

Who will care for our aging population

Presented by Gail Miller, Chief of Product Development
Humana Cares / SeniorBridge

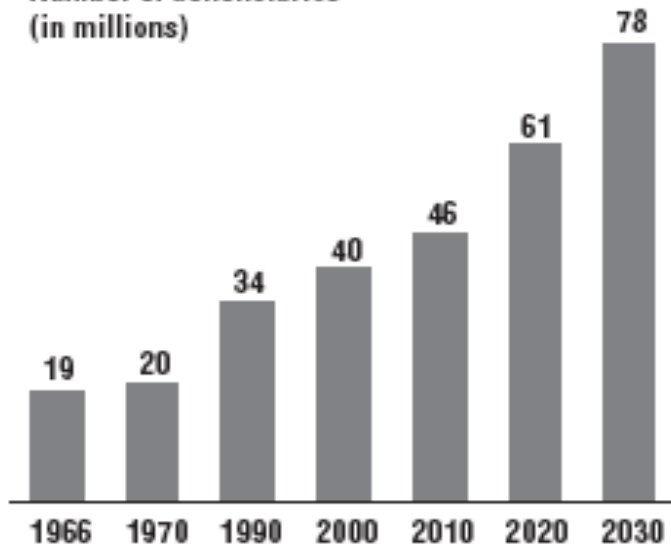
March 14, 2013

Humana

 *SeniorBridge*
Managing Complex Chronic Care (MCC)

Good News: People are Living Longer

Number of beneficiaries
(in millions)



Population of 85+ is fastest growing population segment

- ❖ Represent **1 in 8** adults age 65+
- ❖ Projected to account for **1 in 4** seniors and **5% of all Americans** by 2050
- ❖ Today's **100,000 US centenarians** (those aged 100 or more) predicted to grow to one million by 2050)



Source: U.S. Commerce Department, Bureau of the Census

Bad News: People are living longer

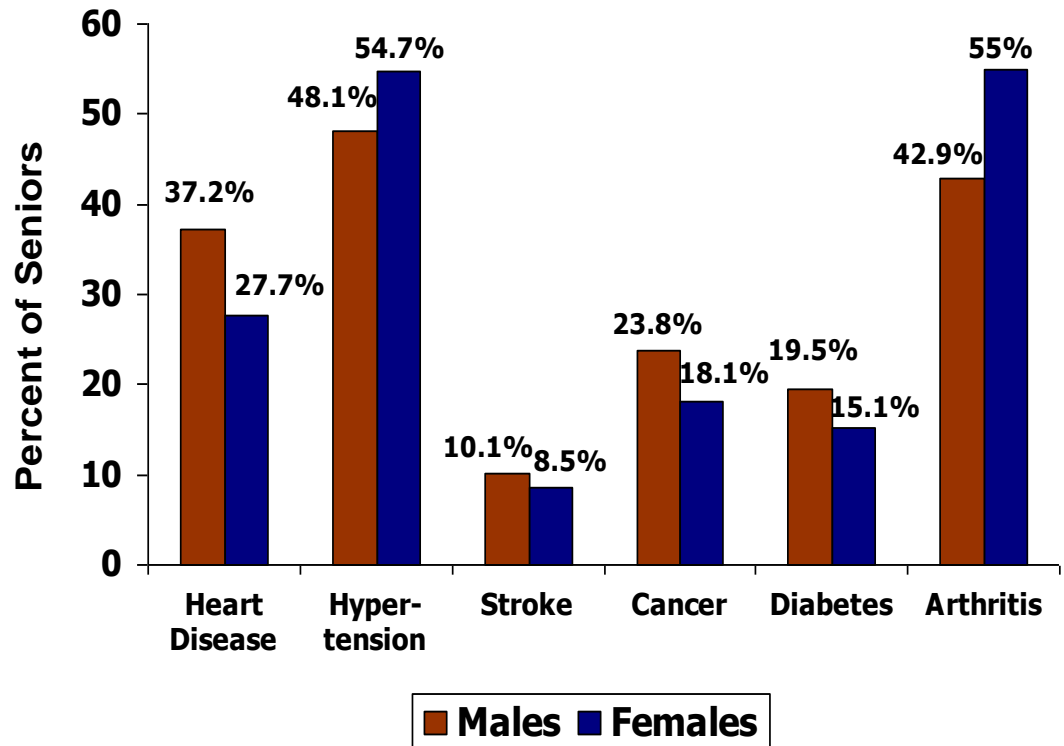
Care for 65+ costly, complicated to treat

- 1 in 5 have 5+ chronic conditions
- 2 in 5 will require long-term care

Vulnerability increases for 85+

- 50% have Alzheimer's
- 50% need personal assistance for everyday activities

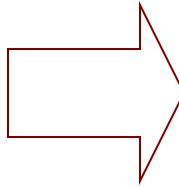
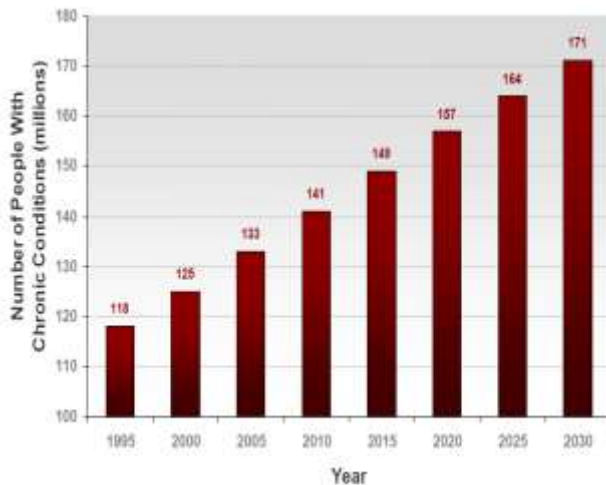
Percent of 65+ with selected conditions, 2003-2004



