

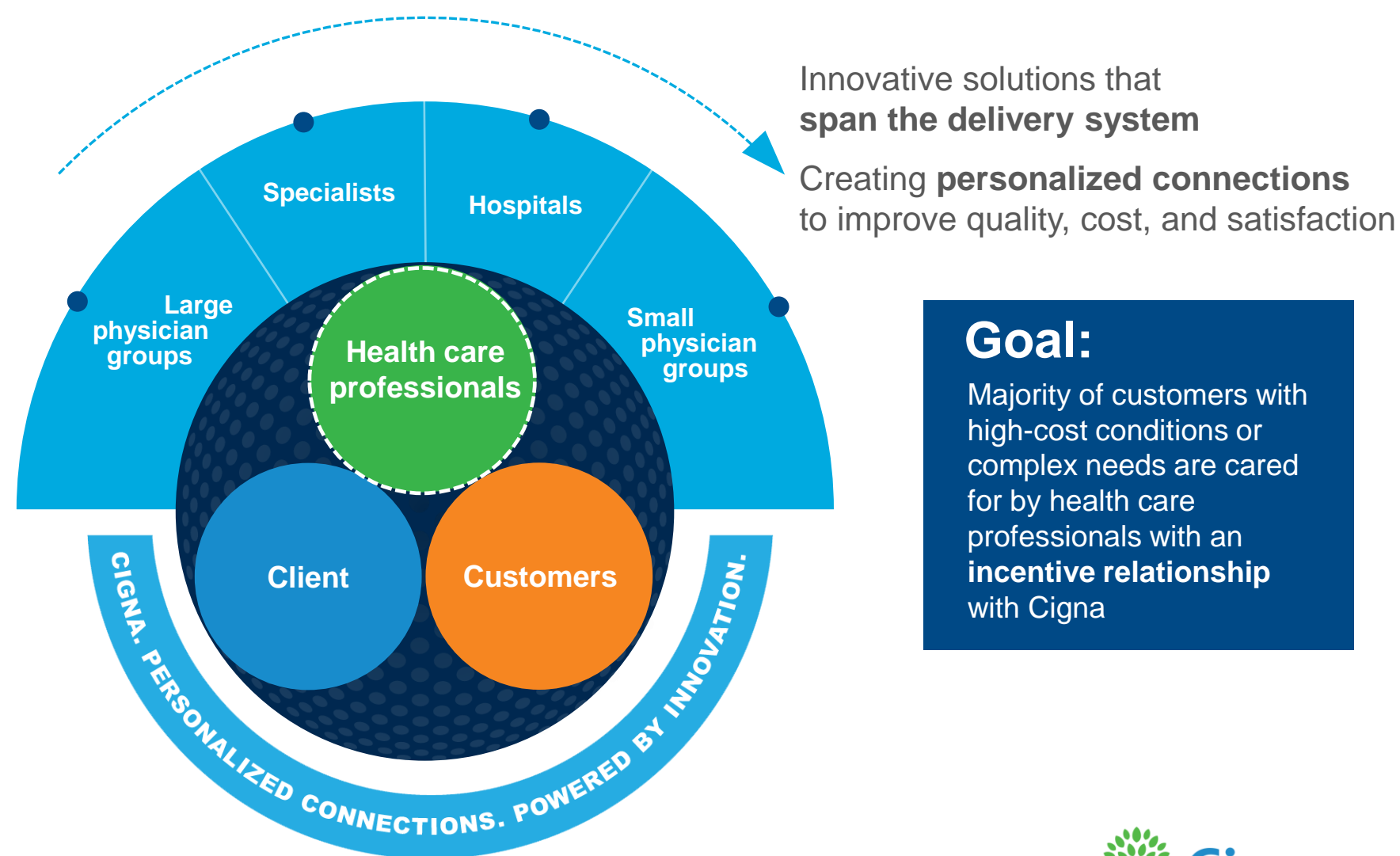
CIGNA COLLABORATIVE CARE SPECIALTY PROGRAMS

