



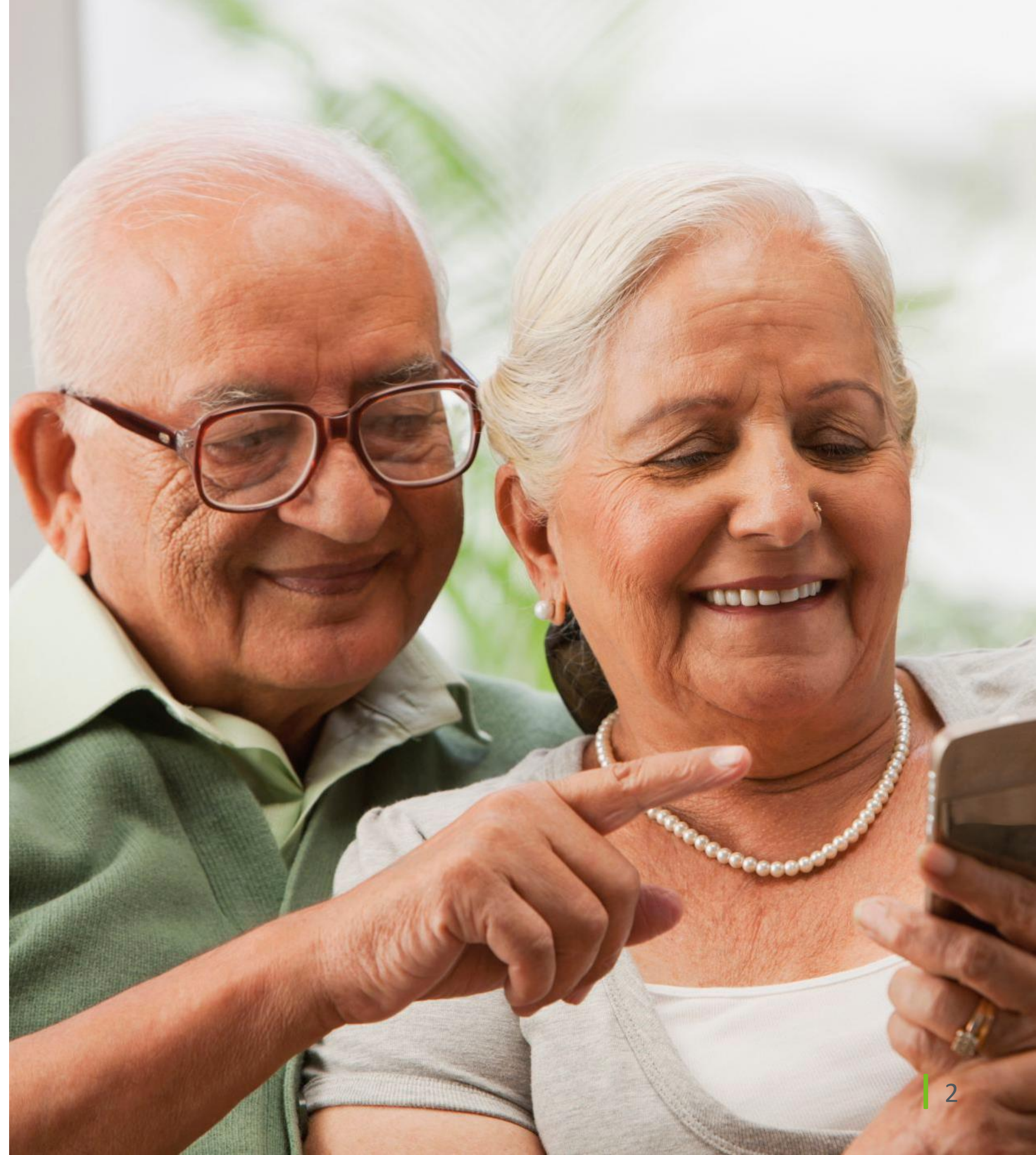
When Health & Lifestyle CONVERGE: **Creating a health ecosystem for seniors**

William Fleming, PharmD

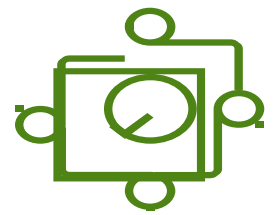
Humana

Overview

- Industry Landscape & Trends
- Today's Senior
- Highest Impact Areas
- A New Ecosystem & Care Model