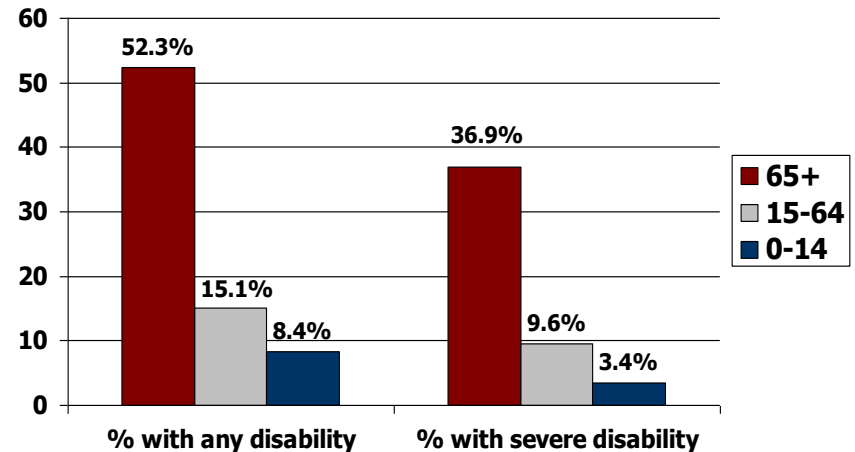
Source: U.S. Commerce Department, Bureau of the Census

With Age Comes Increased Need for Personal Assistance

Prevalence of chronic conditions is increasing



Multiple chronic illnesses increase the likelihood of disability



The Robert Wood Johnson Foundation and John Hopkins University Chronic Conditions: Making the Case for Ongoing Care 2010

U.S. Census Bureau, Older Americans Update: Key Indicators of Well-Being, 2006

Without Adequate Support Seniors with Complicated Medical & Psychosocial Situations End up in the Hospital

Seniors account for Half of US Hospital Bill



Kaiser Family Foundation based on data from Congressional Budget Office

1 in 5 seniors are rehospitalized within 30 days



Jencks, N Engl J Med, 2009



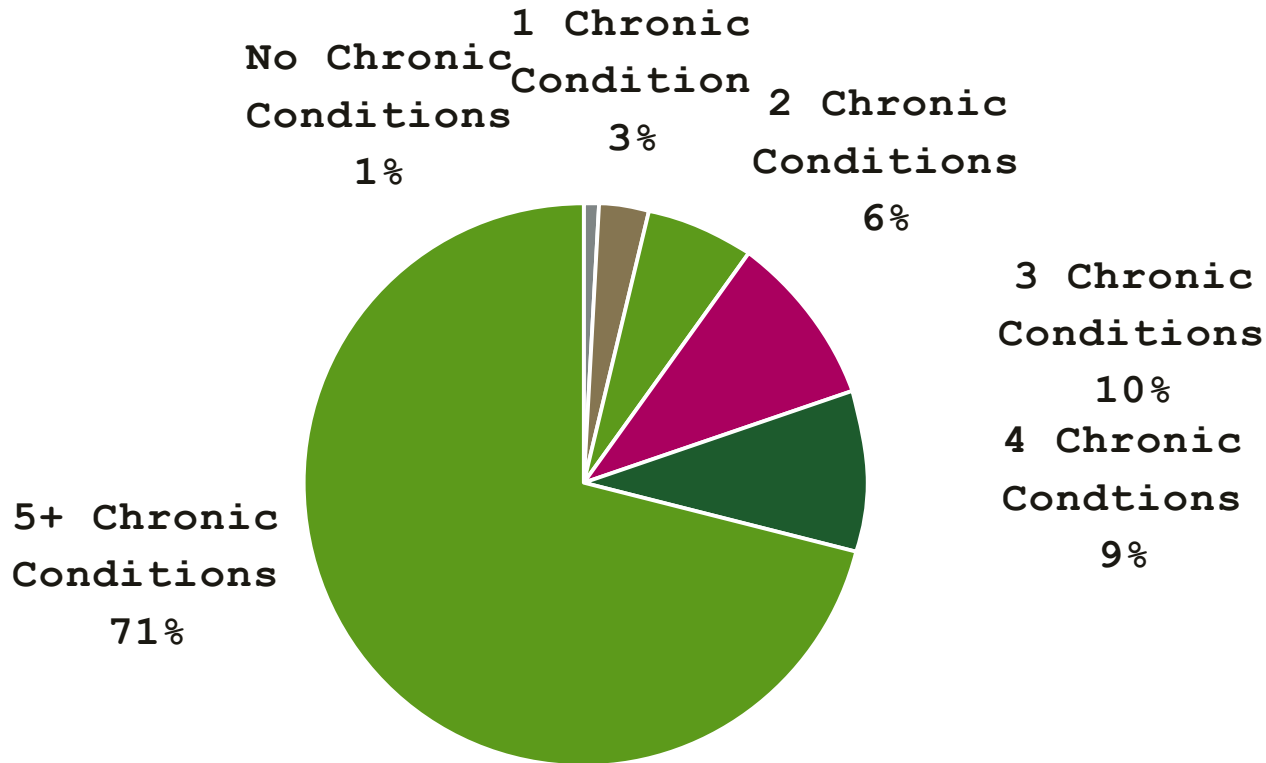
Many hospitalizations can be prevented with adequate support, education and care coordination in the home