The Sixth National Bundled Payment Summit

June, 2016
Mark Sanderson

CIGNA COLLABORATIVE CARE – OUR PAY FOR PERFORMANCE

To do more, we created more connections where care is delivered

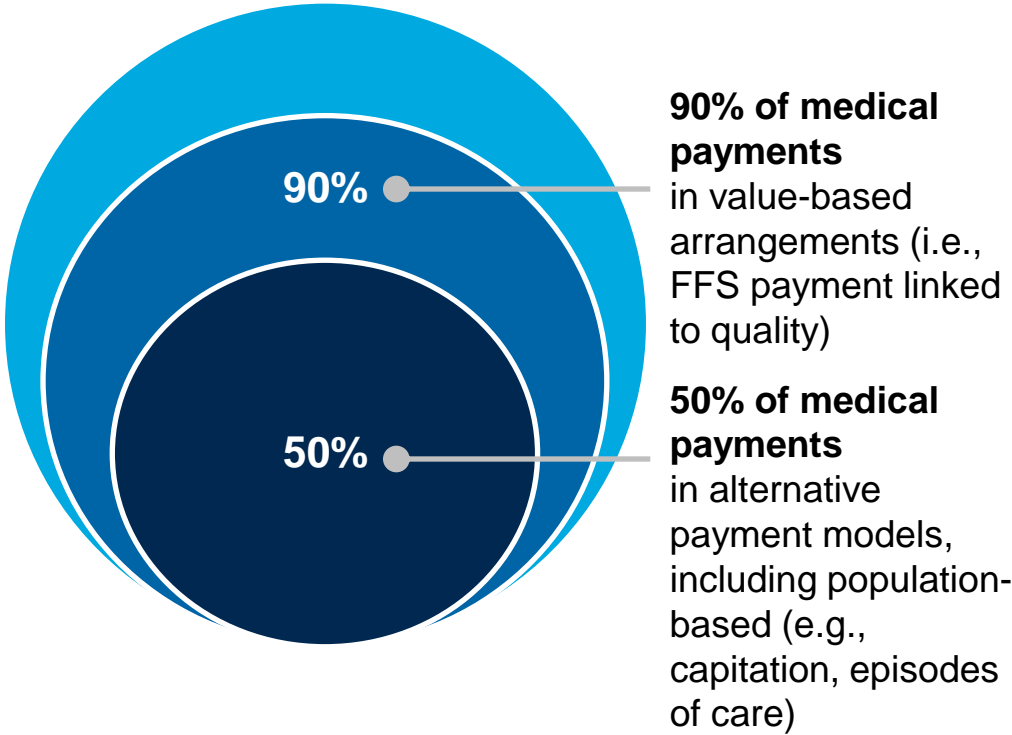


50 / 90 Goal

50/90 is a key value-based payment goal for 2018

- The 50/90 goal will help us impact total medical cost by **accelerating the shift away from traditional fee-for-service payment models to value-based partnership models** with providers that reward quality and health outcomes.
- Our 50/90 goal aligns with value-based payment goals announced by the Department of Health and Human Services (HHS) in January 2015.

By the end of 2018:



CURRENT RESULTS* (As of Q1 2016):

