

Managing Complex Cancer Cases

—
Lockton + Dana Farber Collaboration



Agenda

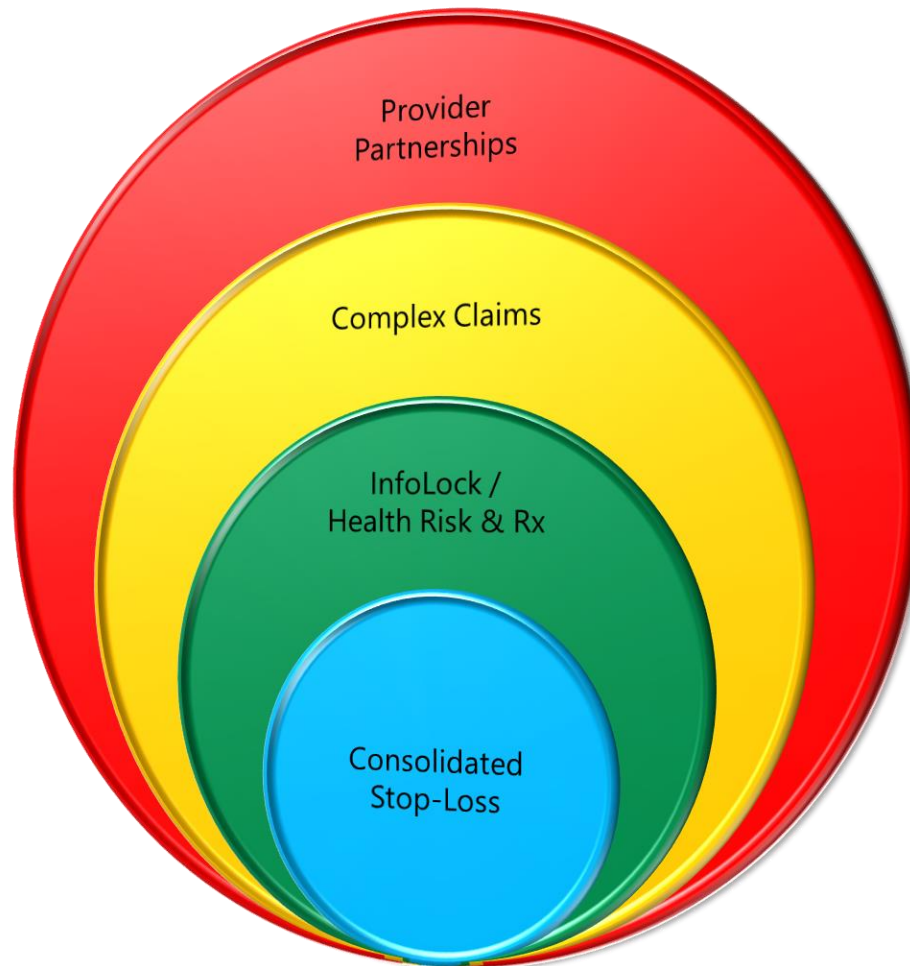
- 01 Complex Claims Overview
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Our Mission

To be the worldwide value and service leader in insurance brokerage, employee benefits, and risk management



Innovative Tools for Self-Funded Employers



01

Complex Claims Overview



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
conditions like
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



02

What makes our approach unique?



Lockton's Complex Claims Specialty Practice

Helping to Impact High Cost Claims



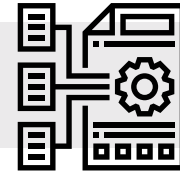
Purchasing Strength

- Best practice terms include multi-year rate caps and no new laser provisions
- Plan mirroring
- Stop Loss premiums are 20% lower than market average



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
1,400+
employer groups with
1+ million employees

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

5,900+
Clinical & Financial Triggers

20,000+
Clinical Reviews
Performed to Date

\$1.4 Billion+
In Stop Loss Premium managed

Lockton's Approach: Clinical Consulting Core Services



Clinical Cost Projections

Claim review on top 5 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

Included for all Lockton Stop Loss clients, or available for purchase



Cost Containment Reviews

Review for savings opportunities

- 50% stop loss specific deductible
- InfoLock trigger diagnoses and services

Cost Containment Reviews analyze:

- Treatment appropriateness
- Medical necessity
- Site of care
- Coding errors
- Network status
- Pharmacy utilization
- Alternative treatment methods
- Fraud and abuse
- Cost-of-care efficiency
- Reports provided quarterly

Paid for by some Stop Loss carriers or available for purchase

Large Client Custom Clinical Options

Additional Clinical Reviews



Greater number of claimants or frequency of reviews

Expanded Cost Containment



Greater number of claimants or triggers, direct case referrals, pre-pay reviews, detailed reporting