✓ People with multiple chronic medical illnesses report receiving **conflicting advice from doctors**

✓ **More than half** of people with serious chronic conditions have **3 or more physicians**

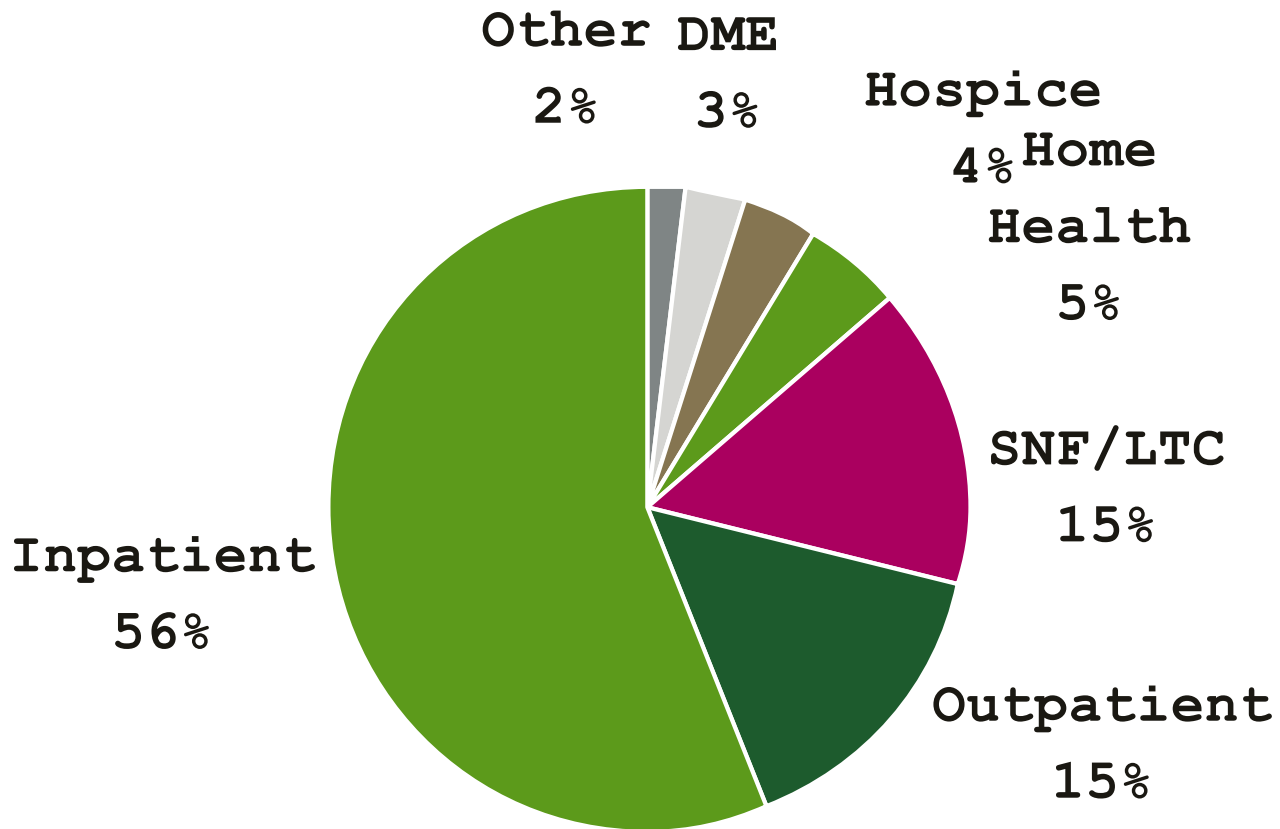
✓ **Only 1/2 see a doctor** or get self care instruction after discharge

