State of Montana SEGBAC Meeting March 29, 2016

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Agenda

Executive overview

Cost and utilization reports

Intervention opportunities

Data sources and reconciliations:

Three separate sources have been used to develop the reports in this presentation: (1) SQL databases populated by LuminX, (2) iBiz, (3) Verisk. In addition, although the reports have been run for the same timeframes, timing differences on receipt and processing of data may not coincide fully. As a result, the numbers presented may not tie to one another completely. For example, Verisk generally excludes terminated groups whereas they are included in the SQL and iBiz databases and member counts in iBiz also include administrative enrollments for purposes of billing PPO and other fees. Further, several of the reports provide information on claims experience prior to any stop loss reimbursements.

Verisk – Executive Summary

<90% of norm
<110% of norm, >=90% of norm
>=110% of norm

Metric	Actual			Norm+	Adjusted Norm	Comparison to Adjusted Norm		
	Jan 2014 thru Dec 2014	Jan 2015 thru Dec 2015	Full Cycle			Jan 2014 thru Dec 2014	Jan 2015 thru Dec 2015	Full Cycle
Demographics								
Current Employees	13,259	12,962	12,963	-	-	-	-	-
Current Members	28,609	27,907	27,907	-	-	-	-	-
Employee Months	158,135	156,477	314,612	-	-	-	-	-
Member Months	340,548	338,491	679,039	-	-	-	-	-
Average Age	38.3	37.1	37.2	35.1	39.1	98.0%	94.8%	95.3%
% Male (Current)	48.5	48.3	48.3	48.8	46.6	104.2%	103.7%	103.7%
Quality and Risk								
Average Risk Index			6.6	5.5	5.6	n/a	n/a	117.9%
Average Care Gap Index			1.2	0.8	0.9	n/a	n/a	132.9%
Utilization Metrics								
Inpatient Days Per 1000	257.2	272.5	264.8	228.3	202.5	127.0%	134.6%	130.8%
Total Admissions Per 1000	57.8	54.5	56.2	57.8	53.1	108.9%	102.7%	105.8%
ER Visits Per 1000	177.8	178.9	178.3	221.7	168.4	105.6%	106.2%	105.9%
Outpatient ER Visits Per 1000	155.7	156.9	156.3	-	-	n/a	n/a	n/a
Total Office Visits Per 1000	3,183.4	3,743.2	3,462.5	4,368.0	4,234.7	75.2%	88.4%	81.8%
On-Site Clinic Visits Per 1000	840.6	1,069.2	954.5	-	-	n/a	n/a	n/a
Urgent Care Visits Per 1000	125.0	134.9	129.9	-	-	n/a	n/a	n/a
Pharmacy Scripts Per 1000	12,326.1	12,526.2	12,425.8	9,706.7	9,638.2	127.9%	130.0%	128.9%
Pharmacy Scripts(Generic) Per 1000	10,599.1	10,926.5	10,762.3	7,624.0	7,554.5	140.3%	144.6%	142.5%
Pharmacy Scripts(Branded) Per 1000	1,552.5	1,447.0	1,499.9	1,947.9	1,917.4	81.0%	75.5%	78.2%
Pharmacy Scripts(Non-Drug Items) Per 1000	174.5	152.7	163.6	134.8	166.4	104.9%	91.7%	98.3%
% Generic Drugs	87.2	88.3	87.8	79.6	79.9	109.2%	110.5%	109.9%

Comments:

- MDCR & MCR Divisions have been excluded from this analysis.
- Member months/Enrollee months in 2015 = 2.15, BOB Member months/Enrollee months 2015 = 1.98.
- Member count has decreased 2.5% from prior year.
- Average Risk Index and Care Gap Index for the full cycle are well above the norm – 17.9 and 32.9 points, respectively.
- Office Visit utilization has increased across all types from prior year. Total Office Visits per 1000 have increased 17.6% and On-Site Clinic Visits per 1000 have increased 27.2% from prior year.
- Office Visit utilization is below the norm for all periods.
- Urgent Care visits per 1000 have increased 7.9% from prior year.
- Inpatient Days per 1000 is above the norm for all time periods, while Total Admissions per 1000 are in line with the norm in the current period.
- Inpatient Days per 1000 in the current period is being impacted by 1 member with a 330 day stay.
- ER Visit utilization has increased slightly over prior year, but is in line with the norm.

Definitions:

- Risk Index: A numerical representation of the frequency of occurrence of certain risk-predictive "events" within a member's individual claim detail. Each red flag diagnosis, procedure, or drug contributes to the total score. The model considers disease specific criteria, co-morbidities, and treatment patterns.
- Care Gap Index: Point-in-time stratification of care compliance in a population. CGI can identify members possessing the most deviations from evidence-based care at the time of analysis.

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Verisk – Executive Summary, *cont.*

<90% of norm
<110% of norm, >=90% of norm
>=110% of norm

Metric	Actual			Norm+	Adjusted Norm	Comparison to Adjusted Norm		
	Jan 2014 thru Dec 2014	Jan 2015 thru Dec 2015	Full Cycle			Jan 2014 thru Dec 2014	Jan 2015 thru Dec 2015	Full Cycle
Cost Summary								
Medical Plan Paid	$ 112,219,068	$ 110,565,235	$ 222,784,302	-	-	-	-	-
Pharmacy Plan Paid	$ 22,493,843	$ 25,726,331	$ 48,220,174	-	-	-	-	-
Dental Plan Paid	$ 6,853,799	$ 6,805,600	$ 13,659,399					
Total Plan Paid	$ 141,566,709	$ 143,097,166	$ 284,663,875	-	-	-	-	-
PEPM Summary								
Medical Plan Paid PEPM	$ 709.64	$ 706.59	$ 708.12	$ 590.56	$ 581.10	122.1%	121.6%	121.9%
Pharmacy Plan Paid PEPM	$ 142.24	$ 164.41	$ 153.27	$ 132.17	$ 125.49	113.4%	131.0%	122.1%
PMPM Summary								
Medical Plan Paid PMPM	$ 329.52	$ 326.64	$ 328.09	$ 274.09	$ 299.16	110.2%	109.2%	109.7%
Pharmacy Plan Paid PMPM	$ 66.05	$ 76.00	$ 71.01	$ 61.34	$ 61.83	106.8%	122.9%	114.8%
Place of Service Summary (PEPM)								
Inpatient Hospital Plan Paid	$ 244.85	$ 240.22	$ 242.55	$ 192.27	$ 198.81	123.2%	120.8%	122.0%
Outpatient Hospital Plan Paid	$ 260.91	$ 248.09	$ 254.53	$ 188.40	$ 171.87	151.8%	144.3%	148.1%
Office Plan Paid	$ 175.94	$ 180.72	$ 178.32	$ 130.68	$ 130.46	134.9%	138.5%	136.7%
Emergency Room Plan Paid	$ 42.47	$ 49.43	$ 45.93	$ 22.76	$ 18.59	228.4%	265.9%	247.0%
Skilled Nursing Facility Plan Paid	$ 1.53	$ 2.88	$ 2.20	-	-	n/a	n/a	n/a
Place of Service Summary (PMPM)								
Inpatient Hospital Plan Paid	$ 113.70	$ 111.05	$ 112.38	$ 89.24	$ 104.23	109.1%	106.5%	107.8%
Outpatient Hospital Plan Paid	$ 121.16	$ 114.69	$ 117.93	$ 87.44	$ 85.25	142.1%	134.5%	138.3%
Office Plan Paid	$ 81.70	$ 83.54	$ 82.62	$ 60.65	$ 68.18	119.8%	122.5%	121.2%
Emergency Room Plan Paid	$ 19.72	$ 22.85	$ 21.28	$ 10.56	$ 10.61	185.8%	215.3%	200.5%
Skilled Nursing Facility Plan Paid	$ 0.71	$ 1.33	$ 1.02	-	-	n/a	n/a	n/a

