

Complex Claims

Clinical Overview and Stop Loss Update
May 2023



Agenda

01 Introductions

Referral Partners:

- 02*
- Mayo Clinic: Complex Care
 - Cleveland Clinic
 - Dana Farber

03 CCSP Case Studies



Lockton's Complex Claims Specialty Practice

Helping to Impact High-Cost Claims



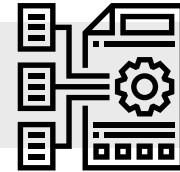
Purchasing Strength

- Best practice terms include multi-year rate caps and no new laser provisions
- Plan mirroring
- Lower average premiums



Claim Cost Reduction

- Verify site of care
- Review pharmacy utilization
- Alternative treatment methods
- Cost efficiency and alignment



Claims Management

- Ongoing claims tracking
- Monthly report monitoring
- Timely claim reimbursement
- Year-end claim reconciliation

Representing
1,200+
employer groups with
1.5+ million employees

Clinical strategies have produced
\$342M
in **verified** claims expense reduction

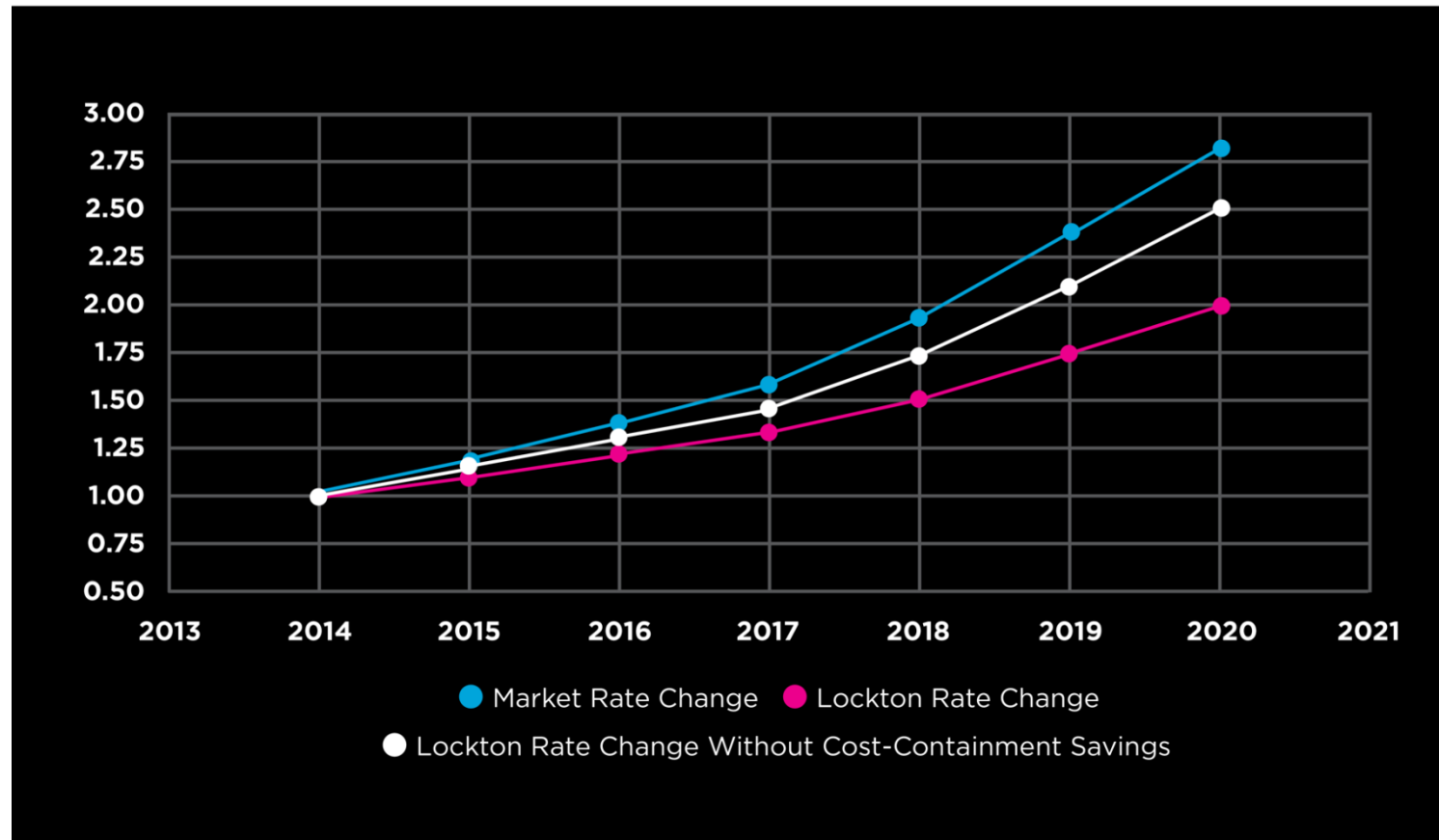
5,800+
Clinical & Financial Triggers

20,000+
Clinical Reviews
Performed to Date

\$1.2 Billion+
In Stop Loss Premium managed

Impact Of Cost Containment On Purchasing vs. The Market

Lockton's CCSP lowers the cost for an employer's high-cost claimant population. The multi-year result is that Lockton has lower rates compared to the market.



What's Really Driving Employer Health Plan Costs?

0.6%



of a population
drives 35%
of employers'
spend

Health care
inflation is driven
by price increases,
not utilization, think
new medical and Rx
technologies.



High-cost claims
are different

High-cost claimants
are made up of
cancers, kidney
failure, sepsis,
complex newborns
and hemophilia



Chronic conditions are the direct cause of less than a quarter of medical and pharmacy claims over \$50,000 (high-cost claims)

Specialty Medicines,
especially injectables,
are the fastest-growing
driver of high-cost claimants



High-Cost Claimant
Predictive Analytics
can **sometimes** identify
these individuals and target
early interventions



Clinical Consulting Team Overview



