

May 11, 2006



CARE IMPROVEMENT PLUS

Specialized care for Medicare beneficiaries



Disease Management & Special Needs Plans

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XLHealth



Agenda

- Brief Background on XLHealth
- Overview of SNPs for Chronically ill
- Integrating Pharmacy Data in Medicare Advantage Programs – a Key Tool to Drive Quality and Savings



XLHealth Overview

- Founded 1998: Diabetes
- Co-morbid diseases: Heart Failure, ESRD and COPD
- 40,000 National and Regional >65 lives
- Best of class disease management services:
 - *“DMAA Best Medicare Program 2004-2005”*,
 - *“Top-Ten DM Vendor” List*
- Selected by CMS for 15,000 life DM Demonstration, 2002 - 2005
- First SNP License – September 2005
- Selected by CMS for 20,000 life “Medicare Health Support” – 2006 start in Tennessee

Heart Failure and Diabetes Interventions



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HF Participants:

1. Electronic Home Monitoring of weights/symptoms
2. Medication Management
3. Sodium Restricted Diet
4. Emergency plan

Diabetes Participants:

1. LEX screening and management
2. Medication Management
3. Other Diabetes Issues
 - Glycemic control, **Retinal exams**
4. Emergency plan

All Participants:

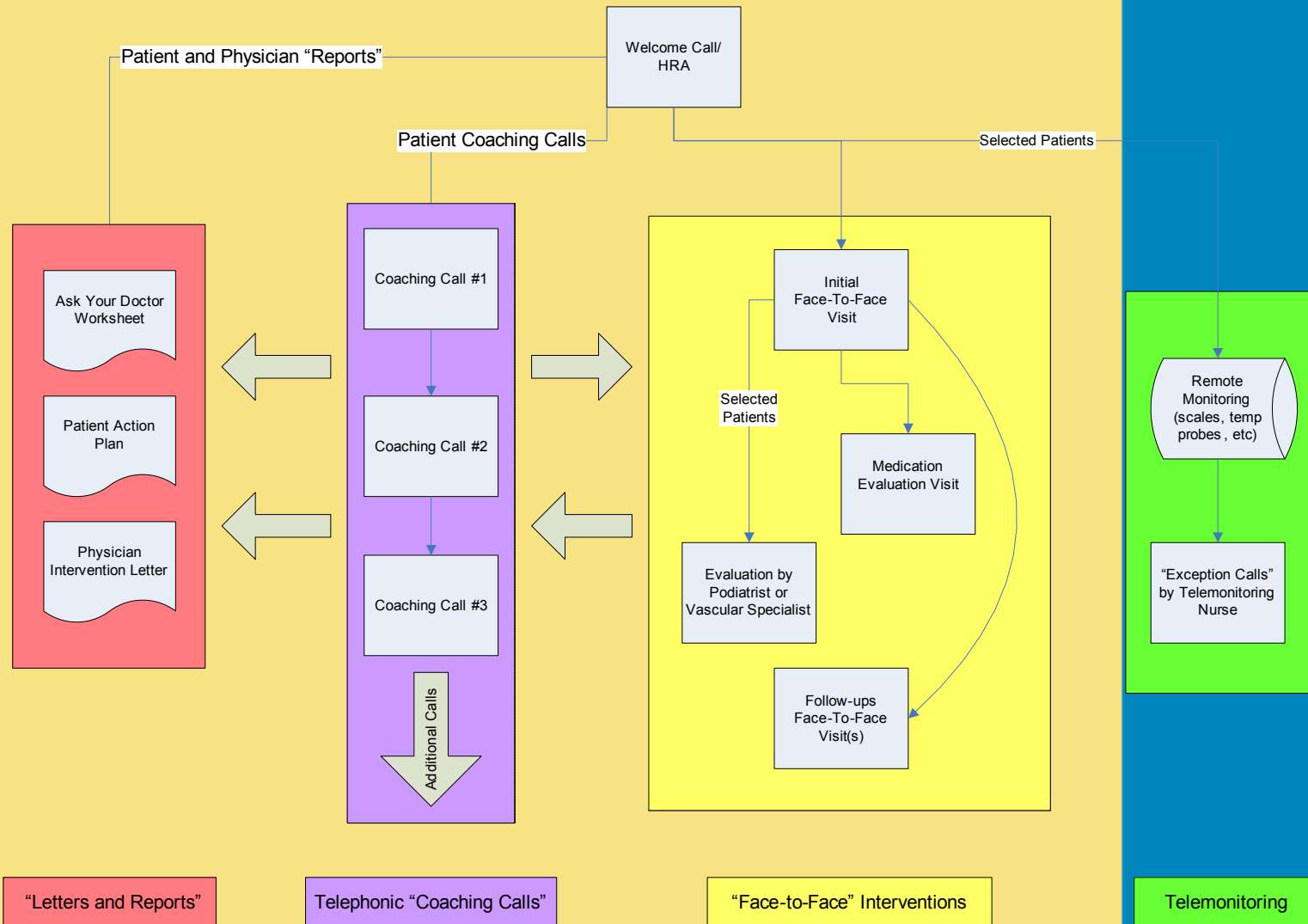
5. Inpatient assessment and discharge planning
6. Care coordination: home care, podiatry, etc
7. Complex case management (coordination of services, psychosocial issues, fall prevention, etc)
8. Pharmacist medication management program

