

Disrupting the Medical Payment System : Direct Contracting through Transparent Bundled Pricing from Cataracts to Gene Therapies

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Control rising medical costs through defined global bundle arrangements, transparency, risk accountability, competition, and quality improvement with limited disruption or burdening of resources

Tim Koch, CEO, Accarent Health

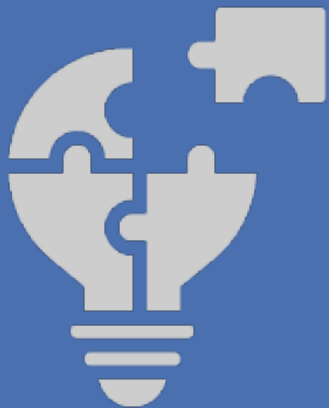
The Historical Approach to COE Access and Payment Models.



The Current Pitfalls of Traditional PPOs and Emerging Value Based Care Solutions

- **Traditional PPOs and Fee for Service** payment methodology do not offer cost transparency leaving the consumer with an immeasurable payment model and zero control in steerage patterns
 - Traditional PPOs are like a toll booth—particularly for out of area services where customers are charged even more in access fees for ‘walk-up discounts’
- **Reference Based Pricing Models** tout at being transparent but are not universally accepted by most providers—leaving patients with significant balance bills.
- **Value-Based Direct Contract Aggregators** with local, regional providers may offer direct contracts but not all services are totally bundled.
 - **Buyer beware**—not all bundled contracts are the same & may not include all the ‘pieces’ (ie: anesthesia, radiology, surgeons etc.)

A New, Transparent Approach to Value Based Care



Bundled Contracting with healthcare providers is a growing option

- Shifts the risk from the payer to the provider
- Fixed Bundled Payments inherently promote quality outcomes and patient success
- The provider's incentive for entering into Bundle arrangements circumventing their traditional PPO / FFS contracts are:
 - Narrower networks expand their patient catchment area
 - Faster Pay (Live & Die by AR!)
 - Align with vendor partners who will market their brand sometimes better than themselves.

Implementing a transparent bundled contracting program can pose some challenges

- Providers must be willing to take on risk
- Most payers/employers have limited bandwidth
- Not all marketplace participants are willing partners

Bundled Transparent contracting platforms offer a solution

- Cost Management
- COE navigation and Access
- Pre-negotiated transparent bundled-prices
- Member participation promotes informed decisions
- More compliant with the CAA

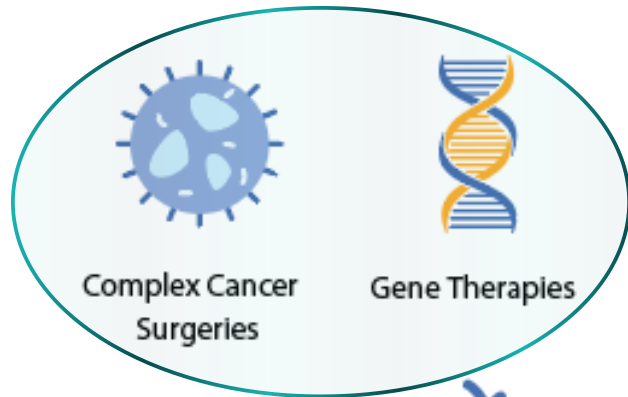
Make Providers Compete on Quality and Cost

Why have we yet to institute strategic sourcing for our most valuable assets: our health and our people?

With the ongoing convergence of access through enhanced virtual care and primary care options, payers must also integrate quality COE's and management of critical care through cost shifted partnerships with quality Providers including personal longitudinal navigation.

