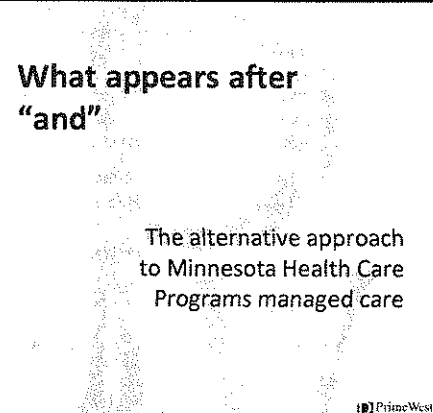


1

County-based Purchasing

What appears after "and"

The alternative approach to Minnesota Health Care Programs managed care



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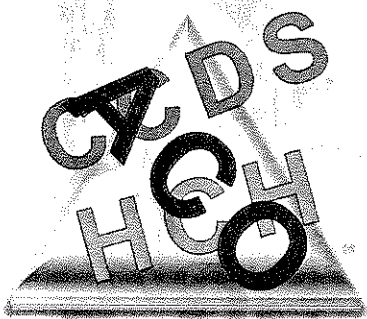
2

CBP Characteristics

- ✓ Local ownership: County-government
- ✓ Governed by publicly elected officials
- ✓ Financial and operational transparency
 - Freedom of Information laws and regs
 - Open meeting laws and regs
 - Procurement and investment laws and regs
- ✓ Salaries limited by statutory caps
- ✓ 100% community reinvestment of surplus
- ✓ Minnesota Health Care Programs only
- ✓ Rural service areas
- ✓ Comparatively small enrollment size
- ✓ Locally driven interdisciplinary care management approaches

3

Objective: what or how?



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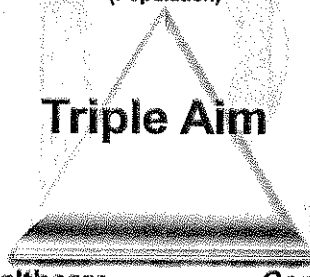
What

Health (Population)

Triple Aim

Healthcare Experience (Individual)

Cost (Per Capita)

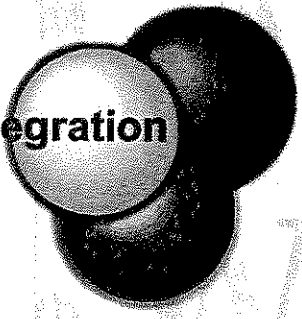


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How

Integration



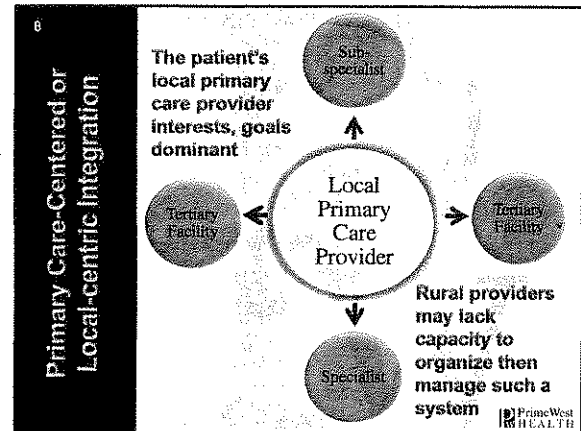
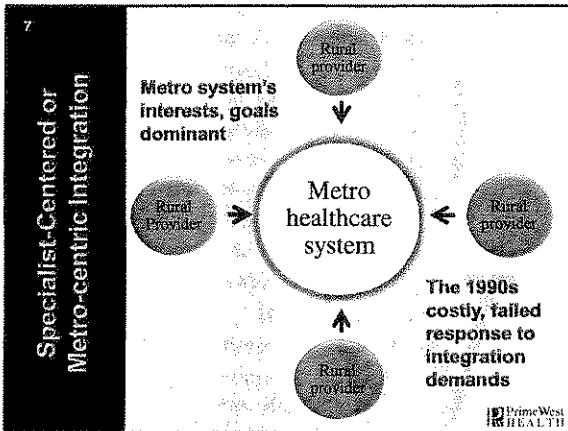
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Rural integration challenges

