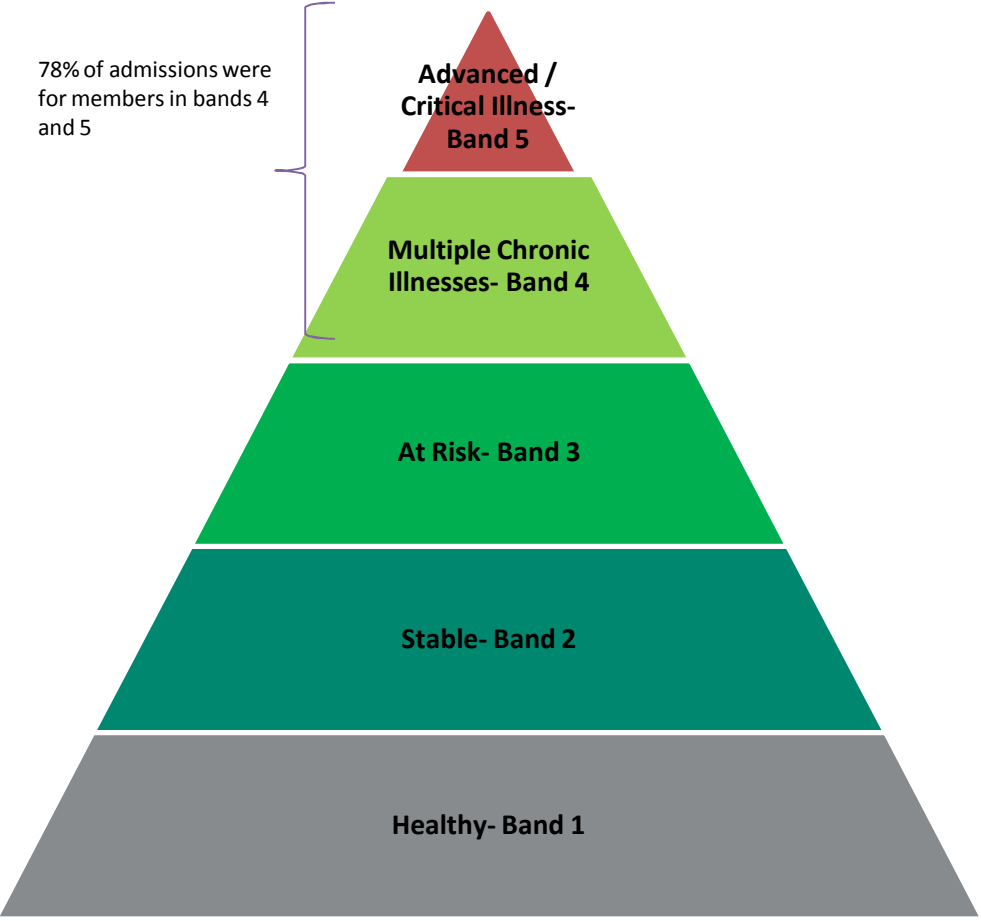


Move to Risk? The “Why”

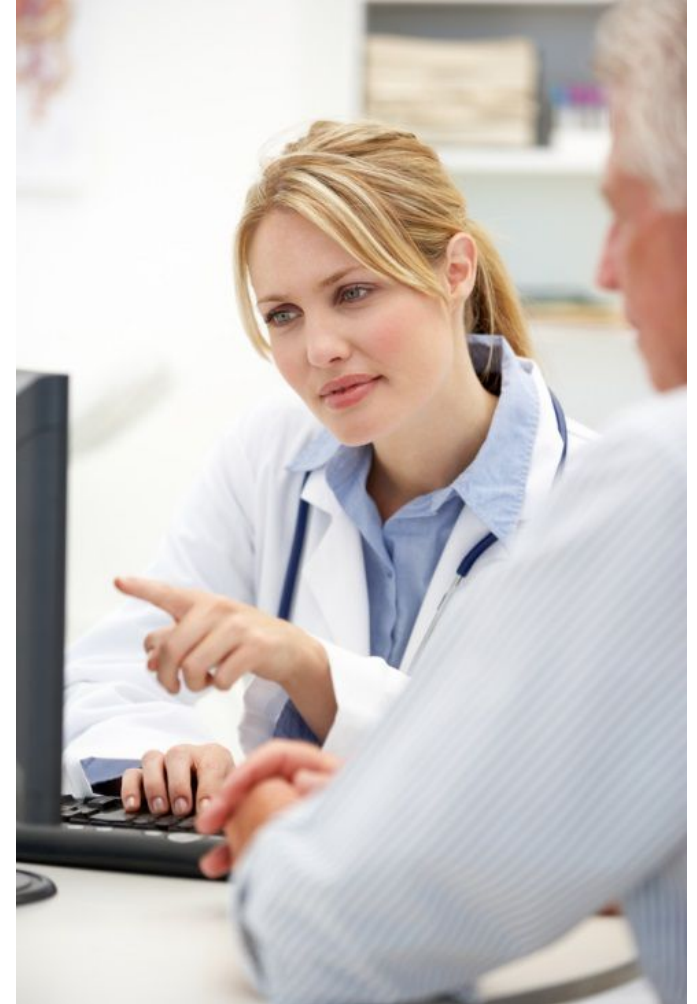


Percent of Population	Percent of Cost	PMPM Cost	Illness burden range
3%	29%	\$4,436	>= 5.0
8%	23%	\$1,160	2.00-4.99
12%	21%	\$578	1.00-1.99
27%	20%	\$218	0.25-0.99
50%	7%	\$49	0-0.24

