CONSUMER BUNDLES

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HEALTHCARE CONSUMERISM LANDSCAPE

High deductible health plans (HDHP)will grow at double digit year-over-year rates for the foreseeable future.

29% employees are on HDHP

43.2%
of US adults are on HDHP

120M
pay out of pocket

90%
US businesses offer HDHP

25%
ONLY offer HDHP

$6,000
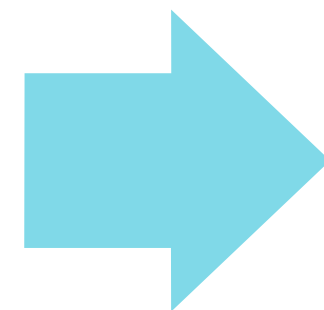per family avg annual deductible

83%
won't reach deductible threshold

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THE MDSAVE EXPERIENCE

✓ A healthcare bundling technology platform that enables an
open health care marketplace targeting patients with out-of-pocket costs

✓ Offers fully bundled discounted healthcare services
in exchange for upfront payments

✓ A suite of software products for employers, PPOs, and providers

✓ Over 7,000 consumer healthcare procedures deployed in the marketplace

✓ Operates in 38 states and over 250 integrated health networks

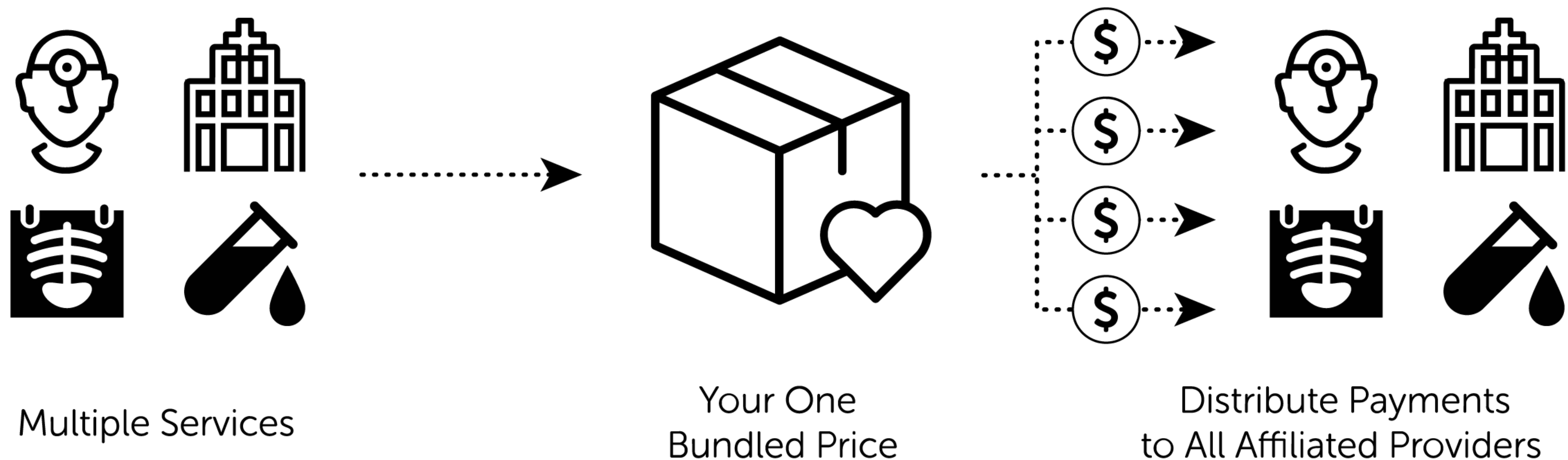Compare Local Prices   Buy Your Procedure   Visit the Doctor

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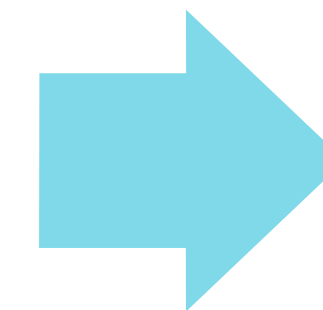
HORIZONTAL BUNDLING SOLUTION

Multiple Services

Your One
Bundled Price

Distribute Payments
to All Affiliated Providers

Easily build prospective, episodic bundles using bundling platforms to offer an all-inclusive, single price online or at the point-of-service.

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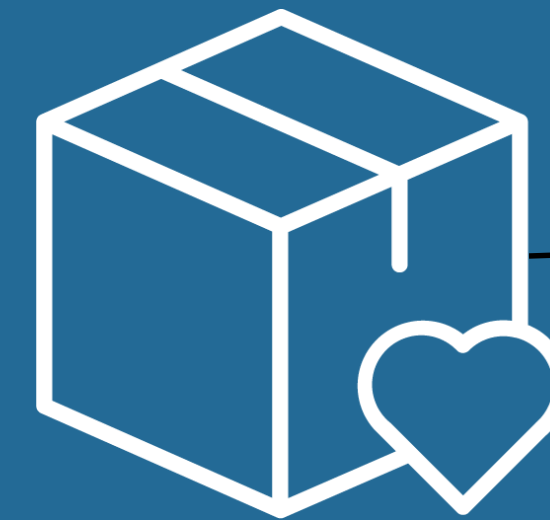# CONSUMER BUNDLES INCREASE PATIENT SATISFACTION