Specialty Case Review



Real-time review and discussion with care team on quality and cost-effectiveness of various treatment options

Opportunity Trends



Identification of specific common opportunity trends across all claimants, regardless of dollar threshold or triggers

Usage Pattern & Outcome Analysis



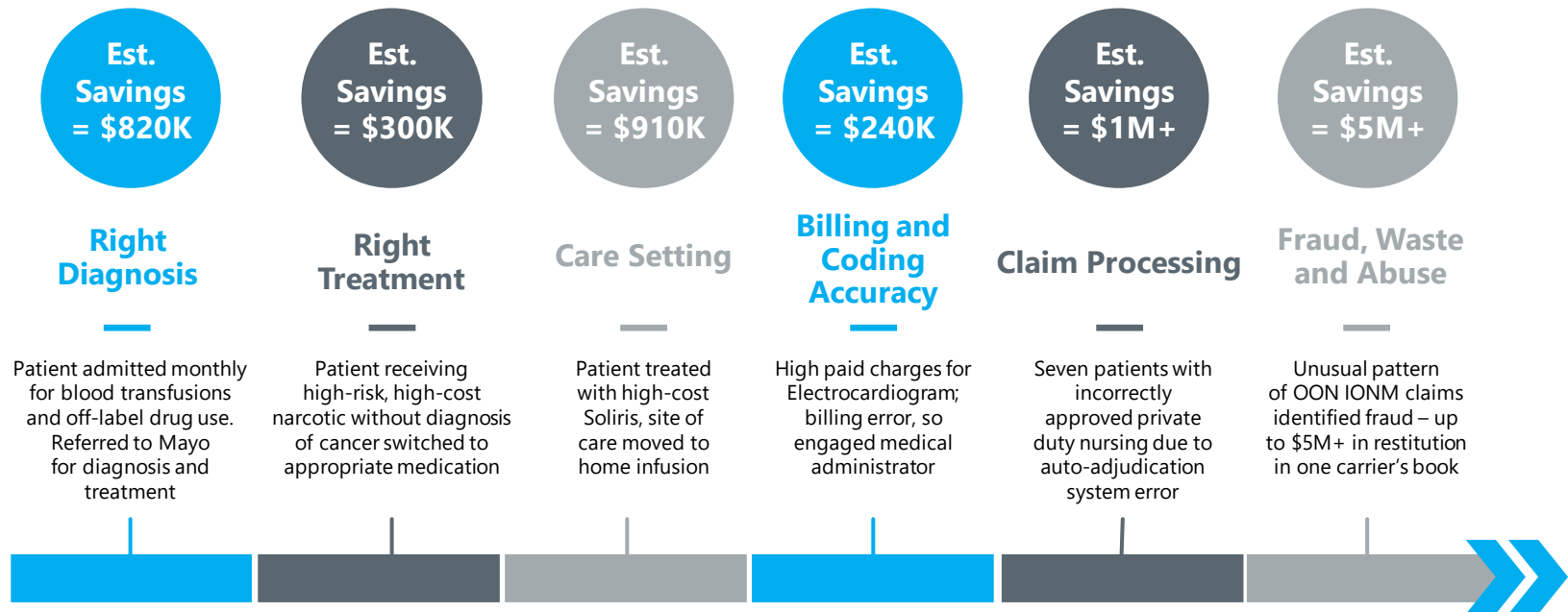
Broader insight into usage patterns across segments of beneficiaries

Clinical Liaison



Designated point person on CCU team for direct follow up

Case examples





03

Large Claim Market Trends

Stop Loss Market Overview 2023

In the past four years, million-dollar claims have **increased by 45%**

These top 10 conditions have contributed to **71% of total reimbursements**

87% of employers had a stop loss claim from 2018-2021



Top 10 high-cost claim conditions

Stop-loss claim reimbursements

2022 rank	4 Year rank	Condition/Disease/Disorder	2022 reimbursements	2019-2022 reimbursements
1	1	Malignant Neoplasm	\$324.8M	\$1.13B
3	2	Leukemia, Lymphoma, Multiple Myeloma	\$115.2M	\$462.5M
2	3	Cardiovascular	\$142.4M	\$443.8M
4	4	Orthopedics/Musculoskeletal	\$106.0M	\$338.8M
5	5	Newborn/Infant Care	\$106.0M	\$338.1M
9	6	Respiratory	\$69.4M	\$255.7M
6	7	Sepsis	\$89.7M	\$240.4M
8	8	Neurological	\$70.0M	\$236.4M
7	9	Gastrointestinal	\$70.2M	\$231.8M
10	10	Urinary/Renal	\$54.3M	\$220.6M



