

UNITEDHEALTH GROUP®

Transforming Health Care

New approaches to delivering, accessing and paying for care

Tom Beauregard
Executive Vice President and Chief Innovation Officer
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A health benefits and health services company



Health care coverage and benefits:

- Employer & Individual
- Medicare & Retirement
- Community & State
- Military & Veterans
- Global

Helping people live healthier lives



Information and technology-enabled health services:

- Technology solutions
- Intelligence and decision support tools
- Health management and interventions
- Administrative and financial services
- Pharmacy solutions

**Helping make the health system
work better for everyone**

Research and Development Assets

- ✓ Data
- ✓ Technology
- ✓ Operations
- ✓ National Network
- ✓ Payment
- ✓ Investment Capital



190K

Plan Sponsors



850K

Care Providers



100M

Consumers

Supported by

61K

Physicians,
Nurses and
Clinical
Practitioners

225K

Workforce

16K

Global
Technology
Professionals

**We Start with the Problems
Expressed by Our Customers
and Demonstrated in Our Data...**

Four Health Care Problem Areas



High and Growing Costs



Variation in Quality and Cost



Compromised Access to Care



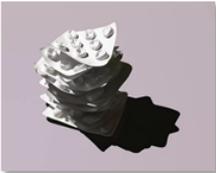
Overly Complex Consumer Models

TIME Money

How Rising Health Care Costs Are Wrecking Retirement Savings

By Dan Kadlec | @dankadlec | April 13, 2016

Family financial stress is up, along with health care deductibles.



American workers are feeling more stressed about their finances, in large measure due to the increasing out-of-pocket cost of healthcare, new research shows. They are looking to employers for guidance—and to do something about it.

The New York Times **TheUpshot**

The Experts Were Wrong About the Best Places for Better and Cheaper Health Care

By KEVIN QUEALY and MARGOT SANGER-KATZ | DEC. 15, 2015

These maps look nothing alike. Their big differences are forcing health experts to rethink what they know about health costs in New York City and across the country.



Medicare spending per capita **Private insurance spending per capita**

A lot of what we know about health care costs comes from Medicare. But a new study suggests that private insurance costs are rising faster than Medicare.

The New York Times

Alone on the Range, Seniors Often Lack Access to Health Care

By Paula Span | THE NEW YORK TIMES | APRIL 6, 2014



What's it like to grow old in rural America?

- Millie Goodby is a retired nurse, so when she experienced chest pain five years ago, she recognized the signs of a potential heart attack. But her family didn't call 911. The drive from her home to the hospital in Klamath Falls, Ore., requires at least half an hour.

"It takes a while for an ambulance to get here, and then you hope the ambulance can find you" on an unpaved country road, said Mrs. Goodby, who is 83. Instead, her son-in-law drove her to the emergency room. (After three days in the hospital, she went home and resumed her two-mile-a-day walks with her dog.)

TIME

How You Could Get Hit With a Surprise Medical Bill

Haley Sweetland Edwards | March 7, 2016

One in three American adults has faced them



Almost exactly a year ago, John Elfrank-Danna, a 58-year-old father of three, slipped on the steps of a New York subway, slammed his skull on the metal and concrete, and was launched into what can only be understood as the seventh circle of modern medical billing hell.

Collaborate on Breakthrough Approaches...



Employers

**Provider
systems**

**Non-profit
organizations**

**Cross-industry
leaders**

**Academic
partners**

**Policy and
government
organizations**

UNITEDHEALTH GROUP®

Research and Development Projects

UHG Enterprise Research & Development Portfolio

Bundled Payments for Specialty Drugs

THE CHALLENGE

- \$87 billion spent on specialty drugs in 2012
- Double-digit growth rate as development shifts to specialty drugs and biologics
- Many patients receive treatment in costly facility settings
- Traditional fee-for-service models for complex drug protocols are not effective

INTEGRATED APPROACH

**Bundled
Payments
for
Infusion
Providers**



**Member
Incentives for
Alternative
Treatment
Settings**



EXPECTED OUTCOMES

- ✓ Greater use of less costly sites of care (home or infusion center)
- ✓ Improved quality of care
- ✓ Improve outcomes for those with chronic conditions using infusion drugs

Phase 5 Research

THE CHALLENGE

- Data on drug safety and effectiveness is the cornerstone of the pharmaceutical pipeline
- Populations studied in clinical trials can differ greatly from those who eventually use the drugs
- Substantial need to understand effect of treatment regimens
- Desire to evaluate the real-world effectiveness, duration of impact and the costs of care.