XLHealth Basic Program

“Multi-Modal” Workflow



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SNP Plan Types

1. Medicaid
2. Institutionalized
3. Severe and Disabling Chronic Condition



2006 and 2007 Plan Filings

- Total 2006
 - 276 operated by 140 MA contracts
 - 226 Medicaid Contracts
 - 37 Institutional Contracts
 - 3 applicants: 11 separate chronic care SNPs
- 2007 filings as of 1/15/06
 - Notice of Intent (NOI) to file – 500
 - 240 Medicare Advantage NOIs
 - Estimated
 - 50% SAE / Employer Group Waivers
 - 50% MA and SNPs



Care Improvement Plus: Maryland Overview

- Initial market is the 8 counties around Baltimore and the Maryland suburbs of Washington, DC
- 100,000 chronically ill beneficiaries targeted
 - We are planning on slow but steady enrollment (3,500 to 4,500 in 2006)
- Targeted Conditions: HF, Diabetes, ESRD
- Part D Benefit: 3 co-pay/benefit options
- Emphasis on disease management to save costs
- Utilization management is non-intrusive
 - focused on hospital discharge planning
- Planned expansion to other states in 2007 and 2008



SNP Strategic Overview

- Risk Adjustment here to stay:
“Members with chronic illness are attractive...
you can manage them.”
- HCC risk adjustment applies to all members
- Strategic shift in marketing from “80/20 to 20/80”

IF



Leveraging the Drug Benefit

1. In disease management, savings are produced by use of effective drugs and increasing patient compliance
2. Seniors with chronic disease are commonly on many drugs that can interact and cost serious and costly complications
3. Pharmacy data can be used to identify patients who may have co-morbidities that require intervention and appropriate HCC coding.