Comments:

- MDCR & MCR Divisions have been excluded from this analysis.
- Medical plan paid PEPM is essentially flat from prior year. PMPM has decreased very slightly at less than 1%. Both PEPM and PMPM plan paid are well below the adjusted norm for all periods.
- Pharmacy plan paid is well above the norm for all periods.
- IP plan paid is well above the norm for all periods, though it has decreased by 1.9% (PEPM) from prior year.
- OP plan paid is 148% of the adjusted norm in the full cycle, but has decreased by 4.9% (PEPM) from prior year.
- ER plan paid stands out for this group, and PEPM paid has increased 16.4% from prior year.

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Verisk – Utilization Metrics

<90% of norm
<110% of norm, >=90% of norm
>=110% of norm

Metrics	Metric Type	Actual			Norm	Adjusted Norm	Comparison with Adjusted Norm		
		Dec 2013 thru Nov 2014	Dec 2014 thru Nov 2015	Full Cycle			Dec 2013 thru Nov 2014	Dec 2014 thru Nov 2015	Full Cycle
ER Visit Utilization									
ER Visits*	Per 1000	177.8	181.5	179.6	221.7	168.4	105.6%	107.8%	106.7%
ER Visits Resulting in Admission	% of ER Visits	11.1	11.2	11.1	-	-			
Outpatient ER Visits	Per 1000	155.6	158.8	157.2	-	-			
Paid per Outpatient ER Visit	Average Paid	$1,363.67	$1,521.69	$1,443.44	-	-			
Allowed per Outpatient ER Visit	Average Allowed	$1,704.04	$1,859.04	$1,782.28	-	-			
Inpatient Utilization									
Admissions from ER	% of Admissions	30.8	33.4	32.1	37.7	35.7	86.1%	93.4%	89.7%
Inpatient Days	Per 1000	254.6	260.0	257.3	228.3	202.5	125.7%	128.4%	127.1%
Average Length of Stay	Average Days	4.4	4.6	4.5	4.0	3.8	114.6%	121.4%	117.9%
Total Admissions*	Per 1000	58.2	56.1	57.1	57.8	53.1	109.6%	105.7%	107.6%
Medical Admissions	Per 1000	15.2	15.5	15.3	20.9	18.4	82.8%	84.0%	83.4%
Surgical Admissions	Per 1000	19.7	17.2	18.4	15.4	16.7	117.6%	102.8%	110.2%
Perinatal Admissions	Per 1000	20.4	19.2	19.8	18.4	15.4	132.7%	124.4%	128.6%
Behavioral Admissions	Per 1000	2.8	4.2	3.5	3.1	2.5	112.6%	169.2%	140.9%
Total Admission Paid per Admission	Average Paid	$25,169.63	$23,160.65	$24,184.41	$18,171.90	$22,556.12	111.6%	102.7%	107.2%
Medical Admission Paid per Medical Admission	Average Paid	$13,597.54	$13,971.34	$13,785.73	$15,264.95	$20,246.65	67.2%	69.0%	68.1%
Surgical Admission Paid per Surgical Admission	Average Paid	$51,157.64	$49,388.18	$50,333.13	$35,380.36	$39,852.55	128.4%	123.9%	126.3%
Perinatal Admission Paid per Perinatal Admission	Average Paid	$11,357.21	$8,563.81	$10,006.61	$8,902.87	$11,311.82	100.4%	75.7%	88.5%
Behavioral Admission Paid per Behavioral Admission	Average Paid	$6,540.26	$16,332.71	$12,415.73	$7,568.00	$9,609.72	68.1%	170.0%	129.2%
Total Admission Allowed per Admission	Average Allowed	$26,457.11	$24,660.64	$25,576.11	$19,941.74	$24,501.64	108.0%	100.6%	104.4%
Total Admission Paid per Day	Paid per Day	$5,751.16	$4,995.87	$5,369.88	$4,596.19	$5,956.95	96.5%	83.9%	90.1%
Total Admission Allowed per Day	Allowed per Day	$6,045.35	$5,319.42	$5,678.89	$5,043.84	$6,539.63	92.4%	81.3%	86.8%
Re-admissions	Per 1000	3.5	4.2	3.9	3.6	3.3	104.6%	127.0%	115.8%
Total Inpatient Re-admission Rate**	Rate	0.097	0.130	0.115	0.102	0.098	98.8%	132.4%	116.7%
Medical Inpatient Re-admission Rate**	Rate	0.054	0.089	0.073	-	-			
Surgical Inpatient Re-admission Rate**	Rate	0.043	0.041	0.042	-	-			

Notes:

- Data is run on an incurred basis, Dec 2013 through Nov 2015 to account for lag.
- *These metrics are new to the application and therefore have no norm value available for comparison.
- MDCR & MCR Divisions have been excluded from this analysis.

Comments:

- ER visits per 1000 are flat to prior year and are slightly above the norm for all periods.
- ER Visit Allowed and ER Visit Paid per visit have increased by 9.1% and 11.6%, respectively, from prior year. There is no norm value available for these metrics.
- Inpatient utilization is well above the norm for all metrics, while the cost (Total Admission paid per Admission) is in line with the norm.
- Inpatient Days and ALOS are impacted by one 330 day admission in the current period.
- Average paid for medical and perinatal admissions is well below the norm.
- Average paid for Behavioral admissions in the current period is being impacted by one claimant with a $392K, 32 day admission.
- Readmissions per 1000 and Total IP Readmission rate are well above the norm in the current period.

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Verisk – Utilization Metrics, *cont.*