Healthcare industry being shaped by big trends



1

Rising customer expectations

Ease, convenience, affordability, and simplicity



2

Industry capacity constraints intensify

Shortage of healthcare professionals



3

Digital proliferation & big data mature

New technology and prevalence



4

Growing government business

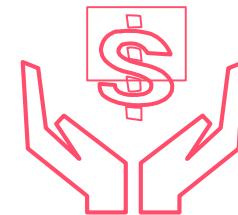
Government spending and coverage increase while margin compresses



5

Integration accelerates, and new upstart innovators proliferate

Mega-mergers, partnerships & disruptive innovators



6

Evolution toward value-based care

Slow but steady transition continues



7

Blurring of lines between pharmaceutical and medical management

Drug spend and management increasingly critical to control medical cost

Senior lifestyles being shaped by big trends

Seniors are ...

- 1 Facing rising burden of **chronic disease**
- 2 Living and working **longer**
- 3 Having **less financial means** in retirement
- 4 Seeking experience **on par w/other industries**
- 5 Rapidly adopting **convenient technologies**



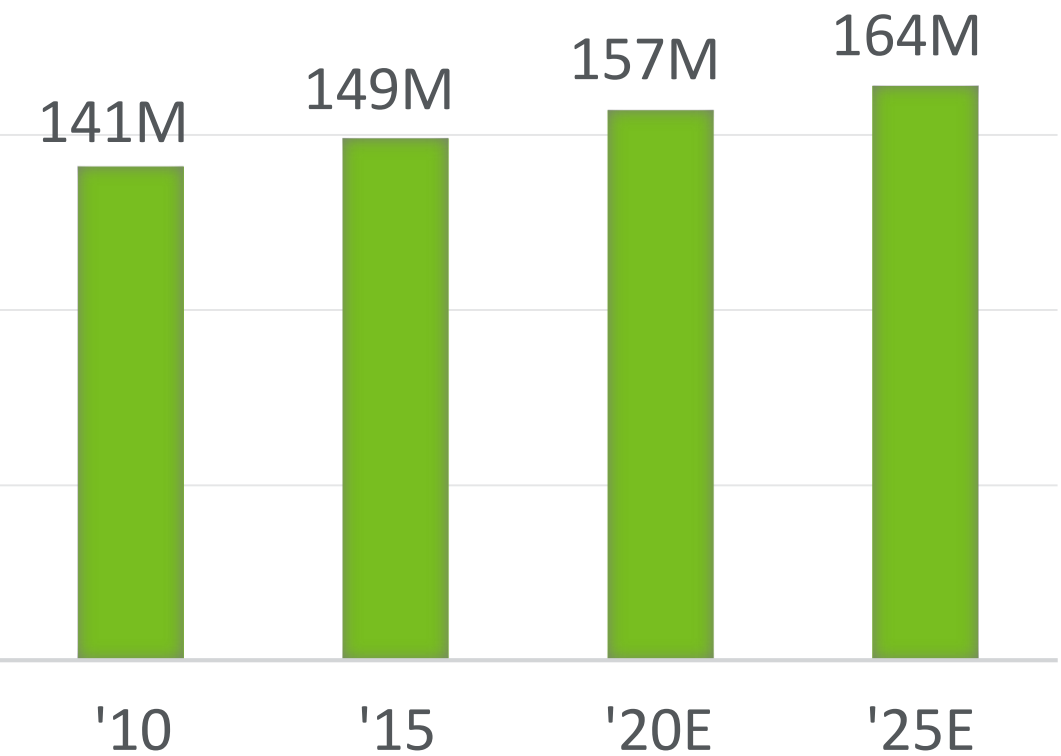
... implying that they need

- >  **Whole-person care**, throughout their lives
- >  Engagement & care **where they are** (home)
- >  **Confidence & security** in product design
- >  **Personalized** care, support, and service
- >  **Tech-enabled** access to care & services