THE APPROACH



Develop data infrastructure to develop insights about new drugs and inform clinical/policy decisions



Develop registry framework using existing secondary data assets (i.e., administrative claims, lab data and prior authorization)



Academic partnerships to examine pharmaceutical use and effectiveness in driving real-world outcomes

Transparency in Action

THE CHALLENGE

- Extensive variation in price and quality
- Limited correlation between prices and quality of care
- Consumers don't use existing transparency tools

THE APPROACH

Transparency in Action



EXPECTED OUTCOMES

- ✓ Completed research studies
- ✓ Defined savings opportunities
- ✓ Greater efficiency in provider selection referrals
- ✓ Lower out-of-pocket costs for consumers
- ✓ Support for value-based contracts



Next-Level Asthma Program for Children

THE CHALLENGE

- 6.8 million U.S. children have asthma
- 55% of children's asthma is uncontrolled despite high levels of health insurance coverage.
- 80 percent of asthmatic children are also allergic
- The addition of allergen avoidance in combination with controller therapy has previously been shown to significantly improve asthma-related health outcomes

THE GOAL



Improve outcomes for children with asthma through expansion of program. Build on this work to support a broader initiative to enhance management of chronic conditions.

THE APPROACH



The project will evaluate the impact of enrollment in chronic care management and outreach to asthmatic children by Optum nurse care managers.

Technology Suite Supporting Pain Management

THE CHALLENGE

- Back pain is among the most prevalent health care conditions
- It is one of the most common causes of lost productivity
- Patients largely self-manage their condition resulting in highly variable treatment and treatment failures
- Back pain is one of the top drivers of health care costs and has led to an epidemic of opioid dependence and chronic pain



THE APPROACH



EXPECTED OUTCOMES:

- ✓ Help patients who self-manage back pain to improve their daily lives
- ✓ Reduction in health care costs, specifically use of opioids

Type 1 Diabetes Care Transformation

THE CHALLENGE

- T1D is a chronic illness that affects children and adults
- It is difficult to manage - patients, parents and physicians all struggle to keep it under control
- Providers normally make changes to a patient's diabetic care plan at a quarterly visit, based on retrospective data from pumps, meters, and hemoglobin A1c (HbA1c) levels
- Not able to make just-in-time adjustments

THE APPROACH



Partnership with Children's Hospital of Minnesota (CHOM) - Pediatric Insulin Pump Study



Next- study adult Insulin injections

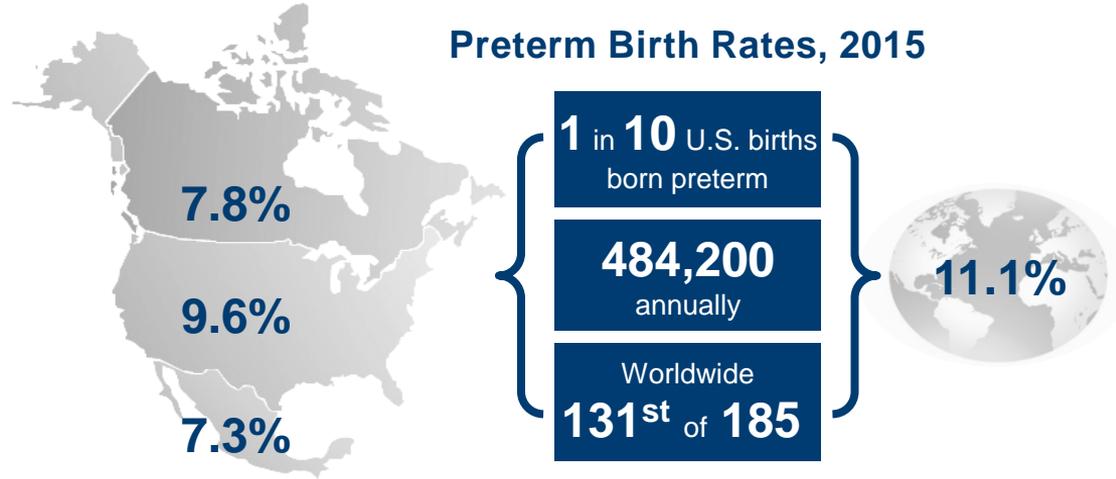


Development of a T1D monitoring service

Group Prenatal Care

THE CHALLENGE

- Preterm birth rate is **9.6 percent** (March of Dimes has goal of **5.5 percent by 2030**)
- Accounts for 1/3 of spending on infants
- **Racial and ethnic disparities persist:** preterm birth among Black women is 3x that of non-Hispanic White women
- Cost **>\$26 billion** per year for preterm births (\$51,600/infant)



*Preterm birth and low birth weight: **leading causes of infant morbidity and mortality in U.S.***

Emergency Medical Services (EMS) Partnership

OVERVIEW

Kansas **pilot** with non-compliant **Medicaid** beneficiaries with diabetes

Goal: **Test model** for non-emergent care and its impact on outcomes for diabetes—and other conditions

Lower cost, **high impact** model for delivering services for patients who are at risk and not engaged in their health care

THE APPROACH

- A community-based delivery model for Medicaid beneficiaries in Kansas (pilot)
- EMS staff, who are valuable and trusted community care givers, offer opportunity to reach targeted patients
- EMS: Build relationships, collect specimen samples, coordinate and create referrals, and share diabetes education

EXPECTED OUTCOMES

- ✓ Greater access to care for targeted populations
- ✓ Improved health outcomes
- ✓ Avoided hospitalizations and ER visits



Innovation at Work.