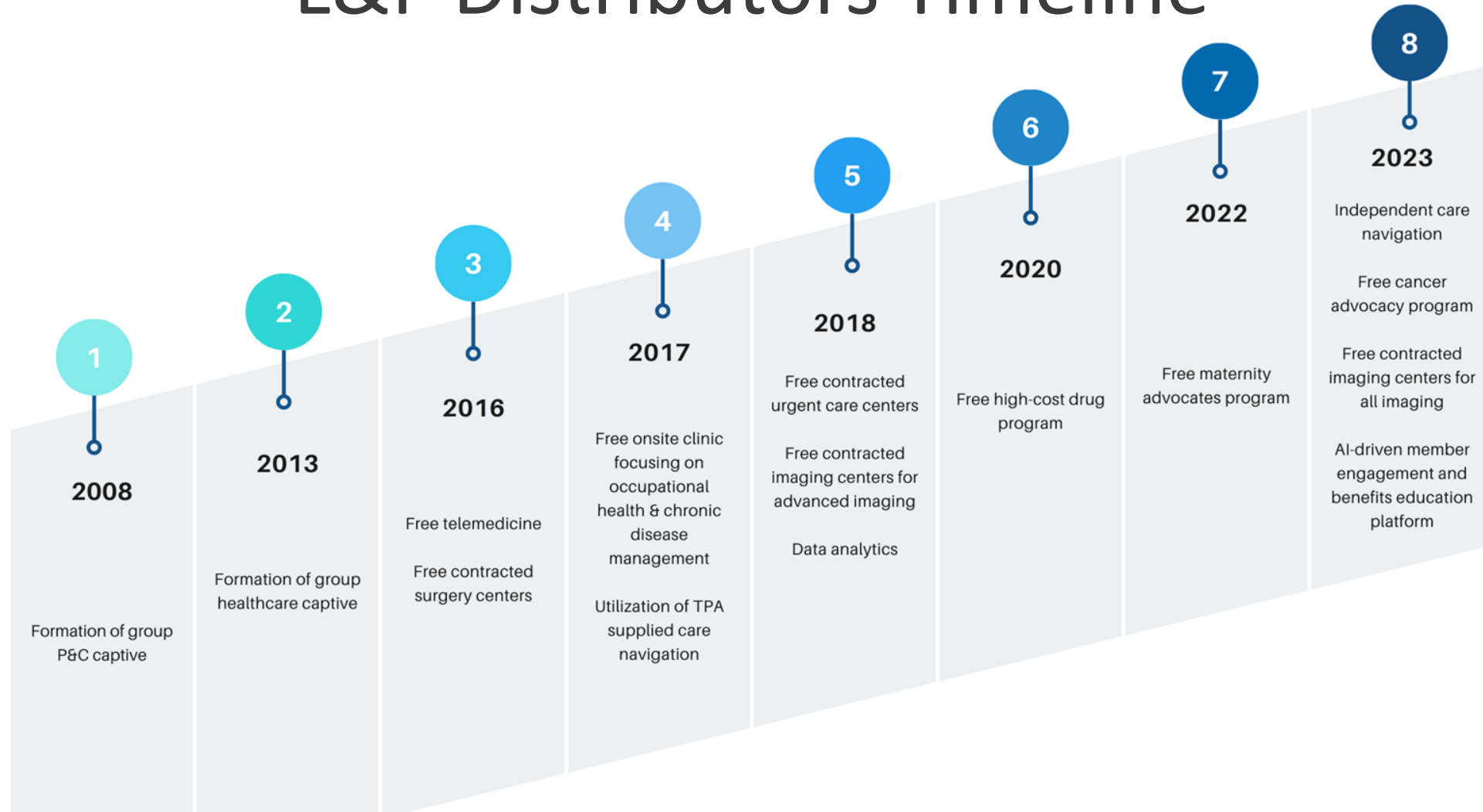
Texas Medical Management



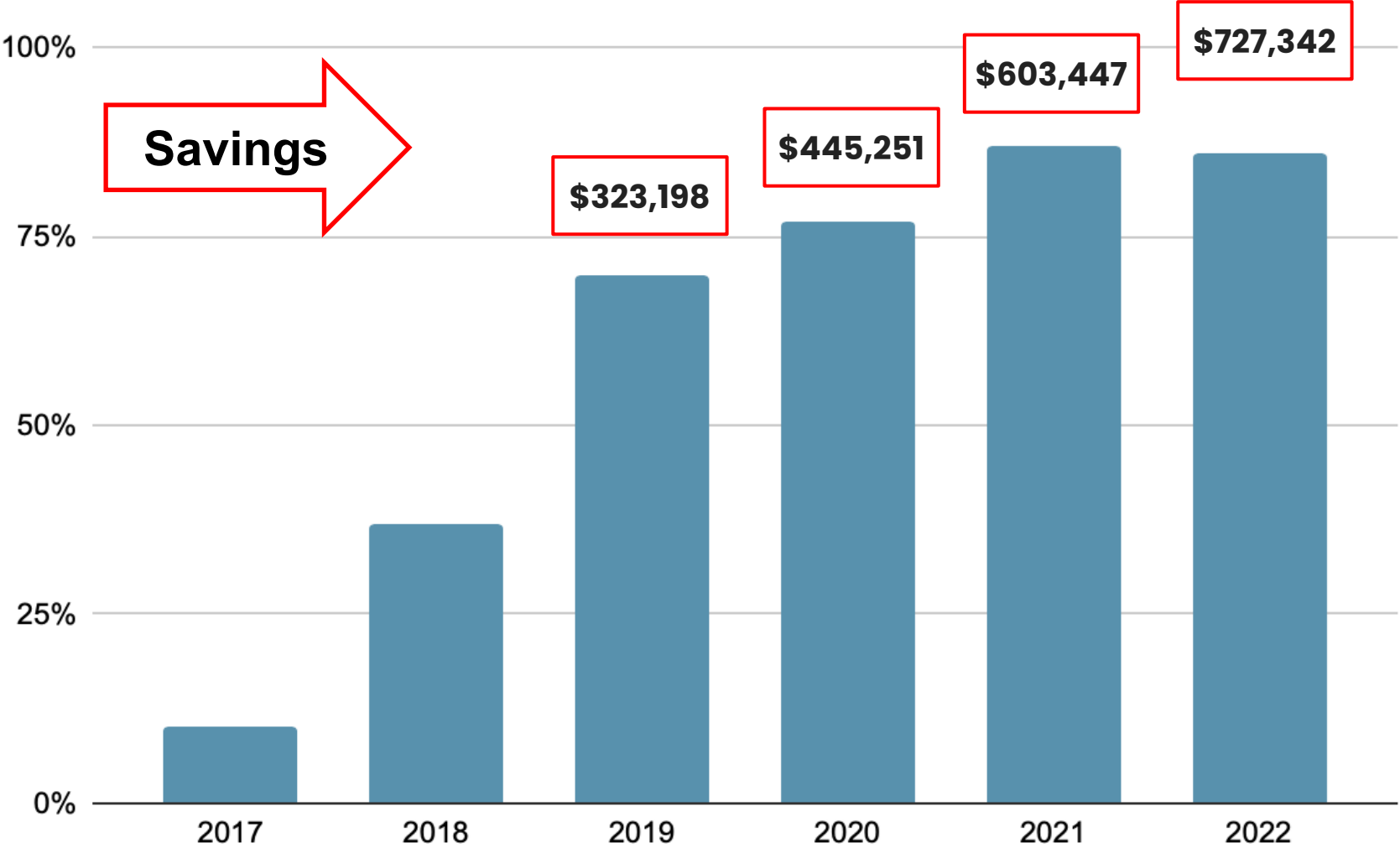
To ensure quality care, TMM vets surgeons and collects **Patient Reported Outcomes** and a **Net Promoter Score**, as of today: 87!