Comprehensive Team of Clinicians and Experts

- Medical Directors
- Nursing
 - Intensive Care
 - Oncology
 - Emergency Medicine
 - Orthopedics
 - Neurology
 - Surgery
 - Cardiology
- Case Management
- Emergency Medical Technician
- Clinical/Academic Research
- Medical and Financial Underwriting
- Certified Coders
- Clinical Analysts



Data Driven Solutions

- Predictive Modeling Investments
- Benchmarking Tools
- Infolock® Analytics



Targeted In-Depth Case Reviews

- Small population driving costs
- Length of reviews and follow-up time
- Access to specialty contracts
- Ability to negotiate directly with providers



Resources

- Mayo Clinic
- Excelsior Solutions
- NICU Management
- Transplant COEs and contracting
- Vendor Partners



Collaboration

- Mayo Clinic Collaboration
- Case Management Gaps
- Key Player Involvement
 - Administrators
 - Insurance Carriers
 - Third-Party Vendors
- Pharmacy Benefit Managers
- Nurse Navigators

Clinical Consulting Core Services



Clinical Projections

Claim review on top claimants

- Historical paid claims on high-cost members
- Clinical notes on condition and treatment of members
- Ongoing low and high projected costs

Completed twice a year

- Year end claims for budget projections
- Marketing Period

Laser Reviews

- Historical paid claims on high-cost members



Triggered Claims Review

Review for savings opportunities

- Drugs and procedures outside benchmarks
- High-cost inpatient stays
- Pricey surgical charges
- High risk diagnoses
- Potential Transplant candidates
- Financial Triggers
- Other high risk and costly services

Cost Containment Reviews analyze:

- Treatment appropriateness
- Medical necessity
- Site of care
- Coding errors
- Network status
- Pharmacy utilization
- Fraud and abuse
- Overall cost of care

Clinical Process

Claims Review

Clinical team receives claims reporting. Ideal reports will contain detailed claim information to help assess a member's treatment and condition.

Triggers are then run through report and Infolock to flag claims for additional review.