71% Medicare Dollar Spent in Beneficiaries with 5+ Chronic Conditions

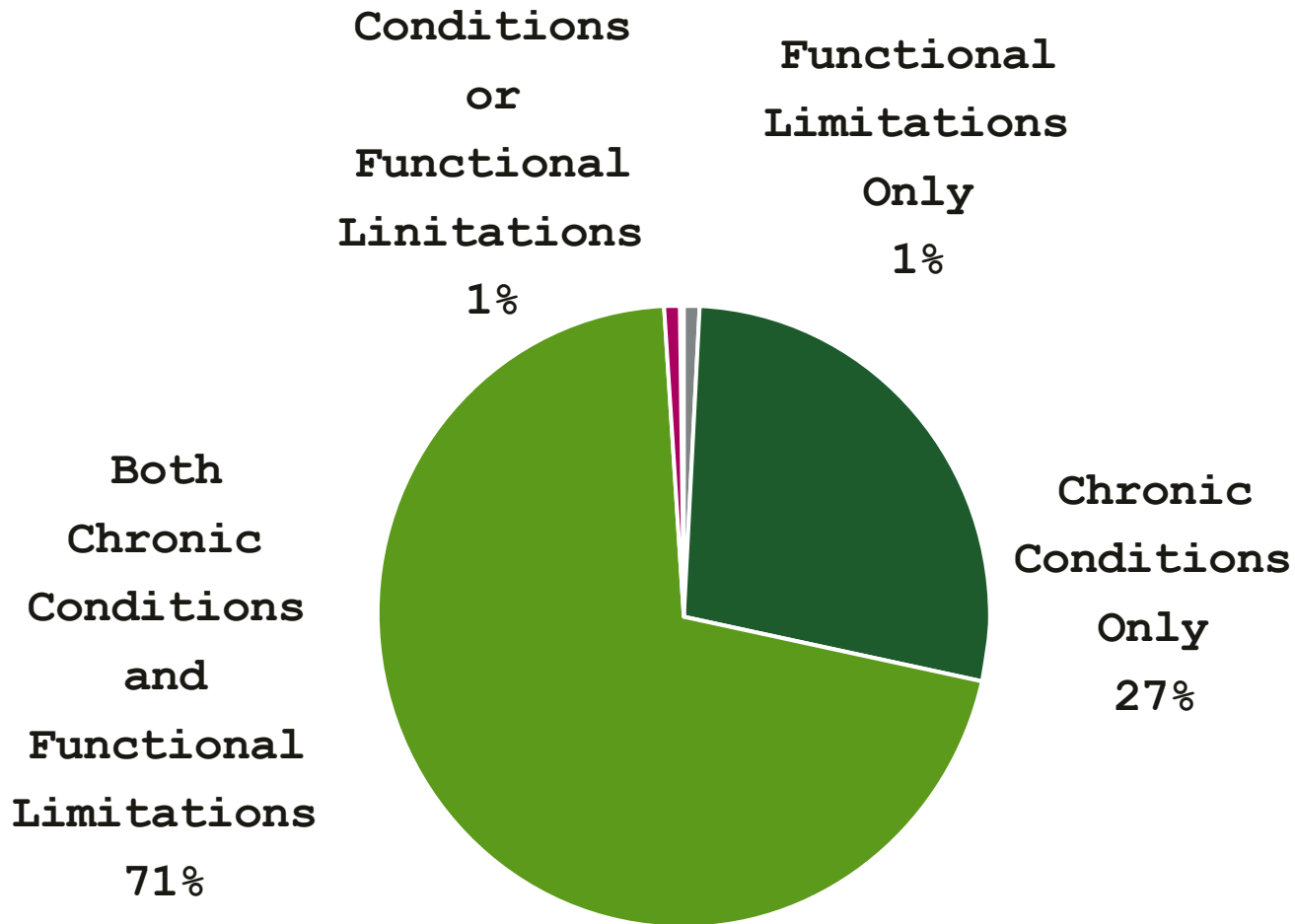


Source: The Robert Wood Johnson Foundation analysis of 2006 Medical Expenditures Survey, 2010

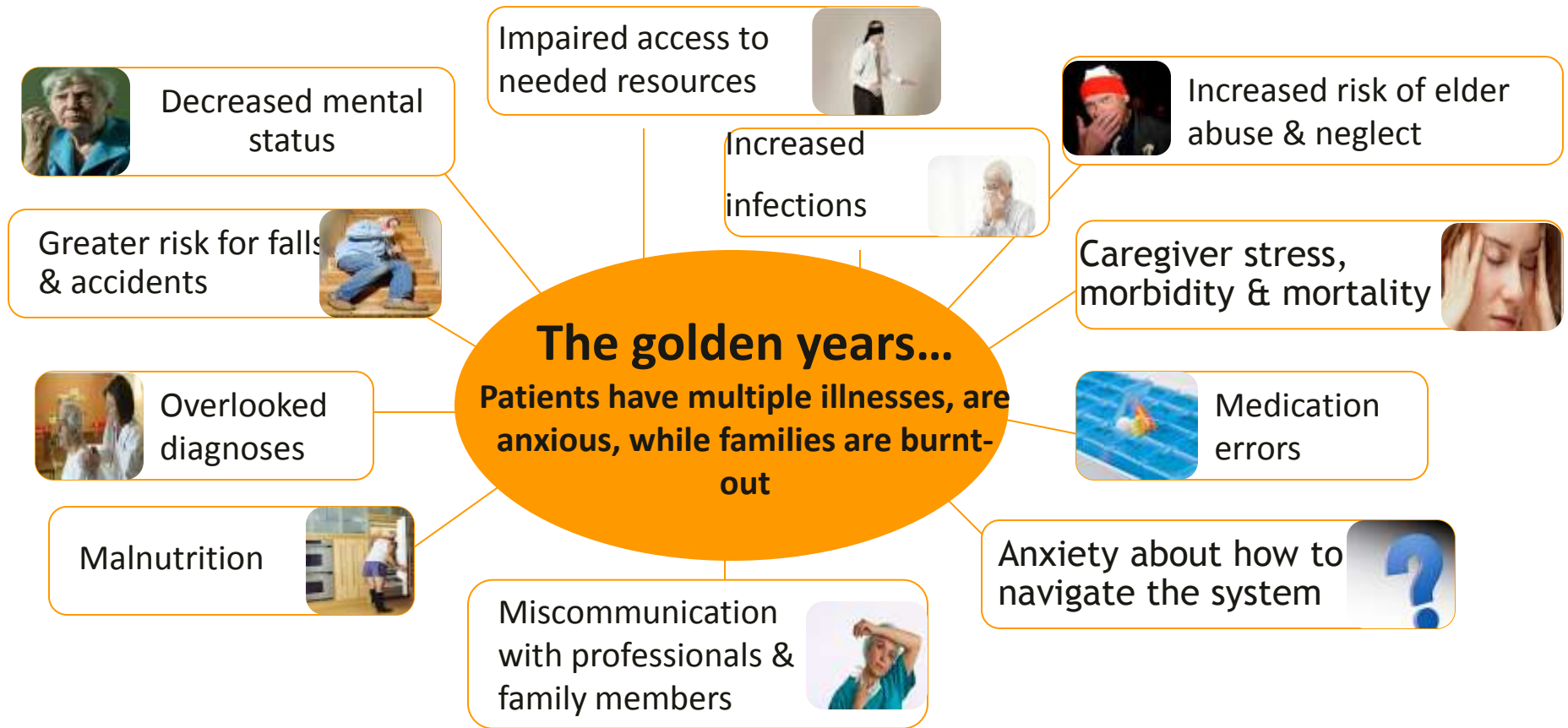
Majority of Medicare Costs in Severe Chronic Illness Spent in the Hospital