EXISTING PATIENT JOURNEY

1. Patient receives doctor's order

2. Patient receives care

3. Patient receives multiple bills

Facility   Provider   Anesthesia

4. Hospitals struggle to collect

OUR PATIENT JOURNEY

1. Patient receives doctor's order

2. Patient is quoted fully bundled price

91
NPS

3. Payment is guaranteed within six days

4. Patients and hospitals are satisfied

Net Promoter Score (NPS) is an index ranging from -100 to 100, measuring customer satisfaction and willingness to recommend a service to others. The average NPS score in the health insurance industry is 12. (Sametrix, 2015)
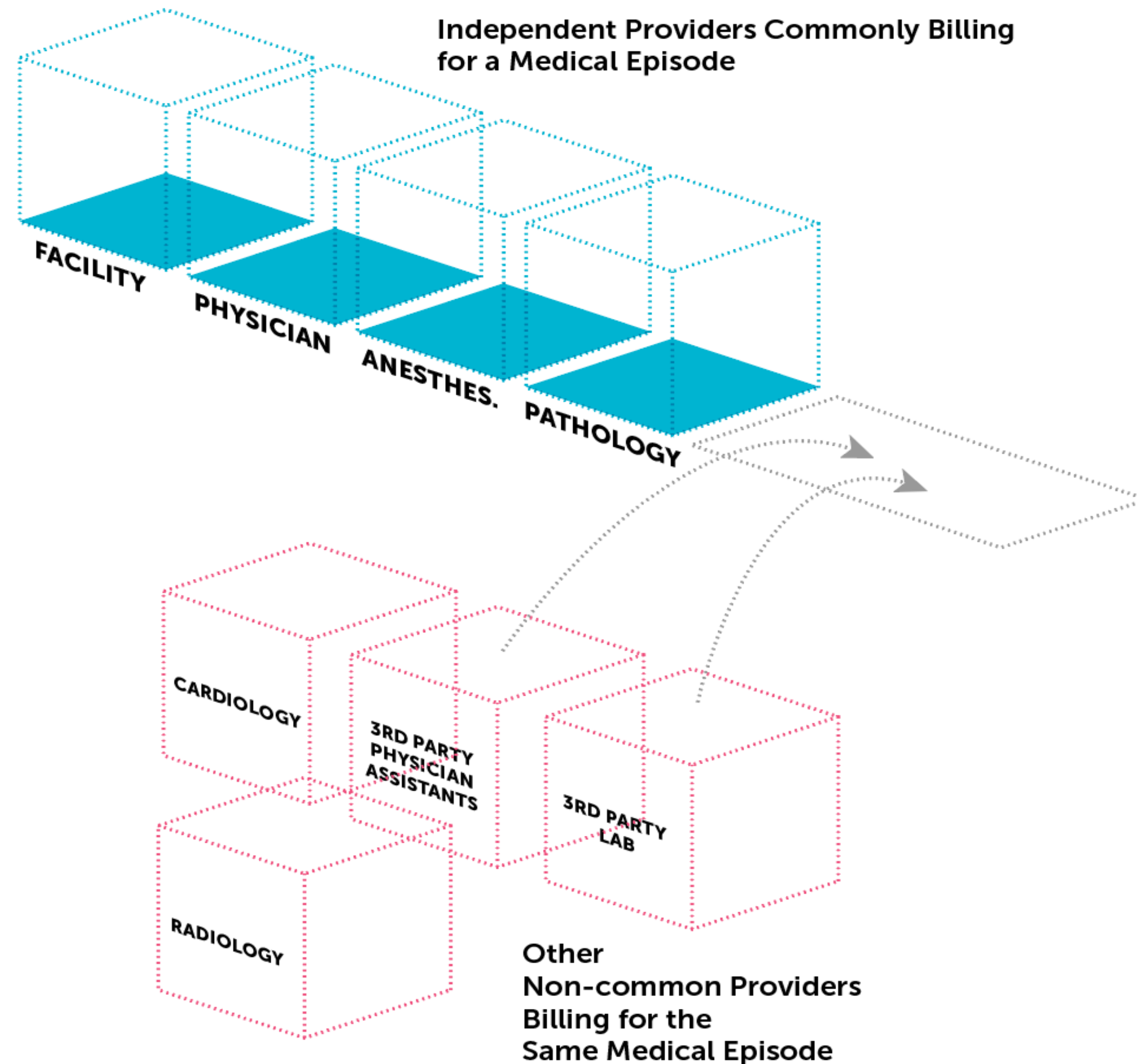
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KEY BUNDLING PRINCIPLES
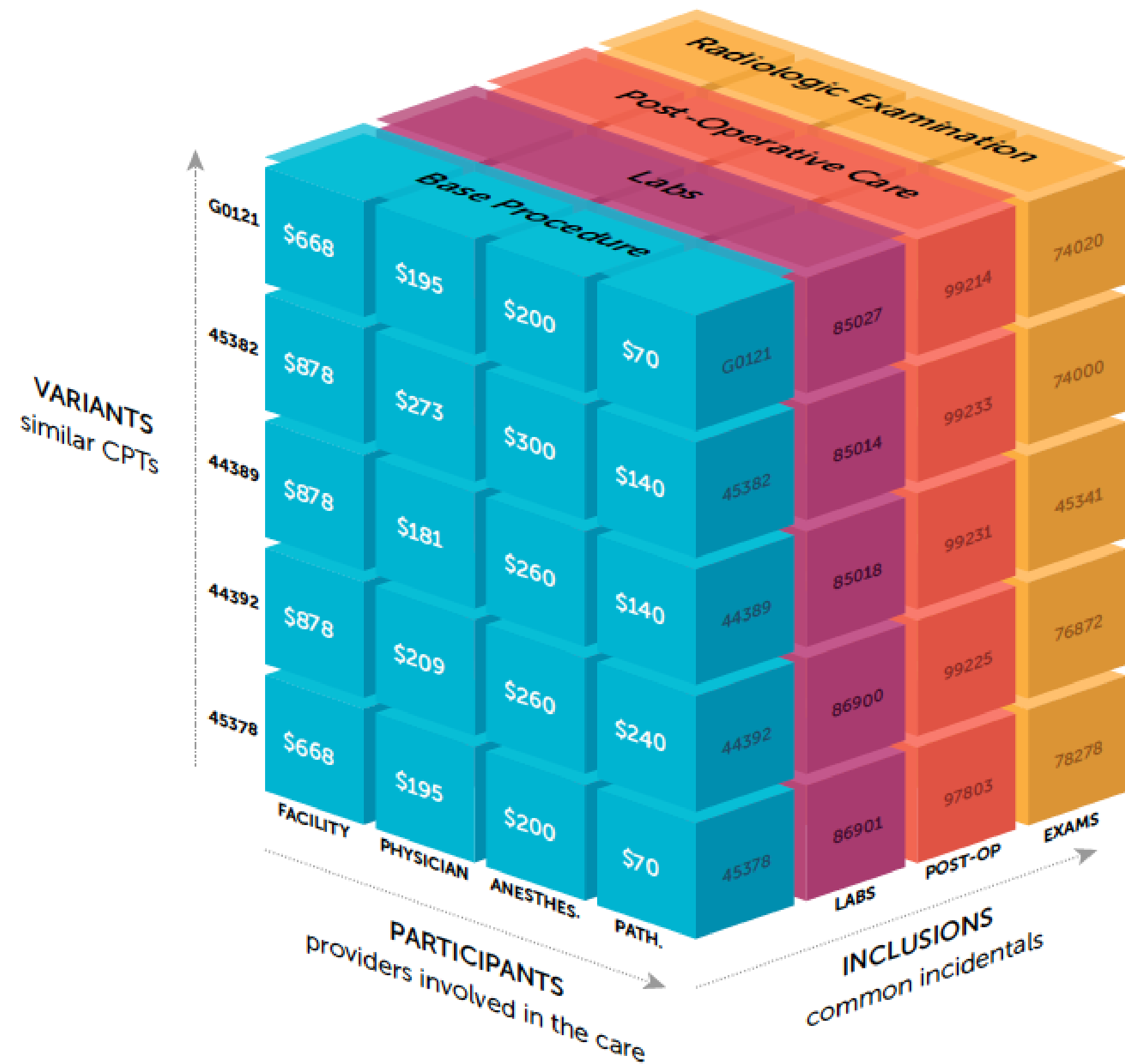
Bundle Width – PARTICIPANTS
Include all providers involved in the care