Stop Loss Cancer Trends

- *Cancer* remains the **costliest** condition since 2010
- The top two categories (Malignant Neoplasm and Leukemia, Lymphoma, Multiple Myeloma) are responsible for **29% of total stop loss reimbursement in the past four years**
- The number of cancer claimants increased 39% from 2018 to 2021
- Due to delayed/missed screenings, we may see up to a **44% increase in new cancer diagnoses** this year, including more late-stage cancers₂
- Common **risk factors** for million-dollar cancer claims include inpatient stays, comorbidities and high-cost drugs

04

*Improving Cost and Quality in
Complex Cancer Cases*





Cancer Cost Containment

Example levers

- **Prevention**– Emphasis on healthy lifestyle (e.g., diet, exercise, smoking cessation) and risk factor (e.g., weight management)
- **Early Detection** – Screening options (e.g., Cologuard, MCEd tests) and accessibility (e.g., health fair, onsite clinic, mobile mammograms)
- **Navigation** – Emphasis on understanding goals of care and options (including palliative care), steerage to cost-effective providers
- **Second Opinion** – Routine vs. complex cancers, virtual vs. in person, direct to patient versus provider, triggers
- **Site of Care** – Options for cancer treatments, e.g., office or private infusion center

Lockton Centers of Distinction (COD) Program

What is the COD program?

Lockton has established **streamlined direct referral relationships** with some of the country's top institutions to facilitate reviews of cases where members appear to be having difficulty getting the right diagnoses and/or best-fit treatment recommendations. This program is specifically built for **rare and complex conditions** and should be viewed as complimentary to traditional Center of Excellence and second opinion programs our clients may have access to.

Why did we start this program?

The Lockton complex claims team identified an opportunity to **reduce excess cost and improve outcomes** in highly complex clinical situations by opening access to world class subspecialists in niche areas to members in need on our clients' health plans. By establishing a Lockton-wide program, we can make this opportunity available to clients across our book of business regardless of size and eliminate the need for client-specific contracts and processes. The result is a reduction in diagnostic delays and the elimination of unnecessary testing and ineffective therapies.



***Clinical inefficiencies
lead to an estimated
\$27-378 billion in
wasted healthcare
dollars annually****

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**

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

LEADERS IN INNOVATION

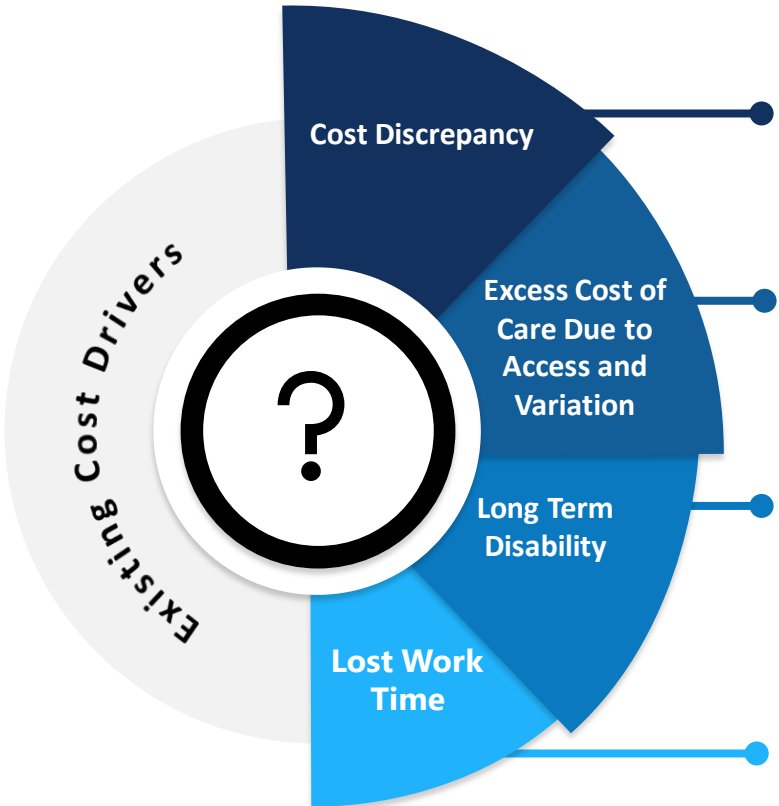
Notable researchers include **William Kaelin, MD**, 2019 Nobel Prize winner

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



05 | *Open Discussion and Questions*

Independence changes everything.



LOCKTON®

UNCOMMONLY INDEPENDENT