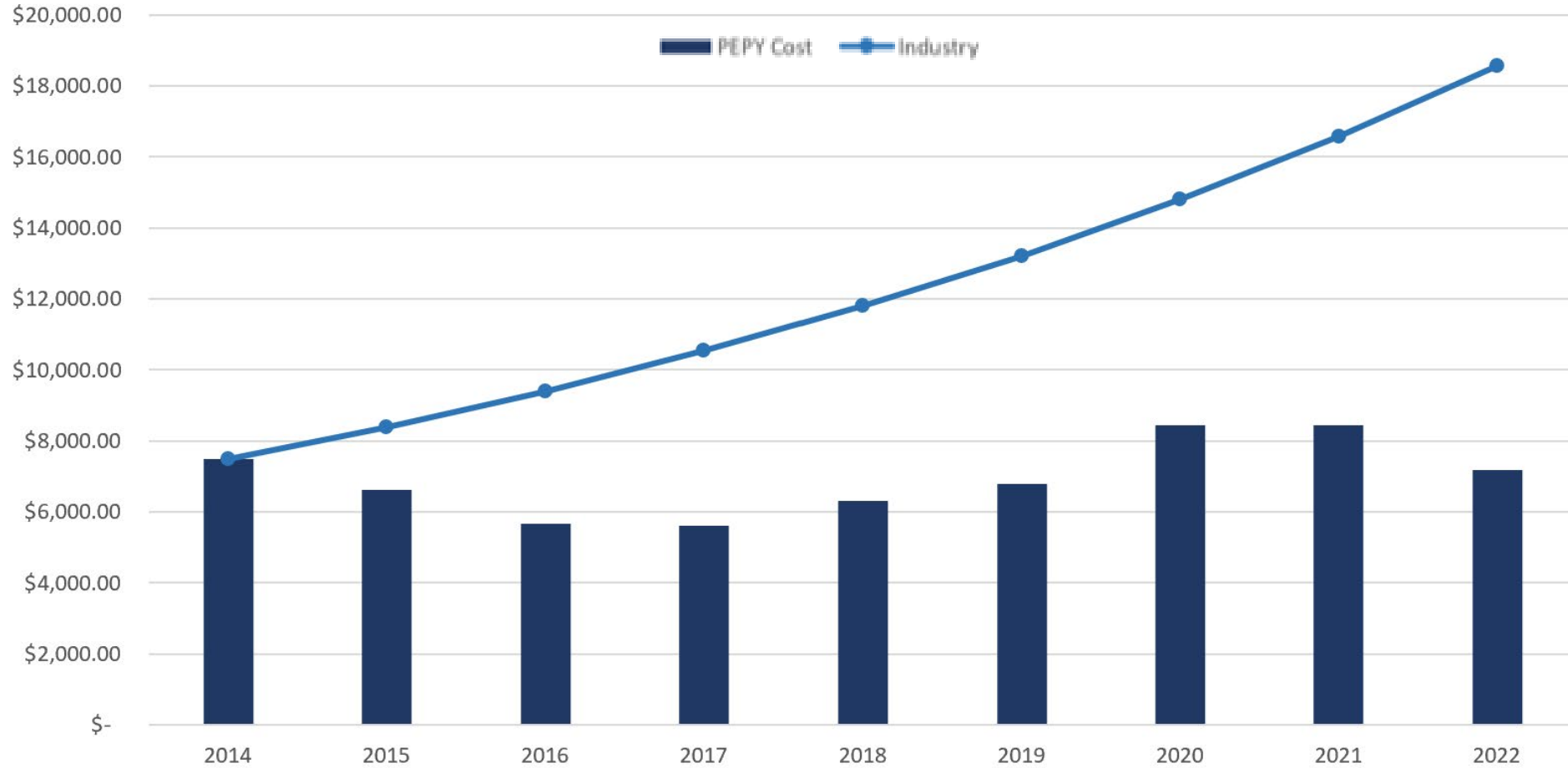
L&F Distributors Timeline



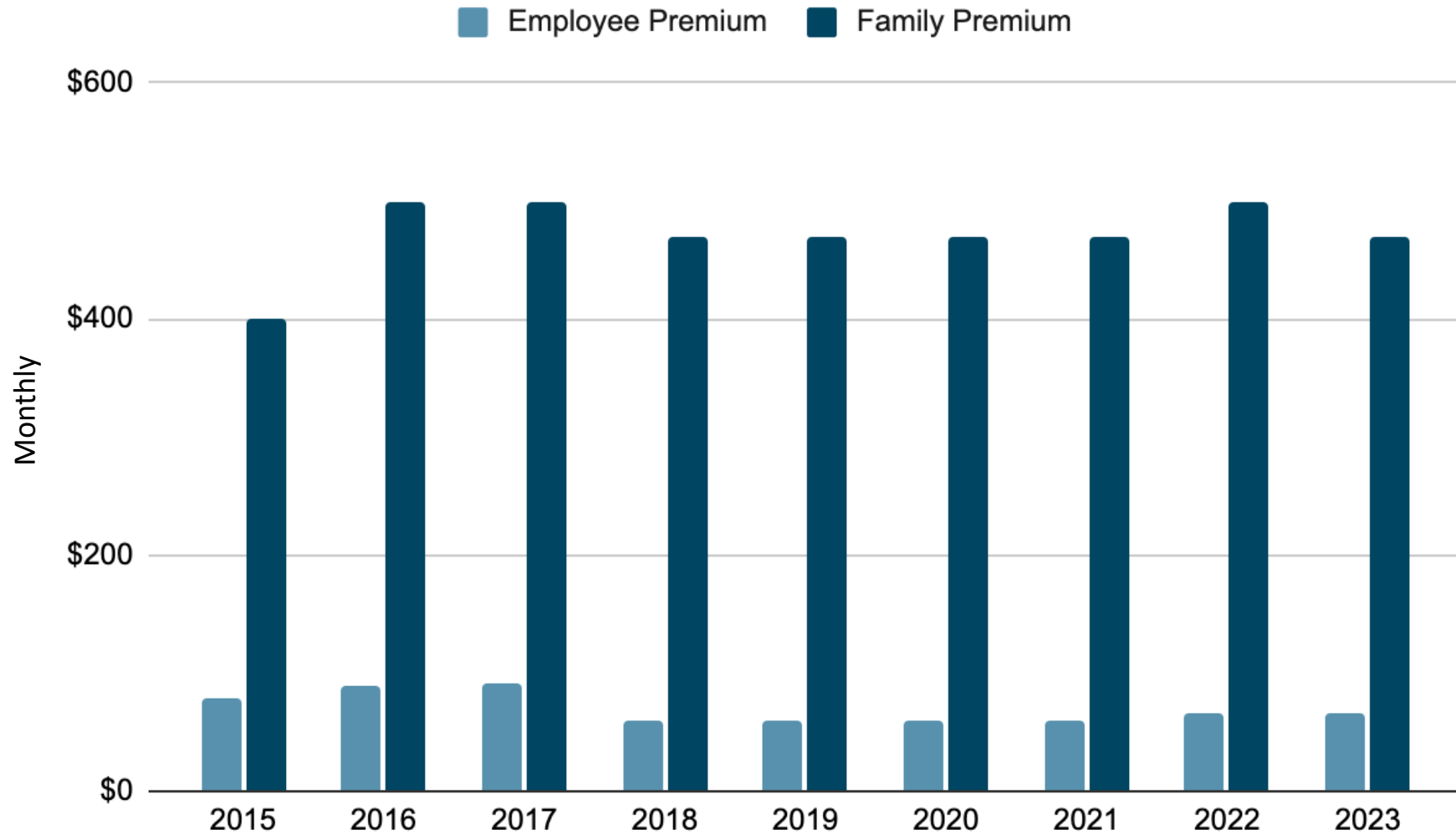
L&F Surgery Center Utilization



