CARRUM
What is Carrum Health?

- Surgical Benefit
- Fixed Cost – Bundled Pricing for 6 Common Surgeries and more
  - Hip Replacement, Knee Replacement
  - Cervical, Lumbar, Combined Anterior/Posterior Spinal Fusion
  - Coronary Bypass Surgery
  - *Just Added:* Bariatric Surgery (Gastric Bypass)
- Travel expenses for patient and one adult companion are covered
Who is Carrum Health?

- Established in 2014
- Headquartered in the Bay Area
- Clients & Providers up and down the West Coast
- Award-Winning Leader in Bundled Payment Solutions
- Recognized for healthcare innovation by:

  Harvard Business School
  Harvard Medical School
Why Use Carrum Health?

Employers

- Significant savings  
- Cost predictability  
- Improved productivity

Employees

- Top quality care  
- Concierge experience  
- No medical bills
Why Use Carrum Health?
Healthcare cost and quality vary wildly across the U.S.

A small minority of patients generate a disproportionate majority of costs

Examples of U.S. procedure cost variation with no correlation to quality

- Joint Replacement (Knee):
  - U.S. Min.: $27K
  - U.S. Avg.: $35K
  - U.S. Max.: $46K

- Spinal Fusion (Lumbar):
  - U.S. Min.: $49K
  - U.S. Avg.: $66K
  - U.S. Max.: $88K

- Coronary Bypass:
  - U.S. Min.: $48K
  - U.S. Avg.: $75K
  - U.S. Max.: $152K

~10% of patients ~50% of costs
Why Use Carrum Health?
Carrum lowers costs while improving outcomes

Key Benefits for Plans and Employees

Lower Healthcare Costs
- **Plan:** 25-50% savings and cost predictability
- **Employees:** Zero out of pocket costs (except deductible for HDHP/HSA plan enrollees)

Top Quality Care
- Access to best-in-class Centers of Excellence
- Data-driven qualification of providers
- 30-day readmission warranty

Improved Employee Experience
- Personal, high-touch Care Concierge service
- Comparison shopping tools
- Travel management (if required)
Who is Eligible?

The following CSAC EIAHealth plan enrollees are eligible for Carrum as long as they have *primary coverage* in an Anthem, Blue Shield or Delta Health PPO or HDHP plan (HMO plan enrollees are not eligible.)

- ✔ Active employees
  - ✔ Active employees
  - ✔ Dependents of active employees
- ✔ Early / Pre-65 Retirees (i.e. not enrolled in Medicare)
  - ✔ Early / Pre-65 Retirees
  - ✔ Dependents of Retirees
- ✔ COBRA participants
  - ✔ COBRA participants
  - ✔ Dependents of COBRA participants
# How Does the Program Work?

## Employee Incentives

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>Waive Deductible</td>
</tr>
<tr>
<td>✓</td>
<td>Waive Copayment</td>
</tr>
<tr>
<td>✓</td>
<td>Waive Coinsurance</td>
</tr>
</tbody>
</table>

- Overall, a reduction in medical claims will help mitigate rate increased for future premium renewals
How Does the Program Work?

Travel expenses for patient and one adult companion are covered

- **Transportation** (e.g., Train, Rental Car, Mileage, Baggage, Parking, Gas)
- **Daily Stipend for Meals and Incidentals**
- **Lodging** (e.g., Hotel Room, Tax, Parking)

Travel Costs Covered for One Companion
Scope of Services

- Northern California
  - Stanford Health Care
  - ValleyCare
- Southern California
  - Scripps

Carrum Health
Scope of Services
Covered procedures by provider (as of February 2017)

