

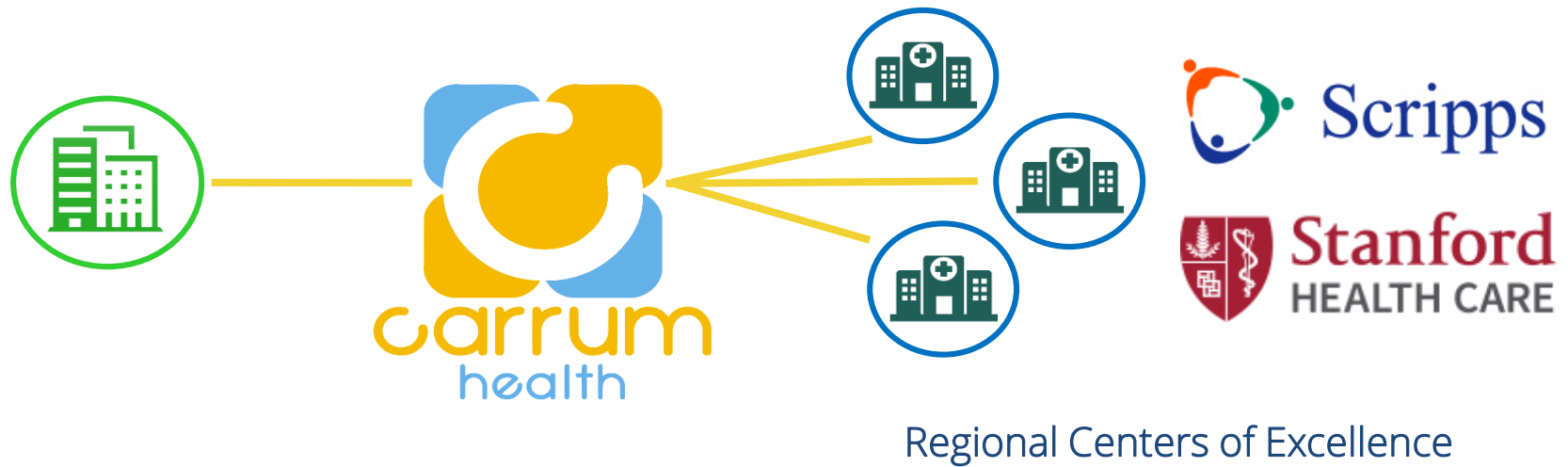


CARRUM



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



Win

Win

Employees



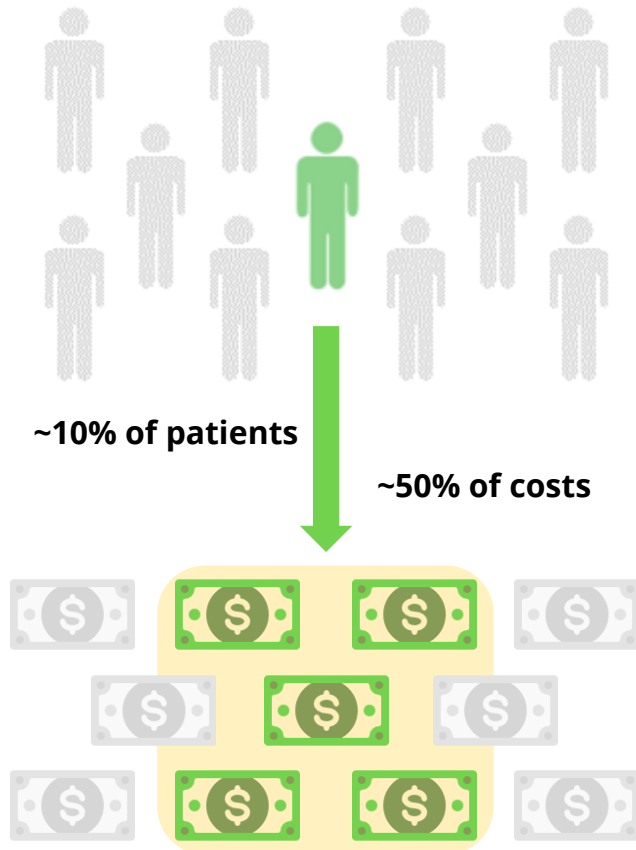
- ✓ Significant savings
- ✓ Cost predictability
- ✓ Improved productivity

