

The Problem

- Rising Medicaid costs:
 - Medicaid costs rising an average of 8.2% annually since 1995
 - Increasing ABD/SSI population from 0.2% (1999) to 4.3% (2005 est.) of enrollees
 - ABD/SSI members account for **43% or more** of health care expenditures
- Risk bearing entities realize conventional medical management does not work and are looking for solutions.

The Solution: The PerforMEDSM Model

- Focused on Medicaid only; with over 24 years of experience addressing the unique health issues faced by this population
- Flexible, customized program design based on output from predictive modeling and blended with the target objectives of the State Medicaid office
- Combines traditional elements of care, including primary care, disease education, case management, medication review and behavioral health coordination
- Holistic approach to care management, incorporating psycho-social needs and barrier resolution capabilities to achieve optimal self-management and empowerment of members
- Focuses resources on those recipients predicted to have the highest future costs
- Employs purposeful interventions designed to prevent avoidable episodes of care
- Results in demonstrated cost savings by reducing hospital admissions and emergency room visits
- Designed for health plan and government settings

Actuarially Proven Savings

Potential annual savings for 5,000 engaged members:
\$6 million with an ROI of over 2 to 1
(based on experience at Keystone Mercy Health Plan: 2004-2005. Certified by consulting Actuary 2006)

Expected Program Outcomes

- **Fewer inpatient admissions** – PerforMEDSM's success comes from preventing avoidable episodes of care.
- **Lower overall medical costs** – Cost savings for PerforMEDSM will primarily arise from lower inpatient and specialist costs.
- **Improved medication adherence** – PerforMEDSM provides improved health outcomes, lower disease-related medical costs and fewer inpatient admissions for people with diabetes and other chronic conditions.
- **Improvements in disease-specific measures** – PerforMEDSM uses a three-tiered approach to improving compliance with disease-specific health outcome measures:
 - Support evidence-based guidelines
 - Improve self-management skills
 - Identify “care gaps”



Program Components

The PerforMEDSM “High Touch” Approach Includes:

- Rapid Response Line
- Personal Care Plan
- Member & PCP Coordination
- Chronic Illness Management, includes co-morbidities
- Outcome Monitoring
- Ongoing Follow Up

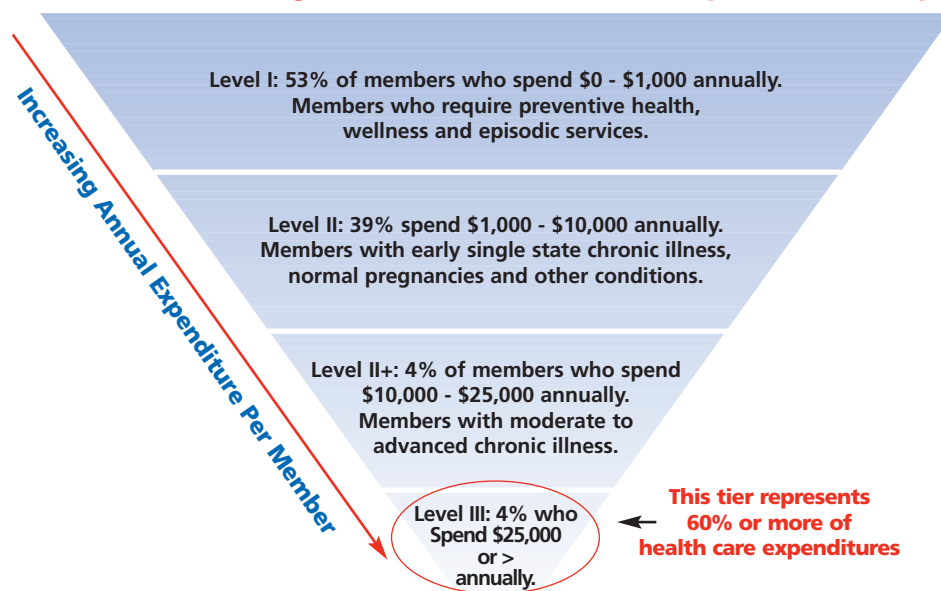
Predictive Modeling & Stratification of Membership into Risk Groups

Typical members for the program meet the following criteria:

- Have three or more chronic illnesses plus one behavioral health diagnosis
- Prescribed five or more prescription medications, not counting over-the-counter medications
- Receive care from three or more physicians
- Use all health plan services at three to four times the rate of the average plan member
- Have a predictive risk score of 4.5, indicating that their risk is 4.5 times higher than the plan average

Why Population Management is the Best Approach

Predictive Modeling & Stratification of Membership Into Risk Groups



PerforMEDSM Contact Information

To find out how PerforMEDSM can improve health outcomes for your members, email perforMED@amerihealthmercy.com

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