<table>
<thead>
<tr>
<th>Scripps Health  (San Diego)</th>
<th>Stanford Health Care – ValleyCare Medical Center (San Francisco Bay Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Total Hip Replacement</td>
<td>✓ Total Hip Replacement</td>
</tr>
<tr>
<td>✓ Total Knee Replacement</td>
<td>✓ Total Knee Replacement</td>
</tr>
<tr>
<td>✓ Cervical Spinal Fusion</td>
<td>☐ Cervical Spinal Fusion *</td>
</tr>
<tr>
<td>✓ Lumbar Spinal Fusion</td>
<td>☐ Lumbar Spinal Fusion *</td>
</tr>
<tr>
<td>✓ Combined Ant./Post. Spinal Fusion</td>
<td></td>
</tr>
<tr>
<td>✓ Coronary Bypass Surgery</td>
<td></td>
</tr>
<tr>
<td>☐ Spinal Decompression *</td>
<td></td>
</tr>
<tr>
<td>✓ Bariatric Surgery (Gastric Bypass)</td>
<td></td>
</tr>
<tr>
<td>☐ Shoulder Replacement *</td>
<td></td>
</tr>
<tr>
<td>☐ Discectomy *</td>
<td></td>
</tr>
</tbody>
</table>

* Planned expansion in 2017
# Scope of Services

Procedure expansion plan for 2017 and beyond

<table>
<thead>
<tr>
<th>Bundles Available (target)</th>
<th>Today</th>
<th>2017 Calendar Year</th>
<th>2018 Calendar Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 bundles</td>
<td>15 bundles</td>
<td>40 bundles</td>
<td></td>
</tr>
</tbody>
</table>

## Inpatient Procedures

- Total joint replacement (hip/knee)
- Cervical spinal fusion
- Lumbar spinal fusion
- Combined anterior-posterior spinal fusion
- Coronary bypass (CABG)
- Bariatrics surgery (i.e., gastric bypass)
- Expand in orthopedics (e.g., shoulder replacement, spinal laminotomy and laminectomy, discectomy)
- Expand in cardiac care (e.g., PCI, TAVR, LVAD, LAAC, EP Ablation)
- Continue expansion in orthopedics and cardiac care (e.g., valve repair, pacemaker implant, spinal decompression)
- Add women's health (OB/GYN) procedures
- Add gastrointestinal procedures

## Outpatient Procedures

- Begin offering outpatient bundles (e.g., rotator cuff repair, ACL reconstruction)

## Maternity Care

- Begin offering maternity bundles
Scope of Services
Carrum's bundles include all hospital and physician fees

<table>
<thead>
<tr>
<th>Preparation (Pre-Op)</th>
<th>Admission (Inpatient Stay)</th>
<th>Recovery (Post-Acute)</th>
</tr>
</thead>
</table>
| ✓ Surgeon evaluation (professional services) to validate procedure is appropriate | ✓ ALL facility services prior to discharge, including:  
  • Surgery / operation  
  • Inpatient hospital stay  
  • Physical therapy  
  • Pharmacy / drugs  
  • DME  
  • Radiology & labs  
  • Medical supplies | ✓ 30-day readmission warranty including all facility and professional services to treat complications  
 ✓ Surgeon follow-up (professional services) |
| ✓ Surgeon pre-op consult (professional services) | ✓ ALL professional services prior to discharge, including:  
  • Surgeon fees  
  • Anesthesia fees  
  • Pathology fees  
  • All other treating or consulting physician fees | |
| ✓ ALL pre-op labs and testing (facility and professional services) conducted within 3 days of procedure | | |
Scope of Services

Each patient receives personalized support and guidance from a Care Concierge

Provider Guidance

- Care Coordination
- Appointment Scheduling
- Medical Records Collection
- Travel Management

Care Concierge

Carrum Health
How Does the Program Work?
A patient’s journey with Carrum Health

1. Receive a Diagnosis for Surgery
2. Meet Your Personal Care Concierge
3. Receive Clearance for Surgery
4. Compare and Select Your Hospital and Surgeon
5. Receive Full Support Preparing for Your Surgery
6. Get Your Surgery Done
7. Recover Smoothly with Total Care Coordination

Contact Carrum Health