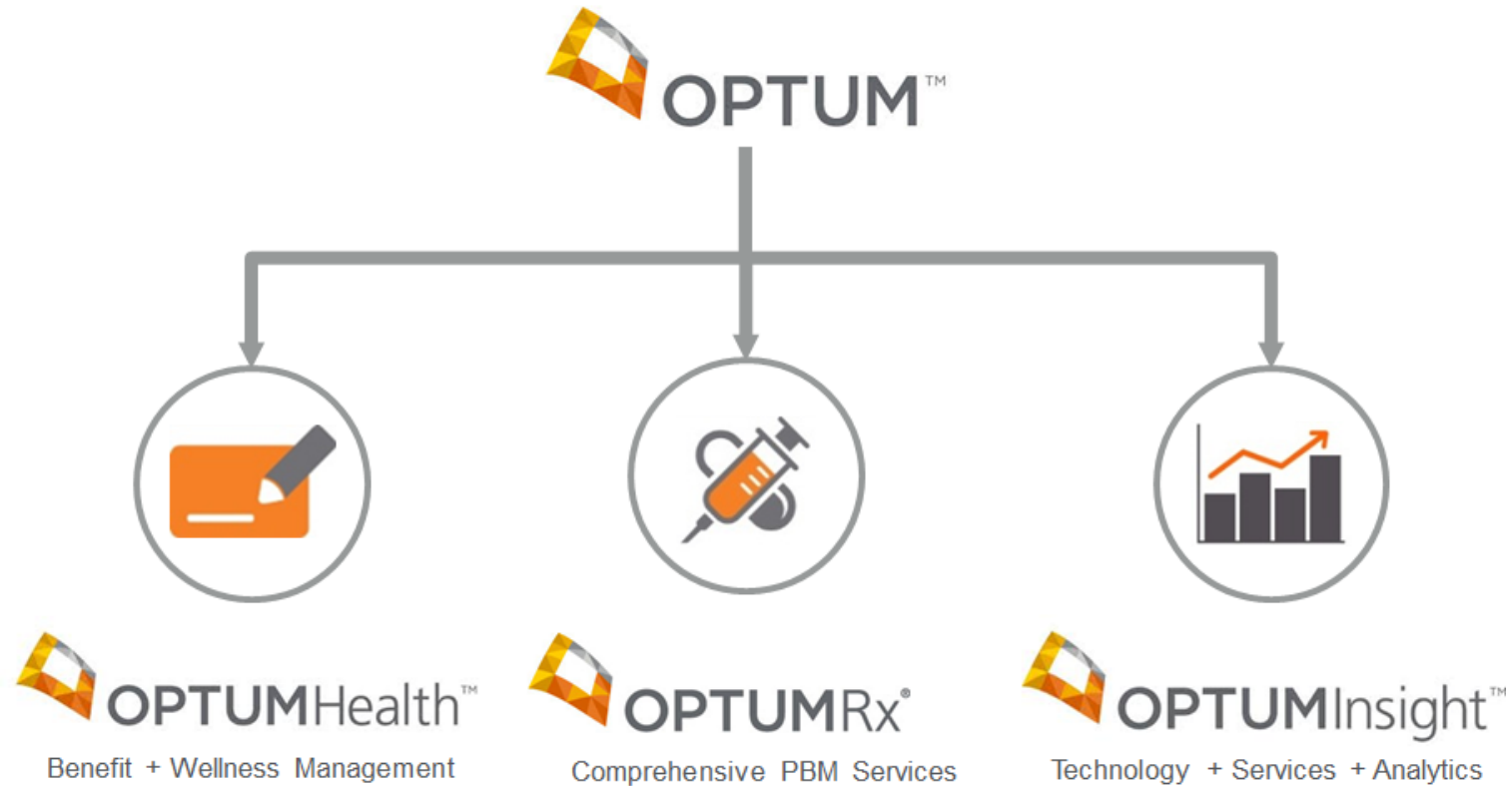


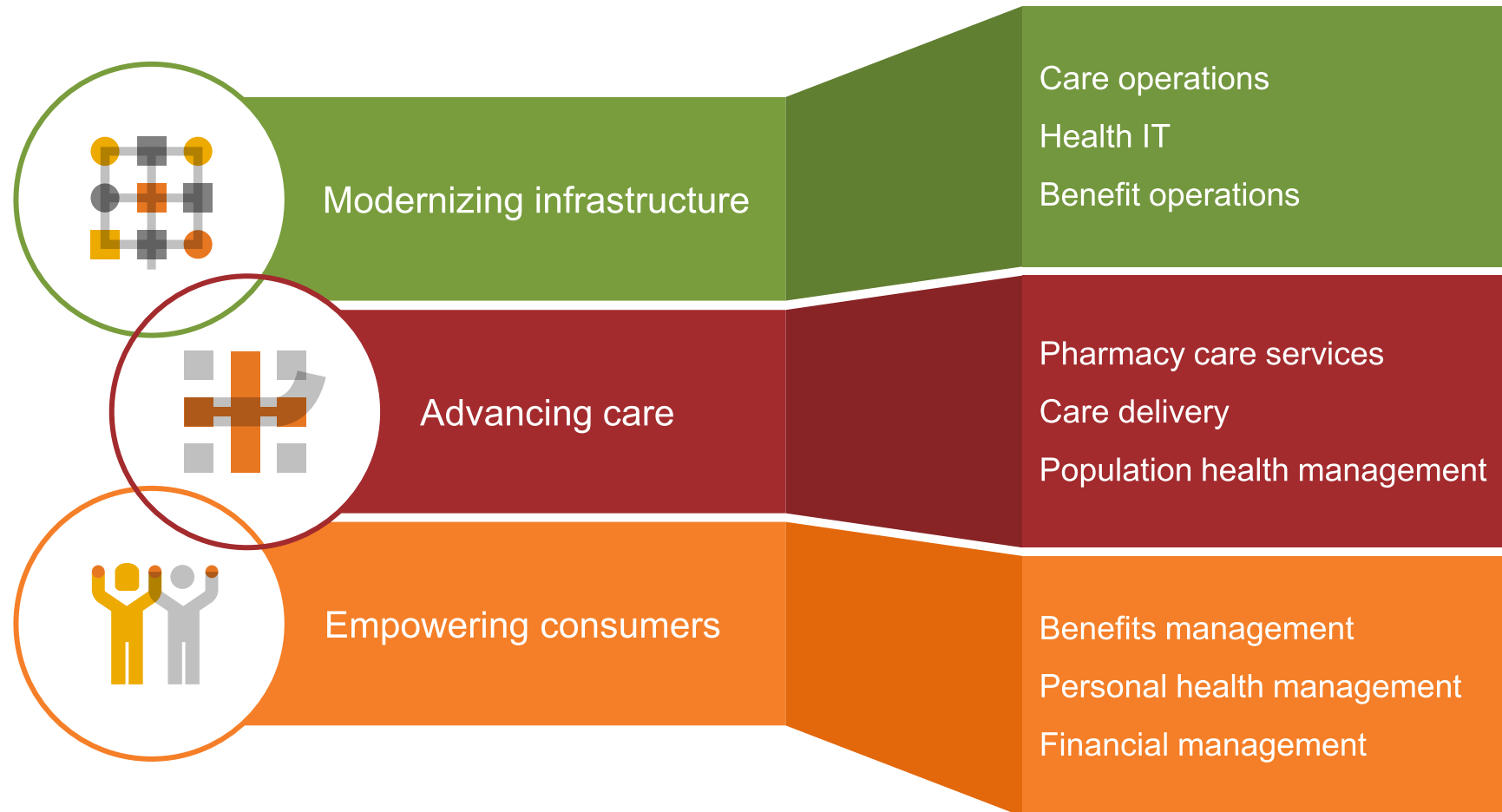