Senior health: Chronic conditions & aging population impacting healthcare costs

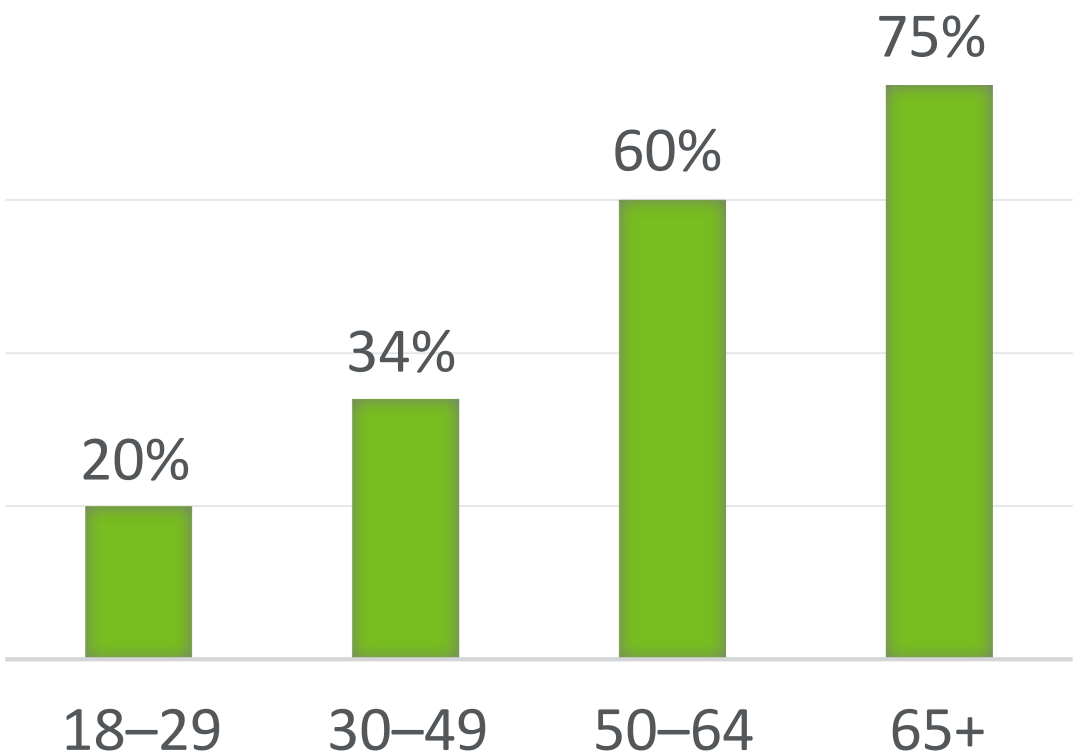
Population with chronic disease is growing ...

of people in US with at least one chronic disease (M)¹



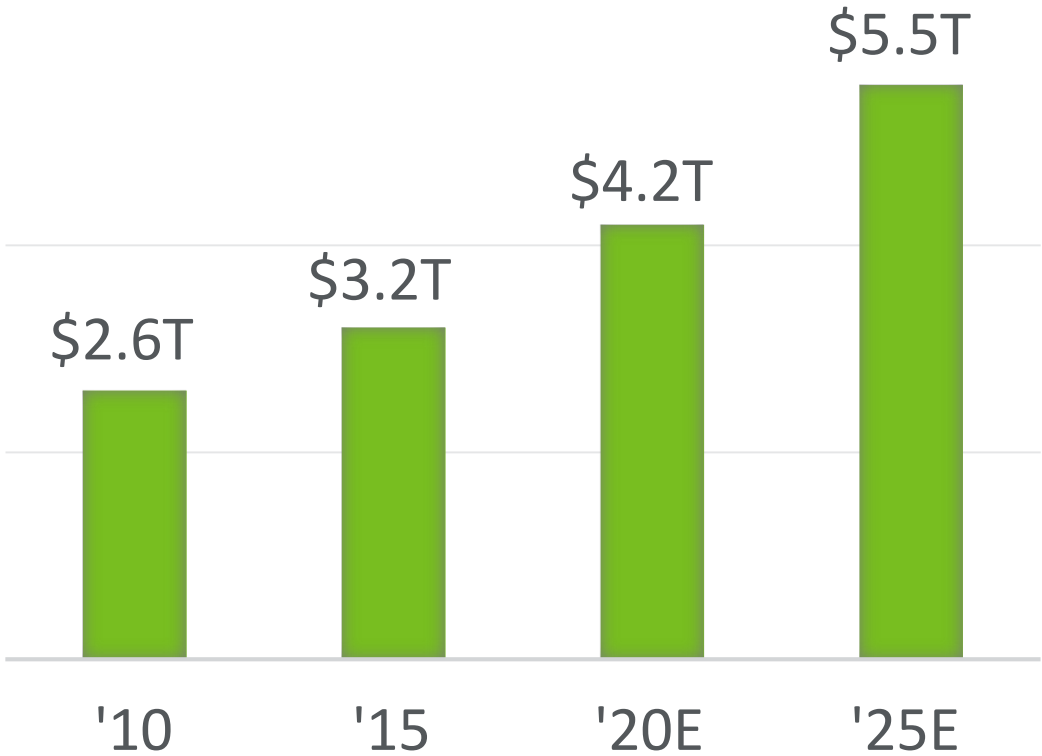
... especially among Medicare-eligible seniors ...