- ✓ Top quality care
- ✓ Concierge experience
- ✓ No medical bills

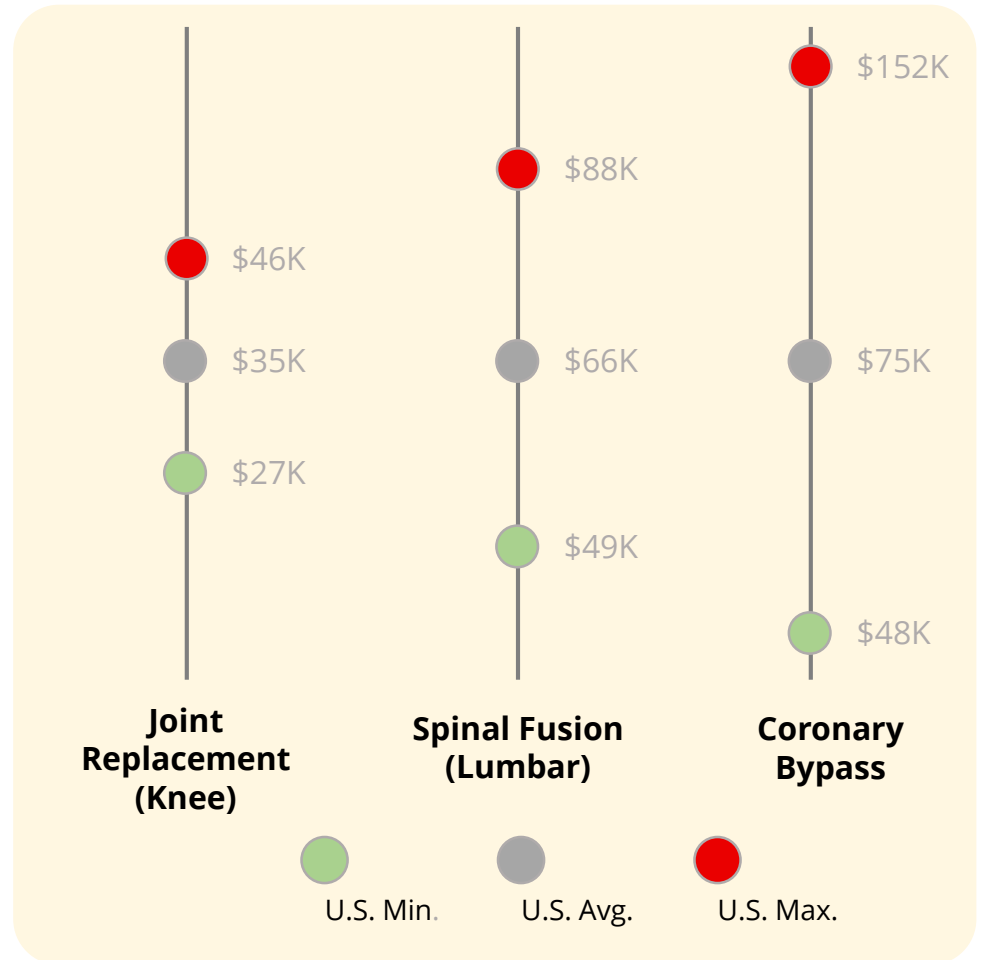
Why Use Carrum Health?

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



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

Employee Incentives

- Waive Deductible
- Waive Copayment
- Waive Coinsurance
- Overall, a reduction in medical claims will help mitigate rate increased for future premium renewals

How Does the Program Work?

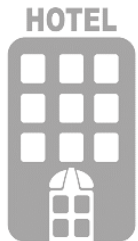
Travel expenses for patient and one adult companion are covered