# Optum's Business Segments

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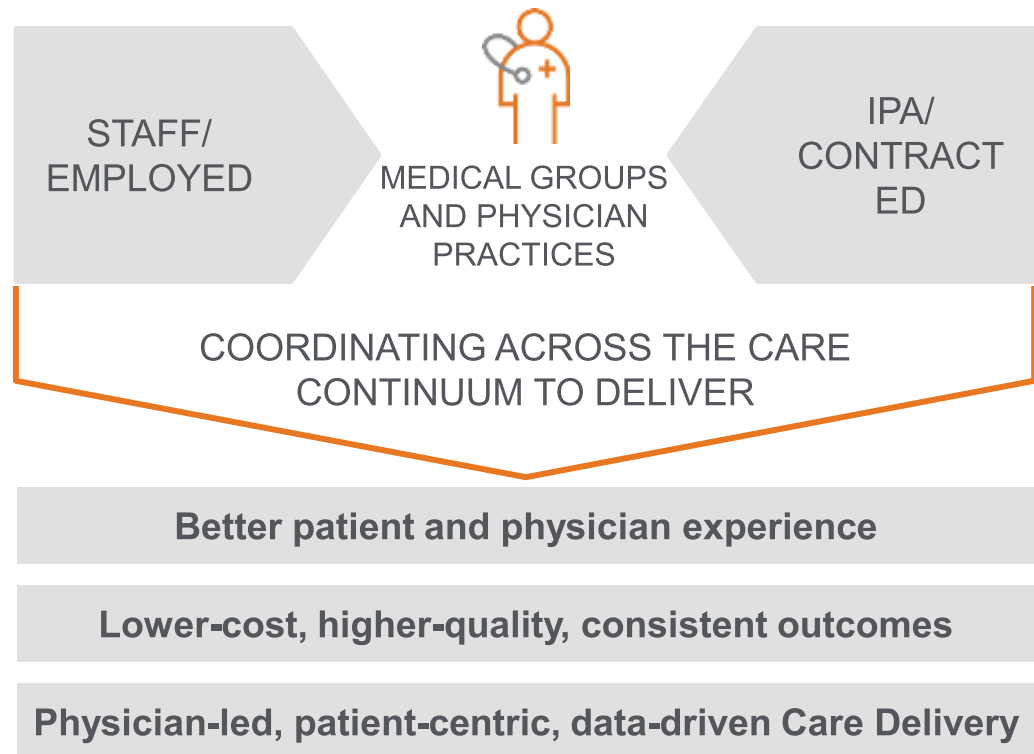
# Powering modern health care... to create a healthier world