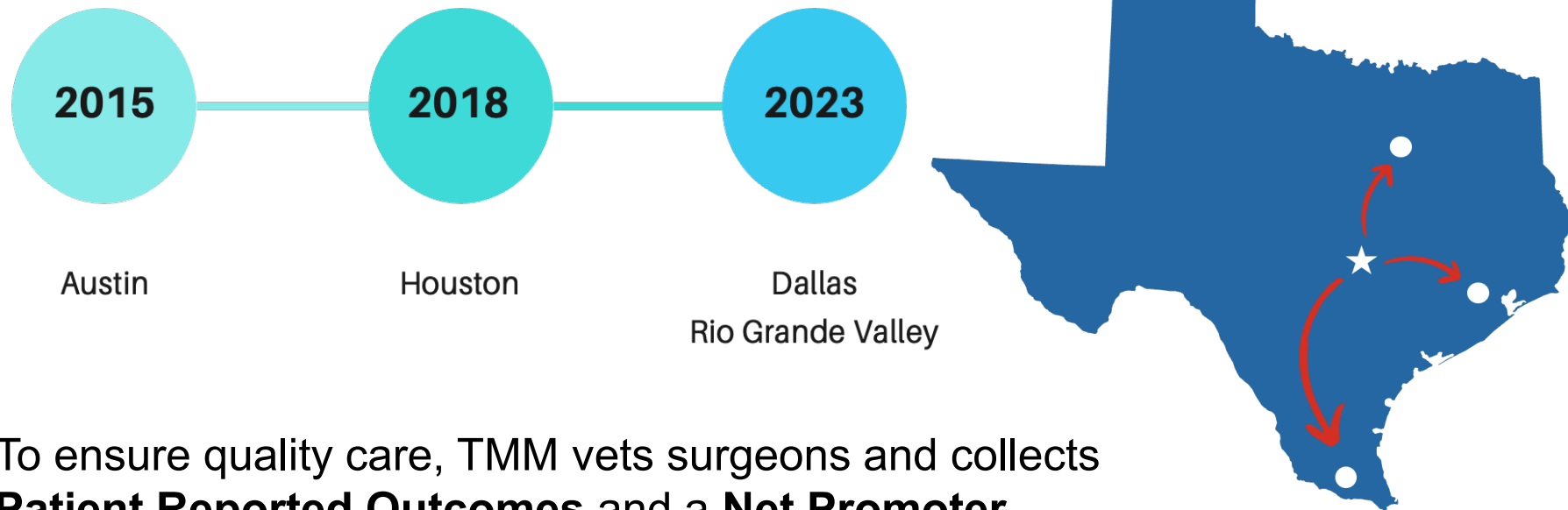
L&F vs Industry PEPY Cost



L&F Member Premium



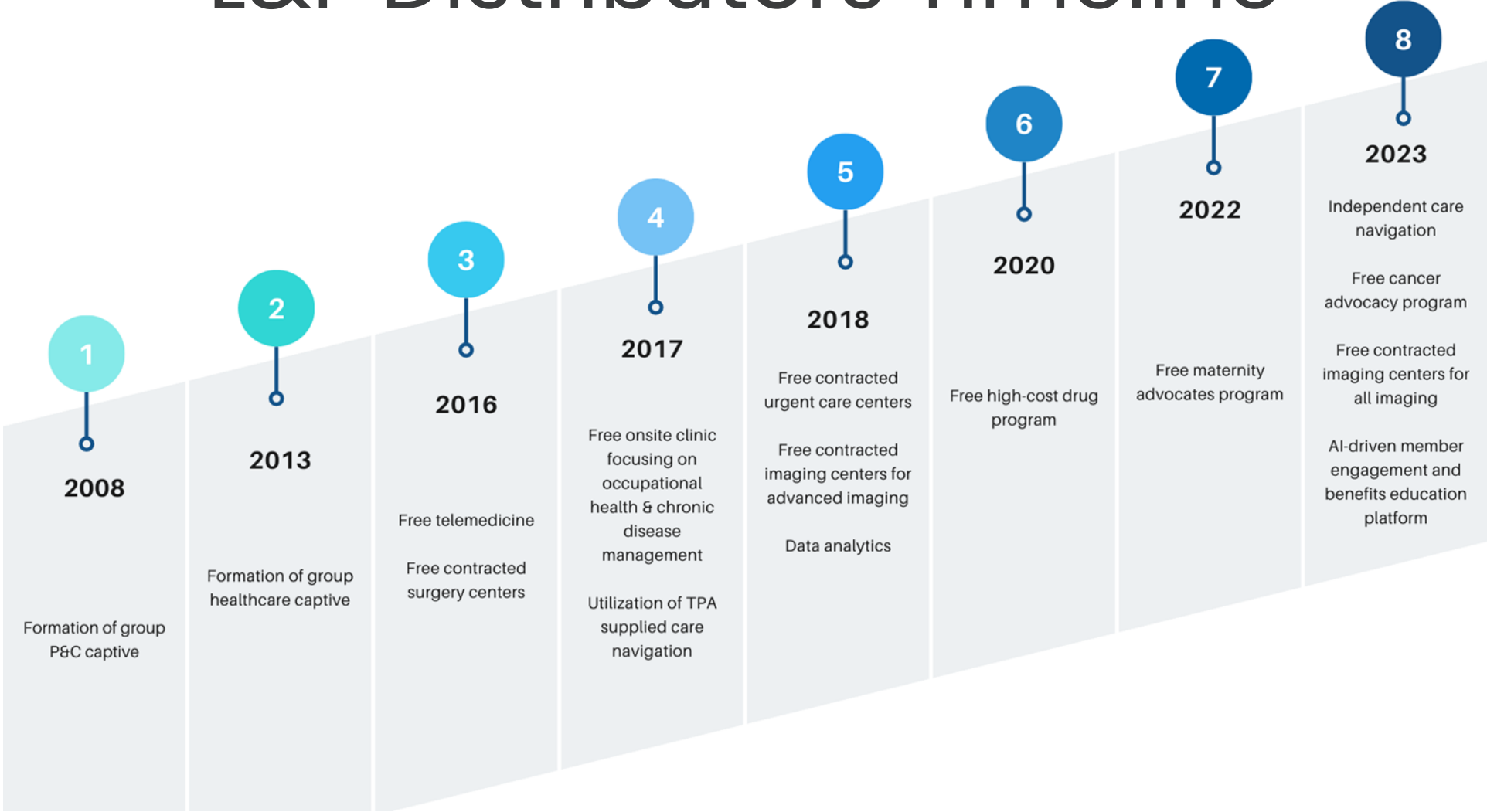
Texas Medical Management



