Trust is Medicine

Influencing More Care Decisions through Relationships and Empowerment

June 5, 2014
It’s About Our Employees

The last thing we want our employees to have to focus on is healthcare.

How do we enable them, empower them, help them and keep them focused on their job and the people they love?
The Healthcare Dilemma

Employers & Consumers struggle to balance demands of **lowering healthcare costs while increasing program and member value**

**What’s working to lower costs:**
- ✓ Improvements to provider networks
- ✓ Negotiated administrative costs
- ✓ Shifting costs to employees & families
- ✓ Risk mitigation due to exchange options

**THE RESULT:**

- **30%**
  - Annual health care spend results in
  - **unnecessary or unproductive care**

**What has resulted:**
- X Consumers are frustrated and confused
- X Low engagement and satisfaction results
- X Benefit leaders are overwhelmed
- X Costly care mistakes
- X ROI from existing programs are minimal
- X Partners are not accountable
Decision making effecting outcomes

Effective **Population Health Management** requires **proactively engaging & influencing care decisions of the entire population**

The NUKA Model of Care

![Graph showing the NUKA Model of Care](image)

<table>
<thead>
<tr>
<th>Who Makes the Decisions?</th>
<th>Doctor</th>
<th>Patient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staying Healthy</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Deciding to Seek Medical Help</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Diagnosing</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Treating an Illness</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Complying with Therapy</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Families need help navigating their care

Incentives aligned: Providers, employers & employees want the right care the first time

**Staying healthy**
- Not current with screenings
- Unhealthy lifestyle choices

**Reacting to symptoms**
- Inappropriate ER use
- Unnecessary doctor visit
- Specialist visit instead of PCP
- Wrong specialty

**Diagnosing symptoms**
- Unproductive MD visits
- Wrong diagnostic option
- Incorrect staging of visits or tests
- Duplicate tests

**Choosing a treatment**
- Incorrect treatment option
- Inappropriate inpatient or outpatient setting
- Wrong drug therapy

**Complying with treatment**
- Lack of care plan
- Care plan not followed
- Uncoordinated inpatient stay
- Poorly planned discharge

*Poor consumer decisions drive unnecessary and unproductive care*
The Usual Industry Approach to “Managing Care”

The Conventional Medical Model
Industry Standard for Care Management

- Identify from data
- Adjust for severity and risk
- Assess for gaps in care

Leverages standard data algorithm

Marginal reach = lost impact opportunity

Unproven results

- Reaches small fraction of population; sickest 6-10%
- Transactional & fragmented; adds to frustration
- No relationship or trust; lost opportunity for impact

Leverages standard data algorithm
Trust-based Relationship Approach Influences Care

Accolade’s psycho-social model starts with the entire population

Leverages natural human behavior

Entire population = more impact

Data for assessing care gaps & severity

Validated assessment tools

Person/family at center; individual assessment

Proprietary stage-of-care medical management model

Proven savings & satisfaction

> Recognizes that everything takes time
> Addresses care transitions
> Based on influence and trust
Trust in Healing Relationships

WHAT FOSTERS TRUST?

Judgment-free conversation
Boundaries respected
Discussion between equals
No hidden agendas

OPEN, FULL ENGAGEMENT
Trust in Healing Relationships

WHAT IS GAINED WITH **Trust**?

- A **Safe Place** for taking personal risks
- For making important decisions
- Sometimes changing course
Trust in Healing Relationships

• Research on “contextual errors” and “contextualization of care”

• Asking “fearless” questions to explore context:
  – Shows caring
  – Builds trust
  – Improves health care outcomes
  – Reduces errors – and costs
One Place For Families To Go

*A Personal Health Assistant* who knows families, knows their benefits and supports them at all stages

Any Question, Big or Small

CONTACT ACCOLADE

Health & Benefit Answers

Engage Earlier & More Often

Build Relationships, Earn Trust

Influence & Enhance Care
Engaging families at the right time

60+% of all families engaged  85+% of high cost families engaged  67% engagement before a care event

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Reduced program fragmentation = greater engagement

ENGAGEMENT WITH ACCOLADE*

40X

More Engagement vs. Other Programs**

*Accolade engages 60% of families annually, **Time Warner Cable experience
Consistently driving the right care

Core Accolade customer savings areas

Increases in outpatient MHSA utilization and drug compliance (including preventive visits)

-23% -8%

Hospital Inpatient Hospital Outpatient Physician Surgical Physician Medical

-16%

Behavioral X-Ray/Lab

-7%

Rx

+75%

+10%

Other

 Avg PMPM  Accolade Effect

UTILIZATION IMPROVEMENTS underlying the savings are also consistent across the populations we serve
Driving Better Health Outcomes

1. Slowing the natural migration of poorly managed chronic conditions

A significant savings opportunity exists with lower cost members by addressing the depression, anxiety and uncertainty that accompany the condition or episode of care.

2. Accelerating regression to the mean as condition is brought under control

Only 20% of chronic client’s spend is on their chronic disease. Accolade accelerates the regression to the mean of high cost members by assisting with all health issues.

Chronic conditions include:
Asthma, Coronary Artery Disease, CHF, and Diabetes
Accolade’s impact - significant & immediate

- **Accolade launch**: 3rd party validated savings
- **Roll out to additional regions**: >8% real savings
- **Accolade population had consistently been ~$8 pmpm higher than control for previous few years**

*Third Party Validation: Dr. Clyde Schechter, Einstein Medical Center*
Accolade’s impact – most recent results

Positive impacts are consistent with other customer results

Pilot population nearly $14 PMPM more expensive than the control group

$10 PMPM less expensive after 18 months

$50B Retailer

Trailing 12 Month PMPM

<table>
<thead>
<tr>
<th>Jan 1-Jul 1 YoY Δ 2013 vs. 2012</th>
<th>All Job Types</th>
<th>Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pilot</td>
<td>Control</td>
</tr>
<tr>
<td>Admits</td>
<td>-13%</td>
<td>+2%</td>
</tr>
<tr>
<td>Days</td>
<td>-13%</td>
<td>+3%</td>
</tr>
<tr>
<td>Readmits</td>
<td>-22%</td>
<td>+22%</td>
</tr>
<tr>
<td>ER visits</td>
<td>-6%</td>
<td>-4%</td>
</tr>
<tr>
<td>ER w/Admit %</td>
<td>+8%</td>
<td>-2%</td>
</tr>
<tr>
<td>BH admits</td>
<td>-25%</td>
<td>-14%</td>
</tr>
</tbody>
</table>
The Accolade effect is consistent in all populations

- Launch date for each is end of blue line
- Charts show all Accolade populations w/year or more of results
Deep relationships = meaningful influence

Delighted Employees
98%+ Employee satisfaction

World-class
70+ Net Promoter Score

Accolade's Net Promoter Score vs. Health Plans & Other Brands

USAA 74
charles SCHWAB 71
Google 56

Health Plan Industry Average

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