<90% of norm
<110% of norm, >=90% of norm
>=110% of norm

Metrics	Metric Type	Actual			Norm	Adjusted Norm	Comparison with Adjusted Norm		
		Dec 2013 thru Nov 2014	Dec 2014 thru Nov 2015	Full Cycle			Dec 2013 thru Nov 2014	Dec 2014 thru Nov 2015	Full Cycle
Imaging Utilization									
CT Scan	Per 1000	86.6	85.1	85.9	60.7	55.5	156.2%	153.5%	154.8%
MRI Scan	Per 1000	67.1	66.7	66.9	70.0	70.9	94.6%	94.1%	94.3%
Pharmacy Utilization									
Pharmacy Scripts	Per 1000	12,286.9	12,520.3	12,403.5	9,706.7	9,638.2	127.5%	129.9%	128.7%
Pharmacy Scripts(Generic)	Per 1000	10,547.2	10,910.5	10,728.7	7,624.0	7,554.5	139.6%	144.4%	142.0%
Pharmacy Scripts(Branded)	Per 1000	1,563.3	1,456.2	1,509.8	1,947.9	1,917.4	81.5%	75.9%	78.7%
Pharmacy Scripts(Non-Drug Items)	Per 1000	176.4	153.6	165.0	134.8	166.4	106.0%	92.3%	99.2%
Pharmacy Scripts Mail Order	% of Mail Order	8.3	8.0	8.2	16.6	17.1	48.7%	47.0%	47.9%
% Generic Drugs	% Generic Drugs	87.1	88.2	87.7	79.6	79.9	109.0%	110.4%	109.7%
Office Visit Utilization									
Total Office Visits*	Per 1000	3,173.6	3,714.3	3,443.8	4,368.0	4,234.7	74.9%	87.7%	81.3%
Regular Office Visits	Per 1000	2,568.1	2,464.7	2,516.5	3,114.2	3,018.1	85.1%	81.7%	83.4%
Preventive Office Visits	Per 1000	344.4	327.2	335.8	525.9	428.5	80.4%	76.4%	78.4%
Behavioral Health Office Visits	Per 1000	95.0	759.0	426.7	528.5	599.6	15.8%	126.6%	71.2%
Consultations	Per 1000	82.3	85.2	83.8	126.4	101.1	81.4%	84.3%	82.9%
Other Office Visits	Per 1000	83.8	78.3	81.0	73.0	87.4	95.9%	89.5%	92.7%
On-Site Clinic Visits	Per 1000	818.7	1,064.4	941.5	-	-			
Urgent Care Visits	Per 1000	125.3	136.6	131.0	-	-			
Other Utilization									
Chiropractic Visits	Per 1000	1,080.5	1,080.9	1,080.7	496.2	592.5	182.4%	182.4%	182.4%
Physical Therapy	Per 1000	1,193.2	1,250.6	1,221.9	851.4	1,077.0	110.8%	116.1%	113.5%
SNF Days	Per 1000	-	9.9	4.9	-	-			
Deliveries	Per 1000	12.9	11.7	12.3	13.3	11.7	109.9%	100.1%	105.0%

Notes:

- Data is run on an incurred basis, Dec 2013 through Nov 2015 to account for lag.
- MDCR & MCR Divisions have been excluded from this analysis.

Comments:

- CT Scan utilization is well above the norm for all periods but has remained flat from prior year.
- Office Visits per 1000 are well below the norm for all periods; the exception is Behavioral Health office visits which are 26.6% above the norm in the current period.
- Total office visits per 1000 has increased by 17.0% in the current period, driven by a 700% increase in Behavioral Health office visits. One member had 258 behavioral health office visits and another had 169 office visits in the current period.
- PT and Chiropractic utilization is well above the norm; Chiropractic is over 80% above the norm for all periods.

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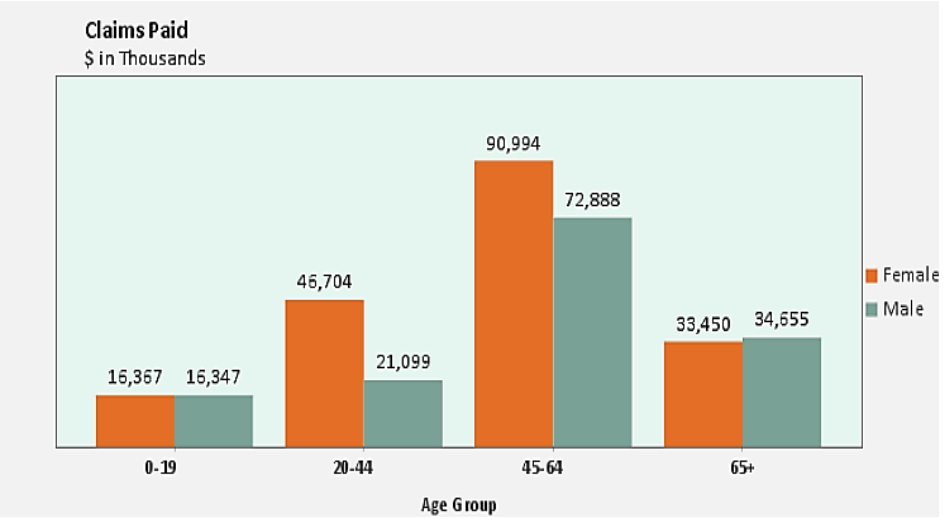
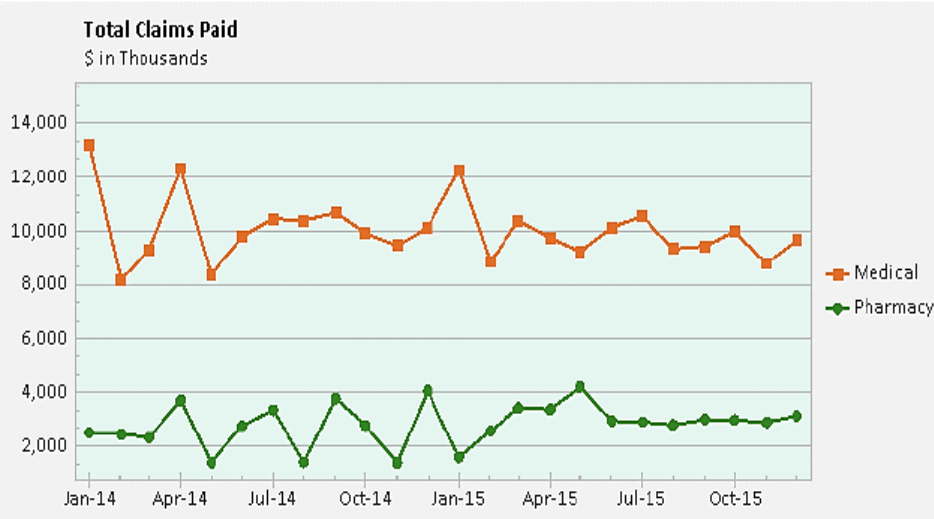
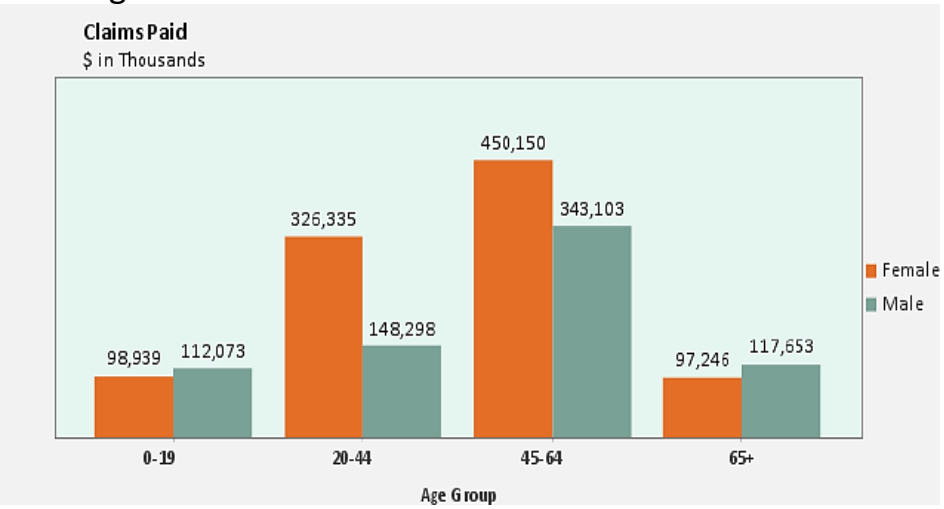
Verisk – Medical Intelligence Report

State of Montana





Allegiance Book of Business



Comments:

- Paid claims trend is relatively flat.
- Paid Claims for each age group and gender category are in line with the Book of Business distribution.

