Network Management Update

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January 22, 2016
What we’ll talk about today

- Aetna Organizational Structure
  - Southeast Territory
- Value Based Contracting
- Exchange Network Strategy
- Overview of Florida
- ID Card Initiative
Aetna Organizational Structure

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Effective 8.19.15
Value Based Contracting

Pay for performance → Patient Centered Medical Home → ACO attribution → ACO product → Joint ventures
What if we created a system that works better for everyone?

- **Episodic treatment** of the sick
- **Rising costs** and transactional care
- **Independent** and detached providers
- **Outdated** technology and communication
- **Frustrating** and time consuming patient experience

- **Holistic care** for the entire population
- **Shared accountability** to improve outcomes and lower costs
- **Transparent** and engaged providers
- **New tools and services** to make it easier
- **More productive** and satisfied employees
Our vision of transformation

Building a healthier world by paying for value not volume

• Earlier intervention
  • More coordination

• Managing populations
  • More engagement

• Up to 8 – 15% savings* year 1
  • Lower trend

*Actual results may vary since they depend on a variety of factors including ACO plan model.
Our goal: transform to a value-driven health system

Aetna has 28% of spend in value-based models. We plan to surpass 50% by the end of 2018 and 75% in 2020.

We deploy a range of models to meet providers where they are on the transformation continuum.
The next generation: value-based products that drive deeper engagement

We enable providers to be successful with:

- Technology and analytics
- Care management support
- Transformation advisory services

Pay for performance → Patient Centered Medical Home → ACO attribution → ACO product → Joint ventures

Greater investment in success and deeper collaboration through co-governance

Aetna Whole Health Benefit design encourages members to use efficient ACO providers
Aligning incentives to drive better quality and lower costs

TOTAL COST OF CARE

Waste and inefficiency
Payment for all other care
FFS payments to providers

Fee for service model

Lower costs
Waste and inefficiency
Payment for all other care
Care coordination payment
FFS payments to providers

Pay for value model

Source: Brookings Institution
Aetna Whole Health offers:
• **Up to 8-15% savings*** as compared to broad network plans
• **Sustained savings** from improved care delivery
• **Improved quality** outcomes and member experience
• **Provider payment** transformation
• **3-tier or 2-tier** network design

*Actual results may vary since they depend on a variety of factors including ACO plan model.
Collaboration creates more value than Aetna or ACOs can deliver alone

ACO providers
Focus on those who need them most:
• One-on-one patient engagement
• Clinical credibility

Together
WE FIND AND ENGAGE MORE patients with Aetna technology plus provider records
WE HELP MORE members have a streamlined experience
WE SAVE MORE with efficient care across the entire care team

Aetna
Information on all patients and resources to support between visits:
• Data analytics
• Leading technology
• Care management programs
Provider adoption of value-based contracting

Providers
Committed to serving their patients

44% of providers and 81% of hospitals are pursuing or interested in bundled payments

60% of physicians said they would participate in an accountable care arrangement, including 49% of internal and family medicine practitioners, 29% of pediatricians, and 38% of specialists
Our ACO results are transformational

5% reduction in medical trend (Banner)¹

50% fewer impactful bed days (Carillion)²

22% reduction in high-tech radiology use (Memorial Hermann)²

28 – 64% Increase in patients reaching goals for blood pressure and cholesterol levels (NovaHealth)³

For the second year in a row, providers recognized Aetna for its flexibility in accountable care collaborations. Praised as durable, versatile and agile, and cited for giving providers the ability to explore new paths with confidence.

– KLAS ACO Payers 2014 Report
Leading healthcare IT research

² Aetna analytics, 2013 costs
³ “Payer-Provider Collaboration in Accountable Care Reduced Use and Improved Quality in Maine Medicare Advantage Plan,” Aetna and NovaHealth, Health Affairs, Volume 31, Number 9, September 2012
Exchange Strategy
Exchange Strategies: Tech-enabled choice
Enrollment in private exchanges is expected to grow significantly

Employers are looking to

- Reduce costs
- Ease administrative burden
- Engage employees
- Improve health care outcomes

2018
40,000,000
Market forces are driving change

63% increase in employer health benefits spending from 2006 to 2014\(^1\)

73% of employers expect to trigger excise tax in 2018\(^2\)

38% of companies are considering private exchanges\(^2\)

32% of employers will only offer consumer-directed health care plans in 2015\(^3\)

78% of consumers in an exchange simulation selected plans with narrow or tiered provider networks\(^4\)

87% of employers report health benefits will be a key part of their total rewards package in 2015\(^5\)

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\(^1\) Aon Hewitt Health Value initiative
\(^2\) Towers Watson 2014 Health Care Changes Ahead survey
\(^3\) Large employers 2015 Health Plan Design Survey NBGH
\(^5\) McKinsey Online Proprietary Exchange Study, 2014

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The market depends on Aetna to lead

First national insurer to offer HRAs

Aetna acquires SRC to add voluntary benefits to its portfolio

First to market with a personalized out-of-pocket cost-of-care estimator

First national insurer to offer HSAs

Accountable Care Organizations and network development

Acquired

We continue to respond to market forces

©2015 bswift
Together we deliver

Tech-enabled choice with decision support, defined contribution, ACA compliance tools, simplified benefits administration and reporting

Long-term sustainable savings from product, network, care management, wellness and consumer engagement strategies

A new way to think about benefits

©2015 bswift
How bswift is different

With bswift you can....

• Apply your own benefit strategy
• Choose the care management program, network approach, member service model and Rx solution that you prefer for your workforce
• Keep your benefits administration provider
• Choose the carriers to participate
• Include Aetna’s innovative network solutions
• Keep your benefits consultant

...or, let bswift handle it all!
Simple solutions for the complex world of benefits

Our people
We know benefits – and are eager to help you succeed

Our experience
More than 15 years in benefits administration

Our technology
The platform is robust, configurable and client- and time-tested

bswift
Ideally suited to serve your needs today—and grow with you in the future
Overview of Florida
Overview of Florida

• Florida Exchange Strategy

• Notable Network Characteristics

• Aetna Individual Medicare Advantage HMO – Coventry Platform

• Expansion of EviCore Program
Digital ID Cards
Digital ID Cards

- Effective January 1, 2016: All members will receive a plastic ID card; with the exception of new Consumer Business (Aetna LEAP)

- Members will have ability to access digital ID cards via their smart phone or Aetna Navigator account.
  - 70% of Aetna commercial members registered for Navigator; with over 10M unique visitors annually; averaging 2.17 visits each
  - 82% of Aetna commercial members registered have suppressed paper EOBs

- Digital ID cards are an exact replica of the plastic ID card; available electronically or printed to paper

- Communications issued regularly, beginning late 2015 through the end of 2016, including email, NaviNet and quarterly Provider newsletters.

- Aetna works with over 20 clearinghouses that providers use to search for patient eligibility and benefits for multiple health plans. Eligibility and benefits displays more detail than is present on the plastic ID card and also presents dynamic data such as remaining individual or family deductible amounts.
  - Aetna providers submit over 30 million eligibility requests each month
  - Providers can submit an eligibility search using only member first name, last name and date of birth
Thank you