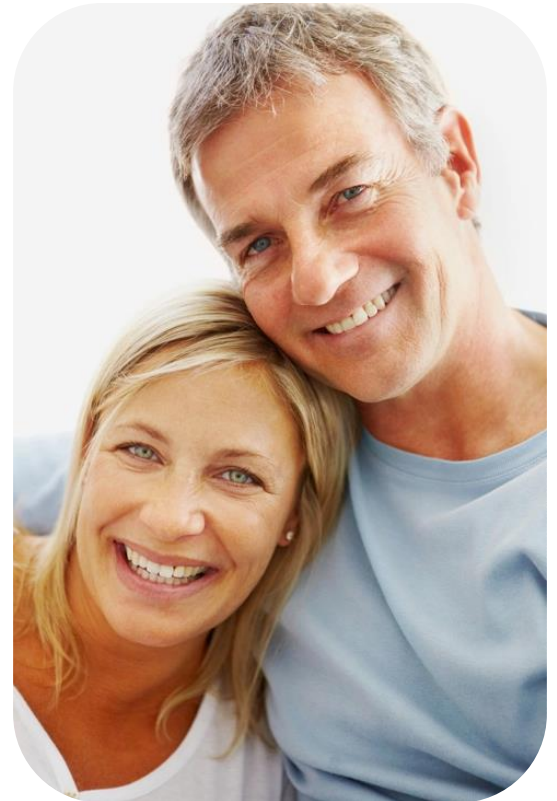
Transportation
(e.g., Train, Rental Car,
Mileage, Baggage, Parking, Gas)



**Daily Stipend for
Meals and Incidentals**



Lodging
(e.g., Hotel Room, Tax, Parking)



**Travel Costs Covered
for One Companion**

Scope of Services



Northern California



Southern California



Scope of Services

Covered procedures by provider (as of February 2017)



Scripps Health (San Diego)	Stanford Health Care – ValleyCare Medical Center (San Francisco Bay Area)
<ul style="list-style-type: none">✓ Total Hip Replacement✓ Total Knee Replacement✓ Cervical Spinal Fusion✓ Lumbar Spinal Fusion✓ Combined Ant./Post. Spinal Fusion✓ Coronary Bypass Surgery<input type="checkbox"/> Spinal Decompression *✓ Bariatric Surgery (Gastric Bypass)<input type="checkbox"/> Shoulder Replacement *<input type="checkbox"/> Discectomy *	<ul style="list-style-type: none">✓ Total Hip Replacement✓ Total Knee Replacement<input type="checkbox"/> Cervical Spinal Fusion *<input type="checkbox"/> Lumbar Spinal Fusion *

* Planned expansion in 2017

Scope of Services

Procedure expansion plan for 2017 and beyond

	Today	2017 Calendar Year	2018 Calendar Year
Bundles Available (target)	6 bundles	15 bundles	40 bundles
Inpatient Procedures	<ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> Expand in orthopedics (e.g., shoulder replacement, spinal laminotomy and laminectomy, discectomy) Expand in cardiac care (e.g., PCI, TAVR, LVAD, LAAC, EP Ablation) 	<ul style="list-style-type: none"> 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			<ul style="list-style-type: none"> Begin offering outpatient bundles (e.g., rotator cuff repair, ACL reconstruction)
Maternity Care			<ul style="list-style-type: none"> Begin offering maternity bundles