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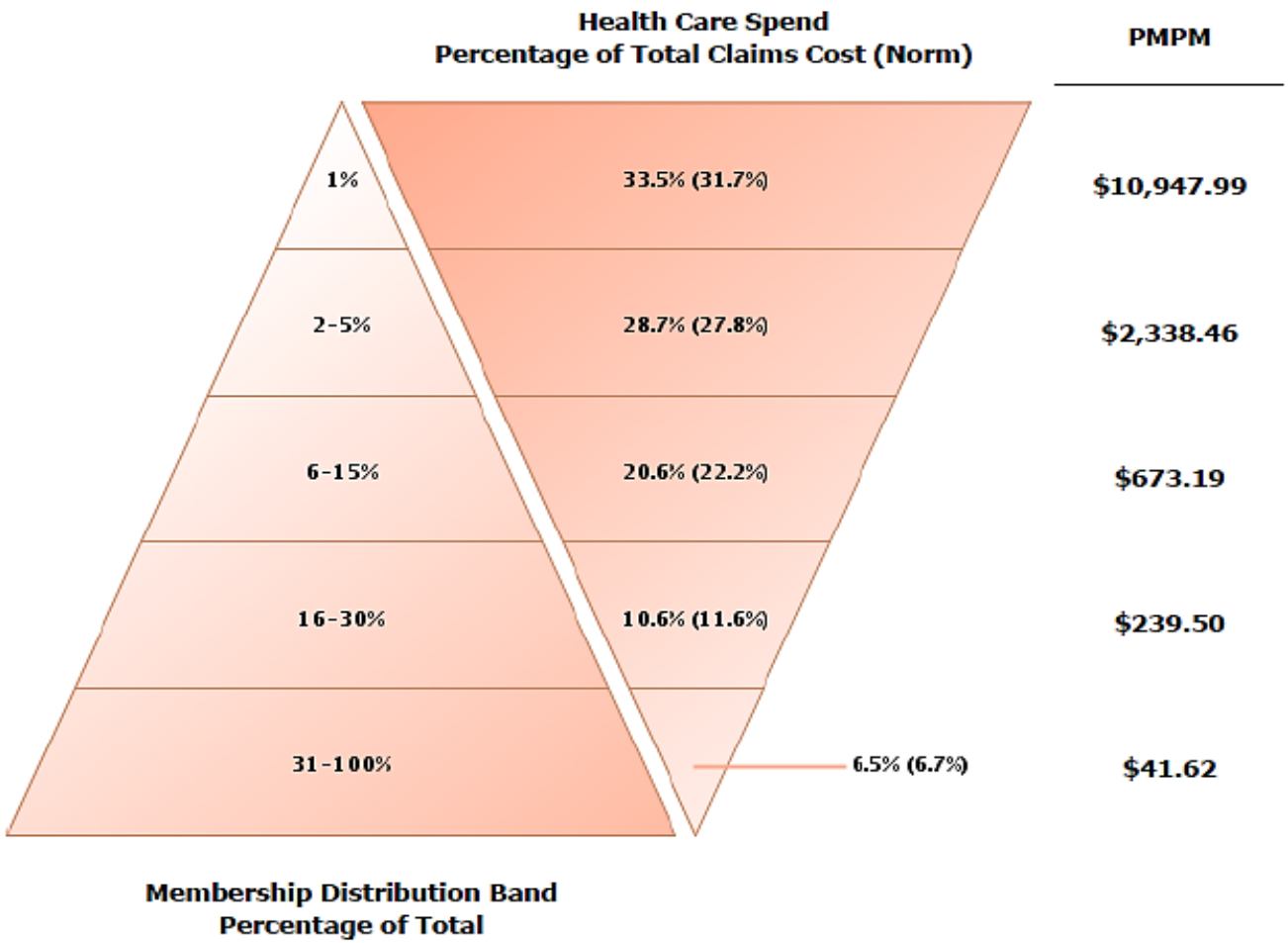
Verisk – Claims Expense Distribution



*Values in parentheses indicate Verisk norm values from their normative database

Comments:

- The most expensive 1% of the population is accounting for 33.5% (1.8% more than the norm) of the total claims cost which is slightly above the norm, and equates to a $10,947.99 PMPM.
- The least expensive 69% of the population accounts for 6.5% of the claims cost which is in line with the norm.

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Verisk – Top 20 Drugs

Drugs	Branded to Generic ratio	Current PMPM	Change in PMPM	Change in # Scripts	Change in Unit Pricing
HUMIRA PEN	1.45	$5.46	33.4%	3.8%	25.6%
COPAXONE	21.56	$5.09	13.9%	20.1%	-7.3%
ENBREL	0.00	$4.85	15.0%	-5.6%	19.0%
HUMIRA	0.68	$4.65	58.2%	26.1%	22.6%
ADVAIR DISKUS	4.09	$2.16	0.2%	-7.2%	5.5%
LANTUS	0.53	$1.75	3.9%	-13.1%	16.8%
ABILIFY	2.17	$1.62	-17.0%	-26.1%	9.8%
CRESTOR	N/A	$1.58	7.4%	-8.8%	15.1%
LANTUS SOLOSTAR	0.23	$1.46	27.8%	4.6%	19.4%
REVLIMID	0.00	$1.35	33.9%	24.4%	5.2%
LYRICA	N/A	$1.33	26.6%	-0.6%	24.4%
AVONEX	0.00	$1.32	-12.6%	-1.0%	-13.8%
HUMALOG	1.88	$1.31	28.2%	-2.7%	28.7%
STELARA	0.00	$1.14	34.0%	26.5%	3.5%
VICTOZA 3-PAK	0.00	$1.13	48.6%	23.8%	17.3%
HARVONI	0.00	$1.11	0.0%	0.0%	0.0%
AUBAGIO	0.00	$1.03	13.7%	-2.6%	14.1%
TASIGNA	0.00	$1.02	62.0%	18.2%	33.9%
XELJANZ	0.00	$0.90	54.7%	20.2%	25.8%
SPIRIVA	15.79	$0.89	-2.7%	-7.7%	3.0%

Notes:

- Data is run on a paid basis Jan-Dec 2015.

Comments:

- Humira Pen - 76 individuals prescribed, 65 current - Arthritis medication, $2.1M paid
- Copaxone – 42 individuals prescribed, 36 current – Multiple Sclerosis medication, $1.9M paid
- Enbrel – 86 individuals prescribed, 78 current - Arthritis medication, $1.8M paid
- Humira – 49 individuals prescribed, 46 current - Arthritis medication, $1.7M paid
- Advair Diskus – 595 individuals prescribed, 503 current – Diabetes medication, $812K paid

- BOB Top 5 Drugs:
  - 1) Humira Pen – Arthritis medication
  - 2) Enbrel – Arthritis medication
  - 3) Copaxone – Multiple Sclerosis medication
  - 4) Harvoni – Hep C medication
  - 5) Humira – Arthritis medication