Administrator Outreach

If additional information is needed or if an opportunity is found the clinical team will reach out to the administrator to obtain the information.

Ongoing Communication

Clinical team will continue to work with administrator on executing the decided strategy

Outreach to the member or provider occurs through the client's case management program



Flagged Claims Review

Clinical team reviews flagged claims for any cost savings opportunities. .

Opportunity Validation

Once the additional data or itemized bill is received the clinician will then review to validate if there is an opportunity and what the strategy will be and work with any clinical or vendor partners

Reporting

Cost Containment reports are given quarterly. Once a savings is implemented the clinical team will alert the client team with a summary of the case.

Most cases take 6-12 months to fully implement.

Mayo Complex Care Program (CCP)

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What is the CCP?

Complex Care Program is a program for individual complex cases, who may benefit from specialist referral and/or care coordination, are identified and referred to Mayo by the Lockton Clinical Team.

- Travel benefit coordinated with employer.

More than 1.3 million patients from the U.S. and over 142 countries worldwide choose Mayo clinical each year. ¹

1. THE MAYO CLINIC.



Who is eligible?

Members with:

- Fragmented Care
- High Utilizers
- Multiple Comorbidities
- Rare Diseases
- Require assistance for diagnosis confirmation or treatment plan

Members **under the age of 16** are required to go to **Mayo Rochester site**.

Lockton + Mayo = Real Impact

Case Example:

- Member of self-funded plan in Florida seeing multiple specialists and receiving care weekly for multiple conditions: Heart failure, severe anemia, end stage renal disease and rheumatoid arthritis
- Despite this, the member was hospitalized nearly once per month due to severe anemia
- Total annual charges for this member's medical and pharmacy claims were averaging over \$1M
- Lockton Clinical Team identified the opportunity for specialist evaluation and care coordination at Mayo Jacksonville through their Complex Care Program
- Administrator Case Manager introduced program and facilitated patient enrollment; Lockton received travel benefit approval from employer
- During the initial treatment, the Mayo identified cause of the member's anemia and blood loss and was able to treat it
- Patient's claims have decreased due to their treatment at the Mayo and she has been able to return to work and have a reasonable sense of normalcy
- Member is also tracking **\$820k less per year in claims following Mayo's treatment, Year two: \$900k less**
- Feedback from patient:

“*The overall experience has been nothing short of amazing, and once again I want to thank all involved for giving me a chance to be part of this program.*”

Mayo Cases and Testimonials

Ehlers-Danlos Syndrome

- Multiple organ complications
- Originally misdiagnosed as lymphoma.
- History of compressed airway, chondromalacia, knee pain, sciatica, received a spinal cord stimulator.
- Frequently seen for bronchitis, sinusitis, pneumonia, flu, and sepsis. Bones in feet out of place making daily tasks difficult.
- Avoided surgery as a result of Mayo visit

Year 1 trending \$30,857 less per year

Child with Pain Syndrome

- Dependent with complex regional pain syndrome
- History of pain in joints
- Multiple visits to the emergency room
- Seen at Mayo for treatment

Email from the mother:

"It was wonderful! I was so impressed with the Mayo Clinic, everyone was wonderful...We have tools in place to help her"

Autoimmune Encephalitis

- Treated with IVIG infusions
- Has ongoing frequent hospitalizations from complications
- Seen at Mayo for updated dosing and treatment plan

Year 1 trending \$40,197 less per year

Child with Severe Food Aversion

- Member with need to gain weight but unwilling to eat
- Suffered from hyperlexia, allergies and severe food aversion.
- History of feeding tube for nutrition

"The therapy at Mayo Clinic far exceeded any expectations that we had" recent visit July 2021 they had "an amazing experience in Rochester and added over 20 new foods to his 'green light' list"

Complex Case with Ulcerative colitis

- Has ongoing pain in joints and back
- Member seen via telemedicine for initial visit
- Later seen in person at Mayo with follow up appointments
- Removed off of Remicade medication costing **approx. \$22,858 per year**

Member is doing much better. They are off of the Remicade for over a month and said they believe that was the cause of their joint pain. They have been able to participate in the home exercises they give her. They have been able to bike, walk and swim.