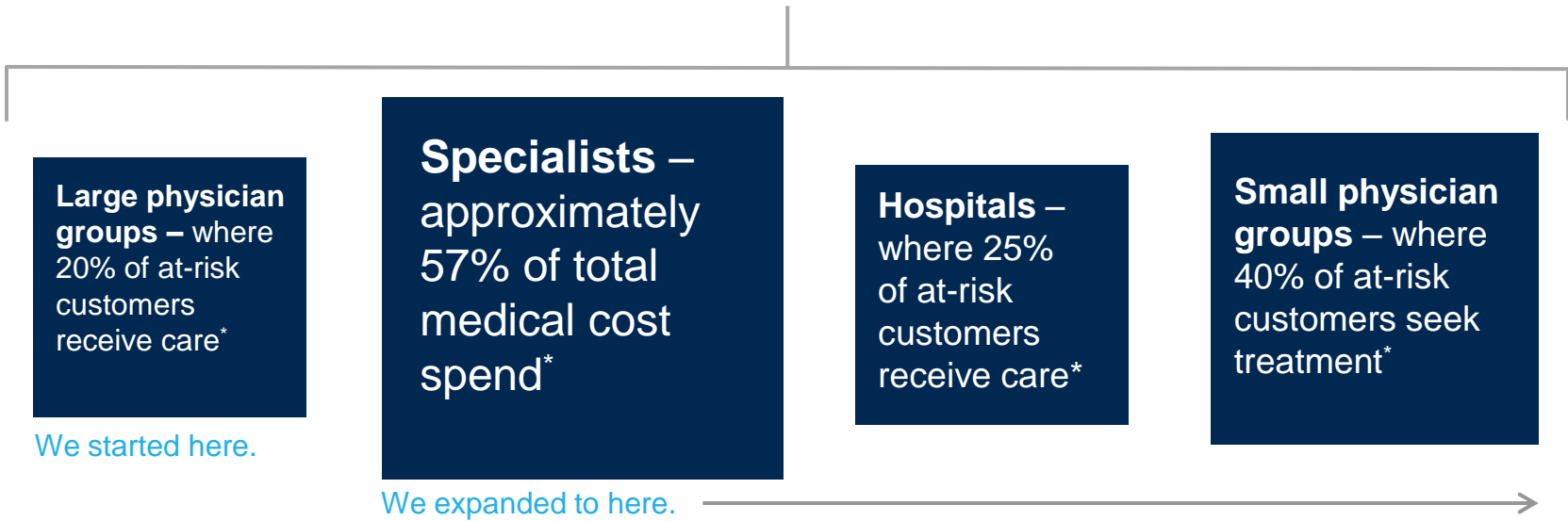
- 38% towards 50% goal
- 53% towards 90% goal

*In Go Deep markets



More connections where care is delivered

Our innovative solutions
span the delivery system



Goal: Majority of customers with high-cost conditions or complex needs are cared for by health care professionals with an incentive relationship with Cigna.