Source: CareFirst HealthCare Analytics- 2012 data

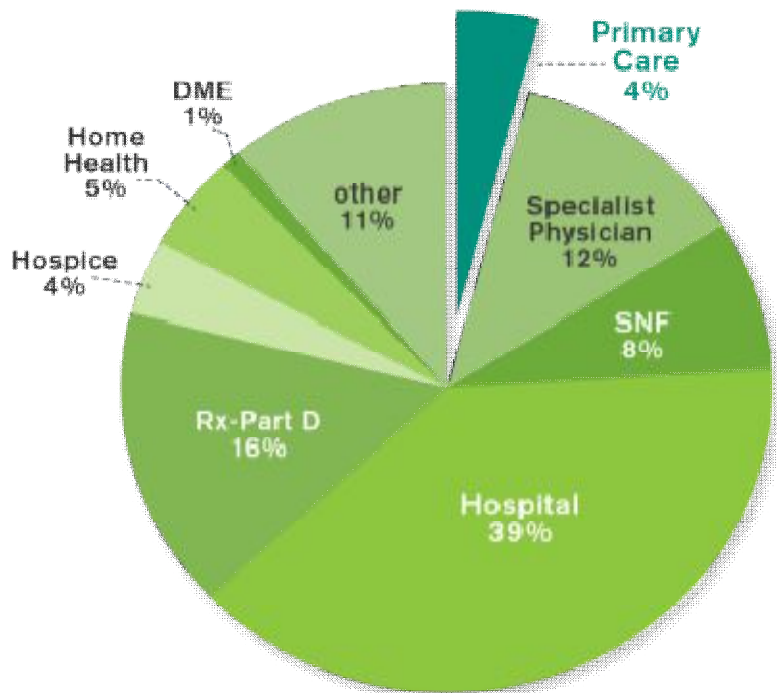
More Care Does Not Equal Better Care!

Wasted care represents 35% of healthcare expenditures and does not improve outcomes or quality of life – the goal of moving into risk is the rigorous elimination of wasted care!



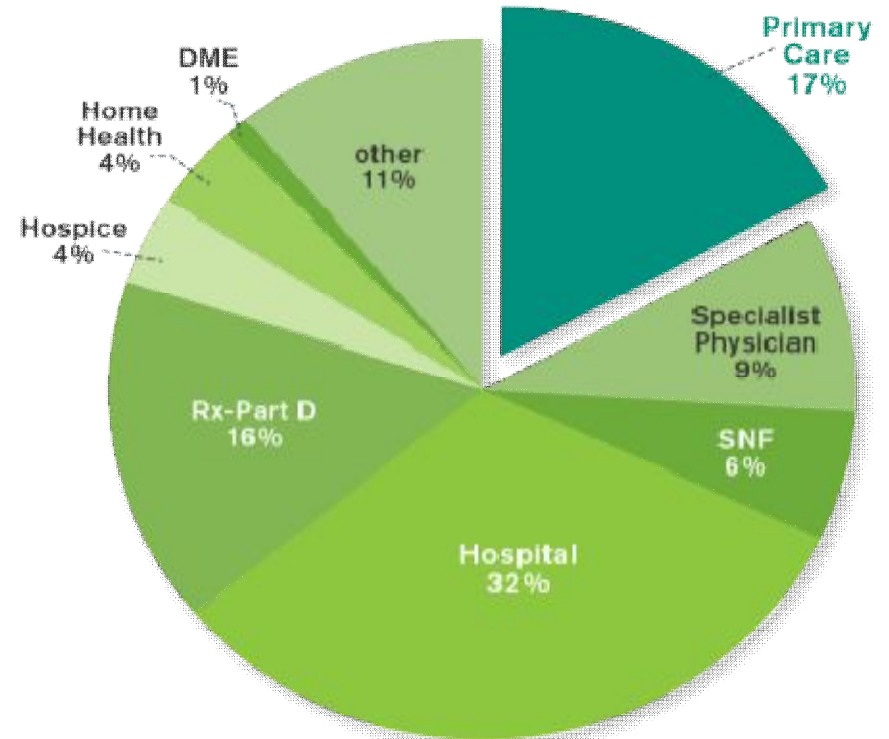
Medicare FFS vs Medicare Advantage Risk Model

Traditional Fee for Service



FFS Revenue \$ 280,000,000

Medicare Advantage Medical Home



MA Revenue \$ 3,800,000,000

*Data from 2011 Medicare Claims

Increased Satisfaction

Physicians

- More time with patients
- More control over patient care
- Improved quality of life
- Improved outcome/performance metrics
- Reduced provider liability
- Potential for incentives

Patients

- Better relationship with personal physician
- Improved outcomes and lower mortality!
- Reduced unnecessary care and hospitalization
- Better coordination of care
- Cost savings
- Better healthplan benefits