- + Claims data analysis and review
- + Steerage pattern and cost review
- + Incentivize patients and Providers
- + Integrate with current care management
- + Can Workers Compensation integrate?
- + Constant communication and feedback with a direct contracting platform of growing needs and issues

High-Cost Medical Care Specialties



Complex Cancer Surgeries

Gene Therapies



Behavioral Health



Cardiovascular Surgeries



Spinal Surgeries



Thyroid & Parathyroid Surgeries



Neurosurgery



Gastroenterology



Bone Marrow Transplants



Solid Organ Transplants



Joint Replacements



Bariatric Surgery



Virtual Therapies & Clinical Support

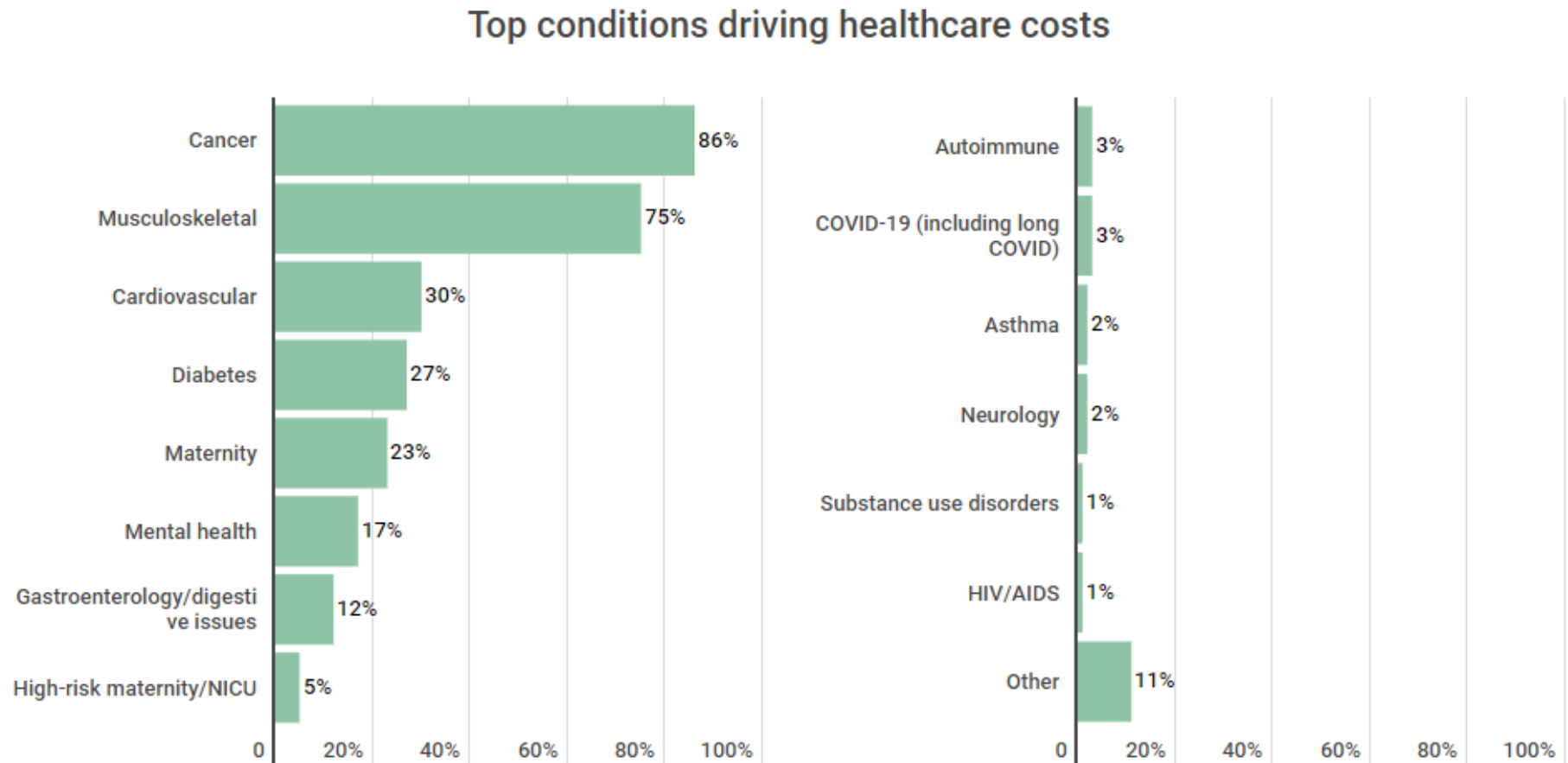


Ear, Nose, and Throat



Ophthalmology

Large Employers' Top Conditions Impacting Health Care Costs, 2022



Source: Business Group on Health

Cancer Care Personal Pathway

Early Detection Testing



EARLY DETECTION TEST:

Accarent is pleased to offer eligible employees the Galleri multi-cancer early detection test in partnership with GRAIL. The Galleri test detects a cancer signal across more than 50 types of cancer not often screened for, allowing for earlier diagnosis and treatment through a simple blood draw.

Diagnosis & Support

CANCER DIAGNOSIS AND RECOMMENDED TREATMENT PLANNING:

Designed to confirm a cancer diagnosis and provide a recommended treatment plan for adult and pediatric patients with a preliminary cancer diagnosis. The patient collaborates with a multi-disciplinary team to address their unique oncologic needs and receive a custom treatment plan to take home to their local oncologist or remain with Accarent's Center of Excellence for treatment.

JOHNS HOPKINS WORK STRIDE:

A cancer navigation program developed by Johns Hopkins experts in oncology. Oncology Nurse Navigators guide individuals through their journey, offering personalized, one-on-one support and trusted educational content on screening risk reduction, diagnosis, treatment, working with cancer, caregiving, and survivorship.

Treatment Solutions

SURGICAL SOLUTIONS

- Allogeneic, autologous, and non-myeloablative bone marrow transplant
- Inpatient and outpatient thyroid and parathyroid surgeries
- Pancreaticoduodenectomy (Whipple procedure)
- Retroperitoneal Lymph Node Dissection
- Open and laparoscopic bladder, large intestine, or rectum removal
- Open and laparoscopic prostatectomy
- Craniotomy and Craniectomy
- Open and laparoscopic nephrectomy
- Mastectomy