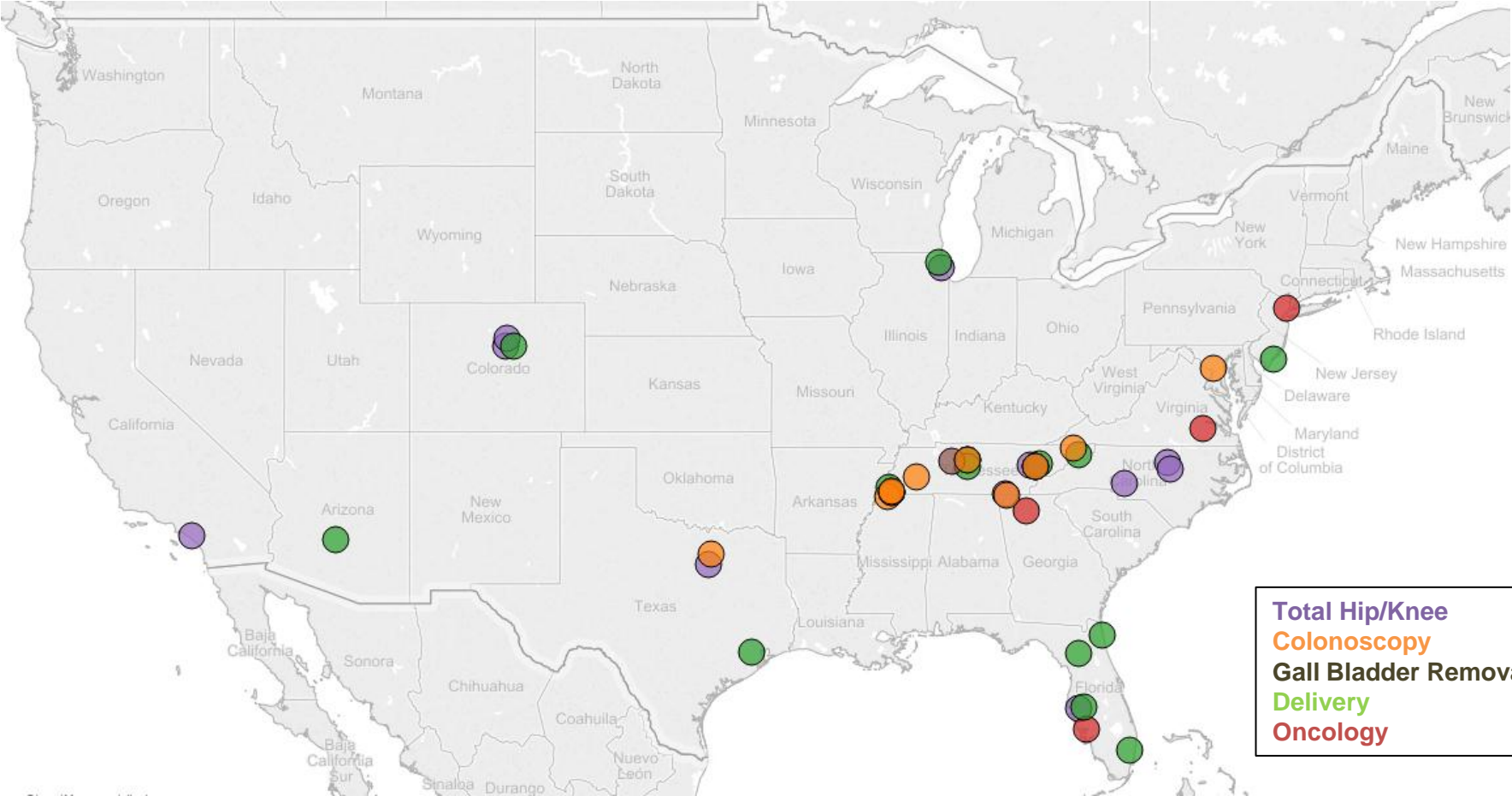
Episode of Care Program

Creating value-based relationships with specialty groups focused on acute episodes of care

Goals	Cigna support	Measures of success	Reimbursement
<ul style="list-style-type: none"> • Increase quality and decrease cost for an episode of care for: <ul style="list-style-type: none"> – Hip and knee replacements – Deliveries – Colonoscopies – Gall bladder removal – Hysterectomy – Knee Arthroscopy – Lumbar Laminectomy – Spinal Fusion – Upper GI Endoscopy • Identify potentially avoidable complications • Reinforce collaboration with the practices to increase opportunities for quality and cost improvements • Establish risk adjusted budget target based on historical performance 	<ul style="list-style-type: none"> • Provide practice-level information on improvement opportunities • Share summary episode quality metrics, cost and potentially avoidable complication information to help change practice patterns • Present physician-level quality and cost performance information • Provide patient-level detail on episode activity across entire episode continuum • Program level validation and enhancements through rigorous evaluation and pilots 	<ul style="list-style-type: none"> • Achievement of cost efficiencies per episode • Managing the budgeted complete episode target amount across the care continuum and with other providers (including lab, x-ray, hospital, nursing home, physical therapy) • Reduction in potentially avoidable complications • Improvement in or maintenance of established quality metric targets 	<ul style="list-style-type: none"> • Cigna uses Prometheus grouper methodology to set risk adjusted episode target price based on historical baseline claim information • Currently, upside only model – can earn a percentage of gain share/savings based on improvement from historical baseline toll-gated by hitting quality metric targets • Lump sum paid on an annual basis

