

Building a healthier world

Improving health care with accountable care

John Stockton
April 6, 2017

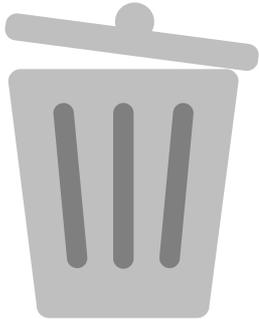
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The current system isn't working

It isn't working
for our country

>20%
waste



It isn't working
for employers

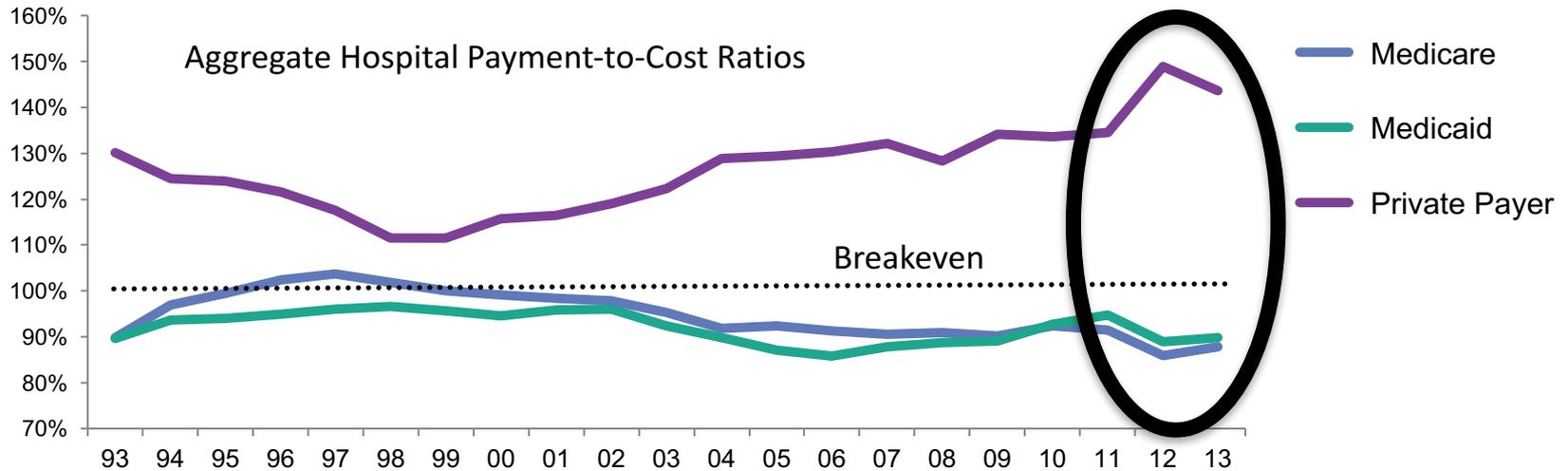
+30%
your cost



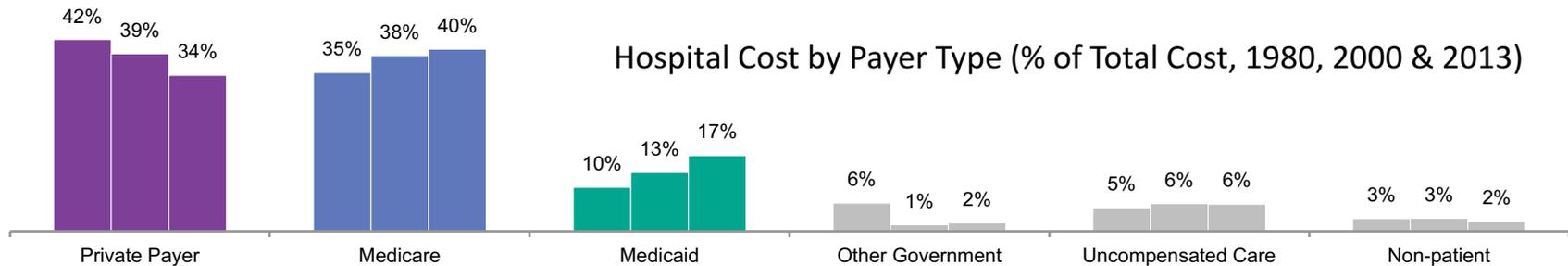
Waste as part of total health care spend : [JAMA](#). 2012 Apr 11;307(14):1513-6. doi: 10.1001/jama.2012.362. Epub 2012 Mar 14.
Cost: Emerging Trends in Health Care Survey, April 2015. Towers/Watson.