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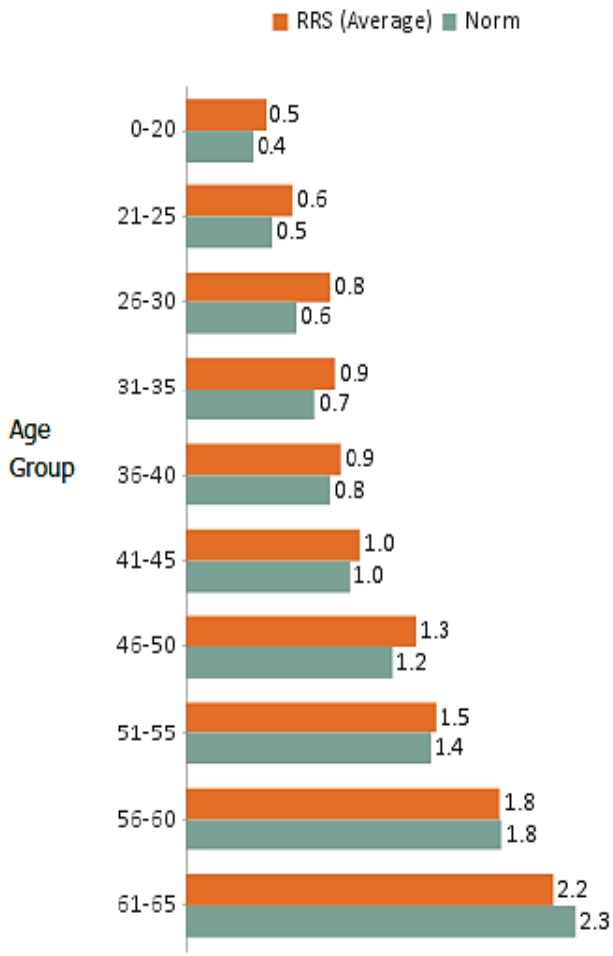
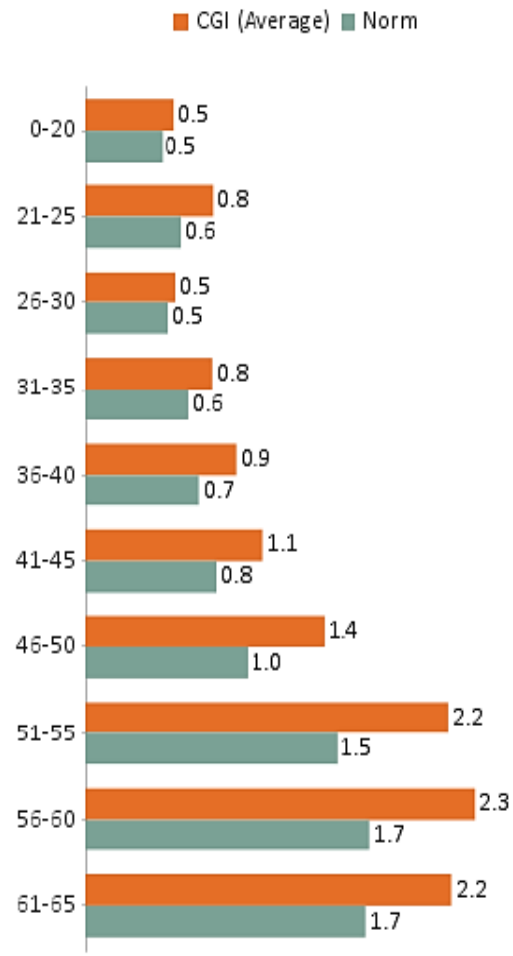
Relative Risk Scores and Care Gap Index





Notes:

- Average RRS for each age group indicates how risky the group's population is, in relation to the Verisk Market Scan Commercial Population.
  - The Norm score for each age group indicates how risky the Market Scan Population is for each age group, in relation to the entire Market Scan population.
- Example: State of MT's group ages 21-25 are 0.6 times as risky as the Market Scan population benchmark of 1.0. The group's data is 0.1 higher than the Norm, however, when we compare to the 1.0 Market Scan population benchmark, the group's 21-25 age group has less than average risk, yet slightly higher than the Norm for that age group.

Comments:

- The State of MT's population has a higher Average Relative Risk Score and higher Average Care Gap Index than the norm across all age bands.
- The exception is Average RRS for ages 56+.
- Average CGI for ages 46+ are significantly above the norms.

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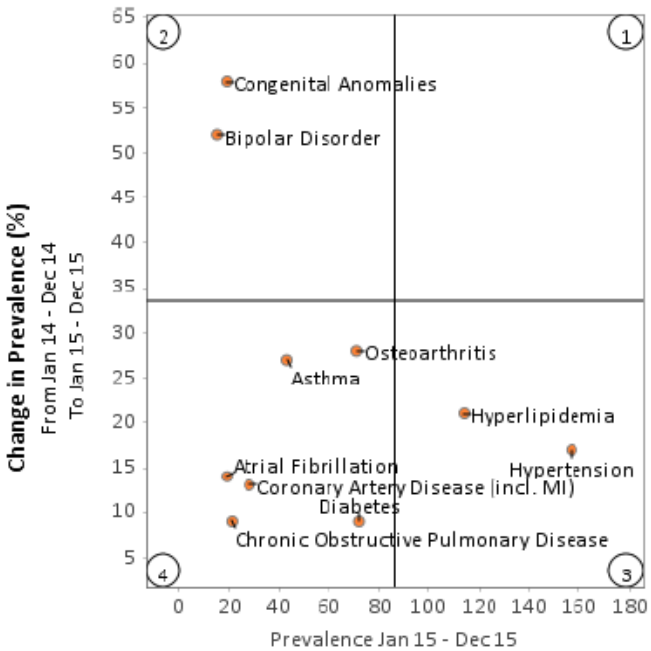
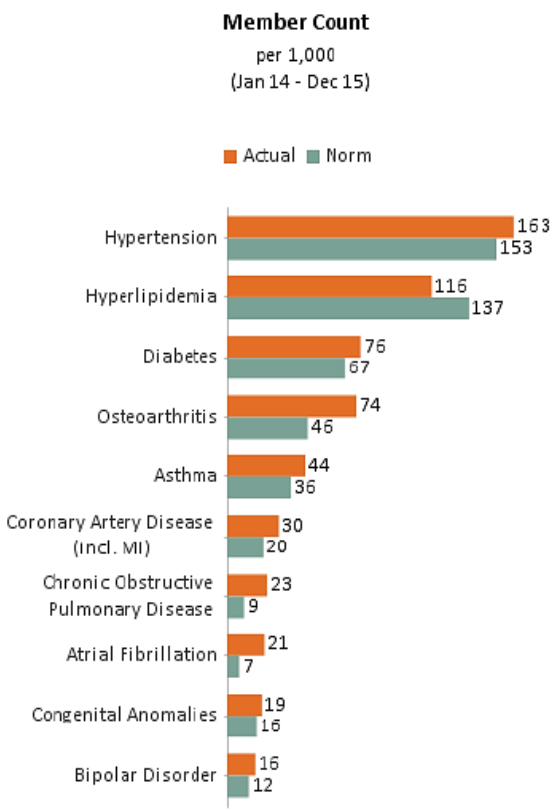
Verisk – Top 10 Chronic Diseases





Factor Difference

Hypertension	1.06
Hyperlipidemia	0.85
Diabetes	1.13
Osteoarthritis	1.61
Asthma	1.22
Coronary Artery Disease (Incl. MI)	1.47
Chronic Obstructive Pulmonary Disease	2.47
Atrial Fibrillation	3.16
Congenital Anomalies	1.18
Bipolar Disorder	1.31

1 **Top priority** - high prevalence and fast growing

2 **Moderate priority** - lower prevalence but fast growing

3 **Moderate priority** - high prevalence but slow growing

4 **Lowest priority** - a low prevalence and slow or not growing

Comments:

- Hyperlipidemia and Hypertension are the most prevalent diseases for this group with prevalence that is in line with or below the norm.
- The majority of the top 10 most prevalent diseases for this population are more prevalent than the norm. Atrial Fibrillation is more than 3 times as prevalent as the norm.
- There are no diseases in quadrant 1, which indicates high prevalence and fast growth.
- Hyperlipidemia and Hypertension are the most prevalent diseases for this group, and have increased in prevalence by more than 15% in the last 12 months.
- Congenital Anomalies and Bipolar Disorder, while very low in prevalence for this group, have increased in prevalence by over 50% from prior year.
- None of the top 10 diseases have decreased in prevalence from prior year.