Specialty Care Programs

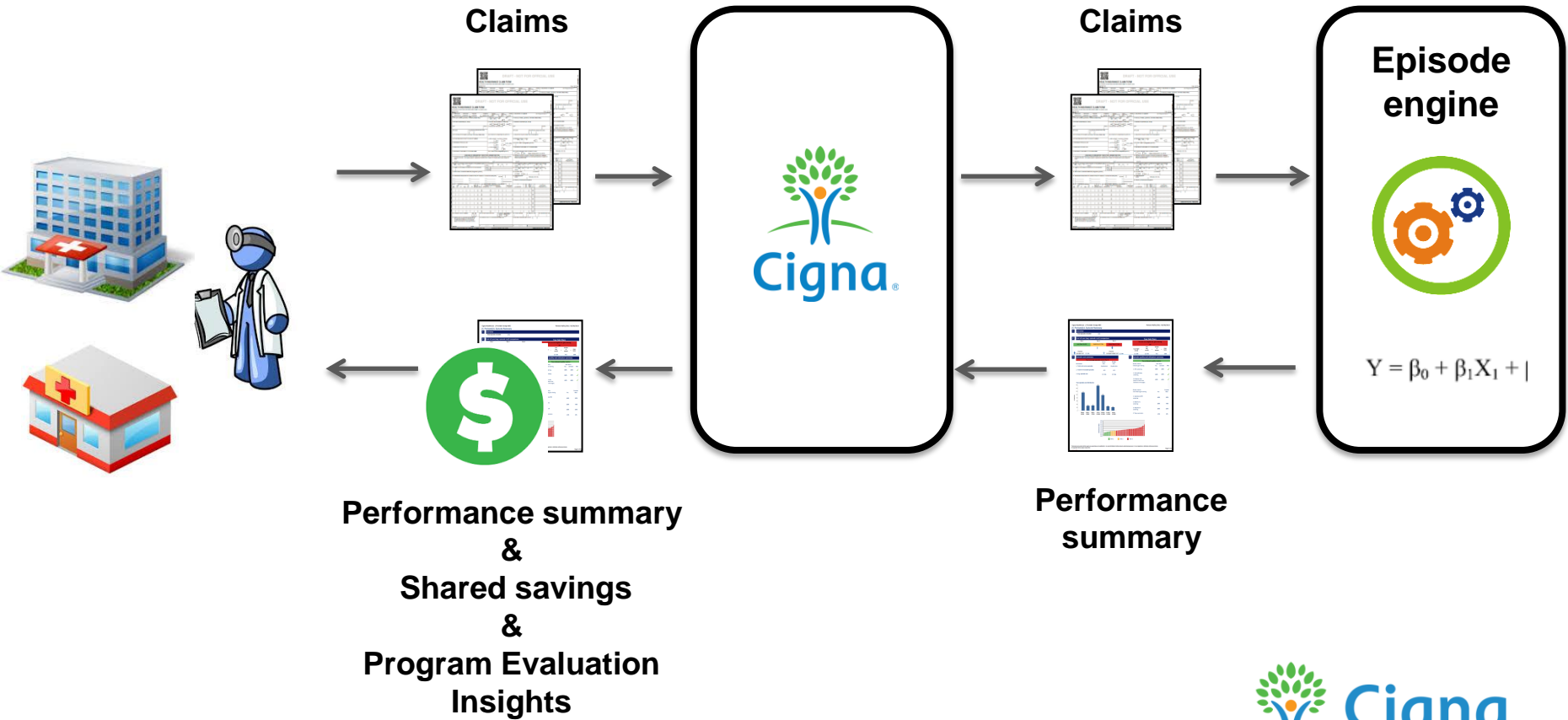
Over 50 episode arrangements



Episode of Care Program

Cigna's approach

- > Provider action plan
- > Data & analytics - PROMETHEUS engine
- > Reports & reconciliation
- > Performance improvement



Episode of Care Program

Episode Engine - grouper methodology

PROMETHEUS: Provider Payment Reform for Outcomes, Margins, Evidence, Transparency, Hassle-reduction, Excellence, Understandability, and Sustainability