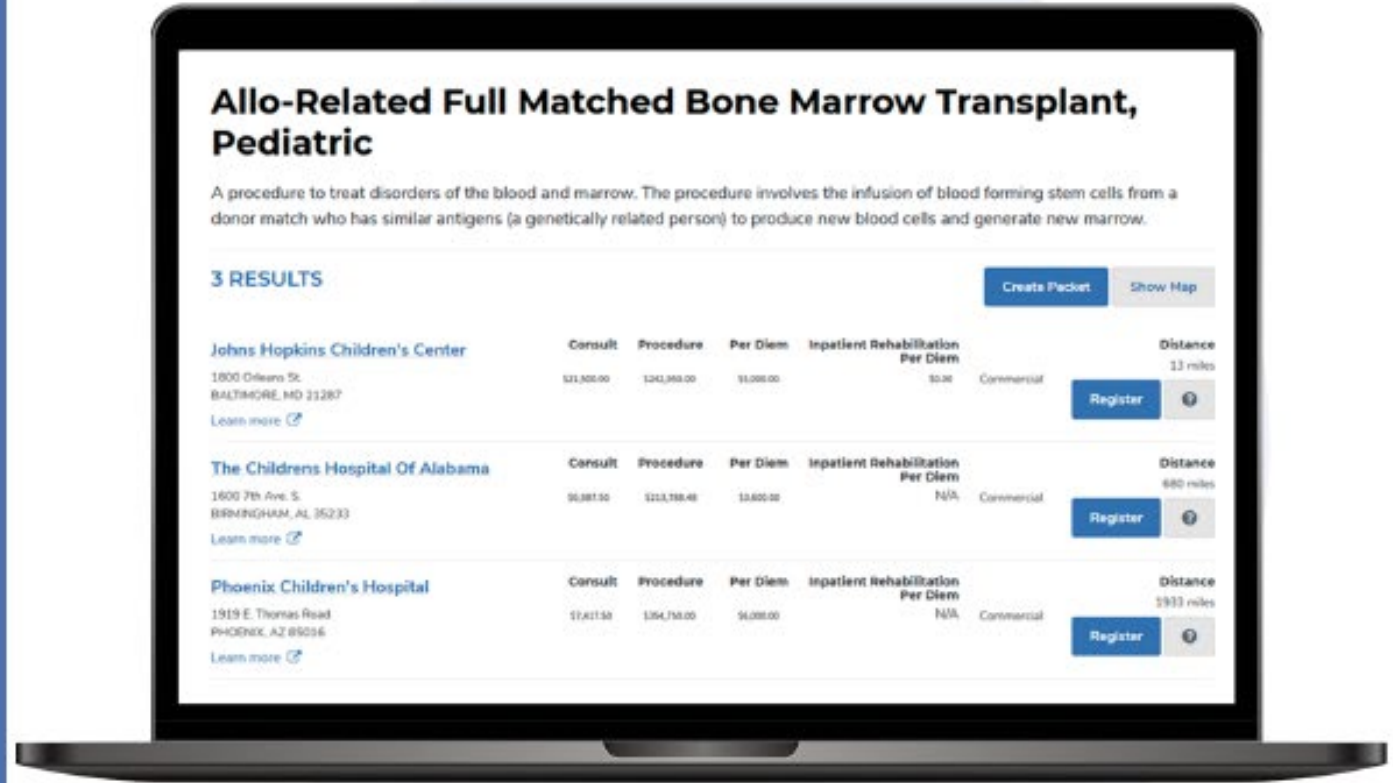
GENE THERAPY

- Juno Breyanzi
- Novartis Kymriah
- Kite Yescarta
- Bluebird Abecma
- Kite Tecartus
- Biotech Carvykti

Inclusive & Transparent Bundles

PROCEDURE INCLUSIONS:

- Comprehensive facility services, supplies, and equipment necessary to perform the bundled procedure and rendered by the provider
- Those professional services necessary to perform the bundled procedure as rendered by the physician
- The treatment of any complication or concurrent related illness associated with or resulting from the performance of the bundled procedure



Estimated Cost Savings Opportunity

Procedures	Average Savings
Bariatrics	\$7,173.52
Bladder Cancer	\$10,857.47
Autologous Bone Marrow Transplant	\$98,670.33
Allogeneic Bone Marrow Transplant	\$177,892.10
Liver Transplant	\$129,813
Kidney Transplant	\$65,765.48
Single Lung Transplant	\$281,821.17
Heart Transplant	\$90,344.60
Pancreatic Transplant	\$105,291.72
Double Lung Transplant	\$217,238.18
Multiple Thyroids	\$10,379.68
Tricuspid Valve with Cardiac Catheterization	\$172,316.51
Mitral Valve	\$45,526.05
Tricuspid Valve	\$26,052
Aortic Valve with Cardiac Catheterization	\$10,928.03
Aortic Valve	\$11,479.81
Repair Aorta	\$68,610.58
Mitral Valve with Cardiac Catheterization	\$24,560.09
Pulmonary Valve	\$36,006.32
Pulmonary Valve with Cardiac Catheterization	\$28,780.04
Coronary Angioplasty with 1-3 Non Drug Eluting Stent(s)	\$15,860.25
Coronary Angioplasty with 1-3 Drug Eluting Stent(s)	\$10,199.87
Coronary Bypass	\$19,187.62
Coronary Angioplasty without Stents	\$8,404.96
Coronary Angioplasty with 4+ Drug Eluting Stent(s)	\$8,925.30
Coronary Angioplasty with 4+ Non Drug Eluting Stent(s)	\$19,395.06
Craniotomy	\$37,417.08
Prostate Cancer	\$3,660.03
Cochlear Implants	\$25,822.54
PANCREATICDUODECTOMY	\$17,313.63
Ablation	\$7,998.57



