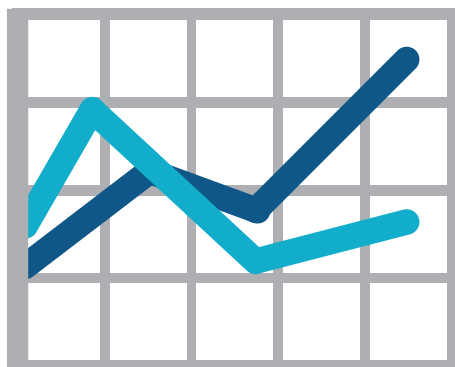


Cost & Use as Compared to Benchmarks



Cost and use are higher, except in important areas of prevention and primary care.

Overall medical costs are 8% higher than the norm for all groups, but are increasing more slowly than the norm (5% v. 8%) on a per member per month (PMPM) basis.

Use of services are higher than the norm in emergency, laboratory and specialty areas, but lower in primary care.

Use of inpatient hospital services is lower than the norm, however, costs are higher on a PMPM basis, indicating higher than norm unit costs.

Based on this information, **increasing costs are being driven by both increased utilization, as well as increases in unit costs.**

Nationally, inpatient hospital services are being driven by higher acuity patients, whereas, lower acuity patients are now being seen on an outpatient basis.

LVBCH partnered with Geneia to provide 10 of its member employer groups with access to the **Theon[®] Care Engager[®] advanced analytics platform**. The data is aggregated from these 10 employer groups (Care Engager[®] users) representing 54,961 lives, for which Capital BlueCross is a primary carrier.



Value-Based Partnership Opportunities

Value-based partnerships are a **proven solution to achieve better outcomes**.

The top providers of emergency, hospital, laboratory, primary care, and radiology are:

- Lehigh Valley Hospital Network
- Reading Hospital Network
- St. Luke's Health Network
- St. Joseph (Penn State Health)
- Geisinger Health

Whereas these networks deliver a preponderance of acute and ambulatory care, collaboration on value-based outcomes has the **potential to provide meaningful improvements in cost and quality, and mitigate the progression of disease in the population.**

Demographics



The population skews **younger** and is **concentrated in families**.

The average age of the membership is 35.5 years vs. a norm of 36.6 years.

50% of contracts are family and 15% are parent/child(ren). Together 65% of contracts are parent(s) with one or more children, compared to the norm of 49% of contracts that are parent(s) with one or more children.

The average number of members per contract is 2.3.

Child/Infant Opportunities

Complications of pregnancy drive costs, but could be mitigated with preventive services.

Complications of pregnancy are in the top 10 conditions driving costs. 5 of the top 10 overall providers of primary care are pediatricians. 2 of the top 12 costliest claims resulted from premature infants.

Yet essential and potentially mitigating preventive care fell below quality benchmarks:



- Only 51% of enrolled mothers received pre-natal care, and only 27% accessed recommended post-partum care
- Only 40% of infants achieved complete Childhood Immunization Status. Only 62% of children received visits in 3rd, 4th, 5th, or 6th year. 36% of adolescents received a well-child visit.

Diabetic Care Opportunities

Opportunities for early intervention and mitigation of risk

1,346 members have been diagnosed with abnormal glucose, an early indication of pre-diabetes.

The standard of care for diabetics includes an HbA1C/ blood glucose test every 6 months and annual foot and eye exams, yet:

- 381 or 14% lack HbA1C/Blood Glucose tests
- 860 or 32% lack foot exams
- 1,618 or 61% lack eye exams



Diabetics who receive these screenings per the standard of care may experience a slower progression of disease and may avoid future acute care needs.

Oncology

Cancer and cancer-related treatments are the third highest cost condition.

Among high-cost members, cancers and malignancies with related chemotherapy drugs account for **27% or \$16M of total health costs.**



Oncology treatments are the 4th highest cost condition, costing \$12.87 PMPM, yet **essential screenings that could identify cancers before they progress are below quality benchmarks, as indicated in this table:**

Screening	LVBCH Care Engager® Users	Benchmark ¹	# of People w/o Screenings
Breast Cancer	71%	88%	1,465
Cervical Cancer	66%	90%	3,288
Colorectal Cancer	52%	66% ²	6,845
HPV Vaccine	17%	30%	443

Overall Recommendations



- The best performing employers leverage value-based arrangements.³ LVBCH should collaborate with payers and providers to support formation and ongoing performance of value-based care relationships with high-volume community providers.
- Through these arrangements, LVBCH could collaborate with primary care providers to drive higher use of primary care and close gaps in quality care such as preventive cancer screenings, prenatal visits, well-child care and immunizations, and in chronic conditions such as diabetes.
- Consider supporting efforts such as Oncology-Focused Medical Homes that specifically drive best practice in oncology-focused care.
- Consider innovative preventive programs such as the Anti-Cancer Lifestyle Program that work to mitigate oncology risk factors.

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¹ Source: AHRQ nhqrmet.ahrq.gov
² Centers for Disease Control (CDC) cdc.gov
³ 2016 Willis Towers Watson NBGH Report