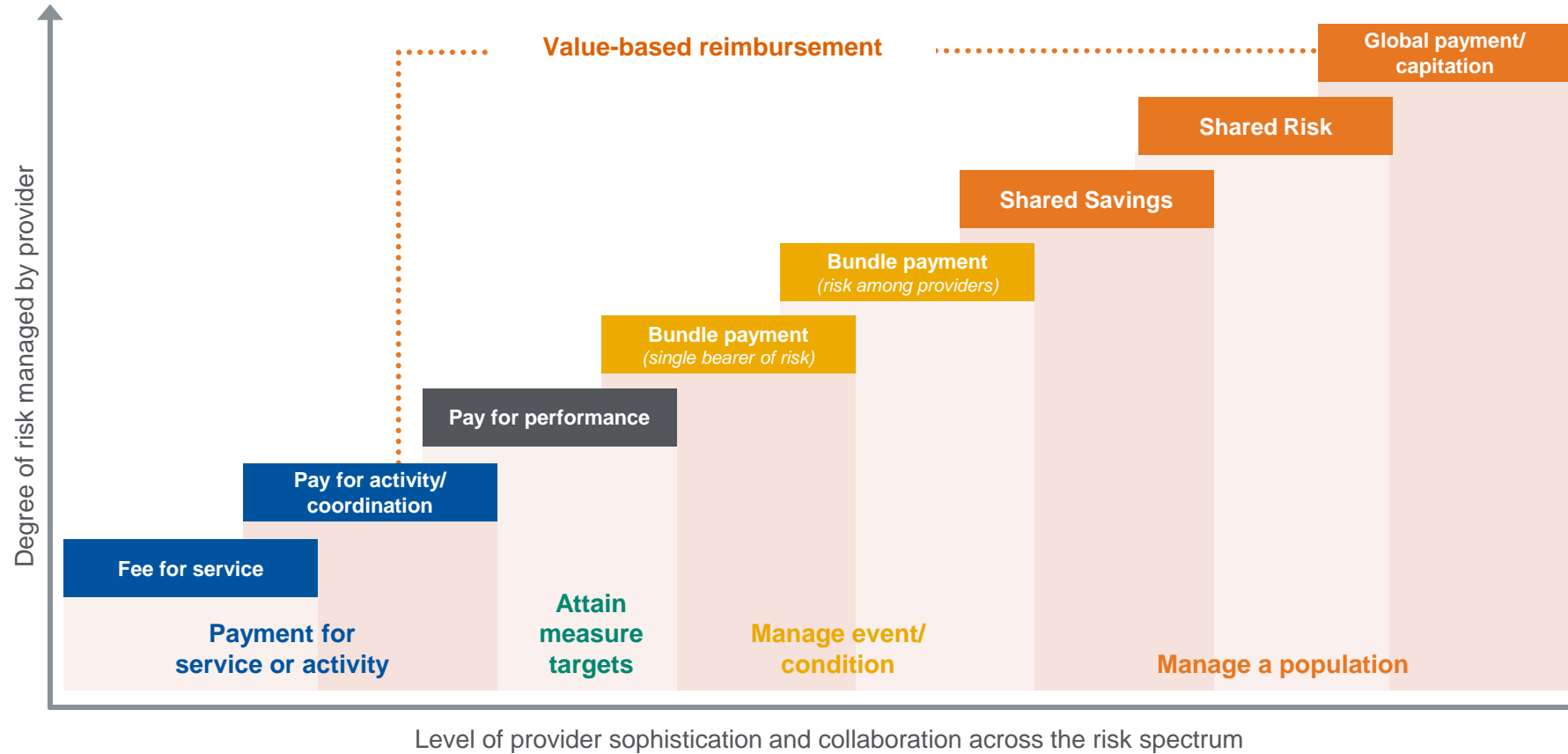
# OptumCare Delivery

OptumCare is investing in and aligning with high-performing physicians, who have the greatest capacity to integrate and manage risk on patient populations.