71% Medicare Dollar Spent for Chronic Conditions and Functional Limitations



Beyond Hospitalizations, Uncoordinated Long-Term Care Reduces Quality of Life for Seniors and Family Members



The Needs of Elderly Cannot Be Addressed by Family Members Alone

Family Caregiver Challenges

- 22% of family caregivers say they need help communicating with physicians
- Six in 10 family caregivers are employed.
- The number of long distance caregivers will double over the next 15 years
- 4 in 5 struggle with dependent's emotional or memory problems
- 3 in 4 wrangle with dependent's resistance to help & inability to communicate
- Half report family conflicts

Sources: SeniorBridge survey, 2010

*Caregiving in the United States; National Alliance
for Caregiving in collaboration with AARP;
November 2009*

Distance May be the Result of Geography, Emotional and Time

Psychodynamic challenges

- **4 in 5** struggle with dependent's emotional or memory problems
- **3 in 4** wrangle with dependent's resistance to help & inability to communicate
- **Half** report family conflicts over care



Coordination of healthcare and social services

- ❖ **80%** report difficulties in coordinating resources
- ❖ **Two-thirds** are caring giving from a distance



Source: SeniorBridge Survey, 2010

Distance Makes it Difficult to Identify Changes And Seek Help Early

Mood

sadness, anger,
irritability or
suspiciousness



Appearance

dirty or unchanged
clothing, body
odor



Ability to Manage

Medical care, bill
payment, daily life



Physical Status

weight loss,
incontinence, falls



Social status

Impairment or loss of
spouse, conflict with
friends or family,
isolation



Health status

New diagnosis,
hospital admission
discharge, medication
reaction



Even When Family Members *Are Present* – Caregiving Can Take a Toll on Them

Positive effects of caregiving...



- **9 in 10** feel good about returning care for someone who cared for them
- **Two-thirds** report renewed relationship with loved ones

Are balanced by...

Lapse in physical and financial well-being

- ❖ **2 in 5** saw decline in their own physical health
- ❖ **Half** report decline in financial security and caregiving taking up “all my time”

Emotional toll



- ❖ **7 in 10** report strain on personal relationships
- ❖ **2 in 5** feel alone

Source: SeniorBridge Survey, 2010

Care Management Assures Expanded Options and Improved Quality of Life

TRANSITIONS

Help identifying and navigating options as care needs change



ENGAGEMENT

Mutual understanding of patient and family needs



ASSESSMENT

In-office and home assessment of medical, functional, psychosocial, financial and legal status



CRISIS INTERVENTION

24/7 Care manager on-call for immediate crisis intervention



CARE MONITORING

In-home observation, identification of risks, medication and nutritional management



SERVICE INTERVENTION

Cognitive stimulation, exercise, clinical services, custodial care, social and family support



CARE PLANNING & COORDINATION

Customized care plan, identifying options for immediate & long-term needs, Medicaid & community service applications



Early detection can help us meet the needs and preferences of aging adults

An 2009 AARP study found that 90% of seniors want to stay in their homes as long as possible



Common Reasons for Hospitalization

- Medication errors
- Malnutrition
- Falls
- Behavioral problems (depression, agitation)
- Acute exacerbation of chronic conditions (CHF, COPD, Diabetes)
- Neglect and abuse (physical, emotional, financial)



Are prevented at home

- Medication management
- Nutritional counseling
- Home safety and falls prevention
- Mental health support
- In home monitoring/ Telecare
- Access to & coordination of care
- Social services & benefits

Chronic Care Requires Knowledge and Understanding of the Health Care System

Who can help families navigate these choices?

Private Hires
(word of mouth,
directories)

**Licensed Home
Care Agencies**
(private pay)

**Certified Medicare
Agencies**

**Independent
Living Facilities**

**Assisted Living
Facilities**

**Sub-Acute
Rehabilitation
Facilities**

**Nursing
Homes**

**Rehabilitation
Facilities**

Care managers Collaborate with an Interdisciplinary Team of Professionals

Beyond Medical
Care for
Geriatrics

Most Older People Need a Broad Spectrum of
Healthcare Workers That Require Coordination
and Supervision



