Healthcare: Not a Passive Sport

Kevin L. Taylor
Chief Human Resources Officer
Bob Jones University

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Healthcare Spending Continues to Grow

Federal Spending on the Major Health Care Programs, by Category

Percentage of Gross Domestic Product

The projected rise in federal spending for the major health care programs results from the aging of the population and the expectation that health care costs per person will continue to grow more quickly than potential GDP per person.

Source: Congressional Budget Office.
National Perspective
National Trend – Employer Spending

Employer Spending Continues to Grow

Average Annual Growth Rate of Health Expenditures for Private Businesses

- 2014: 5.0%
- 2015: 5.7%
- 2016: 6.4%
- 2017: 7.0%

Percentage of Workers by Annual Deductible of $2,000+

- 3-199 Workers:
  - 2009: 16%
  - 2016: 23%
- All Firms:
  - 2009: 16%
  - 2016: 23%
- 200 or More Workers:
  - 2009: 41%
  - 2016: 41%

Source: September 2016 Mercer Employer Survey

National Perspective
National Trend – Affordability

Middle Class Financially Unprepared for New Exposure

Percentage of households unable to absorb out-of-pocket costs
(Household income between $62,000 and $98,000)

- 67% of survey respondents voice concern about the ability to pay a medical bill of less than $1,000...
- 35% worried about the ability to pay a bill of less than $500

Health Care Results
Overall Trending (April 2017-March 2018)

BJU Inc.
Top 1% of members account for 35% of cost (16 members)
Top 5% of members account for 63% of cost (79 members)
Top 10% of members account for 77% of cost (158 members)
Top 25% of members account for 90% of cost (396 members)

Total: 1,583 covered lives
Care Coordination Institute
Risk Stratification

Population Categorization

- 5% High Risk
- 15-30% Rising Risk
- 65-80% Low Risk
MARA Risk Score

Clinical Risk Drivers for Care Profiling
MARA reveals how each clinical problem contributes to an individual's clinical risk.

- Coronary Artery Disease: 4%
- Bacterial Infection: 4%
- Myeloproliferative Disorder: 22%
- Atrial Fibrillation or Flutter: 5%
- Diabetes Mellitus: 5%
- Spinal Cord Injury: 5%
- Chronic Venous Insufficiency and Hypertension: 6%
- Neurogenic Bladder: 6%
- Paralysis: 6%
- Decubitus Ulcer: 7%
- Anemia: 7%
- Degenerative Nerve Disease: 7%
- Thrombocytopenia: 7%

Risk profile identifies multiple chronic conditions with functional problems:
- CAD
- Diabetes
- Hypertension

Conditions may be amenable to care support:
- Myeloproliferative Disorder

Complex care:
- Paralysis
- Spinal Cord Injury
- CVI related aching, swelling
- Bladder control

Other manageable conditions:
- e.g. Decubiti
MyHealth First Network
Broad Footprint for a Narrow Network

Together, MyHFN and PHQC serve 17 counties with over 3,700 providers

SC Health Company Network Footprint

<table>
<thead>
<tr>
<th>MyHEALTHFIRST NETWORK</th>
<th>Palmetto Health Quality Collaborative</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 Counties</td>
<td>4 Counties</td>
</tr>
<tr>
<td>11 Hospitals</td>
<td>6 Hospitals</td>
</tr>
<tr>
<td>2,319 Providers</td>
<td>1,425 Providers</td>
</tr>
<tr>
<td>583 Primary Care</td>
<td>252 Primary Care</td>
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<tr>
<td>1,736 Specialists</td>
<td>1,173 Specialists</td>
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<tr>
<td>1,917 Employed</td>
<td>698 Employed</td>
</tr>
<tr>
<td>402 Independent</td>
<td>727 Independent</td>
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</tbody>
</table>
Integrated Care Model
Continuum-Based Care

Continuum-Based Care Design & Analytics

INTEGRATED CARE MODEL

Patient Data
Provider Data
Payer Data
Risk Stratification
Predictive Modeling
Clinical Guidelines

Integrated, standardized workflow management & monitoring

Seamless Patient Experience Across the Continuum

Wellness / Preventive Care
Primary Care / PCMH
Specialty Care
Urgent / Emergent Services
Acute Hospital Care
Care Transitions
Post-Acute Care / Home Care
End-of-Life Care
Care Transformation
Direct Employee Assessment & Coaching

- Integrated Care Teams
  - RN Care Managers (Complex Care Management)
  - Health Coaches (Condition Management)
  - Social Workers
  - Support Specialists

- Medical and Behavioral Health Physician Advisors

- Connected to Delivery Systems
  - Hospital Case Management
  - Specialized Clinical Programs
  - Community Health Programs (non-traditional)

- Subject Matter Expertise
  - Care Model Design
  - Post Acute
  - Value-based Care
  - Evidence-based Guidelines
Disease Management Programs

- Heart Failure
- Chronic Obstructive Pulmonary Disease
- Diabetes (Pediatric/Adult)
- Asthma (Pediatric/Adult)

- Hypertension
- Hyperlipidemia
- BJUINC & BJUEG Custom Programs
What BJU Receives through Care Management

- Assessment
- Employee engagement and education
- Care plan development with physician oversight
- Medication management
- Advance care planning
- Care coordination and transitions of care
- Biopsychosocial consideration
- Information transfer, communication and collaboration among providers and care settings

Personalized...
Behavioral Economics Changes

- **2017** Voluntary participation with CCI and 89 members eligible and 42% enrolled to participate.
- **2018** Changed deductible to $1,000 and awarded every member an $800 credit. If the member elected to not participate for a CCI program that they were identified for, they forfeited the deductible credit.
- **2018** 246 members eligible and, as of March 2018, we have 63% participating with 14% still being contacted.
Care Coordination Institute
Engaging Members

Health Management Performance

- 13 Health Programs Available
- 281 Members Identified in 2017
- 487 Members Identified 2018 YTD

- $156K Projected Savings from Members Engaged in 2017
- 55% Identified Members Engaged in 2017
- 88% Identified Members Engaged 2018 YTD
# Heath Program Engagement

## Wellness Engagement
- ADA recognized Diabetes Self-Management Program
- LoseWell medical weight management
- Yearly biometric/labs
- Health risk assessment

## Condition Management
- 8 condition management
- NCQA certified programs
- Interactive care planning & education
- Address chronic conditions & potential rising risk

## Complex Care Management
- NCQA accredited program
- Hospital care transitions
- Post-hospital care
- Address complex needs & high risk/high dollar
Analytics
Joint Effort: CCI and Milliman

Analytics & Reporting

- Ability to aggregate disparate clinical sources
- Automation of reporting
- Drive quality and performance improvement
- Produce risk categorization, quality and cost analysis, and develop predictive modeling
Robust Data Analytics Process

Michael Taggart, FSA, MAAA

Stephanie Peterson, CERA, MAAA, FSA

Milliman

(EMERGENCY ROOM)

(OUTPATIENT)

(PHARMACY)

(OTHER)

(IPATIENT)

(PHYSICIAN)

MARA Total Risk Score
Clinically Integrated Network
Cost Savings Sharing Strategy

Differentiating the CIN to BJU’s Care

- Network broad enough to cover BJU’s market
- Competitive market fee schedule for all service categories
- Culture and infrastructure flexible enough to support BJU’s benefit plan requirements
- Proven value proposition on care management performance – “Results not promises”