30%-43%

Average procedures savings

2%-11%

Average savings on total healthcare spend

- Savings are hard or actual based on national claims data and Accarent Bundles + Accarent Expenses.
- Total paid includes all inpatient, outpatient, emergency room, and ambulatory services.
- All services within the bundled period are assumed to be related to the procedure.
- Total paid within 30% of the bundle to exclude incomplete claims.
- Claims where the total paid <20% of the total billed are assumed to be secondary to another payer and are excluded.
- Population in Pennsylvania, New Jersey, Delaware, Maryland, Arizona, Georgia, Virginia, Ohio, Alabama, and Nevada.
- Total population represented is approximately 354,000 members.

Case Studies

Cost variation examples for Total Hip Replacement & Allogeneic Bone Marrow Transplant procedures in a regional health plan

Total Hip Replacement	
Paid Claim \$ Range:	\$23,116 – \$140,808
Accarent Bundled Pricing:	\$25,800-\$27,930
Avg. Savings:	\$38,295

Allogeneic Bone Marrow Transplant	
Paid Claim \$ Range:	\$187,691 – \$500,196
Accarent Bundled Pricing:	\$184,800
Avg. Savings:	\$172,872

Bundled prices include service fees, facility fees, physician fees, and travel and administrative fees

Accarent's Model

- **No Membership Fee** – There's no up-front cost or annual requirement to join the Accarent Network. Our bundled prices include our transaction fee.
- **Pediatric & Adult Centers of Excellence** – Program participants agree to waive co-pays and deductibles for their members to incentivize steerage into the Accarent COE Network.
- **Simple & Transparent Price Comparison Model** – Defined episodes of care and itemized inclusions allow for a true apples-to-apples price comparison between providers.
- **All Inclusive Bundles** – All facility services and professional services are included in the bundled price. All re-admissions, revisions, and re-transplants are included within a 30-60-day post-op period.
- **Member & Payer Cost Containment** – Price transparency, shifting the risk to the provider, and partnering with quality centers, result in lower prices with better outcomes.
- **Registered Nurse Case Management & Comprehensive Navigation** - Members seeking care for a complex diagnosis and choosing treatment at an Accarent center will be paired with an Accarent Nurse Case Manager, who will provide the member with clinical support and act as their advocate with the Accarent center.



The Referral Process

The process will be customized to accommodate clients' existing eco-system



Payer receives a patient pre-certification or procedure inquiry



A custom comparison packet is created to help the patient choose a network-center



The patient is registered, or referral form is submitted to Platform on behalf of the patient



The consult and procedure LOAs are generated and co-signed



Care managers conducts patient outreach & collects relevant medical records



The consult & procedure are scheduled



The patient receives care at the chosen network-center



Care managers assists in the transition of the patient to an in-network provider for post-operative care



An invoice is sent to the payer. Once the payment is received, the optional travel benefit is distributed to the patient



30-60 day case close follow-up is completed

Testimonials



KR, West Virginia

I just wanted to send a quick note of thanks out to all of you. It's been roughly 2-2 1/2 weeks since my surgery at [COE] and this entire process went very smoothly. I can't say it wasn't stress free as any surgery is always stressful. But the entire process to the actual event and recovery was streamlined, easy and everyone was wonderful to work with. I received supreme care at John Hopkins.

KS, HMA

Thanks for all of your help with this... we probably saved a young man from going into a very scary and not guaranteed surgery. I know his parents were very impressed with the surgeon at [COE].

Neurosurgeon

The [patient from out of state] did great. Out of the hospital in 2 days. Tough case in many respects, so good for her. Thanks to you and your team because without this product having treatment at [COE] could not have happened and it is a problem that could easily be mismanaged. In addition, she is just a normal, go to work every day, person trying to make life work. Not a connected entitled person. Always great to get that person the best care in the world. So, Thank you.



Thank You

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