It isn't working for providers

Government program cuts cause providers to shift costs to private payers



...However, private payers are a shrinking share of total provider business



Source: Avalere Health analysis of American Hospital Association Annual Survey data, published 2014

What if we could create a system that works better for everyone?

Transform
provider
payment

Improve
quality of care
and experience
for members

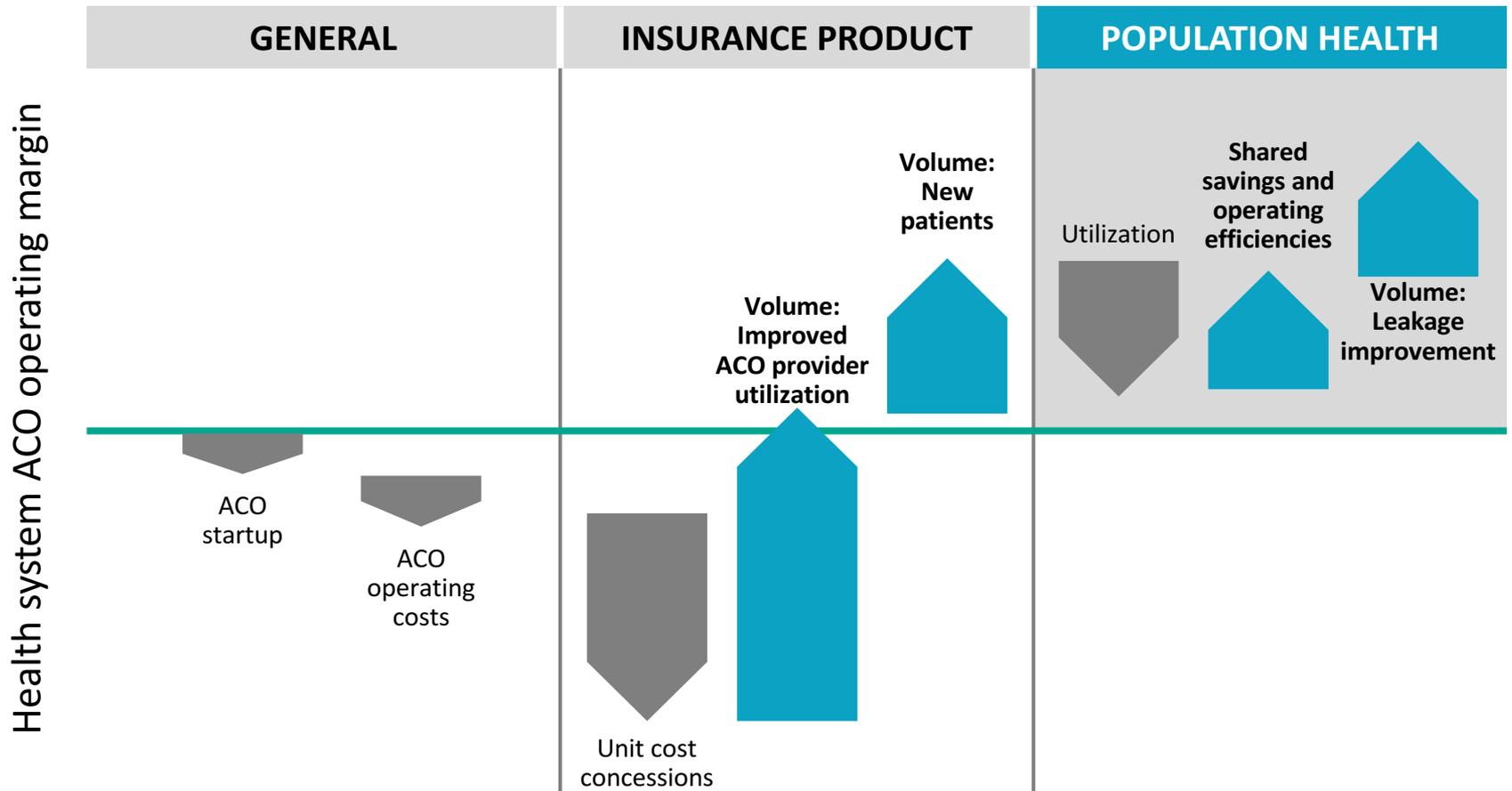
Create
sustained
savings

8-15%
savings targeted
compared to
Aetna broad
network plans*

*Actual results may vary, savings may be less when compared to other value-based or narrow network plans.

