Agenda

1. Introductions
2. City of Boston Experience and Clinical Programs
3. New Strategies
4. Wellness
5. Wrap Up
Section 1:
Introductions and Updates
Good to Great

for a renewed Harvard Pilgrim Value Proposition

Strengthening the Core Today

Shaping the Future
Population health: Better health, lower costs

- Strategic Alignment
- Population Health Capability
- Infrastructure & Technology
- Member Engagement
- Outcomes-Driven Performance Management
- Provider Engagement & Enablement
Section 2: FY18 City of Boston Plan Plan Experience
A stable membership base

Total membership: 33,671
Subscribers: 14,574
Spouses: 6,895
Children: 12,202

Health risk indicators are stable year-over-year at 1.16.

Membership demographics continue to be a cost element, but stability in the population means it’s not a cost driver.
Two key drivers behind the 4.2% year-over-year cost increase for City of Boston

In 2018, PMPM plan costs increased by 4.2% Y-o-Y to $616.43 and are higher than Harvard Pilgrim’s MA Industry-matched $591.55 (higher by 4.2%)

Member cost share is 3.8% of total. Industry benchmark is 6.8%

The key drivers to the increase were:

1) Increased volume of high-cost claimants
2) Outpatient Hospital
Outpatient Hospital represent 10% of COB spend, primarily due to HCCs and Facility Procedures

Trend increases are driven by the following:

• HCC’s incurred $2.1M more in FY18 (94%)
• Non-HCCs incurred $1.2M less in FY18 (-6%)
• Facility Procedures – Outpatient increased 4.9% in FY18
  • Operating and Treatment Room – 74.5% of Facility Procedures

<table>
<thead>
<tr>
<th>Hospital Outpatient Facility</th>
<th>FY2017 Plan Liab</th>
<th>FY2018 Plan Liab</th>
<th>FY18 / FY17 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility Emergency Room (ER)</td>
<td>$3,623,730</td>
<td>$3,835,176 (15%)</td>
<td>5.8%</td>
</tr>
<tr>
<td>Observation Bed (OBS)</td>
<td>$2,111,427</td>
<td>$2,136,898 (9%)</td>
<td>1.2%</td>
</tr>
<tr>
<td>Outpatient Recovery Room</td>
<td>$213,830</td>
<td>$231,625 (1%)</td>
<td>8.3%</td>
</tr>
<tr>
<td>Facility Procedures - Outpatient</td>
<td>$17,933,217</td>
<td>$18,813,469 (75%)</td>
<td>4.9%</td>
</tr>
<tr>
<td>Hospital Outpatient Facility Subtotal</td>
<td>$23,882,204</td>
<td>$25,017,168</td>
<td>4.8%</td>
</tr>
</tbody>
</table>
High-cost claimants represent **34.7%** of the City’s trend

Top Conditions:

- **Cost** per claimant *decreased* by 4.0% to $108.36
- Number of claimants *increased* from 752 in 2017 to 796 in 2018
High-cost claimant intervention strategy

Analytics to identify at-risk members

Targeted Population Health programs
Oncology initiatives to reduce cost and improve outcomes

Currently, 19% of oncological spend is at Dana-Farber Cancer Institute, where Harvard Pilgrim has implemented these clinical initiatives:

- Same Day Acute Care
- Treatment Integration
- Clinical Pathways
- Hospital at Home

4 of top 25 High-Cost Claimants were oncology cases.

Oncology is #1 HCC Category
Care Management Impact

Members are identified based on risk and impactability through our best-in-class clinical identification and stratification model and referrals for Care Management.

- **Identified:** 2,183
- **Excluded:** 57
- **Eligible:** 2,126
- **Unable to Reach:** 1,024
- **Reached:** 1,102
- **Opted Out:** 175
- **Engaged:** 927

Member meets benefit and clinical criteria for engagement.

Members who HPHC is able to make contact with.

Members who consent and participate in care management programs – we have a high degree of success engaging members that we can reach.

**Savings from Care Management in FY 18 – $108,000**

Note: HPHC Managed Engagement metrics from 07/01/2017 to 06/30/2018. Metrics include Care Management, Common Chronic Disease Programs and Specialty Programs.
Top City clinical conditions by cost

1. Diabetes
2. Pregnancy with Delivery
3. Mood disorder, Depression
4. Asthma
5. Breast Cancer (#1 HCC category)

Harvard Pilgrim’s population health programs address these conditions
Diabetes

Diabetes is #1 clinical condition by cost
6% of the COB population
5% of total costs

20% reduction in inpatient and ER events, HPHC care management vs national benchmark

Prevention Efforts

• Diabetes Prevention Program with digital enablement beginning 2019
• Certified Health Coaches offering Lifestyle Management program to support healthy behavior change
• Worksite-based programming (biometrics, seminars) and campaigns (personal health assessments)

Diabetes Treatment Support

• Certified Diabetes Nurse Educators on staff developing intensive action plans
• Gaps in care closure through identification of preventative screening participation
• Care Management provider and specialist engagement comprehensive care plans
Mood disorder #3 clinical condition, by cost

Mood disorder accounts for 7% of the City of Boston’s total cost.