Cleveland Clinic

Clinical Review

- Cleveland Clinic team reviews medical records remotely to educate and inform on potential treatment options
- Ensures optimal diagnosis and treatment plan
- Facilitates a timely connection to the right Cleveland Clinic provider
- If participant selects Cleveland Clinic for treatment, dedicated team assists with scheduling and customizes itinerary
- Offered domestically from Ohio and South Florida facilities



Cleveland Clinic Rankings

SPECIALTY AREAS	U.S. Ranking
Cardiology and Heart Surgery	1
Geriatrics	2
Rheumatology	2
Urology	2
Gastroenterology & GI Surgery	4
Obstetrics & Gynecology	4
Cancer	6
Pulmonology & Lung Surgery	6
Neurology & Neurosurgery	8
Diabetes and Endocrinology	11
Ophthalmology	11
Orthopaedics	14



U.S. News & World Report
Best Hospitals 2022-2023

Dana Farber Cancer Institute

Dana-Farber Cancer Institute

As one of the world's leading cancer centers, Dana Farber provides patients highly specialized clinical care, expertise, and research.

TOP RANKED

The **only cancer center ranked within the top 10** for both adult and pediatric cancer care

HARVARD-AFFILIATED

Principal teaching affiliate of Harvard Medical School

Founding member of **Dana-Farber/Harvard Cancer Center**

NCI-designated Comprehensive Cancer Center



HIGH PATIENT SATISFACTION

95% satisfaction rating amongst patients

Dana-Farber investigators contributed to **1 in 4 FDA oncology drug approvals**

LEADERS IN INNOVATION

Pathways puts the latest evidence at the point of care and matches patients to our **1,100+ clinical trials**

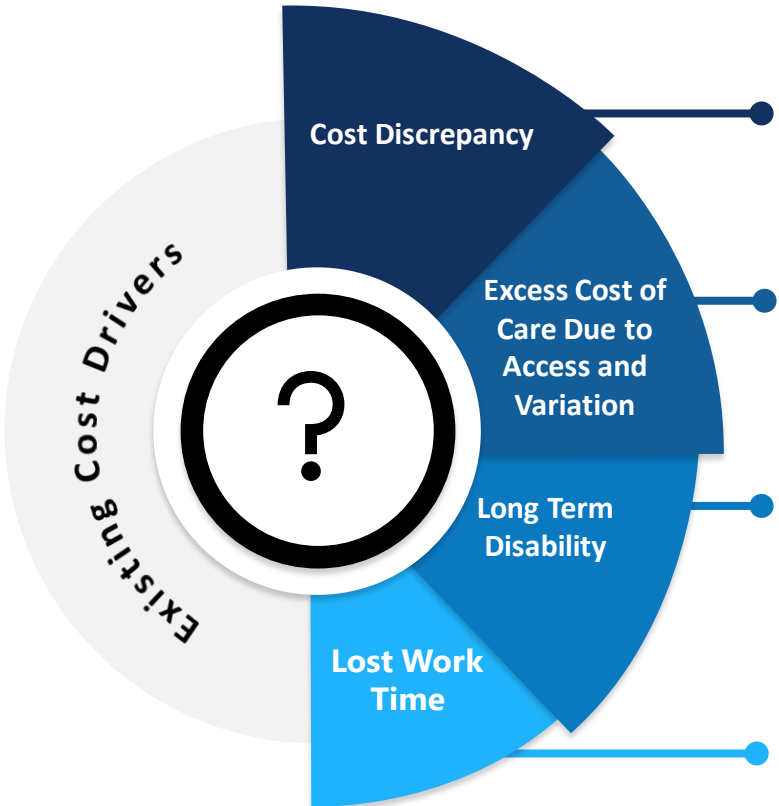
Notable researchers include **William Kaelin, MD**, 2019 Nobel Prize winner

Profile, a research project launched by scientists at Dana-Farber Cancer Institute, **is one of the nation's most comprehensive personalized cancer medicine initiatives.**