% of people in U.S. with at least one chronic disease, by age group²



... pressuring sustainability and affordability

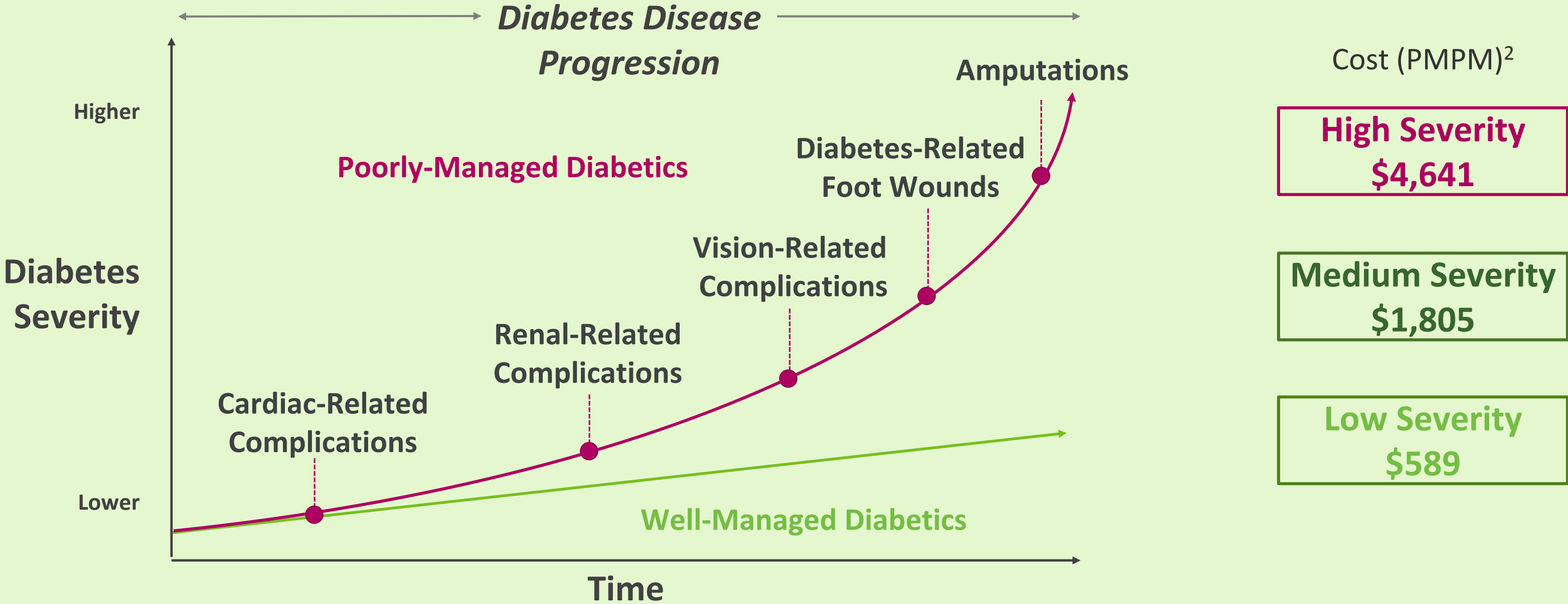
US National Health Expenditures (\$T)³



Chronic disease is a primary driver of increasing costs in the US healthcare system

