Transforming Health Care Delivery
One of Society’s Most Pressing Issues

20% of US GDP by 2025

30% of health care cost is waste

$1.6T wasted cost by 2025
Wide Variation in Utilization/Treatment

Rates of PSA Screening for Males 65+

- Lebanon, NH: 4%
- Miami, FL: 58%
- Regional variation: 29x

Prostatectomy per 1,000 male Medicare beneficiaries 75 & under with prostate cancer

- Munster, IN: 480
- Tulsa, OK: 72

Rates of Cardiac Stenting

- Nat. avg.
  - Wyoming: 58% ↓
- Nat. avg.
  - Hawaii: 87% ↑

Back Procedures

THE Dartmouth INSTITUTE
FOR HEALTH POLICY & CLINICAL PRACTICE
GEISEL SCHOOL OF MEDICINE AT DARTMOUTH

OPTUM
Wide Variation in Price for Same Service

- **Louisville**
  - ACL Repair: $3X$
  - Knee Arthroscopy: $4X$

- **Columbus**
  - ACL Repair: $5X$
  - Knee Arthroscopy: $6X$

- **San Francisco**
  - ACL Repair: $3X$
  - Knee Arthroscopy: $3X$

- **New York**
  - ACL Repair: $5X$
  - Knee Arthroscopy: $4X$
Wide Variation in Site of Service Cost

- **Hospital-Based Imaging**: ~50% less
- **Emergency Room**: 60-70% less
- **Inpatient Surgery**: ~50% less
- **Hospital-Employed Physician**: ~60% less
- **Hospital-Based Lab**: ~70% less

- **Practice-Based Imaging**
- **Urgent Care and Walk-In Clinics**: 60-70% less
- **ASCs**
- **Independent Physician**: ~60% less
- **Lower Cost Alternative**

*OPTUM*
Resulting in Above Average Costs – Below Average Outcomes

Health Care Spend (% of GDP)

Longevity vs. Cost

Source: The Journal of the American Medical Association
If We Eliminated Wasted Cost by 2025

- We could more than **double** the current level of funding for public education.
- We could increase our investment in clean energy by **5x**.
- We could increase global aid to developing countries by **58x**.
# Achieving the Triple Aim through Value-based Care

<table>
<thead>
<tr>
<th></th>
<th>Traditional Fee for Service</th>
<th>Value-based Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visit length</td>
<td>15 min.</td>
<td>45 min.</td>
</tr>
<tr>
<td>Panel size</td>
<td>2,000+</td>
<td>&lt;500</td>
</tr>
<tr>
<td>Preventative care</td>
<td>Less</td>
<td>More</td>
</tr>
<tr>
<td>Referrals</td>
<td>Patient-directed</td>
<td>Tightly coordinated</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Volume x Rate</td>
<td>Outcomes</td>
</tr>
<tr>
<td>Utilization</td>
<td>Volume</td>
<td>Evidence</td>
</tr>
<tr>
<td>Revenue</td>
<td>Rate</td>
<td>Risk</td>
</tr>
</tbody>
</table>

- **99%** Patients in 4+ Star Plans
- **82** Patient NPS
- **30%** Lower Total Cost of Care*
- **50%+** Reduction in Cost Trend

*relative to fee-for-service Medicare
Achieving the Triple Aim through Value-based Care

- Physician leadership
- Evidence-based clinical programs
- High-value ancillary services
- Alignment with health plans

>14M
Consumers Served

80
Payers

>37K
Aligned Physicians

1.1K
Clinics
Powerfully Integrating Evidence-Based Medicine

**Optimal Care**

**LEADING CLINICAL RESEARCH**
"BENCH"

**STANDARD CARE MODELS**
"BEDSIDE"

- Grounded in Physician-Led Clinical Governance
- Aligned Incentives
- Integrated into Workflow and Point of Service
- Embedded in Culture

**FULFILLING THE TRIPLE AIM**

- Improved Outcomes
- Better Patient Experience
- Lower Total Cost of Care

Logos:
- New England Journal of Medicine
- JAMA
- The Lancet

Additional text:
- **Grounded in Physician-Led Clinical Governance**
- **Aligned Incentives**
- **Integrated into Workflow and Point of Service**
- **Embedded in Culture**

**Optum**
OptimalCare Applied Broadly

84%
Gleason & prostate cancer active surveillance

28%
Colon polyp surveillance

68%
Barrett’s screening

47%
Epidural steroid injections

94%
Vertebroplasty

54%
Nuclear stress test for stable CAD
Nevada Market Example

- **375+ Providers**
- **16 Specialty Departments**
- **2 Surgery Centers**
- **7 Convenient Care Locations**
- **36 Locations**
- **6 Urgent Care Centers**
Nevada Market Example

Integrated EMR and care coordination

- Hospice and palliative care
- Primary and specialty care
- Tele-health
- Convenient care
- Urgent care
- Online visits
- Mobile medicine
- Provider network
- OB/GYN and Peds
- Lifestyle centers

99.6% generic RX substitution rate
80% telehealth users directed to lower site of care
20% better HEDIS measurements
12.5% lower health care cost for PCP patients
New Jersey Market Example

- 210 Physicians
- 21 Neighborhood Care Centers
- 14 Surgery Centers

35% lower ER visits/1000
11% lower inpatient hospital admits/1000
50% lower total PMPM cost
Massachusetts Market Example

500 providers

320K patients served

Variation in Spending Among Mass. Providers

- Partners HealthCare
- Boston Medical Center
- South Shore Health System
- Beth Israel Deaconess Care Org.
- Lahey Health
- Umass Medical Center
- Reliant

Locations are identified by Health Referral Regions (HRR)
Map updated December 2018
High Value Ancillary Services

90% of Emergency Room Services at

10% of the cost

Example: Total Cost of Rotator Cuff Surgery

OPTUM
A Transformative Model of Care

- Better Quality
- Improved Experience
- Meaningfully Lower Total Cost of Care