Our ACO solution provides a path to financial sustainability

A transformative financial model that improves quality, reduces cost and ensures sustainability



Creating differentiated contract models with specialized expertise

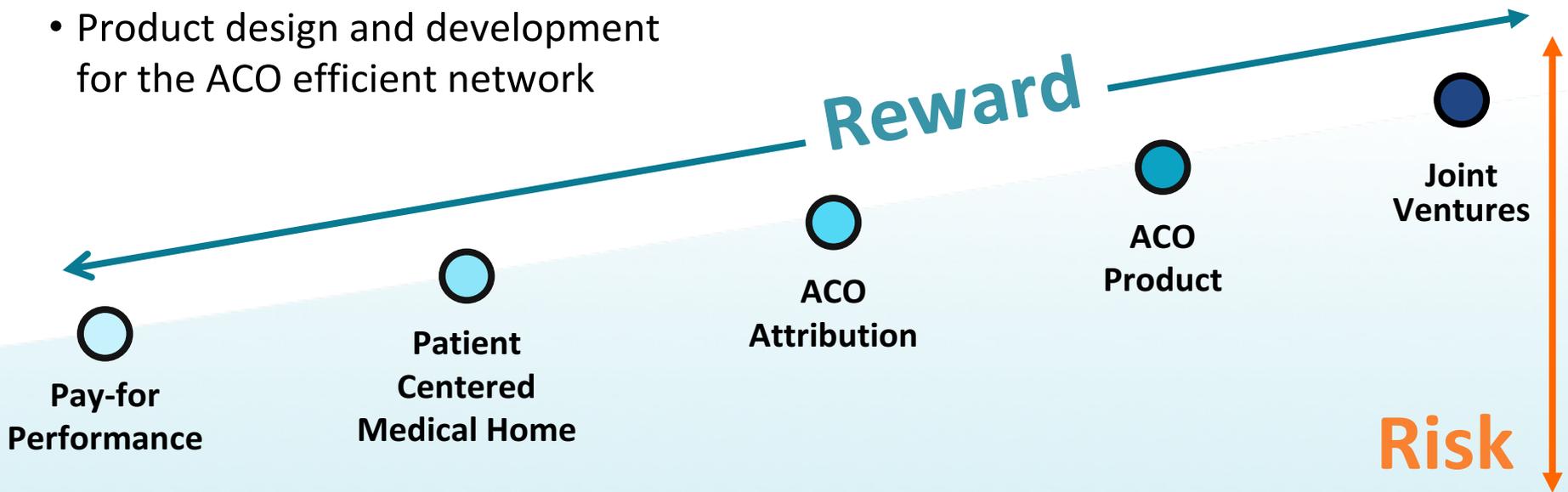
Network Strategy and Product Innovation

Establishing differentiated VBC models and networks

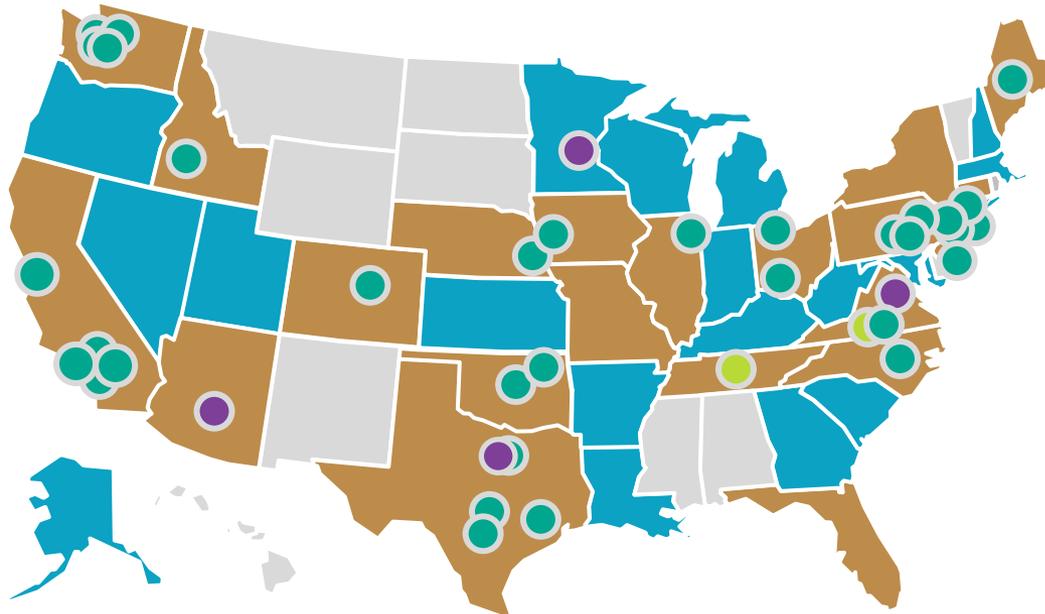
- Design, launch, management and innovation
- Product design and development for the ACO efficient network