Certified
home health aides



Clinical social
workers



Nurses, nurse
practitioners



Tele-health
providers

Nutritionists



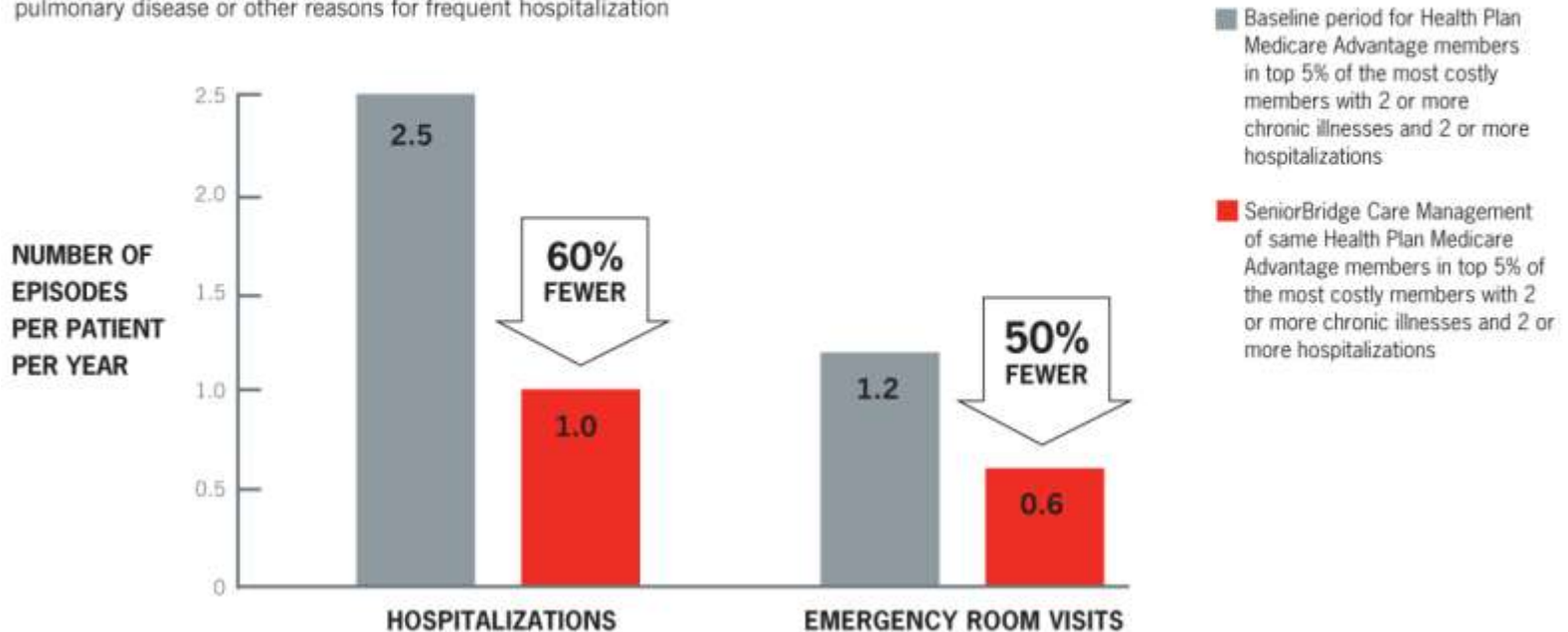
Exercise
specialists



Outcomes: Care Management Reduces Hospitalizations and Emergency Room Visits Among Chronically Ill Seniors

SeniorBridge Results with High Risk Patients Reduced Hospitalization and Emergency Room Visits Among Top 5% Most Costly Medicare beneficiaries, 2010–2011

With multiple chronic conditions, such as congestive heart failure, chronic obstructive pulmonary disease or other reasons for frequent hospitalization



Outcomes: Care Management Also Reduces 30-Day Readmissions Among Chronically Ill Seniors

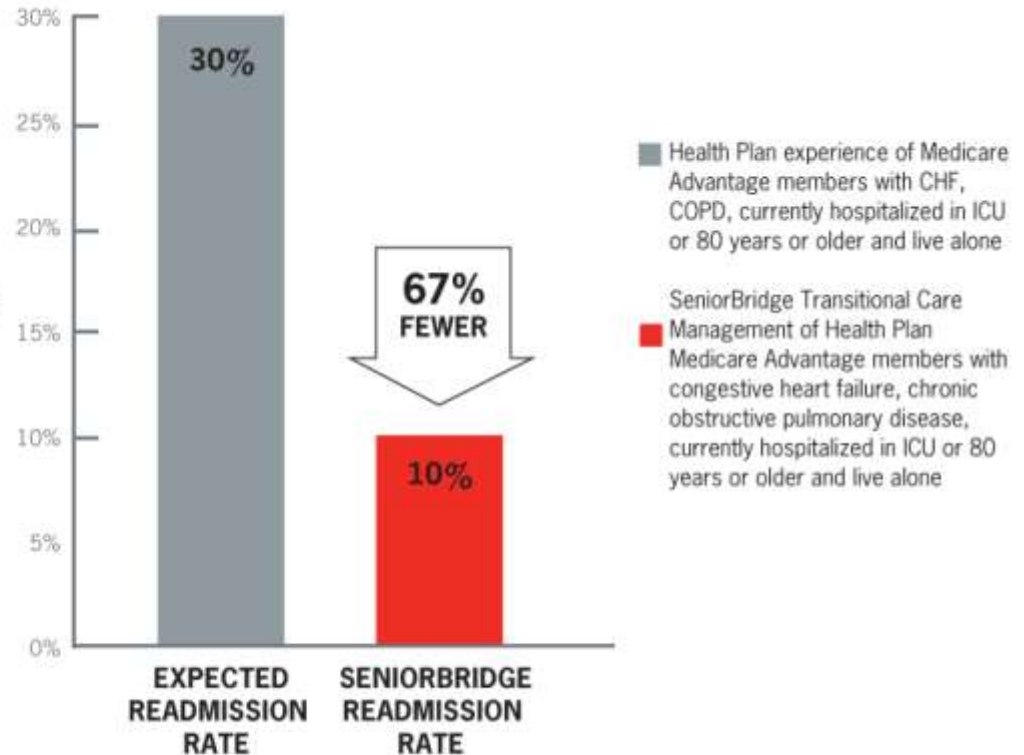
SeniorBridge Results with High Risk Patients

Reduced Rehospitalizations

Among High-Risk Medicare beneficiaries, 2010–2011

With high-risk, chronic conditions such as congestive heart failure, chronic obstructive pulmonary disease or other reasons for frequent rehospitalization

PERCENT READMITTED WITHIN 30 DAYS



How Can We Help?