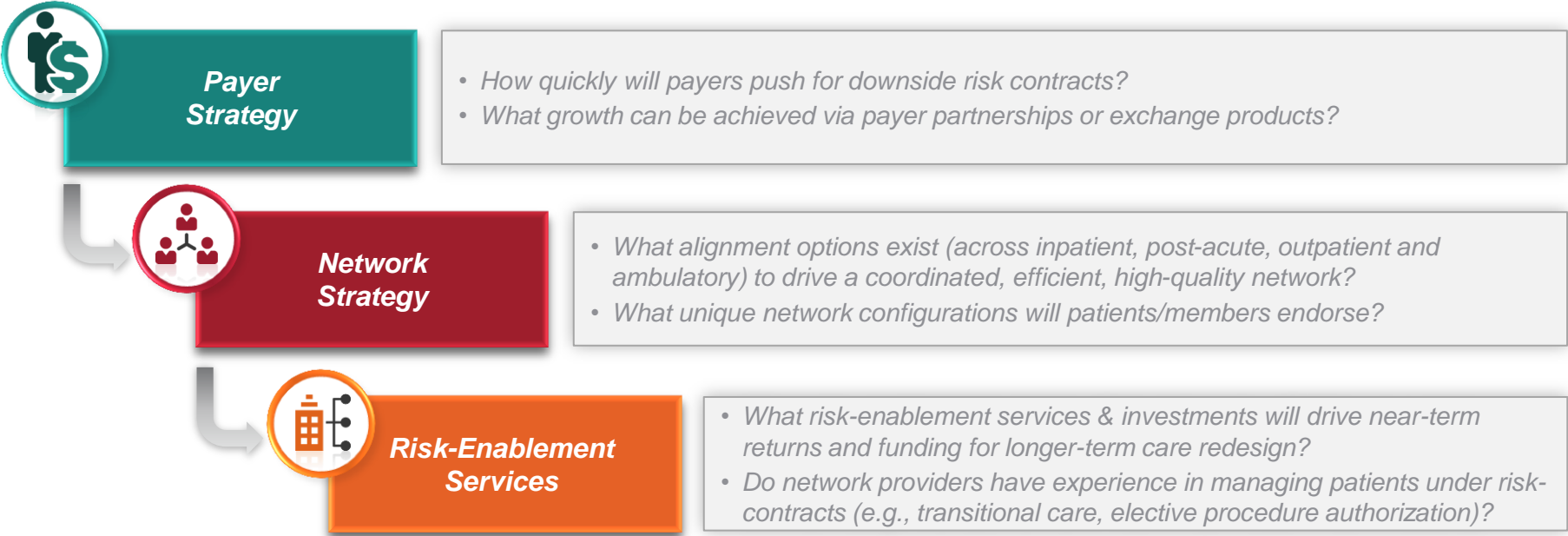
## OptumCare Delivery



# Provider Reimbursement Is An Enabler of Integrated Care



# Risk-Service Needs: Driven by Payer & Network Strategy

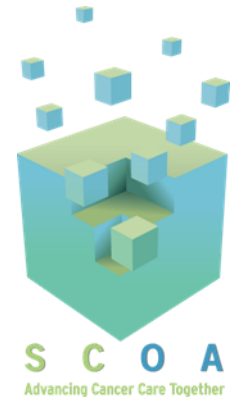


*Investment in risk-enablement services should be driven by the pace of risk delegation, product design, and market acceptance of high-performing network configurations*

# Key Themes in U.S. Healthcare Landscape \*

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- Unsustainable Healthcare Cost Environment
- New Delivery Models Shift Risk to Providers
- Convergence of the Care Continuum
- Technological Advancements are Transforming the Industry
- Migration of Care to Outside the Hospital
- Continued Convergence of Non-Profit and For-Profit Model
- Outsourcing is Increasing
- Greater Financial Responsibility Shifting to Consumers
- New Healthcare Paradigm is Making Healthcare IT Adoption Critical



# Impact of Unmanaged Medical Oncology on Payers

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- Community oncology is characterized by a disparate network of individual oncology groups, hospital-based cancer centers, and specialty pharmacies that provide either all or some of the medical oncology services (professional services, chemo administration and the chemotherapy drugs)
- This fragmentation tends to cause wasted resources without any benefit to the quality of care
- Due to the complicated operations of administering and paying for these services and drugs, health plans are unable to “unlock” the millions of dollars of inefficiencies in the system
- Without a coordinated strategy, new therapies and demographic shifts will create more pressure on costs