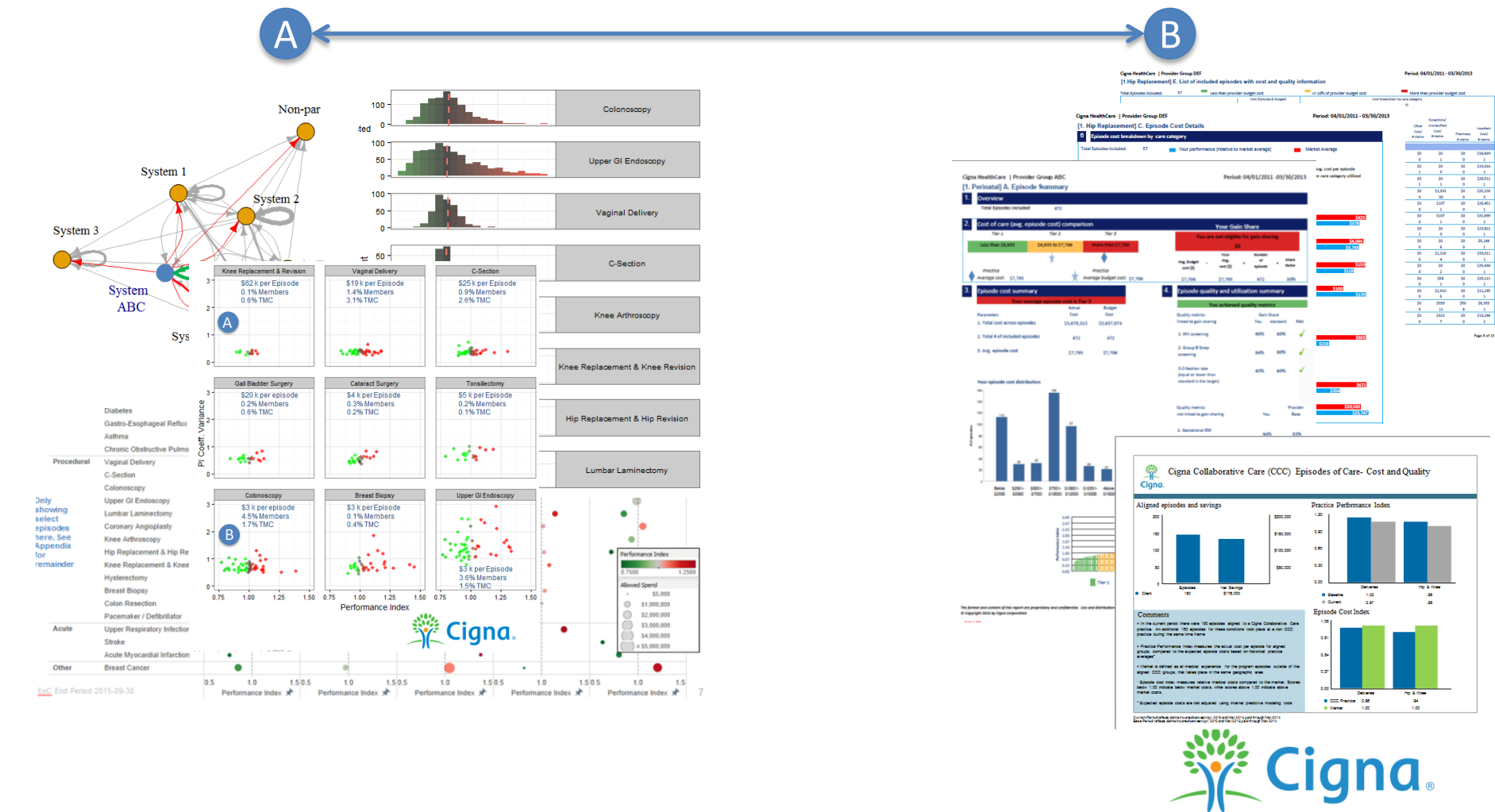
- Use industry-recognized grouper methodology.
- Package cost around comprehensive episodes of medical care that include all covered patient services related to a single illness or condition.
- Focus on paying for individual, patient-centered treatment plans that:
 - Reward health care professionals for providing high-quality and efficient care.
 - Create common performance incentives for health care professionals and Cigna.
- Apply risk-adjustment models that differentiate between costs that are typical versus those that are due to potentially avoidable complications (PACs), allowing for greater improvement in cost and quality.
- Achieve a specific patient objective, including all associated upstream and downstream care and costs.



Episode of Care Program

Performance summary - analytics and reporting

- Exploratory analytics supported by foundational data store [A]
- Production reports provider groups and clients [B]



Episode of Care Program

Challenges and Opportunities

Internal culture and the change to Cigna Collaborative Care (CCC)

- Legacy of fee-for-service mindset
- Historical unit-cost focus
- Team approach, interface, and responsibilities

External messaging

- Retrospective, prospective, or something in between
- Operation challenges in an ASO environment
- Bringing value to our customers

Implementation, mechanics, and application

- Sample size
- Program set up and data validation
- Reporting to customers (clients, health care professionals, members)
- Quality metrics conflicts
- Scale and speed



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All models are used for illustrative purposes only.

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