LUMERIS CASE STUDIES

BACKGROUND: The case studies outlined here demonstrate Lumeris' success in creating Population Health Service Organizations. In some instances, this requires us to provide the full spectrum of our value-based services: Consumer & Provider Engagement, Enhanced Care Delivery, Operational Excellence and Business Model Alignment. In other instances, we are engaged to provide a portion of the services to more advanced health delivery organizations.

Late in 2014, Lumeris hired AON Hewitt (AON) to review the validity of our results. The following client case studies reflect some of the impactful results that Lumeris has achieved with clients.

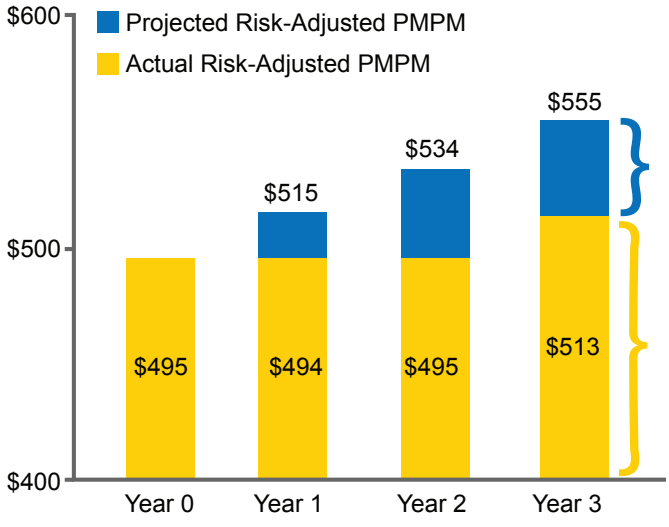
CASE STUDY 1: MEDICARE ADVANTAGE PRESCRIPTION DRUG (MAPD) PLAN

CLIENT OVERVIEW: MAPD plan with more than 50,000 members, 11 physician groups and nearly 5,000 contracted physicians.

SOLUTIONS: For this client, Lumeris assessed the provider network and capabilities, developed contracts that include incentives for physicians tied to improved financial and quality outcomes, aggregated and rationalized data from disparate sources, and implemented and deployed the Accountable Delivery System Platform®—our data engine that provides physicians the necessary analytics and reports they need at the point of care.

Operational Excellence	Established Collaborative Payer® Model
Business Model Alignment	Aligned incentive contracts between payers and providers
	Modeled MAPD benefit design on HMO narrow network of accountable PCPs and specialists, prior authorizations, referral process, $0 premiums
	Provided Opportunity Analysis to help Medical Directors and PCPs understand opportunities for improvement
	Enabled providers to perform Enhanced Encounter® assessments on high-risk patients
Consumer & Provider Engagement	Provided a mentorship program to align physician behaviors around accountability to achieve the Triple Aim *Plus One*
	Implemented Provider Performance Program (P3) to support and empower PCP, Office Manager and Office Staff transformation
	Used the Nine C's® Playbook with strategies and tactics to support provider behavior change
Enhanced Care Delivery	Established a system of collaborative medical management
	Conducted JOCs/Medical Director conferences to engage providers

RESULTS: AON reviewed four years of claims data, normalized it, and compared it to a cohort group of a normalized sample of Medicare Fee-for-Service (FFS) beneficiaries. AON also validated the results for both risk-adjusted costs and non-risk-adjusted costs, and compared the Health Plan's per-member-per-month (PMPM) costs over a four year period to cost trend data from the Health Care Cost Institute. The following are the results:

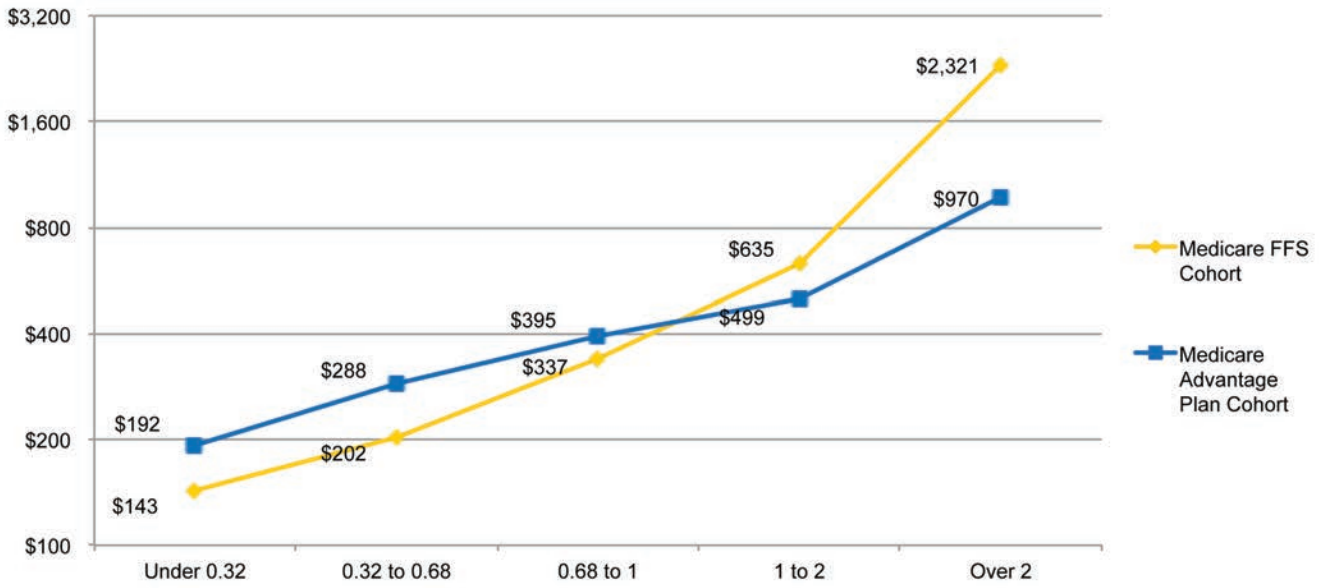


Projected costs at 4.0%, 3.7% and 3.9% annual growth*

Actual costs over time: 1.2% annual growth

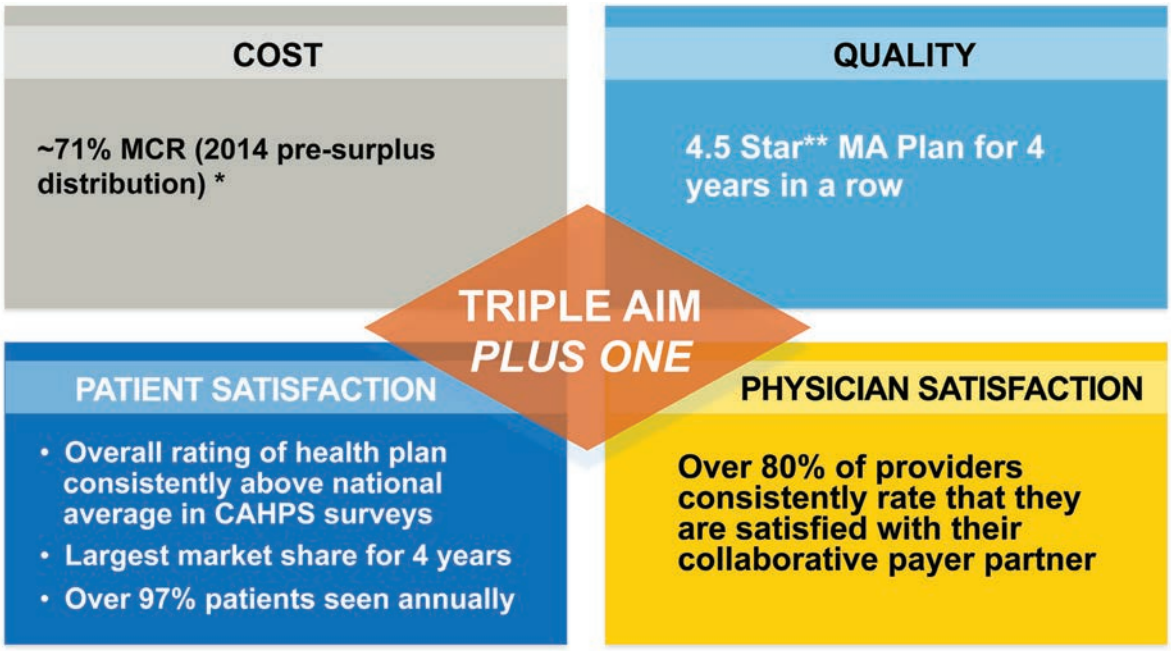
Health Plan PMPM Results Over Four Year Period. (Left) The Health Care Cost Institute reported trends in cost increases as 4, 3.7, and 3.9 percent from Years 1 through 3. Lumeris was able to help the plan keep risk-adjusted PMPM costs at a 1.2% increase, a much lower growth rate compared to national trends.