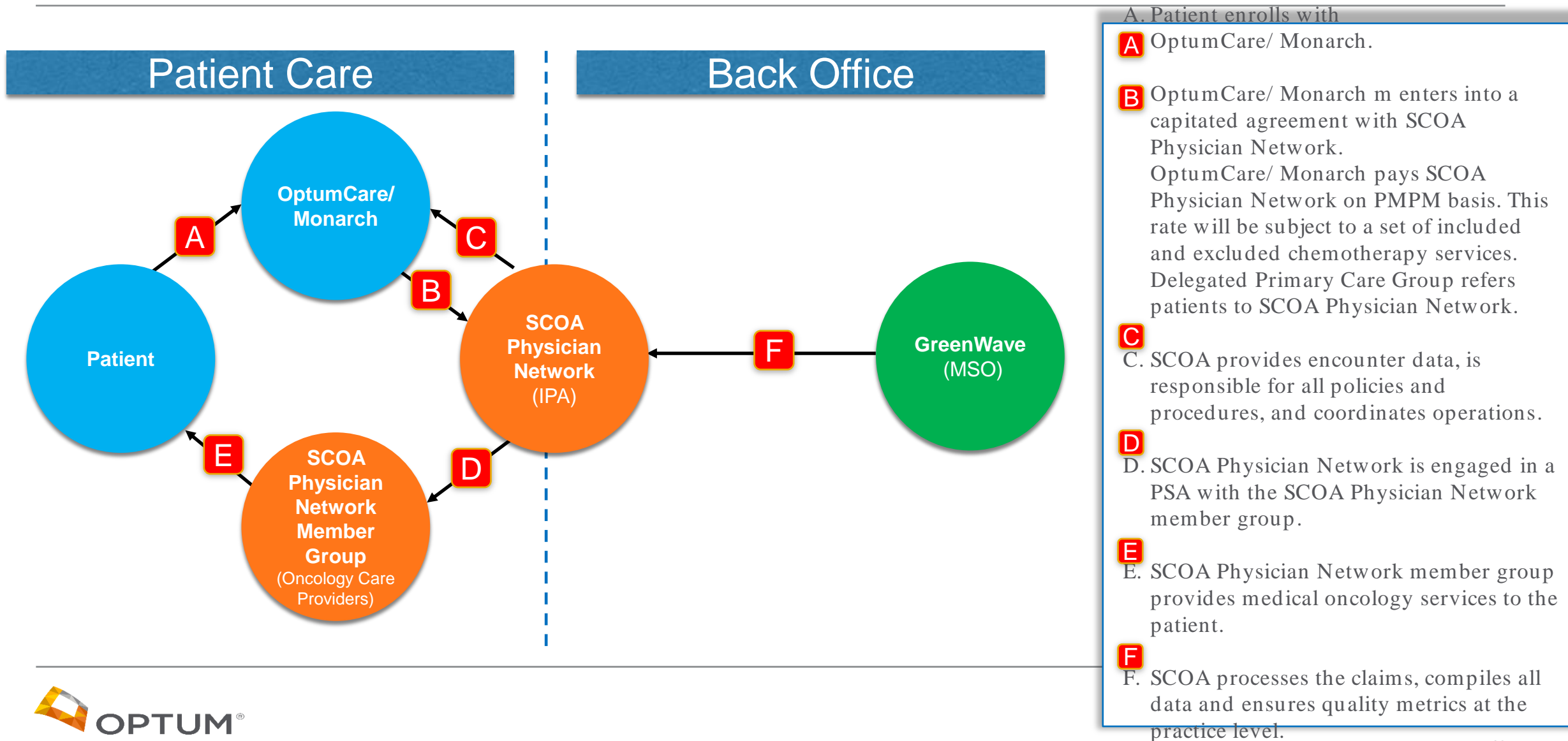


# Ingredients Needed for Value-Based Oncology Reimbursement

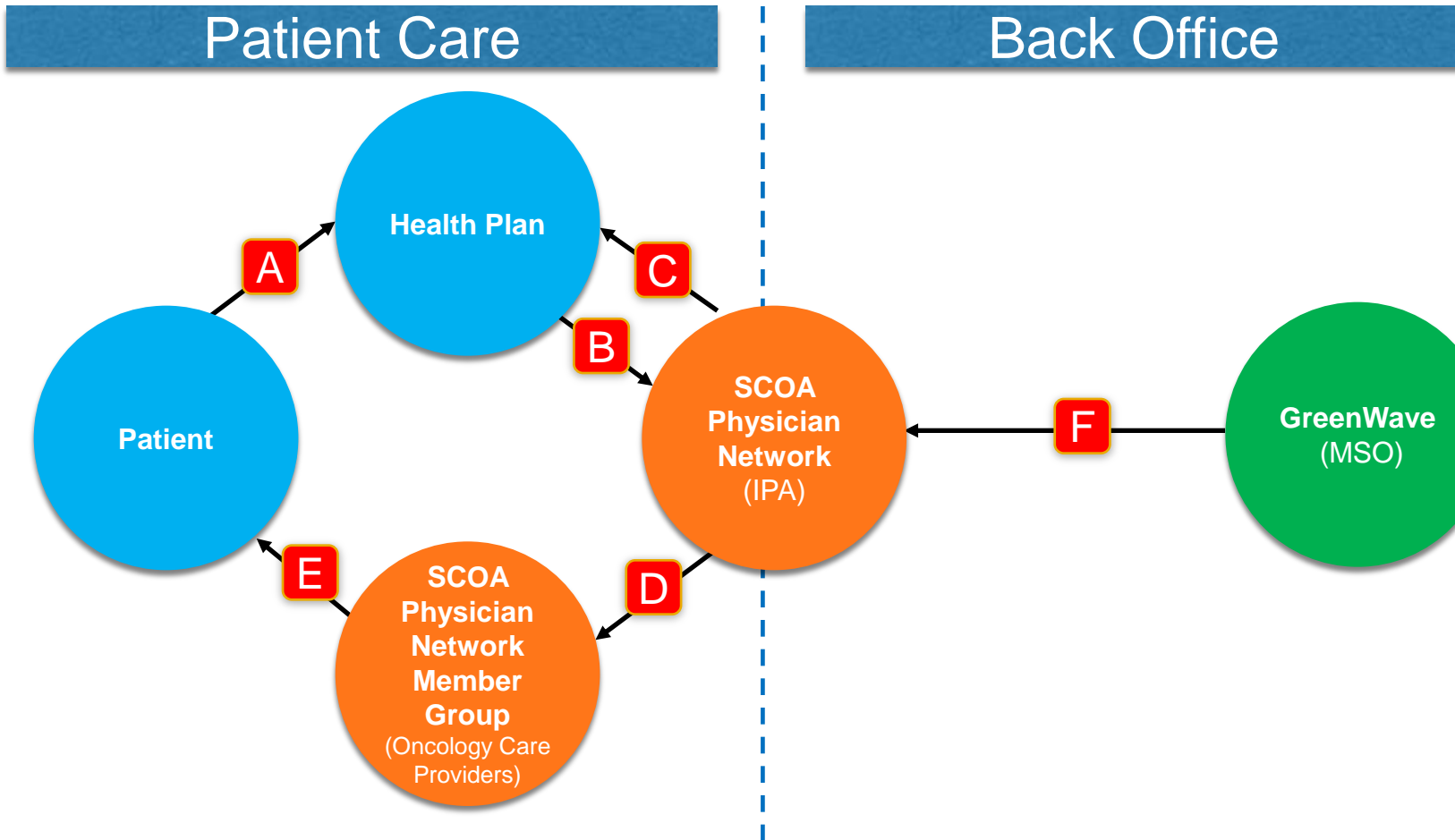
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- Provider network (hospitals, physicians, ancillary providers) that can develop and operate with unified clinical and administrative guidelines
- Creating a framework where information, care policy and financial incentives are aligned
- Data aggregation from the patient level all the way to the population being managed
- Continuously account for changes in therapy, policy and reimbursement and integrate them into the model

# Capitation Framework – OptumCare/Monarch



# Bundled Payment Framework – Major CA Health Plan



A. Patient enrolls with a health plan.

**A** A health plan enters bundled payment contract with SCOA Physician Network. A health plan pays SCOA Physician Network on a case rate basis per patient with a diagnosis of cancer. A health plan provides a minimum volume of patients (e.g. 500 patients). Example case-rate period would last 6 months. This case rate will be subject to a set of included and excluded chemotherapy services.

**B** For each patient that fits the criteria of the bundle (a new cancer patient who has a diagnosis based on a provided list), SCOA Physician Network bills health plan using a “Bundled payment specific J-code.”