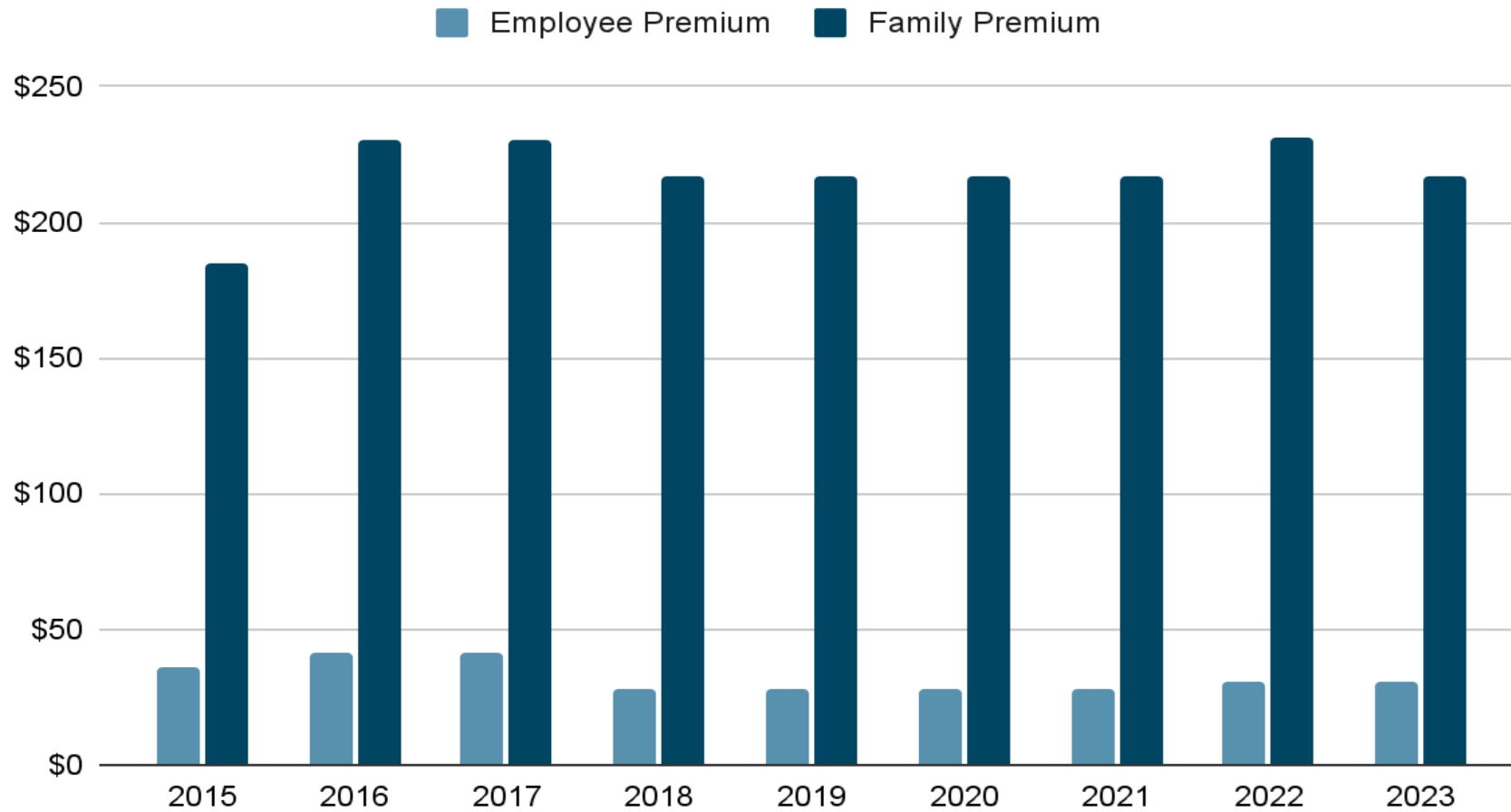
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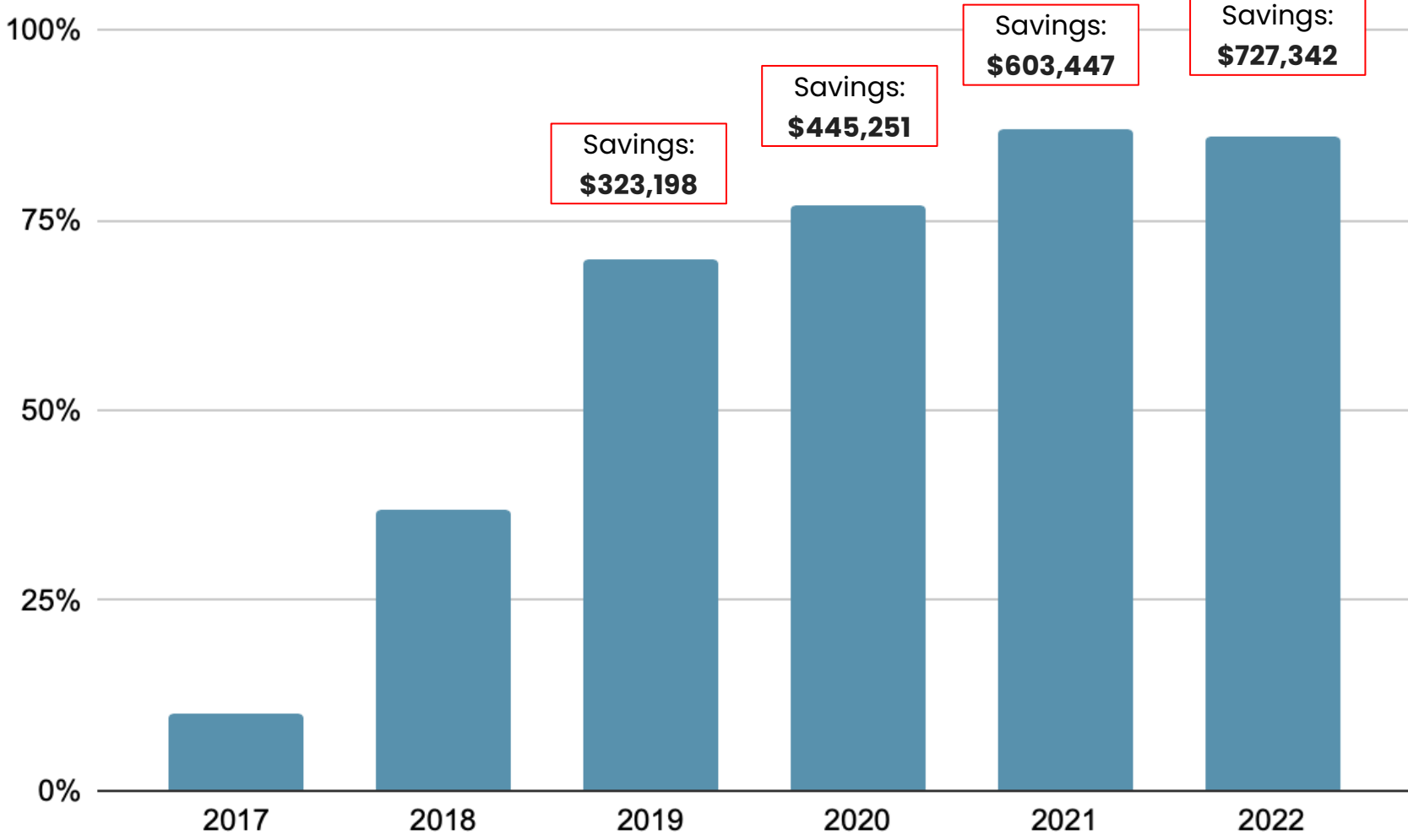
L&F Distributors Timeline