Bundle Height - VARIANTS
Group all similar primary CPT codes together to make it easier for patients to shop for their care.

Bundle Depth - INCLUSIONS
Include all codes that are incidental or commonly performed with the primary CPT code.

WIDTH OF THE BUNDLE : PARTICIPANTS

Independent Providers Commonly Billing for a Medical Episode

FACILITY · PHYSICIAN · ANESTHES. · PATHOLOGY

CARDIOLOGY · 3RD PARTY PHYSICIAN ASSISTANTS · 3RD PARTY LAB · RADIOLOGY

Other Non-common Providers Billing for the Same Medical Episode

Key principle: Partner with all providers that typically perform services during an episode of care.

Challenges: Uncommon providers cause additional billing to our patients, and due to rarity and varying from case to case we cannot predict whether a third party will be used or not. For example, a surgeon deciding to use an assistant surgeon who is not partnered with us.

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HEIGHT OF THE BUNDLE : VARIANTS
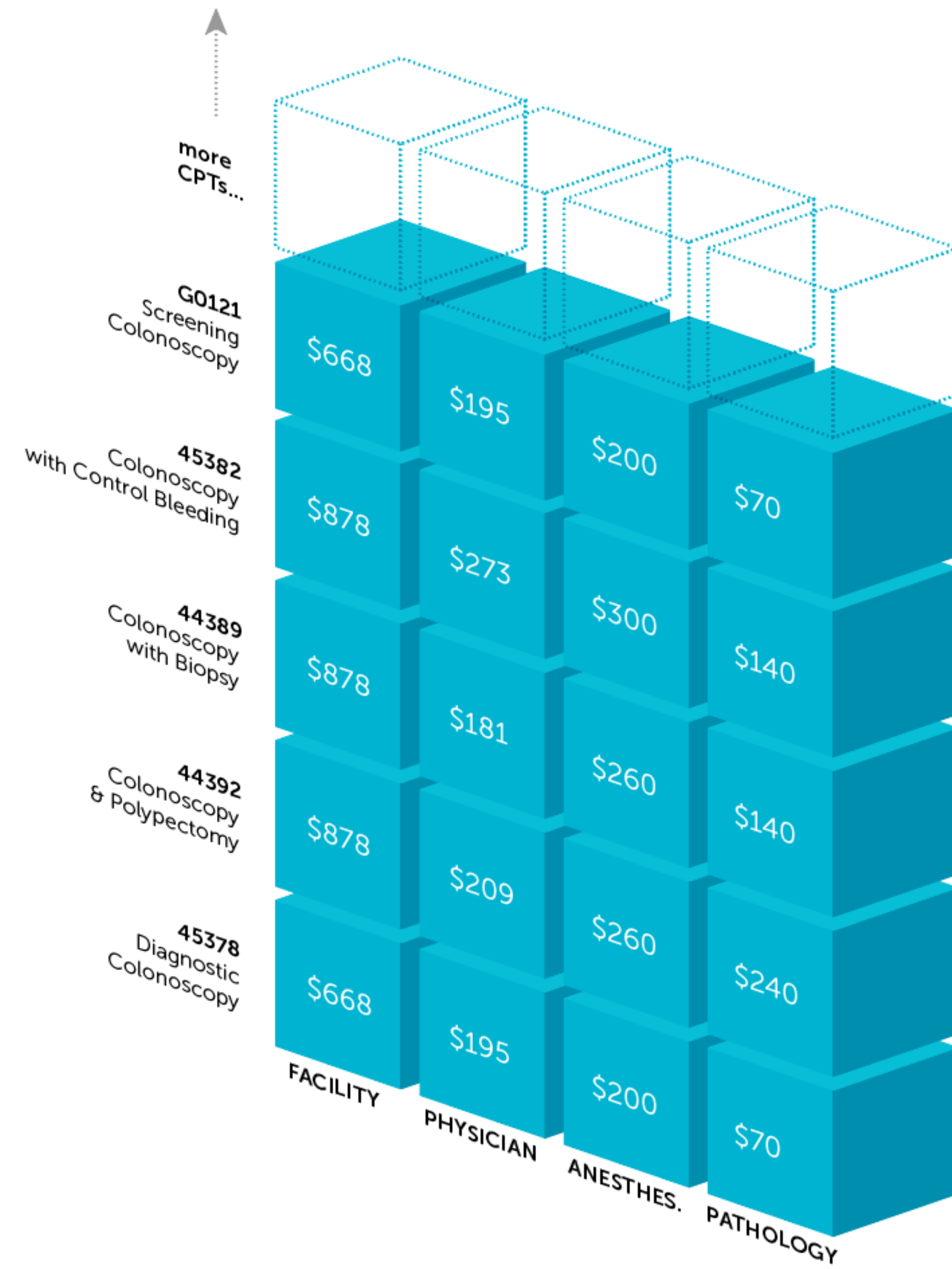

800 Groups covering 2300 primary codes

59 Most Primary codes grouped together

6 Codes in average built-in surgical bundles

Key principles: Partially utilize existing Medicare groupers to define the groups in ways that keep the cost low, consumer friendly and allow providers to offer unique bundles to gain competitive advantage.

Challenges: Inability to fully utilize the current Medicare groupers, and group all similar primary procedures together in pursuance of keeping the cost low and competitive for the patients and hospitals.

DEPTH OF THE BUNDLE : INCLUSIONS
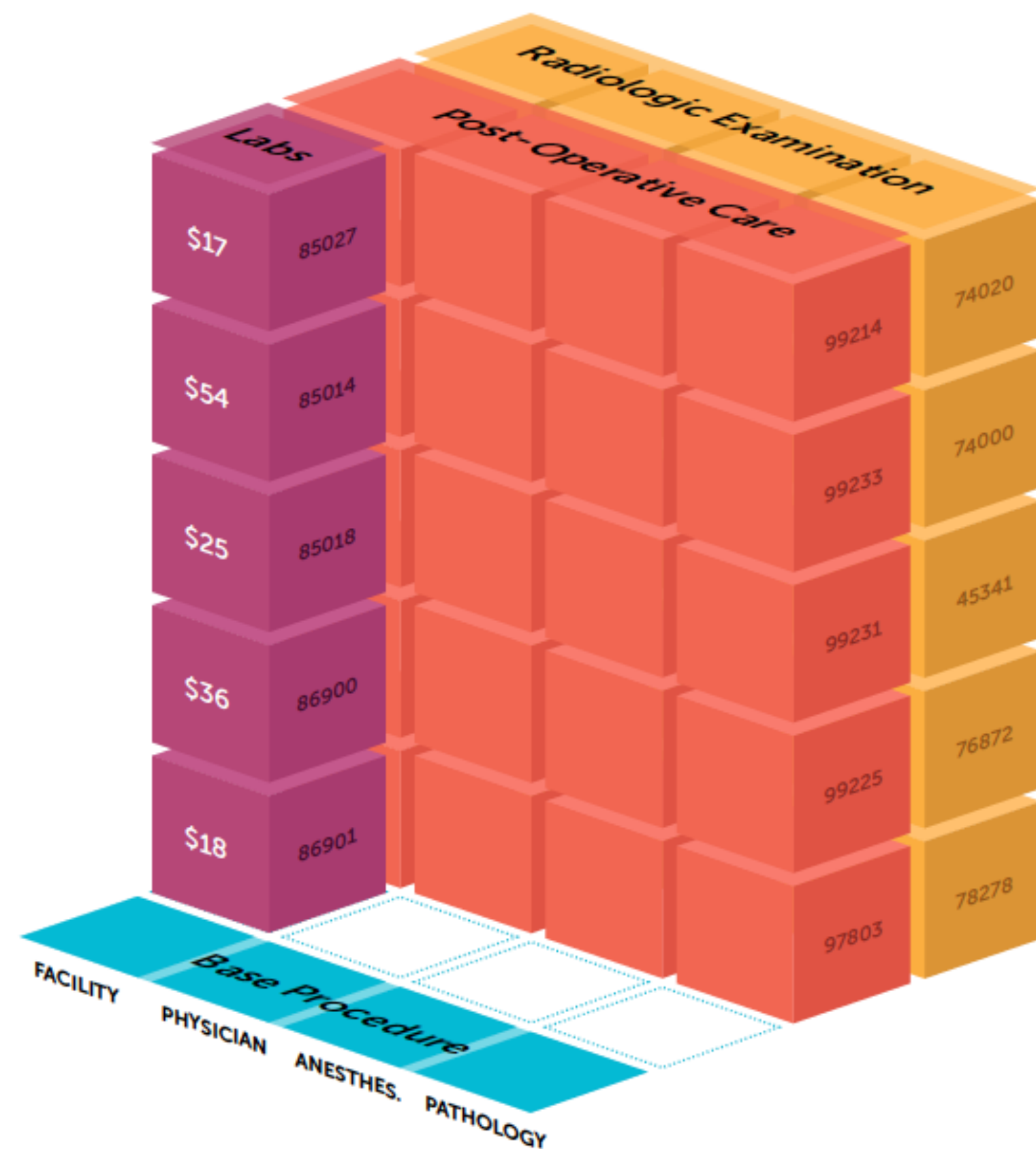
Key principles: Include pre-operative, post-operative care performed by physician, and all services performed by the facility during entire stay. Exclude any services during post-operative care performed by third parties, pre-operative diagnostic visits, complications or any coincidental care that occur less than 10% of the time.