The following is a comparison of the total costs of PMPM by normalized risk scores for both the Health Plan's and the cohort's normalized populations.



PMPM Cost by Normalized Risk Score Band. Lumeris helped the Health Plan reduce spending for high-risk patients and increased investment in preventable care for low-risk patients. At the far left, the Health Plan spends more on patients with lower risk scores than FFS Medicare. At the far right, by managing transitions, high-risk patient management and end-of-life care, Lumeris was able to help the plan maintain lower PMPM costs for the most critically ill patients.

In addition to the results presented above, Lumeris was able to help the Health Plan achieve the Triple Aim *Plus One*: increased quality, at reduced cost, with satisfied patients *plus* physicians, as evidenced by:



CASE STUDY 2: LOOSELY AFFILIATED INDEPENDENT PHYSICIAN ASSOCIATION (IPA)

CLIENT OVERVIEW: This client includes employed and independent providers in upside-only contracts with capitation arrangements and internal PCP compensation based on profit and loss. Lumeris worked with this client to improve PCP performance and engage them to better manage high-risk patients.

SOLUTIONS: Lumeris conducted a qualitative and quantitative analysis to identify opportunities for improvement, aggregated and rationalized data from disparate sources, and deployed the ADSP to provide the reports and analytics necessary for the providers to make better, value-based decisions.

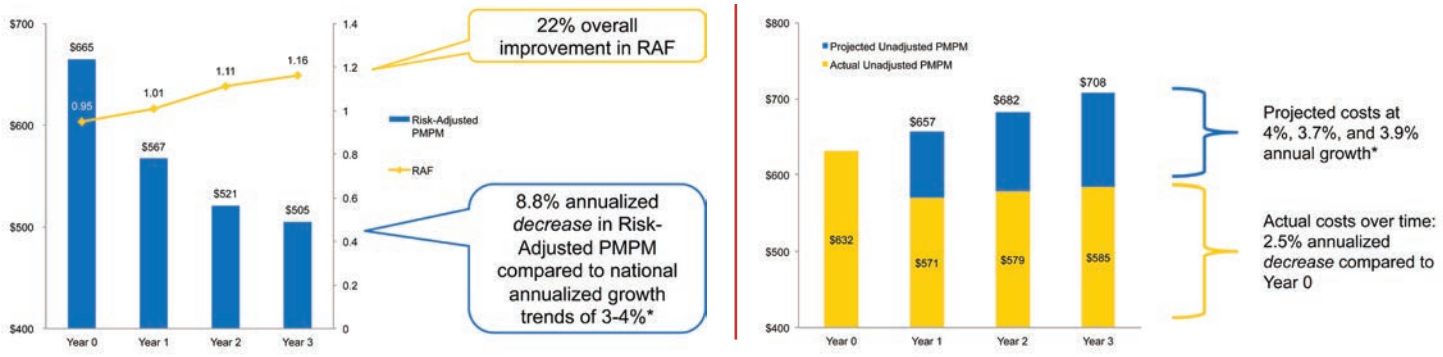
Business Model Alignment	Conducted Opportunity Analysis that identified needed population-level interventions and care management opportunities
	Deployed Enhanced Encounter®, a prospective health assessment program that supports effective management of chronic and high-risk populations for revenue management
Consumer & Provider Engagement	Adjusted internal compensation to pool risk for high-cost cases and required monthly meetings to review care of high-risk patients
	Identified and trained new Medical Director and leaders
	Established processes to share comparative data, best practices and identify opportunities
	Used the Nine C's® Playbook with strategies and tactics to support provider behavior change
Enhanced Care Delivery	Payer implemented advanced imaging, social work, complex care management, and medication management

RESULTS: With this client, Lumeris took a three-year phased approach. During that time, we helped the Provider Group assume increased financial responsibility by moving them from upside-only risk to upside plus downside risk with quality incentives. We also worked to engage providers with the Accountable Primary Care Model—The Nine C's®—by mentoring physician leadership, focusing on transitions in care and sharing best practices.