L&F Member Premium



L&F Surgery Center Utilization





Baylor
College of
Medicine



Empower, Engage, Excel:

Integrating Digital
Therapeutics into your
Benefit Ecosystem





Monica G. Williams

Executive Director, Benefits
Baylor College of Medicine



Jenn Roberts

VP, Employer Health Strategy
Hello Heart

There are so many digital solutions



How do you choose?

How do you ensure they're effective?

Employer Profile:

A leading medical school with a complex care ecosystem



Baylor College of Medicine (BCM) profile:

Headquarters:
Houston, Texas

Industry:
Healthcare/Education

Adult members:
13,805

Average member age:
41



Diverse member population



Domestic and global offerings



Top chronic conditions:
uncontrolled high cholesterol
and high blood pressure

#1

most expensive
chronic disease

#1

in prevalence

#1

killer of adults

Drive better engagement,
clinical outcomes, and ROI
with a solution that
integrates your ecosystem



Hello Heart focuses exclusively on heart health



High blood pressure



High cholesterol



Heart flags

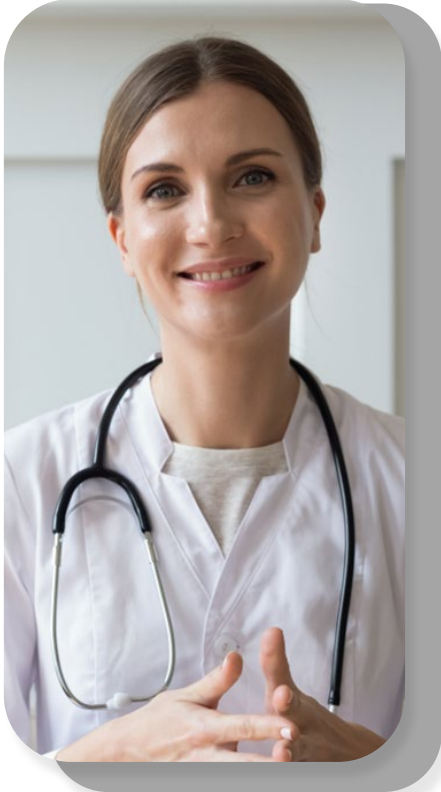


Women's heart health

The program fits seamlessly into your current ecosystem



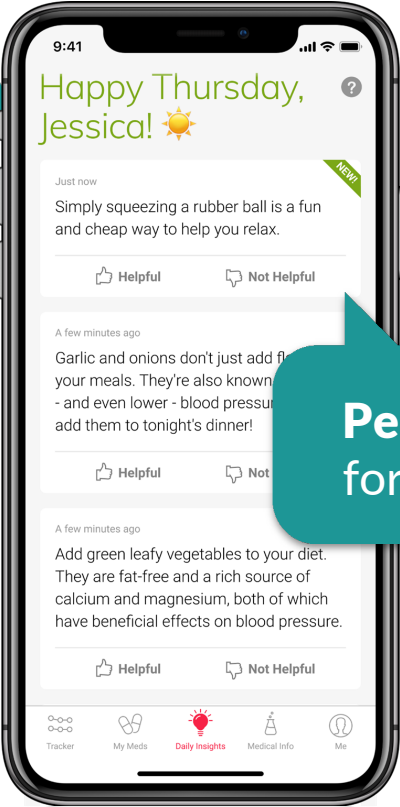
Our digital approach complements your health coaches



Live Guidance from Your Health Coaches

REINFORCE

REFER





Personalized for Each User


100% Digital, On-Demand Coaching from Hello Heart

Employer Profile: Example of our co-branded materials



BCM105

 | 

 BCM points available. Learn more at www.powerofvitality.com

Is your heart healthy? Are you at risk for a heart attack?