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Verisk – Disease Registry

<90% of norm
<110% of norm, >=90% of norm
>=110% of norm

Diseases	# of Members			Members per 1000			Total paid	PMPY			Office Visits per 1000			ER Visits per 1000			Admission per 1000		
	Total	Current	New	Actual	Norm	Adjusted Norm		Actual	Norm	Adjusted Norm	Actual	Norm	Adjusted Norm	Actual	Norm	Adjusted Norm	Actual	Norm	Adjusted Norm
Back Pain	7,948	6,456	472	281.40	157.9	179.14	$ 108,993,672	$ 7,033	$ 9,190	$ 9,180	5,190.7	8,601.0	8,643.8	235.2	420.7	316.4	69.3	108.3	96.6
Neck Pain	4,278	3,508	382	151.46	76.2	96.09	$ 57,712,289	$ 6,882	$ 8,741	$ 8,629	5,270.5	8,923.9	8,973.8	217.0	388.2	290.9	57.7	95.3	83.6
*Hypertension	3,532	2,848	159	125.05	153.3	134.64	$ 70,854,678	$ 10,052	$ 11,378	$ 13,060	5,203.3	7,866.1	8,318.2	259.8	424.0	358.3	97.9	147.4	144.4
Hyperlipidemia	3,030	2,523	166	107.28	137.1	137.52	$ 46,032,620	$ 7,445	$ 9,491	$ 10,017	4,637.8	7,708.8	7,988.8	183.1	310.4	257.9	59.2	106.8	96.9
*Diabetes	1,700	1,269	56	60.19	67.2	63.89	$ 47,558,834	$ 14,650	$ 13,684	$ 14,658	6,372.3	8,597.4	8,908.7	328.1	463.8	389.1	136.8	177.3	162.2
Osteoarthritis	1,521	1,190	75	53.85	45.6	50.00	$ 49,510,833	$ 16,340	$ 16,473	$ 17,876	7,646.9	11,306.2	11,875.3	302.0	476.3	380.3	186.8	210.1	209.2
Major Depression	1,321	1,089	235	46.77	25.0	29.02	$ 22,027,633	$ 8,738	$ 12,712	$ 12,630	9,696.0	16,957.9	17,297.5	418.5	660.4	513.7	123.0	236.9	192.3
Headache	1,358	1,086	106	48.08	42.9	43.32	$ 28,186,120	$ 10,674	$ 11,684	$ 11,965	7,195.4	10,154.5	10,476.1	500.3	799.1	620.9	103.0	163.2	143.3
Asthma	1,249	982	59	44.22	36.2	33.68	$ 17,354,789	$ 7,195	$ 9,927	$ 10,851	6,537.3	9,222.8	9,373.9	352.0	637.4	497.5	70.9	145.6	133.0
Cancer	984	768	58	34.84	31.3	37.59	$ 47,574,437	$ 24,626	$ 27,340	$ 27,838	8,282.4	10,528.5	10,765.7	246.9	408.6	344.7	191.5	265.4	236.7
Congenital Anomalies	550	460	51	19.47	16.4	15.31	$ 26,180,849	$ 25,271	$ 23,710	$ 23,429	7,751.9	10,383.4	10,231.4	394.8	549.4	458.2	238.4	304.0	256.2
Bipolar Disorder	464	340	22	16.43	12.0	11.66	$ 10,078,053	$ 11,738	$ 13,703	$ 14,246	11,790.4	16,749.3	17,511.5	683.7	936.4	792.3	179.4	326.6	278.5
Coronary Artery Disease (incl. MI)	416	291	14	14.73	20.2	18.49	$ 17,608,590	$ 22,505	$ 24,508	$ 27,284	6,632.0	9,974.8	10,640.3	539.4	768.1	645.4	247.9	368.3	340.8
Rheumatoid Arthritis	321	241	4	11.37	6.5	6.89	$ 13,804,923	$ 22,359	$ 20,050	$ 22,032	8,872.5	12,131.0	12,616.9	307.7	479.2	410.3	108.5	163.5	154.9
High Risk Pregnancy	250	205	54	8.85	8.9	7.84	$ 6,314,724	$ 14,260	$ 13,621	$ 15,169	5,510.0	7,583.9	7,427.0	469.7	476.5	465.6	467.4	590.6	588.1
Acute/Episodic Liver and Biliary Disease	264	203	23	9.35	9.0	9.11	$ 18,484,982	$ 36,436	$ 32,254	$ 37,084	7,951.4	9,717.7	10,160.4	971.7	1,128.3	1,057.2	445.5	507.4	498.9
Chronic Obstructive Pulmonary Disease	302	199	9	10.69	9.4	7.98	$ 13,742,237	$ 24,757	$ 28,061	$ 33,145	8,396.9	11,724.1	12,832.6	738.6	1,029.4	920.7	353.1	474.2	444.0
Major Trauma	232	174	20	8.21	6.1	6.45	$ 19,974,617	$ 45,656	$ 46,125	$ 49,294	8,155.4	10,752.1	11,355.6	921.1	1,206.3	1,063.8	429.7	632.0	565.8
Chronic Liver and Biliary Disease	218	166	16	7.72	9.7	11.53	$ 16,903,865	$ 40,577	$ 31,244	$ 35,027	9,011.4	11,012.0	11,302.4	729.7	913.4	767.6	412.9	434.6	385.1
Osteoporosis	200	150	8	7.08	5.2	7.29	$ 6,867,477	$ 17,187	$ 15,168	$ 14,813	7,310.1	10,646.9	11,175.5	170.2	377.9	300.5	115.1	149.0	128.4
Chronic Renal Failure	201	145	9	7.12	6.9	8.39	$ 15,907,293	$ 41,042	$ 43,592	$ 44,649	9,523.1	12,339.4	13,001.4	639.9	1,001.5	828.1	407.7	559.3	470.2
Atrial Fibrillation	203	131	5	7.19	6.7	8.08	$ 13,762,995	$ 37,155	$ 30,906	$ 33,391	8,066.6	11,296.5	12,453.2	661.4	857.5	734.7	342.9	482.1	398.4
Cerebrovascular Disease	181	125	10	6.41	8.5	8.51	$ 12,096,050	$ 35,938	$ 34,507	$ 39,452	9,825.2	11,600.0	12,292.4	748.7	1,077.3	937.5	404.1	520.2	477.1

Definition:

- High specificity criteria of 1 Inpatient or 2 Outpatient claims is used to identify a member with a disease; outpatient claims include all non-inpatient claims.
- A members paid claims are included in all disease categories in which they have been identified.