Example: Well-managed vs. poorly-managed chronic condition

Quality of life and cost implications of unmanaged diabetes¹

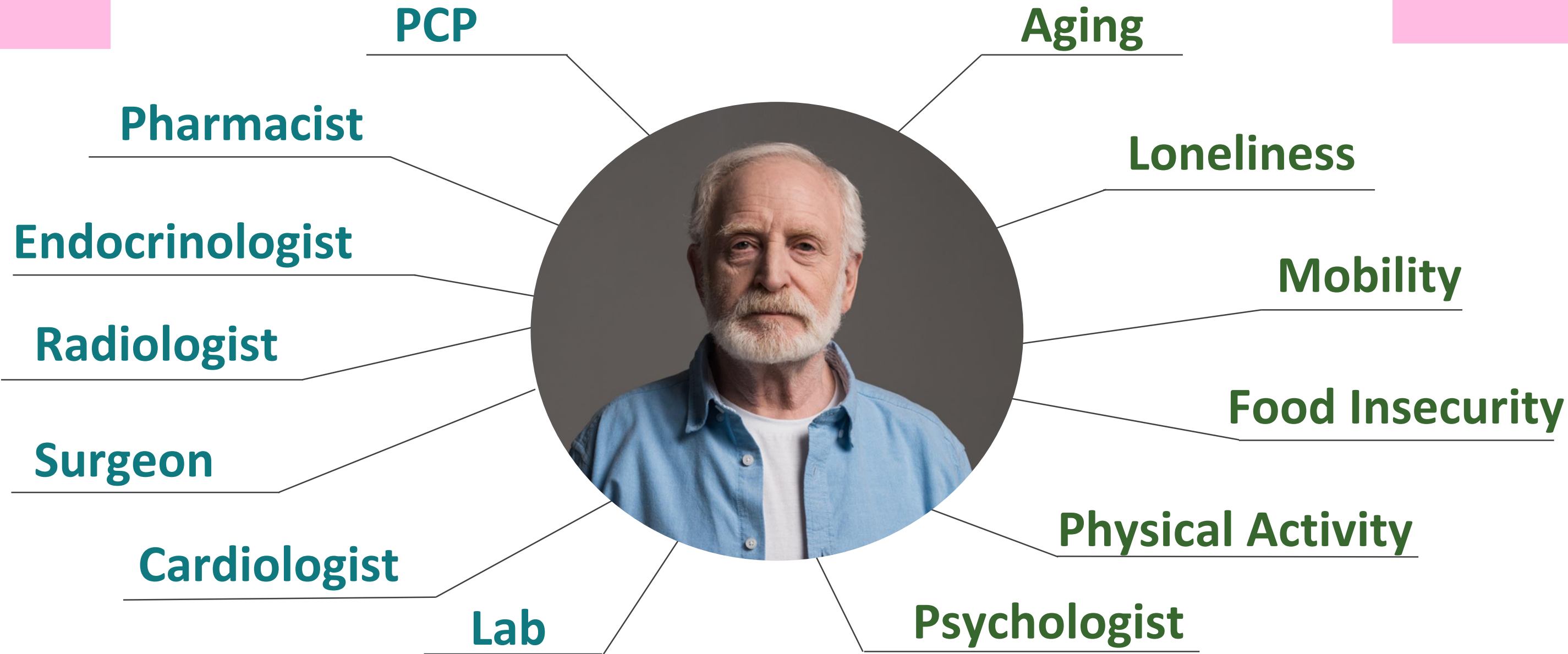


1) Analysis is limited to active Humana membership at any point in 2018 and members diagnosed with Type-II Diabetes;
2) PMPM: Per member per month cost (Allowed Amount) in 2018

Senior health + lifestyle meet a **complex system** that doesn't meet their needs