Shaping strategy with information

- Tools, information and strategies for local markets to achieve VBC goals
- Market/competitive intelligence reports (e.g., industry representation, segment alignment)



We already have a solid value-based presence and we're growing quickly



1,700+
Value-based
contracts

48%
Of spend in
value-based
models

We select providers
who can be successful

- States with an ACO product or plan to have by 1/1/18 (may also have other value-based products)
- States with other Aetna value-based contracts
- ACOs with fully insured product*
- ACOs with both fully insured and self-funded products*
- Joint ventures with fully insured and self-funded products (several pending state DOI licenses)

Above data as of March 2017

* Deals that meet the industry definition of an ACO: <http://leavittpartners.com/2013/10/really-aco/> May represent more than one ACO contract in that location.

We jointly focus on measures to improve quality and increase efficiency.

Quality measurements: We monitor and work to increase:

Preventive screening rates



- Breast cancer screening
- Cervical cancer screening
- Colorectal cancer screening

Chronic condition (diabetes) management



- Retinal eye exam rates
- Hemoglobin A1c testing
- Medical attention for nephropathy

Efficiency goals: We also share data to jointly focus on:



- Medical bed days and admits
- Surgical bed days and admits



- Generic drug prescribing rates



- Avoidable emergency department visits

And we track *additional measures* to make sure we're delivering on our promise

Quality measurements: population health metrics

Preventive care



- Tobacco use assessment and cessation
- High blood pressure screening
- Flu vaccine
- BMI screening & follow-up

Chronic heart conditions



- CAD
- Hypertension
- High cholesterol
- Heart failure

Other chronic conditions



- Screening for future fall risk
- Asthma
- Migraine
- Pediatric conditions

Adverse events and medication



- Hospitalization complications
- Outpatient procedure complications
- Medication compliance

Efficiency goals: reducing unnecessary waste in the healthcare system



- 30-day readmission rate



- High-tech radiology visits
- Outpatient high-tech radiology steerage



- Outpatient surgery steerage
- Outpatient laboratory steerage

At the heart of the collaboration is data sharing and *emphasis on member outreach*

Supplied by Aetna	Frequency	Benefit to Aetna Whole Health Providers
Member Medical Management	Daily	<ul style="list-style-type: none"> •Provides information on all managed patients, including out-of-network services and treatments •Improves discharge planning with hospitalization alerts and primary care doctor patient follow-up notices •Updates patient engagement status (e.g. unable to reach, declined to participate, not participating at desired level, drop out or non-compliance) in Aetna Care Management programs so doctors can refer patients earlier, at point of service
Claims detail, lab results, and health risk assessment data	Monthly	Creates a total view of the patient and Identifies at-risk members and gaps in care and helps monitor patient health/compliance between office visits
Eligibility file	Monthly	Provides basic member information and sorts data by PULSE score (Aetna's proprietary predictive model) to identify members most likely to need special attention
Monthly reporting package	Monthly	Aetna teams meet with providers to review and determine areas for improvement. Additionally, we review results with outlier doctors to help bring them in line with their peers.
Clinical quality measures	Semi-Annual	Shows how they stack up against clinical quality targets through aggregated results.

Our model keeps the provider in the driver's seat



Information at the provider's fingertips to help make **smarter health care decisions** and **improve health outcomes**



Real-time information and tools

Connected medical records, real-time reports and other tools support better decision-making.



Integrated programs and care teams

Care that considers the whole person.
Personalized outreach to engage patient.