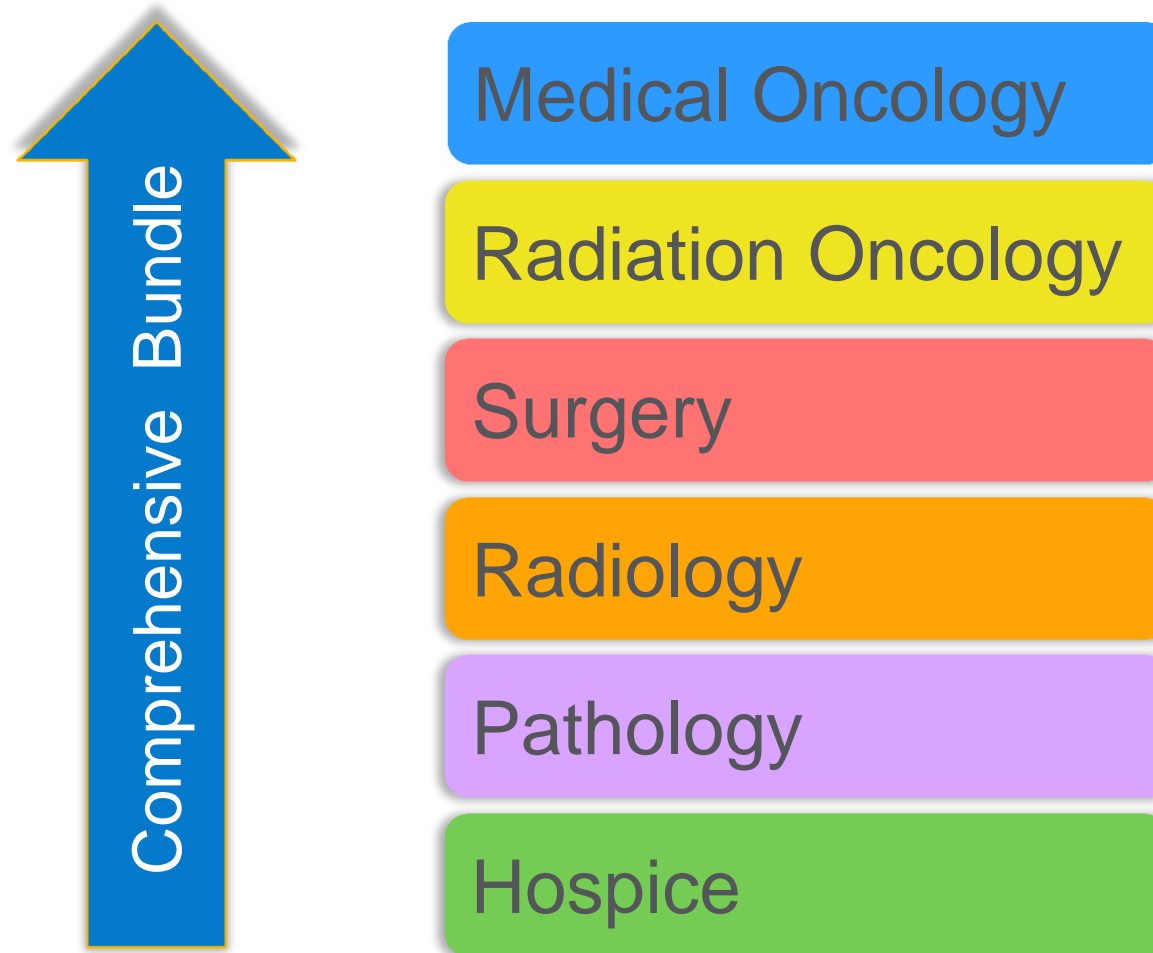
**C** The SCOA Physician Network member group submits all claims to SCOA Physician Network, which are then provided to health plan. Along with claims data, the SCOA Physician Network member group provides all data points and quality metrics that a health plan/ SCOA require.

**D** SCOA Physician Network member group provides medical oncology services to the patient.

**E** SCOA processes the claims, tracks the number of bundled payment cases, compiles all data and ensures quality metrics at the practice level.

# The Path to Comprehensive Cancer Value-Based Reimbursement

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# Quality Initiatives

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- Oncology Practice of the Future with Blue Shield
- CMS Oncology Care Model
- Clinical Trials
- Oncology Pathways
- Patient Reported Outcomes

# Questions and Discussion

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