- **Primary care-based**
 - Primary care provider shortage
 - Wide range of practice sizes
 - Limited specialization locally
- **Limited provider integration**
 - Few integrated systems
 - Independently owned (and minded)
 - EHR/HIT islands
 - Wary of referrals to regional or metro providers
- **Small patient bases divided by multiple payers**
 - ? ROI for ACO, HCH, TCOC, etc. Infrastructure changes
- **Federal designation-driven payment structures**
- **Narrow \$ margins, and limited integrated service scope and HIT impede ability to manage \$ risk in TCOC**

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Rural integration solution

Virtual Integration

- Health promotion, health protection services and medical care "linked together as a virtual system with common purpose, policy and values."
- Emphasizes coordination through:
 - Patient and population health management agreements
 - Provider incentives
 - Information systems
 - Transparency and accountability
- Requires "Integrator"

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Integrator

An entity that possesses the:

- capacity to assemble a system to improve and maintain health and treat illness; and
- organization structure and management processes to ensure care/services delivery.

Roles and responsibilities:

- Provide enrollment population oversight
- Create care system
- Link public health with health care
- Create learning system

Source: Institute for Healthcare Improvement

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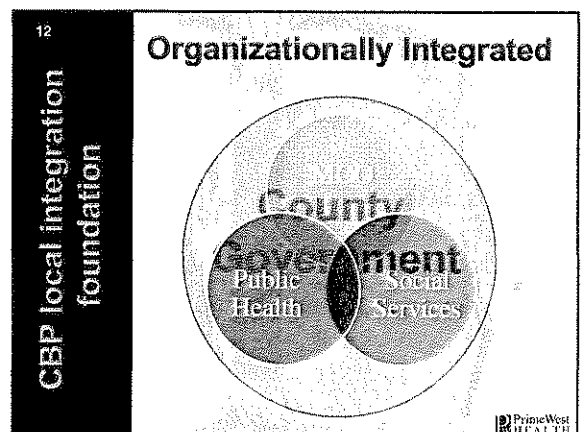
Driving forces for PrimeWest Health CBP

Apply local control of managed care resources and functions to facilitate, ensure:

1. Alignment and integration of local patient, provider and payer needs, interests and goals
2. Integration of private and public resources/services around individual and population needs
3. Coordination of local public health, social services, mental health and medical services to cost-effectively achieve improved care outcomes and health status
4. Public accountability and transparency
5. Community reinvestment of surplus to perpetuate #s 1-3 above

In a word, "integrator"

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PrimeWest integration

Virtual or "cooperative" Integration

"Typically, even the best US examples do not fully integrate public health and social services with health care." Institute for Healthcare Improvement

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Tracking Triple Aim

Inpatient admissions per 1,000 MM age 65 and over (MSHO, MSC, MSC+):

- ↓ 2007: 623
- ↓ 2008: 567
- ↓ 2009: 536

PrimeWest readmission rate 15.45% compared to Medicare Advantage nat'l average of 18%

Inpatient admissions per 1,000 MM ages 0-64 (PMAP, GAMC, MnCare):

- ↓ 2007: 68
- ↓ 2008: 63
- ↓ 2009: 55

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Tracking Triple Aim

- ↑ PrimeWest generic drug fill rate 78.3% compared 50.6% to 77.99% nationally
- ↓ ED visits per 1,000 MM ages 65 & over: 6.9 % lower than all plan average
- ↓ MSHO Inpatient Average Length of Stay
 - PrimeWest: 4.32 days
 - Medicare national average: 5.2 days
 - Dual Eligible national average: 5.6 days

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Tracking Triple Aim

Access, Quality, Satisfaction

- Exceed Minnesota and/or national averages in 20 key measures of access, including preventive, primary care and mental health care services
- Exceed Minnesota and/or national averages in over 40 key measures of member satisfaction and quality including chronic disease care and outcomes

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