Health

Lifestyle



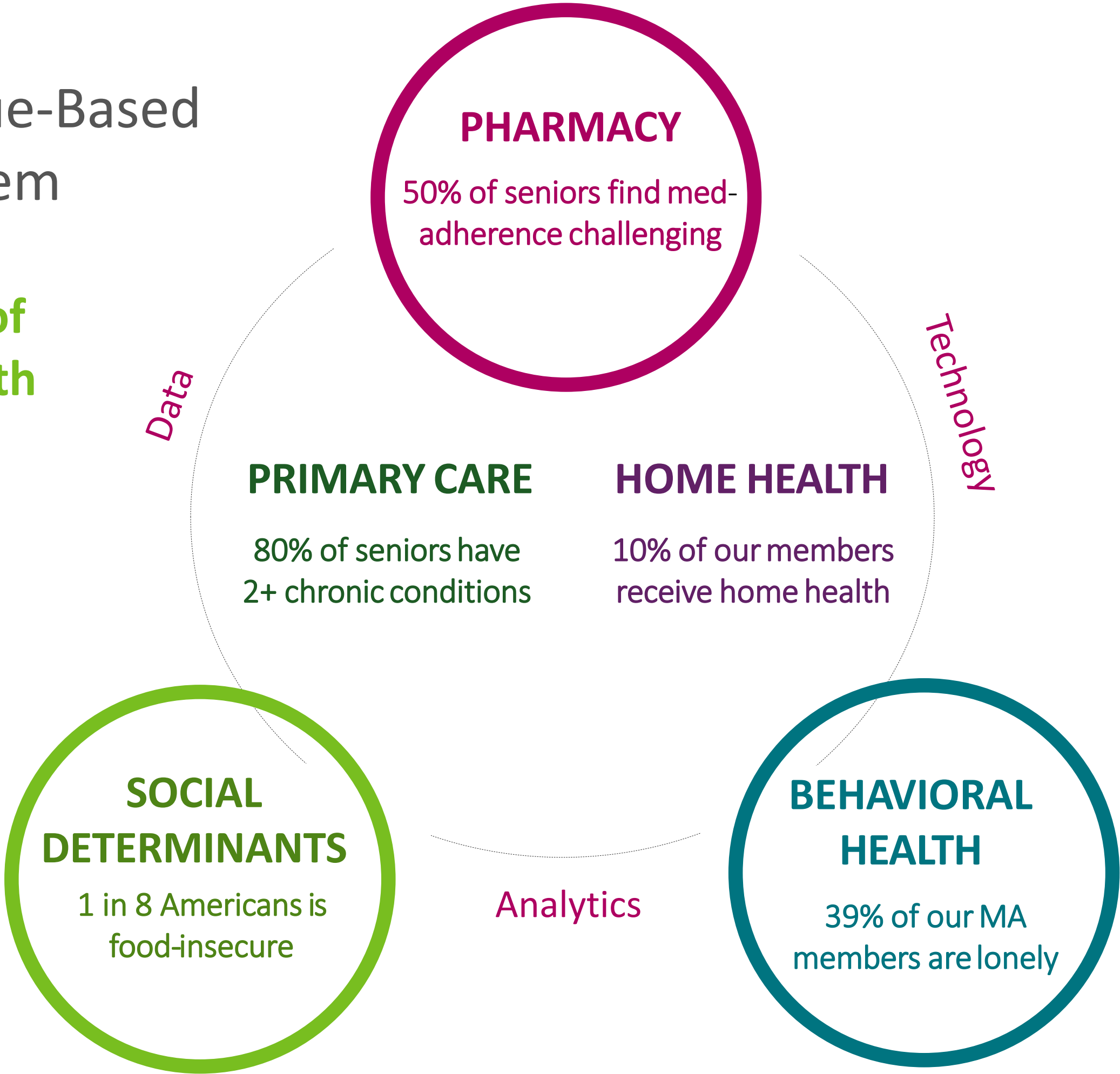
Dis-integrated. Conflicted. Focused on episodic care.



Meet our Medicare member, Jo

Solution:
Integrated Value-Based
Health Ecosystem

**5 Greatest Areas of
Influence on Health**



- ✓ Greatest impact on quality and outcomes
- ✓ High-frequency, low-cost
- ✓ Relationship-based, high influence
- ✓ Focused on chronic condition management

So how do we do this?

Evolve our **operating model**

Provide clinical services for **all life stages**

Offer a differentiating **primary care model**

Enable more care in the **home**

Continue to push forward with **Bold Goal**

Address **social determinants of health**



Enterprise-wide, customer-focused integration is key to new operating model

Humana:
A health company with
elements of insurance

Evolution of Integrated
Care Delivery Model + Creation of a full-spectrum, value-
based health ecosystem for seniors

GOAL: Become THE trusted health advisor for seniors

Today

✗ Discrete, transactional
clinical touchpoints ✗ Multiple clinical
strategies ✗ Multiple views of
member needs