Scope of Services

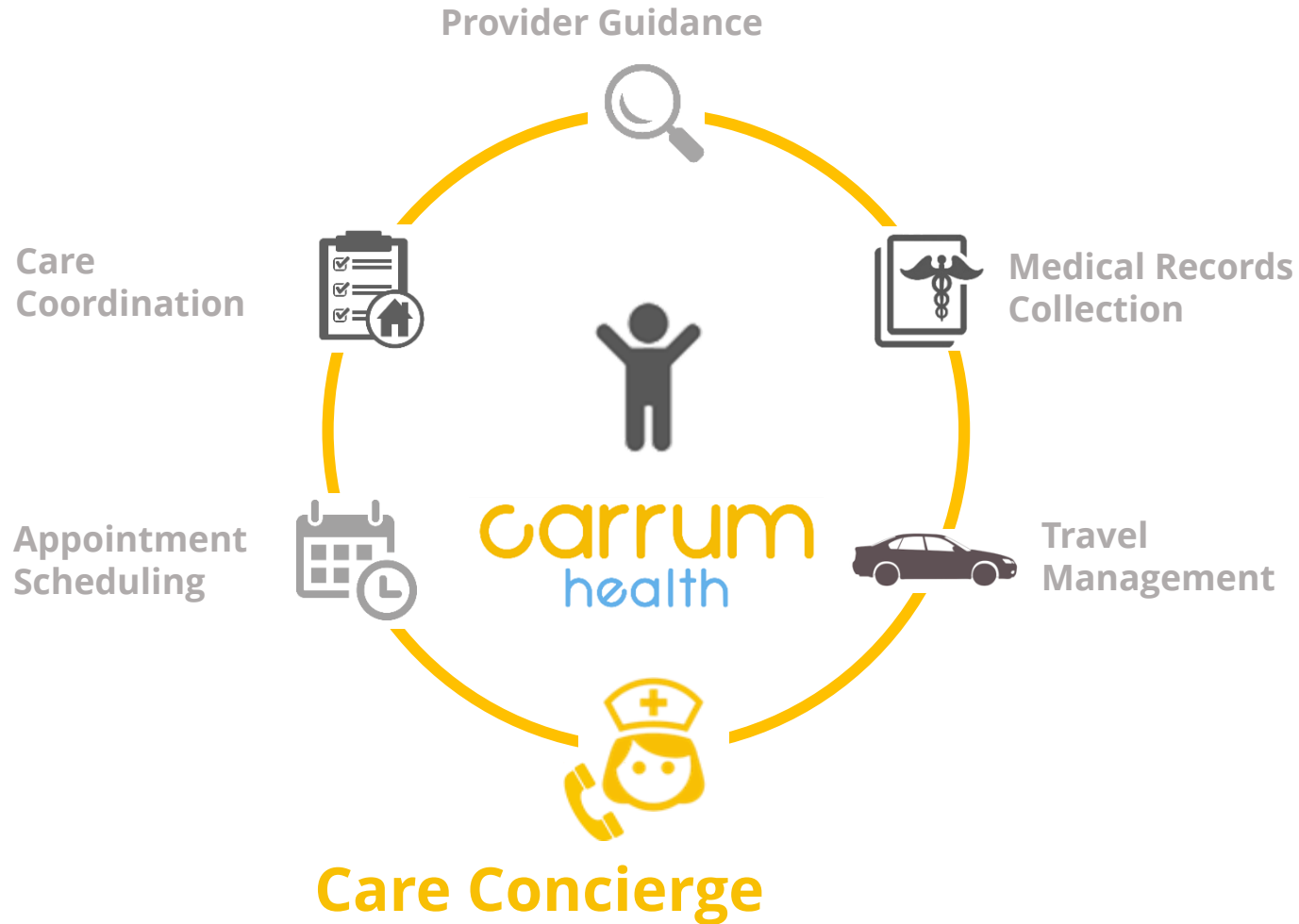
Carrum's bundles include all hospital and physician fees

Preparation (Pre-Op)	Admission (Inpatient Stay)	Recovery (Post-Acute)
<ul style="list-style-type: none">✓ Surgeon evaluation (professional services) to validate procedure is appropriate✓ Surgeon pre-op consult (professional services)✓ ALL pre-op labs and testing (facility and professional services) conducted within 3 days of procedure	<ul style="list-style-type: none">✓ ALL facility services prior to discharge, including:<ul style="list-style-type: none">• Surgery / operation• Inpatient hospital stay• Physical therapy• Pharmacy / drugs• DME• Radiology & labs• Medical supplies✓ ALL professional services prior to discharge, including:<ul style="list-style-type: none">• Surgeon fees• Anesthesia fees• Pathology fees• All other treating or consulting physician fees	<ul style="list-style-type: none">✓ 30-day readmission warranty including all facility and professional services to treat complications✓ Surgeon follow-up (professional services)

Carrum Care Concierge Support (see next page)

Scope of Services

Each patient receives personalized support and guidance from a Care Concierge



How Does the Program Work?

A patient's journey with Carrum Health



Receive a
Diagnosis
for Surgery



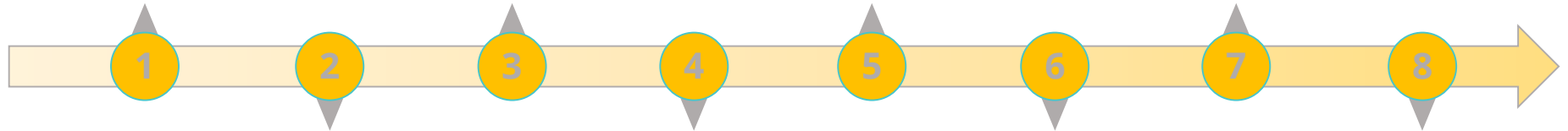
Meet Your
Personal Care
Concierge



Receive
Clearance
for Surgery



Get Your
Surgery
Done



Contact
Carrum
Health



Compare and Select
Your Hospital and
Surgeon



Receive Full
Support Preparing
for Your Surgery



Recover Smoothly
with Total Care
Coordination