Comments:

- MDCR & MCR Divisions have been excluded from this analysis.
- Back Pain and Neck Pain are the most prevalent conditions for this population and are much more prevalent than the norm. PMPY and utilization for these conditions are the well below the norm however.
- PMPY is below or in line with the norm for the majority of diseases, with the exception of Chronic Liver and Biliary Disease, Osteoporosis and Atrial Fibrillation, which are impacted by large claimants.

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Verisk – Disease Registry

<90% of norm
<110% of norm, >=90% of norm
>=110% of norm

Diseases	# of Members			Members per 1000			Total paid	PMPY			Office Visits per 1000			ER Visits per 1000			Admission per 1000		
	Total	Current	New	Actual	Norm	Adjusted Norm		Actual	Norm	Adjusted Norm	Actual	Norm	Adjusted Norm	Actual	Norm	Adjusted Norm	Actual	Norm	Adjusted Norm
Cerebrovascular Disease	181	125	10	6.41	8.5	8.51	$ 12,096,050	$ 35,938	$ 34,507	$ 39,452	9,825.2	11,600.0	12,292.4	748.7	1,077.3	937.5	404.1	520.2	477.1
Immune Disorders	126	107	11	4.46	3.9	4.35	$ 14,837,537	$ 57,233	$ 63,636	$ 64,436	11,695.3	15,217.7	15,548.9	378.0	885.6	749.8	374.2	638.3	535.4
Inflammatory Bowel Diseases	115	92	5	4.07	4.9	4.36	$ 3,994,507	$ 18,344	$ 22,886	$ 24,177	7,315.7	9,420.8	9,786.6	330.7	658.5	565.0	156.1	278.4	250.4
Coagulopathy	114	90	10	4.04	4.8	4.97	$ 10,088,422	$ 45,683	$ 55,001	$ 59,373	11,316.2	12,562.2	13,518.1	747.2	1,110.2	1,007.3	475.5	703.5	637.8
Demyelinating Diseases	106	79	2	3.75	2.5	2.58	$ 9,243,321	$ 45,126	$ 39,178	$ 40,051	7,669.7	10,695.7	10,912.8	307.6	542.3	445.2	112.3	182.5	152.7
Congestive Heart Failure	104	62	7	3.68	4.3	4.28	$ 10,741,306	$ 59,208	$ 58,489	$ 68,589	10,280.2	13,177.9	15,088.6	1,218.2	1,526.4	1,350.8	782.7	912.4	833.2
Home Infusion	73	56	5	2.58	2.8	3.05	$ 14,393,723	$ 106,161	$ 96,535	$ 107,393	14,308.5	15,676.2	17,194.4	1,017.8	1,607.4	1,500.8	759.7	1,235.4	1,173.9
Skin Ulcer (excl. decubitus)	69	52	3	2.44	2.5	2.55	$ 7,720,737	$ 58,454	$ 42,164	$ 49,821	12,764.7	15,316.9	17,046.6	560.3	1,085.2	1,007.9	424.0	612.5	568.6
Ulcerative Colitis	62	50	4	2.20	2.5	2.45	$ 1,729,263	$ 14,603	$ 20,546	$ 21,894	6,367.3	9,201.9	9,572.2	211.1	571.3	470.7	92.9	264.0	234.5
Major Organ Transplant	45	38	2	1.59	1.4	1.56	$ 8,715,851	$ 93,218	$ 93,905	$ 100,359	13,989.3	14,431.3	15,901.7	577.5	1,045.5	925.0	588.2	853.2	737.1
Osteomyelitis	32	28	6	1.13	1.1	1.18	$ 7,316,182	$ 118,003	$ 58,832	$ 53,830	12,467.7	14,844.6	14,446.1	967.7	1,341.6	1,135.7	790.3	899.8	693.3
Eating Disorders	36	26	6	1.27	1.2	1.26	$ 569,075	$ 8,441	$ 16,248	$ 17,119	13,735.5	21,128.4	22,586.7	815.8	654.0	525.9	296.7	298.2	241.8
Cirrhosis	32	24	1	1.13	1.4	1.64	$ 2,818,827	$ 47,177	$ 47,916	$ 56,836	10,610.9	12,202.0	12,305.4	1,405.9	1,341.3	1,278.0	820.1	791.8	752.2
Premature Infants	23	20	3	0.81	1.4	0.93	$ 3,644,225	$ 111,843	$ 94,606	$ 82,886	12,214.8	12,928.1	11,367.9	613.8	634.3	599.3	920.7	1,006.1	817.6
Schizophrenia	24	17	0	0.85	0.9	0.87	$ 424,208	$ 10,561	$ 18,908	$ 22,891	13,941.9	16,844.5	19,535.7	921.2	1,455.6	1,518.6	448.1	637.9	664.1
Ventilator Dependence	26	13	0	0.92	0.6	0.59	$ 5,396,711	$ 129,521	$ 156,798	$ 184,033	15,504.0	13,630.0	15,663.7	2,184.0	2,350.0	2,393.5	1,512.0	1,652.1	1,701.5
Parkinson's Disease	17	11	0	0.60	0.5	0.84	$ 585,591	$ 17,308	$ 22,270	$ 30,038	7,596.1	12,829.6	13,950.3	354.7	653.4	753.2	266.0	291.6	359.7
Significant Burns	12	11	0	0.42	0.3	0.23	$ 114,876	$ 4,520	$ 23,843	$ 24,405	5,350.8	8,833.4	8,511.7	629.5	1,033.3	877.0	78.7	345.0	234.2
Chronic Pancreatitis	11	9	1	0.39	0.4	0.44	$ 1,314,503	$ 53,111	$ 51,824	$ 57,258	8,848.5	13,405.6	14,217.9	1,333.3	2,679.4	2,358.1	767.7	1,198.8	1,037.4
HIV/Aids	9	6	0	0.32	1.8	1.69	$ 625,076	$ 39,898	$ 28,821	$ 37,365	7,340.4	8,056.6	10,525.7	1,468.1	485.6	370.9	1,085.1	147.1	148.9
Spinal Cord Injuries	11	5	0	0.39	0.4	0.46	$ 1,739,945	$ 93,629	$ 69,161	$ 78,012	10,762.3	12,440.0	12,953.8	1,237.7	1,288.7	1,573.7	968.6	726.3	903.8
Cystic Fibrosis	4	4	0	0.14	0.2	0.16	$ 1,539,935	$ 171,104	$ 75,566	$ 89,070	8,000.0	10,823.2	10,752.7	2,555.6	726.1	607.5	1,444.4	684.8	745.9
Hemophilia	4	4	0	0.14	0.1	0.09	$ 1,044,840	$ 117,178	$ 147,131	$ 164,736	2,579.4	8,983.9	7,052.9	897.2	952.5	694.9	112.1	347.3	185.2
Tuberculosis	3	2	0	0.11	0.2	0.21	$ 257,495	$ 40,657	$ 30,952	$ 44,529	5,052.6	10,822.1	14,865.7	315.8	888.0	982.9	1,105.3	436.6	664.1
Gaucher's Disease	1	1	0	0.04	0.1	0.16	$ 694,154	$ 308,513	$ 41,000	$ 33,054	17,333.3	8,666.6	9,321.2	0.0	360.5	204.4	0.0	150.6	87.6

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Verisk – Wellness Opportunities