Future State

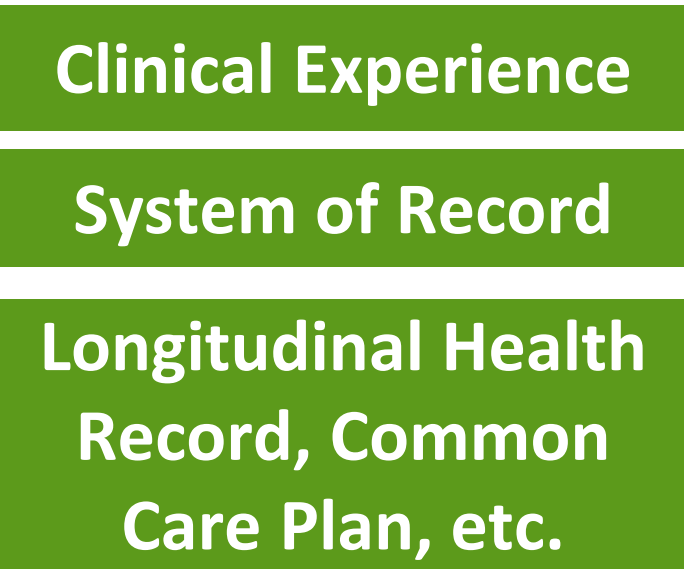
Powered by an **Enterprise
Clinical Operating Model
(ECOM)**