Challenges: Inability to group all incidental CPT codes, in effort of keeping the cost low. For example, Prometheus research shows over 400 CPT codes that are incidental to primary CPT code for a Colonoscopy, which if included, would more than double the price.

THE FINAL DIMENSION : CONSUMERISM

COLONOSCOPY
$1,800

Key Principle: Provide layman's term names and descriptions for complex medical procedures to allow patients to find procedures without clinical knowledge.

Challenges: Some complex medical procedures are difficult to consumerize.

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DOWNSTREAM REVENUE CASE STUDY

225 bed suburban hospital. Population 150,000

Q1'17

158% incremental revenue

resulting from additional procedures purchased in the same quarter following a purchased bundled procedure

9.6 ROI

includes procedures purchased through online bundled platform and procedures reported as downstream revenue by the hospital

Q3'17

300% incremental revenue

resulting from additional procedures purchased in the same quarter following a purchased consumer bundled procedure

11.0 ROI

includes procedures purchased through consumer bundled platform and procedures reported as downstream revenue by the hospital

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THE BUNDLED CONSUMER PROVIDER: CASE STUDIES

POS COLLECTIONS

$2.33M

$1.75M

33%
year over year

$581k
increase in
POS collections

JAN - SEP
2015

JAN - SEP
2016
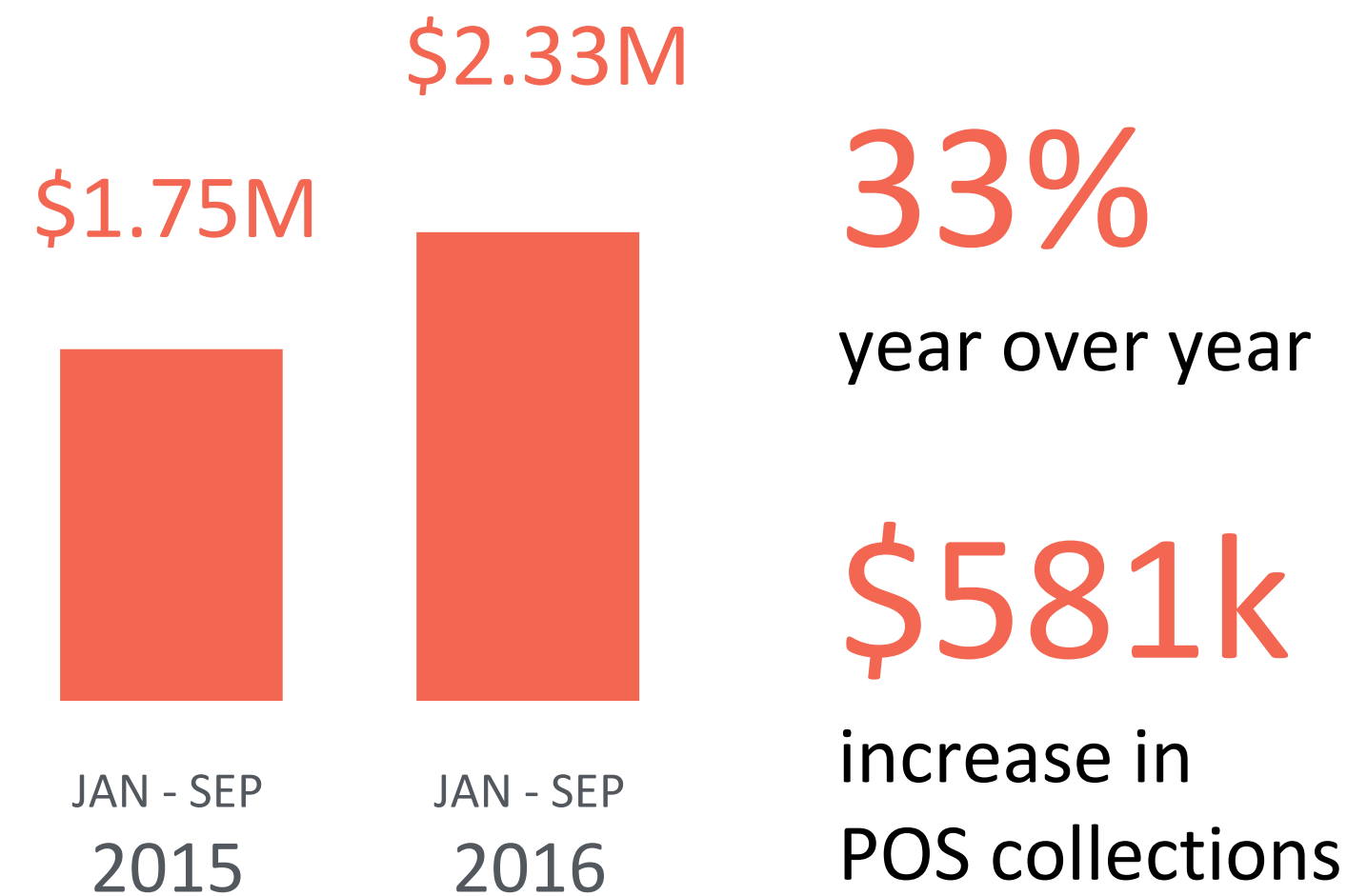
3 rural hospitals; 9 month study