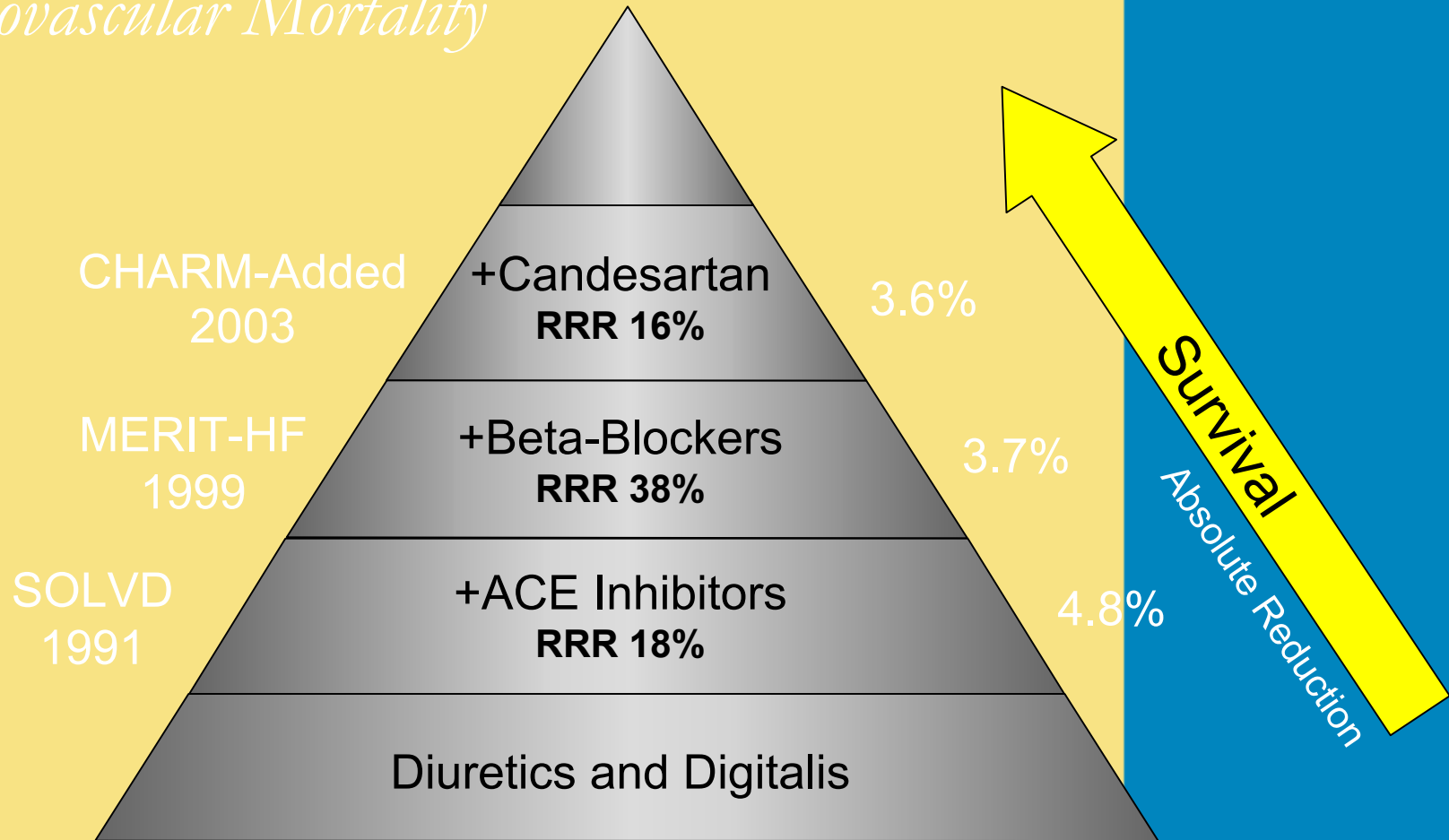
Medication Management in HF



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Cardiovascular Mortality



Sources :McMurray JJV et al. *Lancet*. 2003;362:767-771.
MERIT-HF Study Group. *Lancet*. 1999;353:2001-2007.
SOLVD Investigators. *N Engl J Med*. 1991;325:293-302.



Medication Management

Mrs A: 75 year old female with HF, diabetes, and a history of multiple falls – two resulting in hospitalizations in the last 4 years. Physicians include: IM, Psych, Cardiology, Orthopedics....

Meds:

Zocor (cholesterol)

Cozaar (HTN and HF)

Elavil (depression)

Lasix (HF)

Darvon (prn)

Respiridal (sleep)

Fosamax (osteoporosis)

Actos (diabetes)

Calcium (osteoporosis)

Carvedilol (HF)



Revenue Enhancement Using Pharmacy Data

Example: COPD

- Using a proprietary algorithm that analyzes pharmacy data, it is possible to identify a substantial number of seniors in any population that have “occult” (non-coded) COPD
- If these patients are identified and their providers code for COPD, the incremental revenue is > \$3,000 per patient - a 25% to 30% increase for a typical diabetic patient.



Summary

- Special Needs Plans provide a new and exciting vehicle to provide disease management programs to seniors.
- Embedded Disease Management is essential for managing chronically ill under full risk adjustment
- SNPs for the chronically ill represent greatest potential opportunity for earnings and impact
- To achieve robust outcomes, SNPs and other MA plans must make full use of drug data and consider offering a pharmacy benefit that reduces the financial barriers for key medications

Discussion



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