- As an industry we need to raise awareness that:
- Helping seniors stay at home will improve quality of life, health outcomes and cost efficiencies of healthcare delivery
- Aging is complicated: Coordinating care is a job for professionals
- Caregiver burn-out is a serious issue that must be prevented



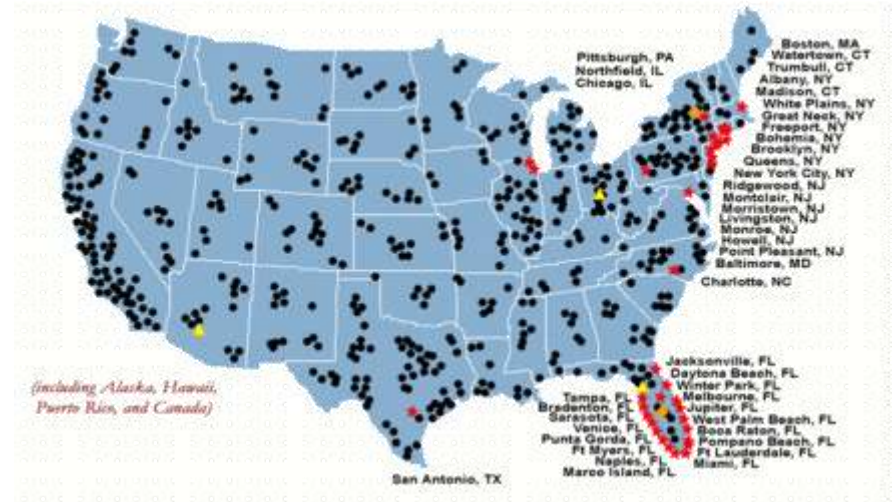
Coordinated care by professional nurse and social worker care managers

About Humana

- One of the nation's largest publicly traded health benefits companies
- Founded in 1961 – headquartered in Louisville, Kentucky
- Fortune 79 company, NYSE, \$37 billion in annual revenues
- 40,000 associates with (10,000 MA associates)
- 10.3 million medical and 6.8 million specialty members nationwide
- First health benefits company to receive ISO 9000 registration
- Ranked #6 among all U.S. companies in all sectors for technology leadership
- A company that offers full spectrum of consumer-choice solutions
- Industry-leading clinical, network, eHealth, service and technology solutions
- Core Businesses: Medicare, Tricare, Individual Medical, Group Medical, Ancillary & Specialty

Humana Cares / SeniorBridge Organization Focused on Helping Chronically Ill Members and Private Pay Clients Age at Home

- ★ 50 homecare offices in NY, NJ, CT, FL, TX, IL, PA (in-home care giving and management)
- 3,000 in-home care managers in nationwide network
- ▲ Nationwide telephonic and field care management network (icon denotes centers)
- ◆ Nurse Practitioner / Physician home visit services
Nationwide network of 1,250 homecare companies (not shown)



Organization Serves

- **20% sickest Humana MA members** who account for 75% of cost (Humana Chronic Care Program or “HCCP” members) - *Priority is on growing national 30-day Hospital Transition program*
- **Private pay customers** who are chronically ill and their family caregivers (Historically SeniorBridge core market)
- **Managed Care market** of Physician Groups, Hospitals and Health Plans providing care management services

Humana Puerto Rico Market at a Glance: Organizational Overview

Humana Puerto Rico

Established in 1997 after the
acquisition of PCA, Inc.

Humana Insurance of Puerto Rico, Inc.

Humana Health Plans of Puerto Rico, Inc.

PPO
Pharmacy
Vision
EAP
Group Life Insurance
Dental
Medicare Advantage PPO
Medicare Supplement

Today:

- 638,000 total membership
 - 530,000 Medicaid/MI Salud members
 - 80,000 Commercial members
 - 28,000 Medicare members
- 14,800+ providers in our network
- 812 associates

HMO
POS
Pharmacy
Medicare Advantage HMO
MiSalud (Medicaid)

Communities Benefit

We created alignment and identified opportunities to create a positive perception of Humana's commitment to social responsibility through associates group, **Angeles Humanitarios** and **Humana Foundation**, creating a positive image and brand ambassadors.