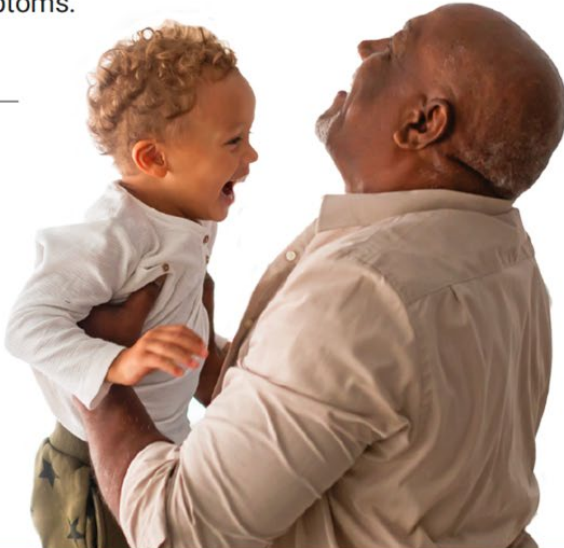
High blood pressure is silent and usually doesn't have symptoms.
Be ♥ smart – by being in the know.

Tracking your blood pressure regularly can help you protect your heart health and even help **lower your risk for a heart attack.**¹


Hello Heart is a **free health benefit provided by Baylor College of Medicine** at no cost so you can easily track and manage your blood pressure anywhere, anytime.

What are you waiting for?
See sign up instructions on the back.

¹<https://www.health.harvard.edu/heart-health/how-to-monitor-and-lower-your-blood-pressure-at-home>



Earn 100 BeWell points! Schedule your visit with the EFCC by calling 832-548-9775!



Employer Profile: BCM's early results are strong



Total Users

806



Engagement

11

average meaningful visits during the period (Q1)



Heart Risk Reduced¹

72%

of users with high blood pressure reduced their BP



Systolic BP Reduced

17

average points reduced for stage 2 members

¹ Heart risk reduced: A reduction of blood pressure by one point systolic or more.

NOTE: All metrics for the Program Results Dashboard reflect results during the period with the exception of Heart Risk Reduced and Systolic BP reduction, which are since the Program start through the end of the reporting period.

Q&A

Take action now: info@helloheart.com



Citations available upon request.

Transforming Healthcare for Texans the H-E-B Way



Abby Ammerman
Director of Benefits
H-E-B



Monica Garza
Business Service Sales Leader
H-E-B Wellness Primary Care



Transforming Healthcare for Texans the H-E-B Way

Houston Business Coalition on Health

August 24, 2023

BENEFIT PLAN DESIGN

It's simple! Partners and their enrolled dependents (age 12 and up) receive free services at each clinic once they become a member.

CLINIC SERVICES:

- Medical Visits (In-Person & Virtual)
 - Includes sick & wellness
- Basic Lab Testing
 - e.g., urinalysis, cholesterol, A1C, strep, flu, RSV, COVID
- Care Navigation
 - Managing referrals, labs, and coordination of treatment plan
- Nutrition Services
 - H-E-B Dietitian nutrition consultations, meal planning, store tours
- Physical Therapy*
- Mental Health Counseling*
- Imaging (San Antonio Clinic Pilot Coming Sept. 2023)
 - X-rays and echocardiogram
- Immunizations
- After-Hours Care**
- Clinical Pharmacist for condition management
- Hospitalist for inpatient stays

**Session limits are subject to treatment plan set by the provider. Clinic provider referral is required for mental health counseling. Services vary by location.*

***Phone access to medical guidance for non-emergency related care.*

NEW IN 2024:

- Reduced copay for H-E-B Preferred Provider Specialists for all members across the state of Texas

OUTCOMES



Fixed Spend on PCP Services



Reduced spend on professional services outside the clinic such as labs, radiology, and PT.



Increased medication adherence to clinically appropriate formulary and generic drugs. Reduced duplication of medications.



Decrease in IP \$ by reducing average length of stay, readmissions, and unnecessary IP admits.

Reduced avoidable ER & Urgent Care visits because of 24/7 access to doctors.



Referrals to high quality specialists and facilities.

Lower Medical Claims Spend





HEALTH

Wellness

PRIMARY CARE

OUR COMMITMENT TO HEALTH

“In everything we do, our goal at H-E-B is to take care of Texans with a servant heart and a best-in-class experience you can trust. We believe that food plays an integral role in well-being, and as one of the largest sellers of food in the state of Texas, we’re committed to making it easy for Texans to live better and healthier.”

- CRAIG BOYAN, H-E-B PRESIDENT



ABOUT H-E-B WELLNESS

Bringing together H-E-B's high-quality wellness products and services under one roof



PRIMARY CARE

Offers comprehensive and personalized quality care to include physical therapy, care navigation, in-house clinical pharmacist, and more



NUTRITION SERVICES

A food-first philosophy rooted in science with H-E-B Dietitians



MENTAL HEALTH

Helps treat mental health disorders such as trauma, anxiety, depression, behavioral therapy, and more



PHYSICAL THERAPY

Patient education, spinal/joint mobilization, dry needling, home exercise plans, and more

OUR VISION FOR CARE

Because people matter, H-E-B provides each and every person the opportunity to live well.



Patient
Experience



Integrated
Health



Best Quality
& Outcomes



Best
Value

HOW DO WE DO THIS?