Through our longstanding relationship with Optum for our behavioral health benefit, we offer resources including:

- One-to-one coaching through LifeSolutions Behavioral Health
- Remote, telehealth visits through Tele-mental Health Access
- Personalized support through the web-based Live and Work Well platform

Outcome: 49% reduction in presenteeism among those with depression
CoB’s Behavioral Health trend increase was 20% in FY18

Trend increases are driven by the following:
• Inpatient (Room and Board) – increased by 41%

• Inpatient Psychiatric R & B – was the biggest driver in the Behavioral Inpatient increase, increasing by approx. 600K or 37% in FY18

<table>
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<tr>
<th>Behavioral Health</th>
<th>FY2017 Plan Liab</th>
<th>FY2018 Plan Liab</th>
<th>FY18 / FY17 Change</th>
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</thead>
<tbody>
<tr>
<td>Inpatient (Room and Board)</td>
<td>$2,411,119.76</td>
<td>$3,409,866.61</td>
<td>41%</td>
</tr>
<tr>
<td>Outpatient (Facility)</td>
<td>$493,533.61</td>
<td>$562,888.36</td>
<td>14%</td>
</tr>
<tr>
<td>Professional Visits</td>
<td>$3,579,219.14</td>
<td>$3,900,439.33</td>
<td>9%</td>
</tr>
<tr>
<td>Other Facility /Professional Services</td>
<td>$1,461,706.91</td>
<td>$1,622,342.06</td>
<td>11%</td>
</tr>
<tr>
<td>Behavioral Subtotal</td>
<td>$7,945,579.42</td>
<td>$9,495,536.36</td>
<td>20%</td>
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Initiatives to address top behavioral conditions

- Substance use treatment helpline
- Immediate access to medication-assisted treatment providers
- One-to-one coaching to address co-morbid conditions
- Telehealth visits
- Medication adherence program
- Coordination of care rounds
- Peer coaching
- Front-end requirement for written diagnostic assessment for ABA authorization
- Increasing network capacity for ABA providers
- Depression: outpatient vs. inpatient utilization
Opportunity to save on ER usage

➔ Up to 38% of visits are potentially avoidable, offering an opportunity for additional savings

➔ Real-time Emergency Room (ER) monitoring

• Members who used ER = 4.4%

• ER costs were more than $3.8M, representing $9.44 on a PMPM facility basis

• 1.5% of total plan liability

• DoD - 42% of TeleHealth members called a DoD provider
Potential to have $412,525 in *Net* Savings

Effective utilization management ensures quality of care and reduces case rates

**New Specialty Programs for 1/1/19**

- Select High-end Radiology
- Musculoskeletal
- Spine
Specialty pharmacy at The City of Boston

- Total pharmacy costs increased only 0.7% year over year; (+$273K)
- Specialty costs increased 6.7%, ($1.0 million) while non specialty decreased by -2.7% (-$723K)
- Autoimmune drugs increased 18% in FY18. 77% of the autoimmune drug cost was attributed to specialty drugs, 14% more than in FY17
Section 3:
New Strategies to Meet the Needs of the City of Boston
Shaping the future

360° view of the customer

When our customers work with us, their experience feels:

Easy
We help our customers quickly and seamlessly access and understand the information they need

Personalized
We deliver experiences that feel relevant and tailored to their needs

Proactive
We anticipate our customers’ needs to help them make the right decisions
Transforming pharmacy payment models

Initial agreements demonstrated proof of concept – future agreements need to demonstrate impact

Expensive therapeutics with high up-front costs and variable results

• Gene therapy
• Cancer
• Orphan diseases
Constantly evolving our population health capabilities based on trends

Living Well    Emerging Risk    High Risk

Well-being Programs

Emerging Risk

Well-being Programs

Enhanced Care Management Capabilities

Mobile-enabled Care Management

Video / Phone Counseling Program
Targeted member engagement initiatives

- Digital ID Card
- Text and Email Communication
- Chat Bot
- Harvard Pilgrim Mobile App
- Intelligent Provider Directory
Employer analytics redesign

Concise and intuitive reporting package designed for the **customer**

Clear demonstration of Harvard Pilgrim’s value proposition

**Quarterly insights** available to better manage cost and quality

**Actionable recommendations**
Section 4:
FY18 Well-being
Focus on Wellness with the City in 2018

• HPHC has contributed $25,000 to the Navigate Wellness portal
• Pilot Doctor on Demand member engagement program
• Commitment to the City throughout the year
  – January – City Hall - Nutrition Information Table
  – June – BPHC – Blood Pressure
  – September – BPHC – To Go Kits
  – September – Boston Fire – Chair Massage

Recommendation:
Grow Wellness offerings together
A wide range of well-being offerings

**Health screenings**
Back health, blood pressure, body composition, bone density, cholesterol

**Well-being seminars**
Stress management, sleep, nutrition and weight management, smoking cessation, parenting, targeted health

**Multi-week programs**
Quitting smoking, yoga, weight loss challenge

**Other services**
Flu clinics, chair massage, staffed information tables
City of Boston members currently have a broad array of well-being benefits included in their health plan

Comprehensive programs covering all aspects of well-being

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<th>Member savings and discounts</th>
<th>Complimentary lifestyle management coaching</th>
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<tr>
<td>Full suite of mindfulness trainings and practice support</td>
<td>Alternative/complementary care network</td>
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Our free online well-being program to complement the City’s

harvardpilgrim.org/wellbeingforall
• Mobile app-enabled
• Covers all aspects of well-being

Resources:
• Fitness
• Finances
• Stress management
• Nutrition

Customize to suit your goals
Chat with others for tips and advice
Sync to your wearable device
Connect with a personal health coach
Section 8: Wrap-up
Key takeaway

We are partnering with you to tightly manage your medical expenses and improve health outcomes for your employees.