Performance Relative to Verisk Health Norms

Good	<=-5%
Average	>-5% and <5%
Poor	>=5%

Group	Condition	Screening/Preventive	Variation from Norm
Both	>= 51 years old (E)	Patients without long office visit in the last 2 years.	9.3%
	>=50 years old (E)	Patients without any colorectal cancer screening in the last 24 months.	7.5%
Male	Men >50 years old (E)	Men without PSA level in the last 2 years (controversial test).	36.0%
Female	Women between 40 and 49 y/o (E)	Women without mammogram in the last 24 months.	2.9%
	Women between 49 and 69 y/o (E)	Women without mammogram in the last 18 months.	6.0%
	Women between 21 and 65 y/o (E)	Women without pap smear in the last 24 months.	12.0%
	Women >20 y/o (E)	Women without pap smear in the last two years.	17.3%
	Women between 40 and 49 y/o (E)	Women without mammogram in the last 2 years.	2.9%
	Women >=49 y/o (E)	Women without mammogram in last 12 months.	7.9%

Comments:

- Screening/Preventive Gaps are generally not well managed in comparison to the norm for most measures.
- Only Women without mammogram in the last 2 years/24 months is considered "Average" in comparison to the norm.

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Verisk – Care Gap Index Comparison

Clinical Condition	Disease Burden Summary	Care Gap Measure Performance Summary
Asthma	-5.9%	90.3%
Behavioral Health	-0.4%	185.8%
Cardiac	-19.3%	496.8%
COPD	54.0%	24.5%
Diabetes	7.7%	63.9%
Geriatric	223.2%	136.5%
Pediatric	15.7%	48.3%
Pregnancy	-8.6%	-42.4%
Renal Failure	-11.2%	90.4%

Performance Relative to Verisk Health Norms	Disease Burden Ranges	Care Gap Ranges
Good	<=-10%	<=-5%
Average	>-10% and <10%	>-5% and <5%
Poor	>=10%	>=5%

Definition:

- Disease Registry measures prevalence of disease.
- Disease Burden measures the risks within a specific disease prevalence.
- Care Gap measures individuals' compliance with quality measures in managing their diseases/conditions.
- This table synthesizes the 'clinical condition'/disease severity and the associated Care Gap Index for the entire population across key clinical condition/disease categories into a "heat map". Focused Intervention (e.g. an initiative to increase compliance with ace-inhibitors and beta blockers in patients with heart failure) based on this information can significantly improve health plan performance over time.

Comments:

- Disease Burden is considered "Poor" relative to the norm for COPD, Geriatric and Pediatric.
- The Care Gap Measure Summary is considered "Poor" in comparison to the norm for all conditions with the exception of Pregnancy.

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Questions?

Data sources and reconciliations:

Three separate sources have been used to develop the reports in this presentation: (1) SQL databases populated by LuminX, (2) iBiz, (3) Verisk. In addition, although the reports have been run for the same timeframes, timing differences on receipt and processing of data may not coincide fully. As a result, the numbers presented may not tie to one another completely. For example, Verisk generally excludes terminated groups whereas they are included in the SQL and iBiz databases and member counts in iBiz also include administrative enrollments for purposes of billing PPO and other fees. Further, several of the reports provide information on claims experience prior to any stop loss reimbursements.

Reference-Based Pricing Update

- Larger hospital contracting status
  - Signed
    - Great Falls Clinic
  - Final redline
    - Billings Clinic
    - Community Medical Center
    - Kalispell Regional Healthcare
    - The HealthCenter
    - Community Hospital of Anaconda
  - Redline
    - St. Peter's Hospital
    - Benefis Health System
    - Marcus Daly Memorial Hospital
  - Contract presented
    - SCL Health
      - St. Vincent's
      - St. James
      - Holy Rosary
    - Providence Health & Services
      - St. Patrick Hospital
      - St. Joseph Medical Center
    - Barrett Hospital & HealthCare
    - St. Luke Community Hospital
  - Discussions / presentation of study

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Communications timeline

Date	Description
07/01	Implementation
06/15	Conclude presentations
06/01	Follow up FAQs
05/15	Begin employee meetings
05/01	Launch communications program --Print --Video
04/15	Finalize print, video and website communications programs
04/01	Finalize communications plan: 1-For plan participants and beneficiaries 2-For physicians and other healthcare professionals 3-For hospitals and other facilities

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Communications

- **What is Transparent Data-Driven Pricing?**
  - It is a method of comparing the amounts a facility will accept as payment in full to a reference point. In this case, the reference point is Medicare.

- **Why use Medicare as a reference?**
  - Medicare is the largest healthcare payer in the country and allows for a relatively consistent standard to compare facilities to one another because all facilities accepting Medicare are measured in the same manner. Medicare is based on resource utilization adjusted for case mix and geography rather than on individual charge masters. Medicare's calculation process is also publicly available.

- **Why would the State of Montana consider a Data-Driven Pricing program?**
  - The State of Montana and other employers have expressed a desire to provide members with transparency, comparability, consistency and predictability; Data-Driven Pricing delivers on these tenants.

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Communications

- **How does it affect me?**
  - If you or your dependents live in Montana and use the facilities that choose to participate in this program, there will be no difference. **You can find a list of participating facilities at www.AskAllegiance.com/SOM.**
  - If you or your dependents choose to use nonparticipating facilities, you will be responsible for any charges from the providers that exceed the plan's maximum. Any balance bills received will be paid independently and do NOT apply to the out-of-pocket maximum.
  - If you or your dependents live outside of Montana, you will be directed to the Cigna network.

- **When will this go into effect?**
  - July 1, 2016

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Communications

- **Does my physician know about this?**
  - Almost all physicians and other healthcare professionals in the State of Montana are contracted on a Medicare type (Reference-based Pricing) structure so they already accept this form of reimbursement. To ensure physicians and other healthcare professionals are aware of he changes in the State of Montana Employee Benefits plan, physicians' offices in the state will receive data on the participating facilities and the differences in cost.

- **How does this affect what physicians I see?**
  - You are able to see any physician or other healthcare professional that is contracted with Allegiance Provider Direct Network. A list of participating healthcare professionals is available at www.AskAllegiance.com/SOM. If your practitioner is not currently a participating provider, he or she is able to participate by contracting with Allegiance Provider Direct. If your provider needs more information, they can contact Allegiance Customer Service directly at 1-855-999-1057.

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Communications

- **What if I need emergency services?**
  - Go to the nearest participating emergency facility and the plan will pay 100% of charges after the $250 copay up to a maximum eligible expense of 350%. If you are admitted to a non-participating facility, you or the facility must contact Allegiance. A case management nurse will work with the admitting facility to transfer you to a participating facility as soon as you are stable. The plan will pay 100% of the in network transportation costs from the non-participating facility to the participating facility. If the non-participating emergency facility attempts to balance bill, please contact Allegiance.

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Communications

- **What if I want to go to an out-of-state facility but a participating provider performs the same service in Montana?**
  - You should always attempt to have your services performed at a participating facility in your state; however, if your provider recommends using an out-of-state provider for specialized treatment, please contact Allegiance. A case management nurse will work with you on a pre-treatment review that will show what in-state participating facilities are available and the cost differential of using a nonparticipating facility out of state. If the nonparticipating out-of-state facility is a center of excellence, the nurse case manager will work on pre-certifying that center of excellence and provide reimbursement to the provider without balance billing to you.

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