Healthcare Services



- Primary care clinics
- H-E-B Dietitians
- Team of Doctors/Nurses
- Physical Therapist
- Mental Health Counseling
- Connects health to food recommendations

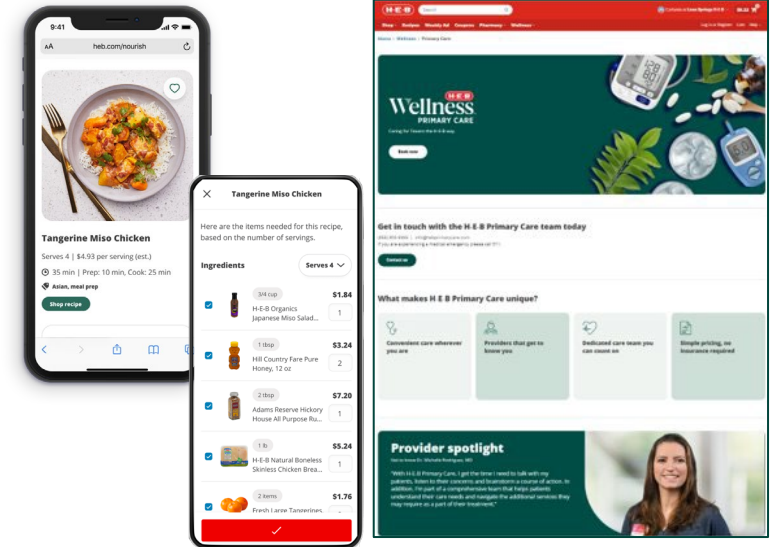


Products



- Higher Harvest by H-E-B
- Low-carb lifestyle
- Plant-based
- "Free-from"/ Gluten-free

Connective Touchpoints



- Meal Planning App
- Healthy Recipes on heb.com
- Wellness website
- Telehealth services
- Cohesive branding in-store/online
- Employee communication



WHAT'S DIFFERENT?



Patient →

Joins
H-E-B
Wellness
Primary
Care

Healthier &
Improved
Outcomes

- Membership Benefits: Ages 12+
- ✓ Medical Visits (In-Person & Virtual)
 - ✓ Includes sick & wellness
- ✓ Basic Lab Testing
 - ✓ e.g., urinalysis, cholesterol, A1C, strep, flu, RSV, COVID
- ✓ Care Navigation
 - ✓ Managing referrals, labs, and coordination of treatment plan
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- ✓ Immunizations
- ✓ After-Hours Care**

*Session limits are subject to treatment plan set by the provider. Clinic provider referral is required for mental health counseling. Services vary by location.
**Phone access to medical guidance for non-emergency related care

H-E-B Wellness Provider Alliance

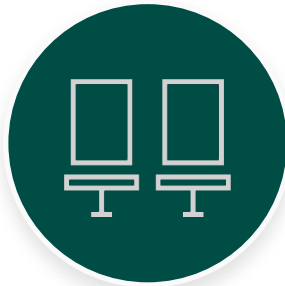
- ✓ Access to a large group of carefully selected specialists for referral
- ✓ Priority scheduling
- ✓ Exceptional patient experience
- ✓ Patient notes and treatment plans returned in a timely fashion
- ✓ Doctor to Doctor consultations
- ✓ Coordination with Best-in-Class Facilities

← Patient-Focused Coordination →

H-E-B WELLNESS PRIMARY CARE



Same day
appointment



Minimal
wait in lobby



Minimal
wait in exam room



Cost

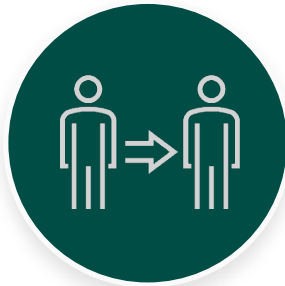
Hospitalizations, ER & Urgent Care Visits, Duplicated Labs

Patient Outcomes

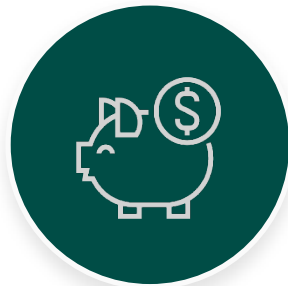
Medicine Adherence



30 minutes
with physician



Referral via
Provider Alliance



\$0
copay

PATIENT FOCUSED

Take Control of Your Health Care Costs Through Our Affordable Primary Care Membership Plans

From **unlimited primary care medical visits** with basic lab testing to **physical therapy** and **dietitian visits**, H-E-B Wellness Primary Care services helps Texans take charge of their health with **convenient locations** and **access to telehealth** primary care.

Learn More:

www.heb.com/wellness/primary-care

For Businesses:

www.heb.com/wellness/business-services



The SMART Way to Purchase Healthcare



Steve Cyboran
CEO
Humaculture



Ken Janda
CEO
Wild Blue Health Solutions



Sue Prochazka
SMART Network Consultant
HBCH



Smart Network Program

A Population Health Services Organization

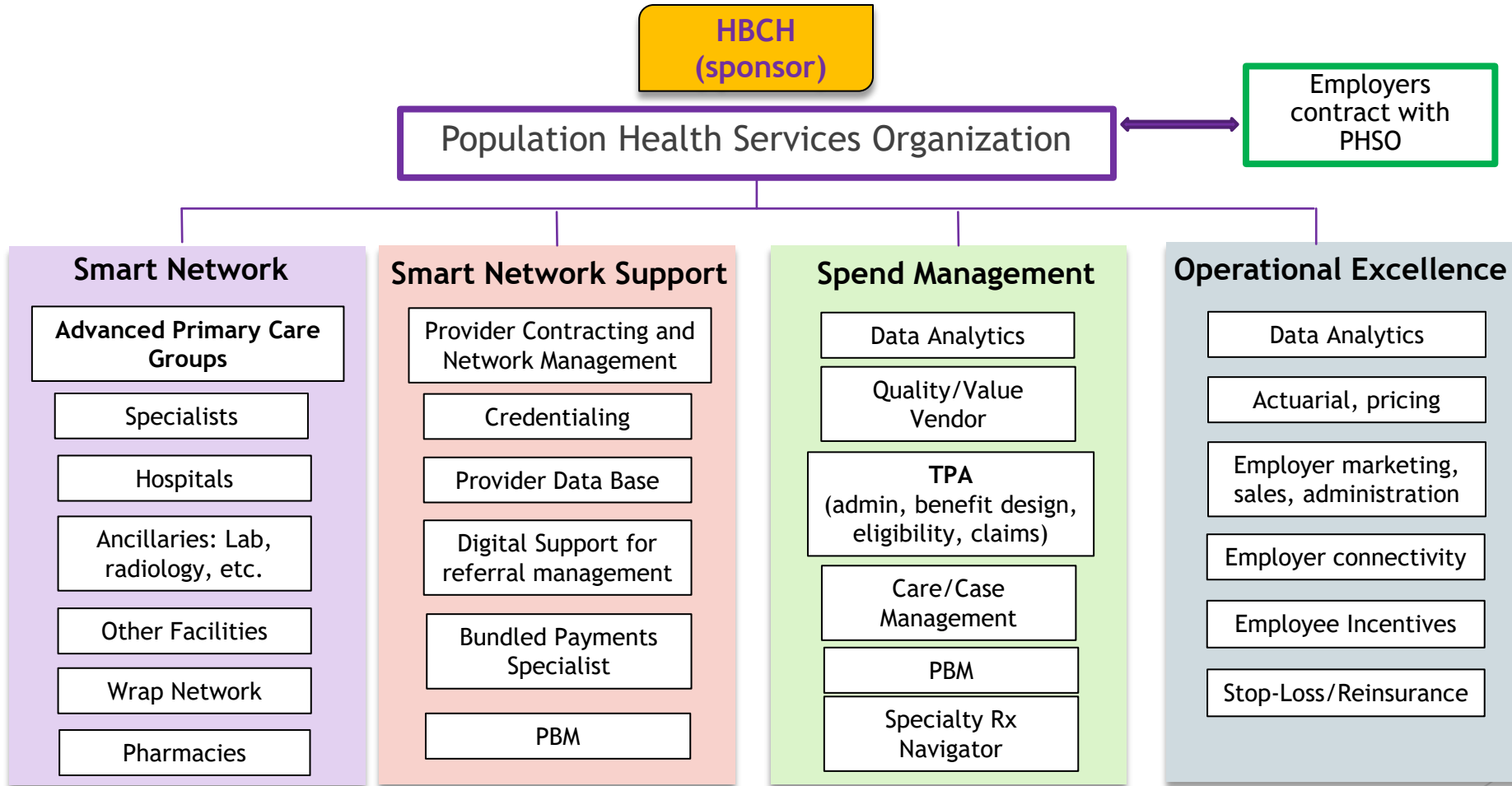
...for employers, by employers

Ken Janda
Steve Cyboran
Sue Prochazka

A Population Health Services Organization (PHSO)





- ▶ The PHSO will be a legal entity connected to Houston Business Coalition on Health; controlled and managed **by employers, for employers**.
- ▶ It will offer **integrated services** designed to improve the management of employee populations, available to employers ideally on a comprehensive basis. This includes the ability to contract with one legal entity for:
 - ▶ **Advanced primary care services** (integrated, team-based care);
 - ▶ **Directly contracted provider network**,
 - ▶ **Spend management capabilities** (e.g. TPA, PBM, specialty referrals); and
 - ▶ **Operational enhancements** (e.g. analytics, stop-loss, risk management).
- ▶ **Goal is integrating the services to improve employees' health while reducing the total cost of care for your employees; vetted, curated and procured for ease of use.**

PHSO Construct/Components



To be determined: which services will be maintained by PHSO staff vs. contracted vendors (most will be contracted)

PHSO Construct/Components

 What it is... 	 What it is not... 
<ul style="list-style-type: none"> • A legal entity, connected to HBCH 	<ul style="list-style-type: none"> • Profit-oriented, as the value of the PHSO will accrue to employees, through better health, and employers, through more affordable, higher value care
<ul style="list-style-type: none"> • Controlled and directed by employers, for employers 	<ul style="list-style-type: none"> • Controlled by HBCH, as the role of HBCH is more akin to a general contractor than an owner
<ul style="list-style-type: none"> • A services organization, housing best-in-class services to better manage employee health 	<ul style="list-style-type: none"> • A provider organization, as the PHSO will maintain contracts with providers to deliver high value care
<ul style="list-style-type: none"> • Contracting vehicle, enabling employers to contract with a single entity for: <ul style="list-style-type: none"> ○ Advanced Primary Care (Integrated, team-based care) ○ Directly contracted provider network ○ Spend Management Capabilities (e.g., TPA, PBM, Specialist navigation and referrals) ○ Operational Enhancements (e.g., analytics, stop-loss, risk management) 	<ul style="list-style-type: none"> • Health Plan, as the insurance risk for employees and health plan benefit design will remain with the employer if self-funded or carrier if fully-insured; over time, the PHSO may include an integrated health plan option, as employers and PHSO leadership explore strategic opportunities
<ul style="list-style-type: none"> • Flexible, allowing the employer to engage with the PHSO for some or all the available capabilities and services 	<ul style="list-style-type: none"> • Rigid, where every employers' relationship with the PHSO will follow a defined and structured relationship

Financial Analysis:

Where do the savings come from?

1. Increase in primary care utilization resulting in:
 - a. Reduction in specialty physician costs from:
 - 1) More effective primary care coordination and triage
 - 2) Bundled payments
 - 3) Smart contracting with free-standing professionals and facilities
 - b. Reduction in facility, specialty physician and surgical utilization
2. Reduction in facility costs due to direct contracts
3. Reduction in prescription drug spending from:
 - a. Smart formulary
 - b. Better management of high-cost, specialty, and office administered drugs

Projecting total savings of 15% to 25% of allowed cost

In developing these estimates, Humaculture, Inc. relied on a dataset of utilization rates and per capita claim costs for a typical Houston-area employer provided to us by a third-party provider of actuarial services in the healthcare industry and a Rand study of HBCH member hospital-based health care costs. We did not complete an audit of these third-party datasets as a part of our work, but we did review the third-party datasets for general reasonableness.

About the Team

- ▶ *Chris Skisak and the Board of HBCH*
- ▶ *Josh Berlin and Phil Shelato, ro3 (National strategic advisors)*
- ▶ *Wild Blue Health Solutions Team (Local, well-known experts)*
 - ▶ *Ken Janda* is a recovering health insurance executive (formerly CEO of Community Health Choice, Market President for Humana, Regional Network Operations Head for Aetna), with 40 years experience.
 - ▶ *Dan Crowe, MD* is a former senior medical director for Superior Health Plan (Centene) and CMO for CommunityCare (a multi-location federally qualified health center).
 - ▶ *Jan Thompson, Allison Newport, Alina Jafri* all have held key positions in both health plans and providers
- ▶ *Steve Cyboran, ASA, MAAA, FCA* is a consulting actuary with Humaculture, Inc. Formerly with Willis Towers Watson, Mercer and other actuarial firms.
- ▶ *Sue Prochazka*, Former benefits leader and consultant

The Smart Network PHSO

“Small enough to accomplish, big enough to matter”

*No employer can accomplish the Smart Network on their own.
Together we are big enough to matter.*



HBCH CONFERENCE | 2023

The Value of Alternative Medical Facility Sites of Care

Turning Knowledge into Action!

Attendee Feedback



Ted Barrall
Director
Compensations & Benefits
The Friedkin Group
& HBCH Board Chair



Francois de Brantes
Executive Vice President
XO Health



Houston Business Coalition on Health

TOGETHER WE CAN CREATE VALUE-BASED HEALTHCARE BENEFITS OF THE FUTURE

TRANSPARENCY | SMART NETWORK | LEGISLATION | EDUCATION | COMMUNITY