DOWNSTREAM REVENUE

44% move forward
with Subsequent Care
(vs. Industry Standard of 30%)

5X more downstream
than the original self-pay purchase

82 hospitals; 12 month study

OUT-OF-AREA PATIENTS

18% drove 25-100 miles for care

2.4% drove 100+ miles for care

63.75 miles
Average Distance Traveled

21 hospitals; 12 month study

65% of patients
would not have moved forward with
their care without the ability to pay
through MDsave

MDsave Focus Group

Reduce Bad Debt

No-Risk Patient Financing

Attract Non-Affiliated Physician Referrals

Support Self-Pay Patients

Additional Revenue from   Downstream
Procedures

Keep Patients In-Network

Efficiently Build Bundled Procedures

Draw Patients from 60+ miles

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EXAMPLE #1: CONSUMER BUNDLES ARE PROVEN TO INCREASE COLLECTIONS AT THE AVERAGE HOSPITAL

$4,200 (chargemaster)

~6% collected

$254 (revenue) [1]

Estimated national average colonoscopy chargemaster rate

$3,000 (insured)

~16% collected

$465 (revenue) [1]

Estimated national average colonoscopy insured rate

$2,000 (revenue)

100% collected

Average colonoscopy price on MDsave Bundled Platform

COLONOSCOPY REVENUE GROWTH

330%–686%

Increase in point-of-service revenue
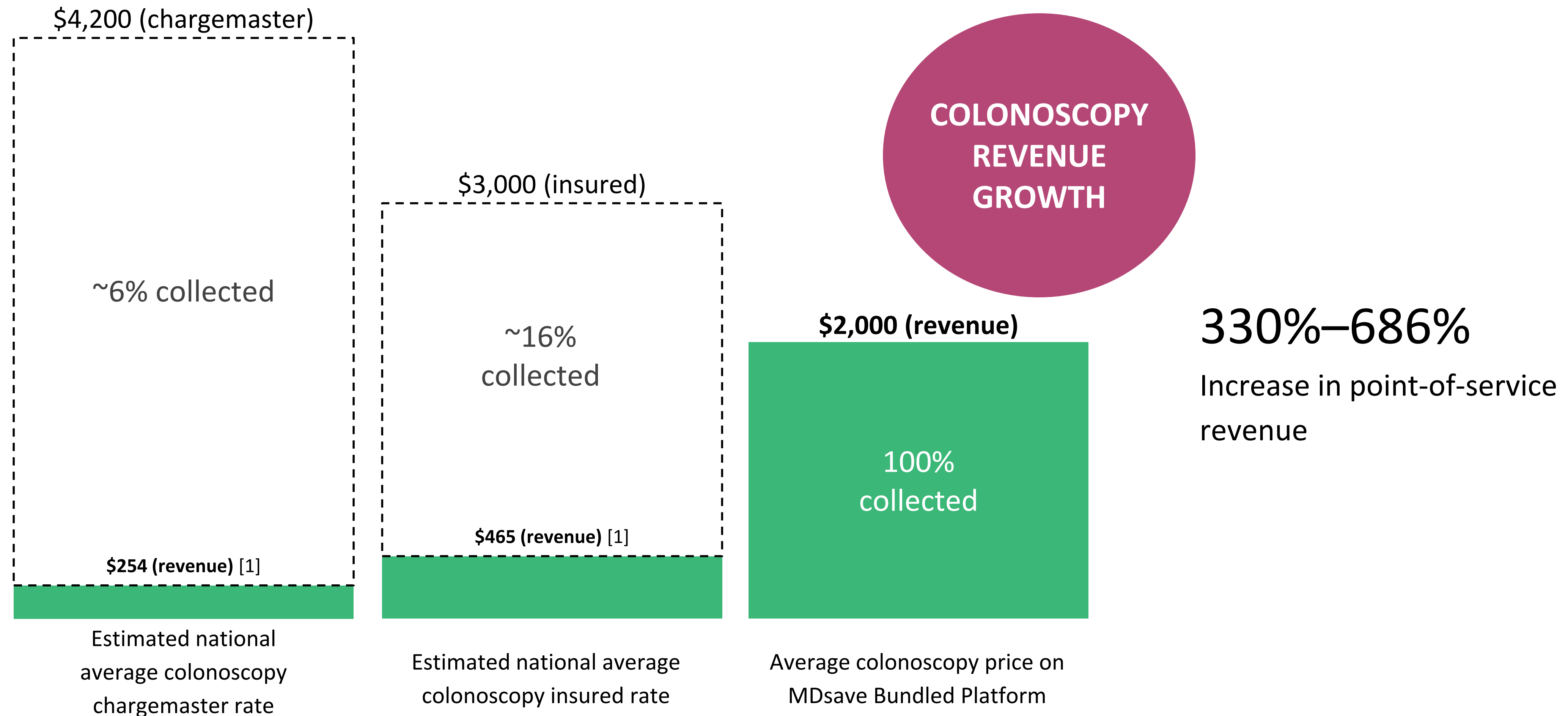
[1] Benchmarking data reveals that self-pay uninsured patients generally pay approximately 6.06 percent on the dollar, while self-pay after insurance patients by 15.51 percent (Crowe Horwath, 2017)