BEST-IN-CLASS OUTCOMES

Significantly **higher outcomes/survival rates** compared to other NCI-Designated Cancer Centers, academic medical centers and community oncology providers

Cancer diagnoses are a major health care cost driver for employers



Cancer claims are only **1% of total claims** but amount to **12% of medical cost** ¹

50% of cancer-related ED visits and hospital admissions can be avoided by more comprehensive care management²



17% of cancers are misdiagnosed³

High costs due to variations in care and utilization of precision medicine - validation study of Pathways shows **22% lower costs**⁴



Cancer is the **number 1 reason for long term disability claims**, representing 17% of claims⁵



\$139 billion are associated with **diminished productivity and lost work time**, either for cancer treatment or for caring for someone with cancer. Employees with cancer are absent 3.8 more days. ⁶

Sources: 1) Nobel, J., Sasser, E., Weiss J., Pickering, L.; Northeast Business Group on Health, "Cancer and the Workplace: The Employer Perspective," Oct. 2015. 2_ Panattoni, L., Fedorenko, C., Greenwood-Hickman, M. A., Kreizenbeck, K., Walker, J. R., Martins, R., ... Ramsey, S. D. (2018, March 14). Characterizing Potentially Preventable Cancer- and Chronic Disease-Related Emergency Department Use in the Year After Treatment Initiation: A Regional Study. Retrieved from <https://www.ncbi.nlm.nih.gov/pubmed/29452549>. 3) BWH Pathology, ADCC study. 4) Jackman et al. Cost and Survival Analysis Before and After Implementation of Dana-Farber Clinical Pathways for Patients with Stage IV Non-Small-Cell Lung Cancer 5) Unum 6) Advisory Board

Case Studies

Cost Savings: IVIG Medication



Challenge

- ❖ Lockton identified a member receiving high-cost IVIG infusions treating their Stiff-Man syndrome during a review
- ❖ Infusions were administered in a hospital setting every 14 days
- ❖ Current projected Gamunex-C drug cost \$21,105 per infusion
- ❖ Projected Annual cost: \$548,730



Solution

- ❖ Lockton notified administrator of high charges compared to specialty benchmark pricing
- ❖ Lockton inquired if outreach could occur to discuss case with key parties
- ❖ Administrator attempted to engage the member for steerage, member was not responsive to multiple case management outreach attempts

Client Win

- ❖ Administrator was successful engaging provider regarding treatment
- ❖ Member switched to a lower cost IVIG while remaining at the same setting for infusions
- ❖ New IVIG cost \$13,159 per infusion



**Total Annual
Savings:
\$206,596**



Cost Savings: Neonatal ICU

Challenge



- ❖ Neonatal case being treated for various conditions
- ❖ Treated at high cost facility in the Pediatric ICU
- ❖ Member was able to be discharged however, hospital was not assisting
- ❖ Daily Billed charges at \$35,248

Solution



- ❖ Flagged member's treatment and level of care to administrator
- ❖ Discussed case with medical director and case management.
- ❖ Pushed for medical necessity review on all charges

Client Win

- ❖ Medical administrator found 26 days to be considered medically unnecessary
- ❖ Denied charges from facility



Total Savings:
\$778,981



Cost Savings: Ongoing Infusions

Challenge

- ❖ Weekly IV Hemin infusions for acute porphyria at a hospital
- ❖ Client was averaging \$330,176 per month for the infusions
- ❖ Total annual projected cost \$3,962,112

Solution

- ❖ Lockton clinical notified medical administrator of the price disparity and discussed strategies to lower cost
- ❖ The PBM was able to obtain the specialty medication
- ❖ Hospital agreed to use the outside specialty pharmacy to fill the drug and administer at their facility

Client Win

- ❖ Member received their infusions at hospital with specialty sourcing the medication.
- ❖ Monthly cost reduced to \$36,871 per month



**Total Annual
Savings:
\$3,519,660**



Open Discussion

Independence changes everything.



LOCKTON®

UNCOMMONLY INDEPENDENT