- Coordinated clinical touchpoints
- Based on a single care plan

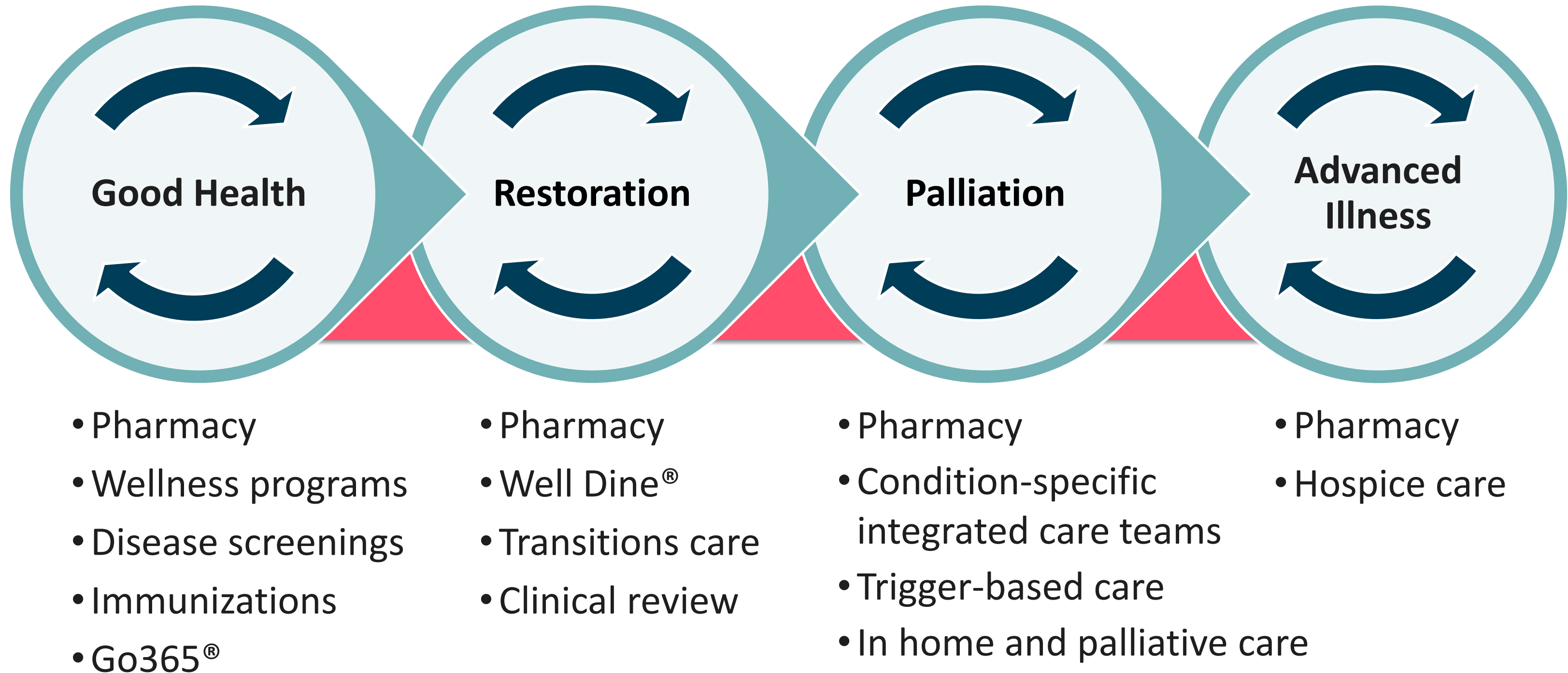


- Integrated clinical strategies
- Incorporating leading clinical best practices and guidelines



- Unified view of member needs
- Coordinated approaches based on common analytics

Meet them where they are: Provide clinical services for all stages of their lives



Expanded care with more services done in home, where members want to be

Provide a differentiating model of **primary care**

Senior-focused primary care vs. typical primary care provider



6

~30 minute visits
per year

vs. 3 fifteen minute visits



<700

Patients per
panel

vs. +2000 patients



Value-Based
Revenue model
paying % of
premium

vs. FFS professional fees



Integrated
Holistic team-
based care

vs. fragmented care, reliant
on referrals

Model serves high utilization
populations to impact trend

21% lower avoidable admissions per 1,000 vs. unengaged providers¹
15% lower ER visits per 1,000 vs. unengaged providers¹



Enable more care in the home

Seniors want to stay in their home

- 90% of seniors want to live out their lives in their homes¹
- 53% of seniors cite health problems as the top threat to their independence²

Shifting away from facility-based care

- Technological advancements are enabling more treatment options in the home
- It's the only setting that integrates lifestyle and healthcare
- Low-cost setting compared to other care delivery options

New frontier, new investments: Home health and hospice

Home Health Opportunity

90% of seniors intend to continue living in their current home or community¹

Most convenient setting for seniors

Makes **care more affordable**

Technology enabling a **broader offering of in-home services**

Powerful point of influence



Medicare Certified Home Health and Hospice:

- Episodic encounters
- Skilled nursing
- Clinical intervention
- Hospice and palliative care

Longitudinal care management:

- Reinforcement of care plans
- Remote monitoring
- Access to care
- Hospice

Continue to push forward with our Bold Goal

OUR BOLD GOAL is a health and business strategy dedicated to improving the health of the communities we serve 20 percent by 2020 and beyond.

Since 2015, Humana Medicare Advantage members* in Bold Goal communities continue to have more Healthy Days than those in non-Bold Goal communities



Humana employees achieved their Bold Goal in 2018 **gaining 2.3 million more Healthy Days between 2012 and 2018**

*Humana contracts with CMS under the Medicare Advantage program to provide a comprehensive array of health insurance benefits—including wellness programs, chronic care management, and care coordination—to Medicare eligible persons under HMO, PPO, and Private Fee-For-Service, or PFFS, plans.



In San Antonio, Humana MA members experienced a **9.8 percent reduction** in Unhealthy Days (UHD); they are halfway toward their Bold Goal of being 20 percent healthier

We scaled social determinants of health screenings, impacting thousands, and connected those in need to community resources



Address social determinants of health (e.g., food insecurity, social isolation)

Focus on addressing key social determinants of health in local markets

- 12 Bold Goal markets
- +550 Participating community organizations
- +500k Members screened for food insecurity in 2018

National Partnerships



Bold Goal has matured from an aspiration to a critical piece of the operating model

Healthy Days improving faster in Bold Goal communities¹
(vs. non-Bold Goal)

Local Market Partnerships





Humana's Bold Goal: **San Antonio**

Great Bold Goal work is happening here, too: **Louisville**

- Louisville Bold Goal efforts launched in **2015**.
- Work has primarily focused on improving **respiratory health, coordination of care, diabetes, and behavioral health**.
- Locally, Humana is proud to convene and be a part of – with more than **70** local organizations – the **Louisville Health Advisory Board (LHAB)**, a collective impact body seeking to improve the health of our community.
- We also engage our **12,000+ local employees** in this effort, so they might see how they contribute to this larger goal, in their day-jobs and through community engagement.



A sampling of LHAB community partners

Q & A



Thank you!

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