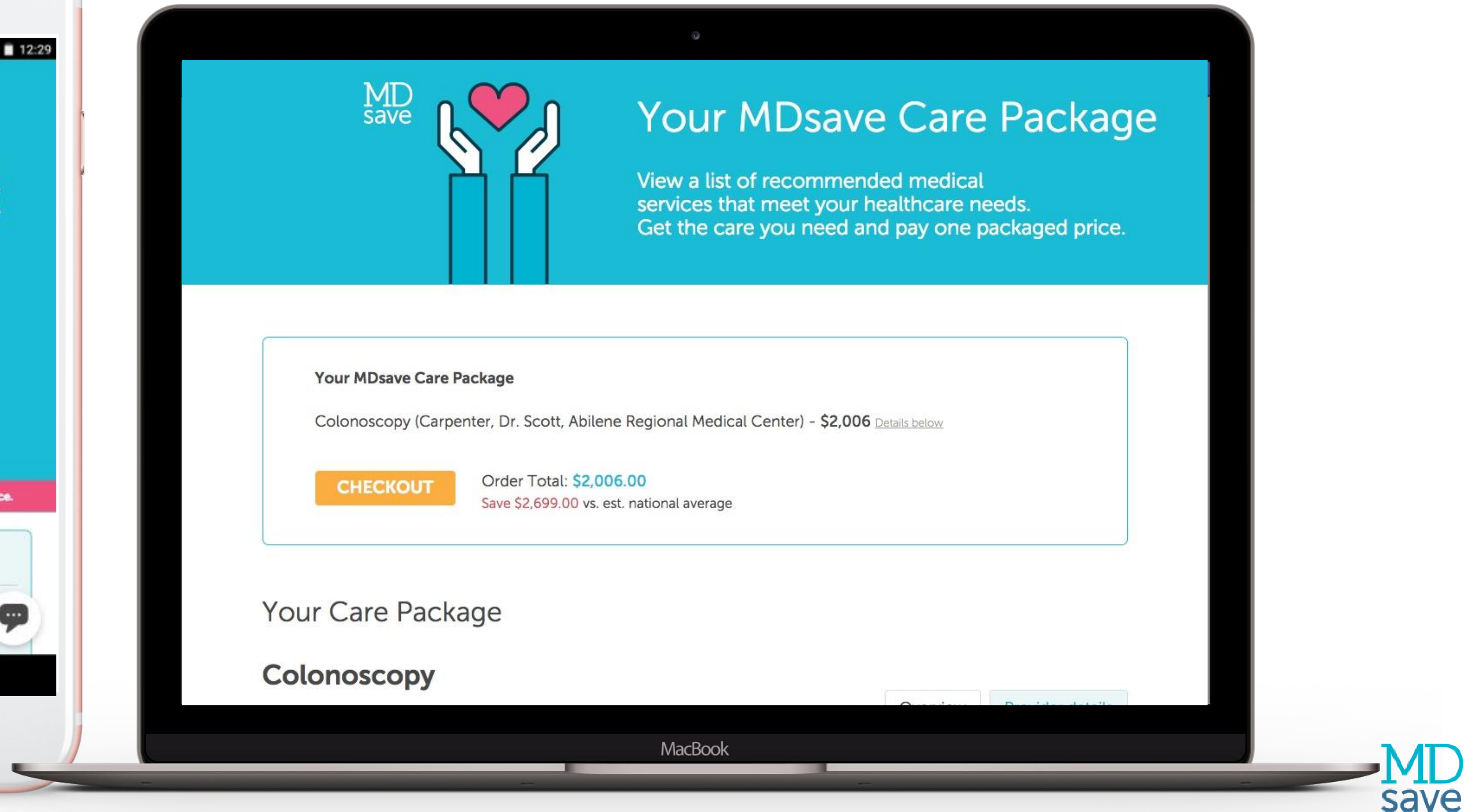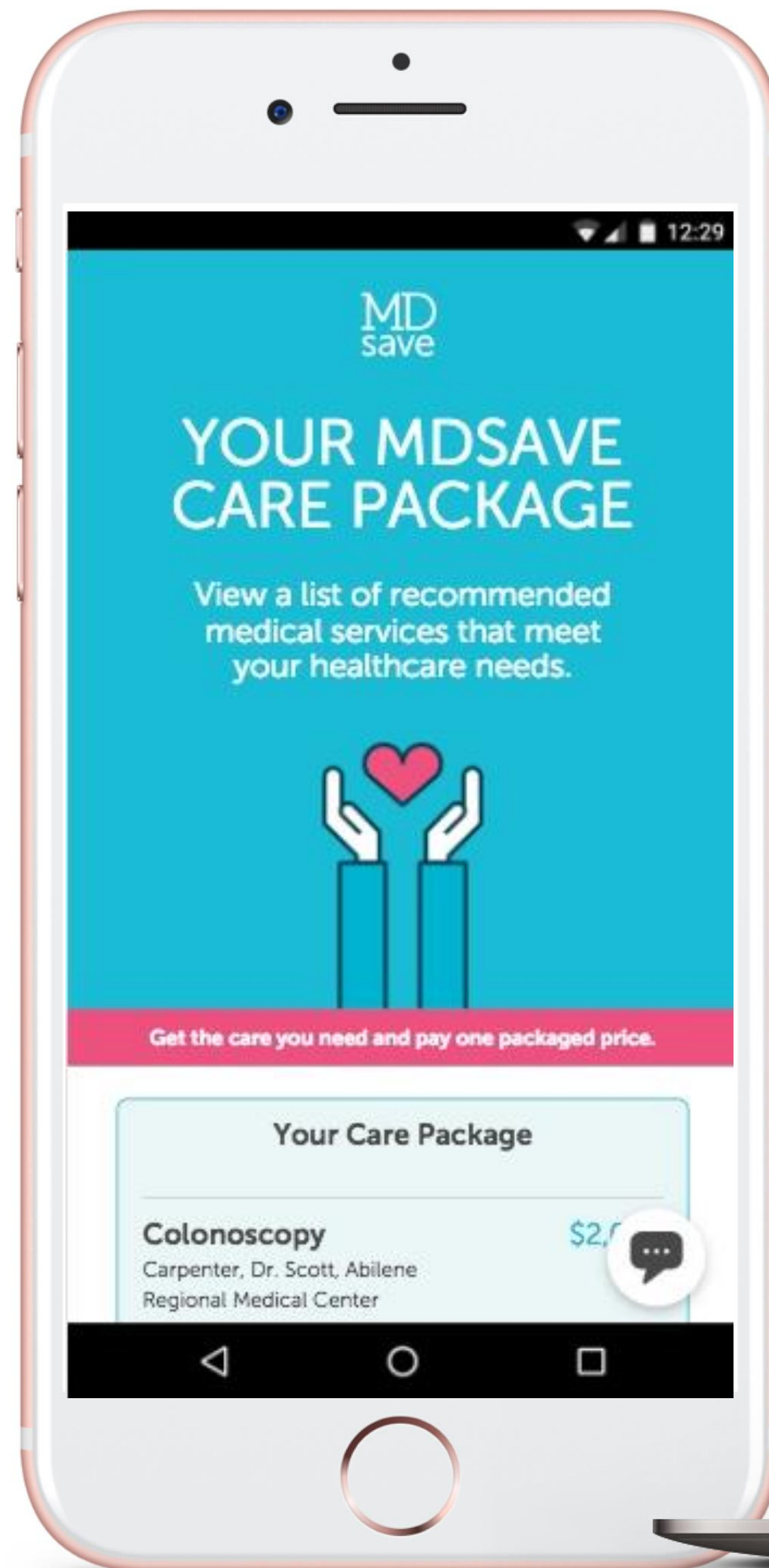MDsave

PATENTED TECHNOLOGY FOR EASY BUNDLE CREATION

CONSUMER SHOPPING CART

SEND PATIENTS BUNDLED CARE PACKAGES FOR PURCHASE

THE BENEFITS OF CONSUMERISM

HEALTH SYSTEMS

- Improve patient satisfaction
- Increase procedure volume
- Accelerate payment
- Reduce bad debt
- Enable healthcare bundles

PAYERS & EMPLOYERS

- Value-based reimbursement
- Build comprehensive bundles
- Process multi-party payments
- Integrate with benefit plans
- Reduce costs

CONSUMERS

- Transparent pricing
- Upfront savings
- Familiar e-commerce interface
- Single payment, single bill
- Concierge service

SAMPLE CUSTOMERS

251 HOSPITAL LOCATIONS

CHS Community Health Systems

Catholic Health Initiatives

CAMBIA

QUORUM

tenet HEALTH

Saint Thomas Health

Methodist HEALTH SYSTEM FOUNDATION

38 States

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