	Year 1	Year 2	Year 3
Payer Contracts	• Upside-only risk	• Upside + downside risk with quality incentives	• Upside + downside risk with quality incentives
Physician Leadership and Engagement	• Identified physician leaders • Quarterly JOC meetings with the Health Plan • Monthly meetings with Medical Director(s) • Regional meetings within medical group to share data	• Physician leadership mentoring • Time and reimbursement for this important role	• Physician leadership mentoring • Collaborative best practice sharing • Developed Nine C's® Playbook
Care Management		• Inpatient focus • Transitions of care	• Expand to high-risk patient management
Aligning Provider Incentives	• Base of FFS then bonuses based on contract incentives	• Capitation with sharing of surplus • Share surplus based on group/subgroup/PCP	• Addition of internal risk sharing for high-cost patients • Pooled dollars and collaborative best practice sharing

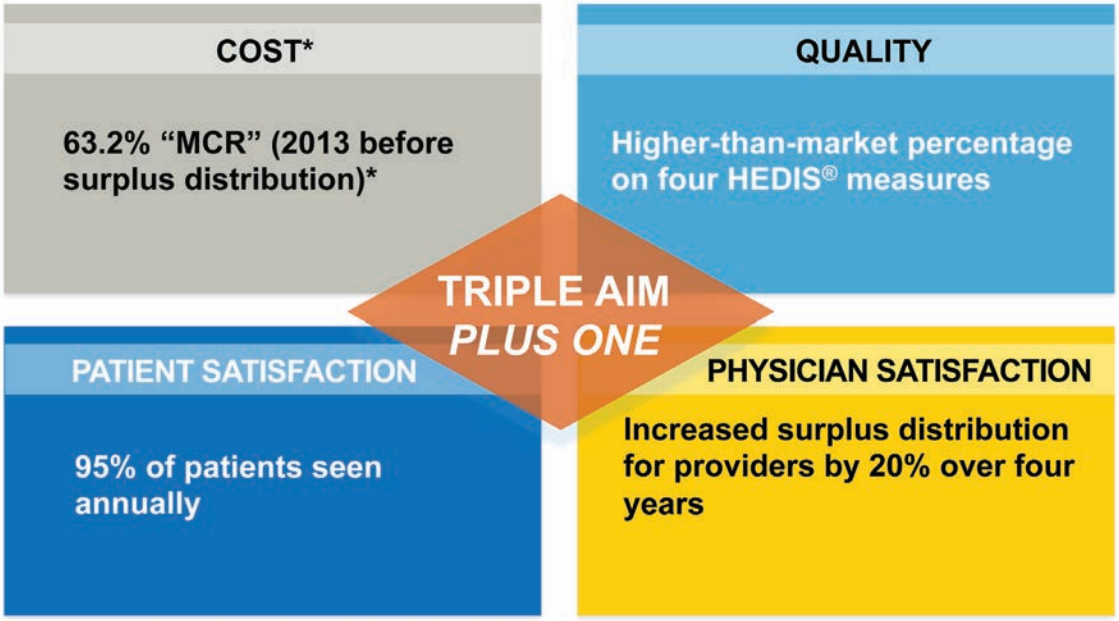
AON reviewed four years worth of claims data and adjusted for demographic and morbidity differences across years using CMS-HCC risk factors derived from MMR reporting. Unadjusted (non-risk-adjusted) PMPMs are also included separately to illustrate cost changes over time. AON validated our results. Better management of services resulted in an 11.3 percent reduction in acute admissions and a 9.6 percent reduction in acute days. Patients were also driven to more appropriate admissions and received the right care in the right settings as evidenced by a 1.9 percent increase in average length of stay and a 1.8 percent increase in average diagnosis related group (DRG) weight.

The following shows the overall trends in risk-adjusted non-risk adjusted PMPM costs and improvements in RAF scores for the Provider Group.



Improvement in RAF Score, Risk-Adjusted and Non-Risk-Adjusted PMPM. (Left) Lumeris worked with the Provider Group to improve RAF scores and decrease costs. The comparative cost data trend was provided by HCCI. (Right) Non-risk adjusted costs still experienced a 2.5% annualized decrease compared to Year 0.

Lumeris was also able to help the Provider Group achieve the Triple Aim *Plus One*, as evidenced by:



[i] AON Actuarial Report, "The Effectiveness of Lumeris Population Health Management, " Dec. 2014
[ii] Health Care Cost Institute, 2013 Health Care Cost and Utilization Report, Oct. 2014
Notes: PMPMs are Non-Risk-Adjusted Allowed PMPMs. Projected Unadjusted PMPM Growth based on Health Care Cost Institute annual trends during 2010-2013 period