Improving care delivery, cost and overall population health

Pay-for-Performance ¹	Patient Centered Medical Home ²	ACO Attribution ³	ACO Product ⁵
<p>\$1.12 PMPM or \$171M savings over 3 years</p>	<p>\$0.81 PMPM savings</p> <p>Consistent quality measure improvement from 2014 to 2015</p>	<p>\$7.74 PMPM or \$17M savings⁴</p> <p>Improved on majority of utilization metrics</p>	<p>\$29.25 PMPM or \$32M savings⁶</p> <p>Outperformed diabetes testing and cancer screening benchmarks⁷</p>

Lessons we've learned



1 Savings based on three-year study of all hospital P4P results for 2012, 2013 and 2014, as compared to expected costs. Study was completed July 2015. Savings are concentrated in the Northeast, where 31 of 41 P4P hospitals are in effect.

2 As compared Medical cost measure is reconciled results, only. Other results reflect FY 2015 versus FY 2014 and could reflect some interim results. PMPMs are risk adjusted. Market represents attributed non-VBC members.

3 Includes all ACO attribution models effective January 1, 2014, or prior, as compared to expected target costs.

4 When ACOs are a key component of the network. Actual results may vary, savings may be less when compared to other value-based network plans.

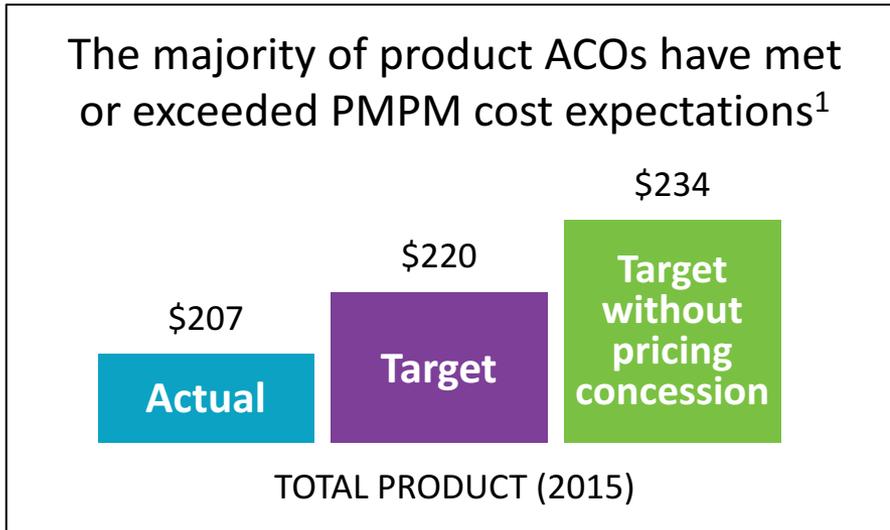
5 Includes all product ACO models through Q3 2015 reconciliation results, as compared to expected target costs.

6 Compared to broad Aetna network plans. Actual results may vary, savings may be less when compared to other value-based or narrow network plans.

7 Quality measures are most recent for members effective through Q2 2015.

Driving affordability with competitive cost

2015 ACO risk-adjusted costs were 12.4% better than non-ACO costs¹



Aetna supports ACO/JVs with a clinical transformation strategy team to help:

- Determine highest impact opportunities
- Co-lead workgroups to help them implement leading efficiency and quality best practices²

“We made a positive, long-term choice, which allowed us to provide higher quality options for our employees. And, we **paid less** over the last four years than we did with our other carrier.”

– **Tahlya Visintainer**

VP of HR and Organizational Development
Sun Health Senior Living

¹ Includes all FI/SI product ACO models through 2015; approximately 97-98% of the FI/SI ACO membership

² Aetna data as of September 2016; pertains to only “Advanced” ACOs

Plan sponsors and members continue to recognize the value of VBC

55% growth
in ACO/JV membership
from 2015-2017

When Aetna Whole HealthSM
was offered as a plan choice:

44% of members
in large group plans selected
Aetna Whole HealthSM

76% of large group
plan sponsors chose to offer
Aetna Whole HealthSM

“We can demonstrate to employers that we can help them begin to **control their costs** through benefit design as well as demonstrate our outcomes they’re seeing in the **health and wellness of their employees.**”

– **Joel Allison**
Former CEO
Baylor Scott & White

Thank you

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