- Centro Ferrán, Ponce
- Proyecto PECES, Humacao
- La Casa de Todos, Juncos
- Hogar Cristo Pobre, Ponce
- Hogar La Providencia, Loíza
- Centro Ramón Frade, Cayey
- Hogar del Niñito Jesús, Trujillo Alto
- Humane Society, Guaynabo
- Hogar de Niños Andrés, Bayamón
- El Nuevo Hogar, Adjuntas



Humana Foundation



Questions

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Appendix

Humana Cares / SeniorBridge Heritage



Humana Cares

- Founded in 2005 as Green Ribbon Health, a pilot program by Humana and Pfizer Health Solutions
- Innovative holistic approach to telephonic care management and in-home assessments of complex chronic conditions
- Acquired by Humana in 2008 and renamed “Humana Cares”



SeniorBridge

- Founded in 2000 as a care management and homecare organization
- Holistic approach to in-home, face-to-face advice, care coordination and caregiving
- Acquired by Humana in 2012 and merged with Humana Cares

Humana Cares / SeniorBridge Organization

- Combined to create a best-in-class model of care for the chronically ill across continuum of need
- Evidence-based model improving outcomes, reducing costs and increasing member satisfaction
- Recognized as a pioneer in helping seniors to age at home

The New Humana Cares / SeniorBridge Organization

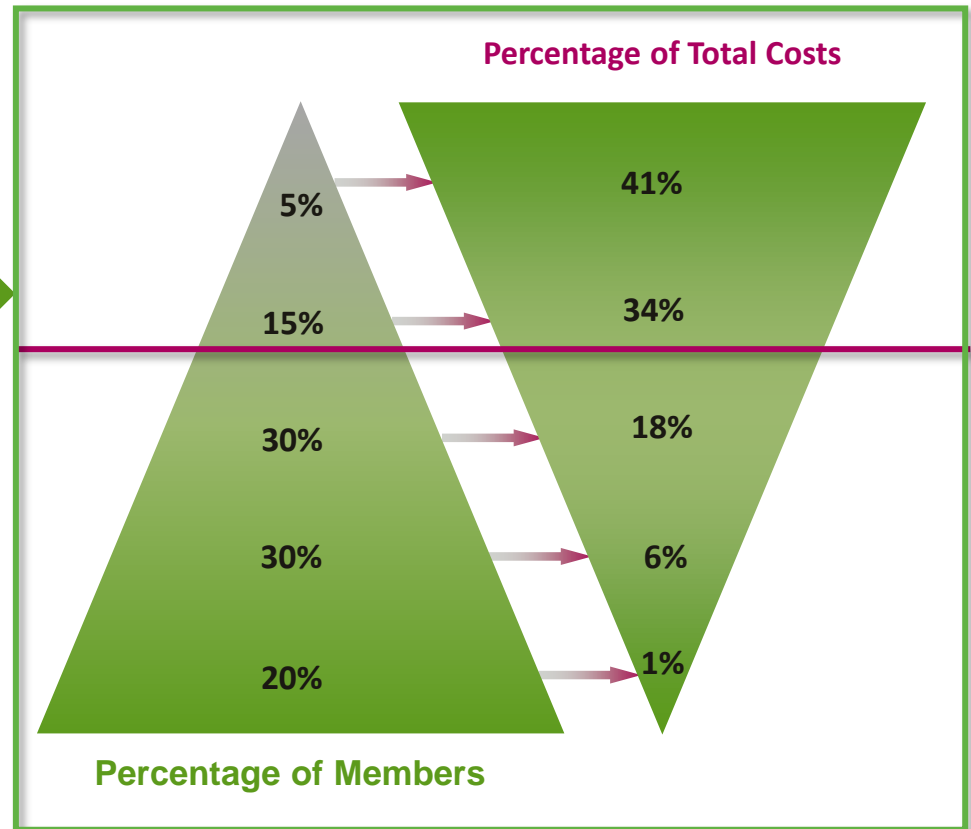
- Humana has expanded care management capabilities with the merging of Humana Cares and SeniorBridge into **one organization**.
- As a result, Humana has launched a new program called the **Humana Chronic Care Program (HCCP)**
- The goals of HCCP are to:
 - **Improve access** for members most in need
 - **Improve quality of care and outcomes** for members with chronic illness
 - **Improve cost savings** for Humana
 - **Support Humana's well being strategy** by tailoring interventions according to member need

HCCP Focuses on The Sickest 20% of Adults Who Drive 75% of Cost

These members have:

- Chronic conditions
- Functional deficits
- Hospital admission in the prior 12 months
- Likely to have medical costs associated with the sickest 20% in the future

Sickest 20%



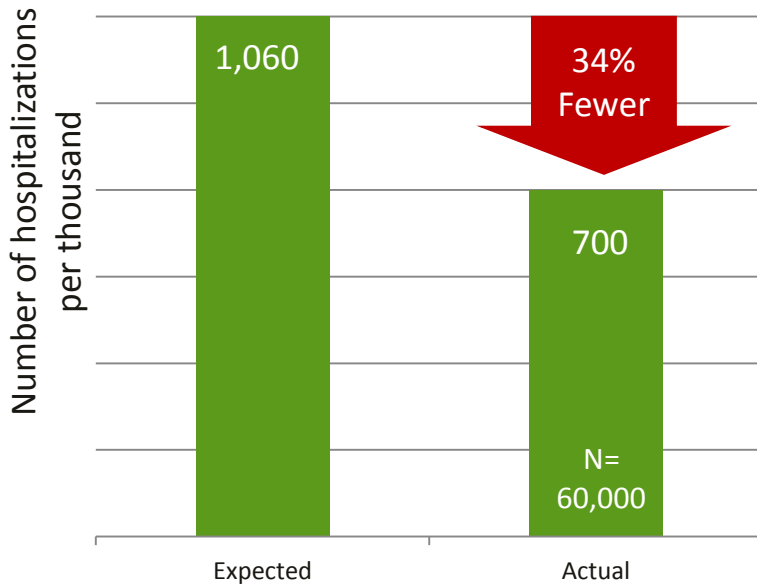
Functional Limitations That Drive Healthcare Costs

Increased Cost of Care

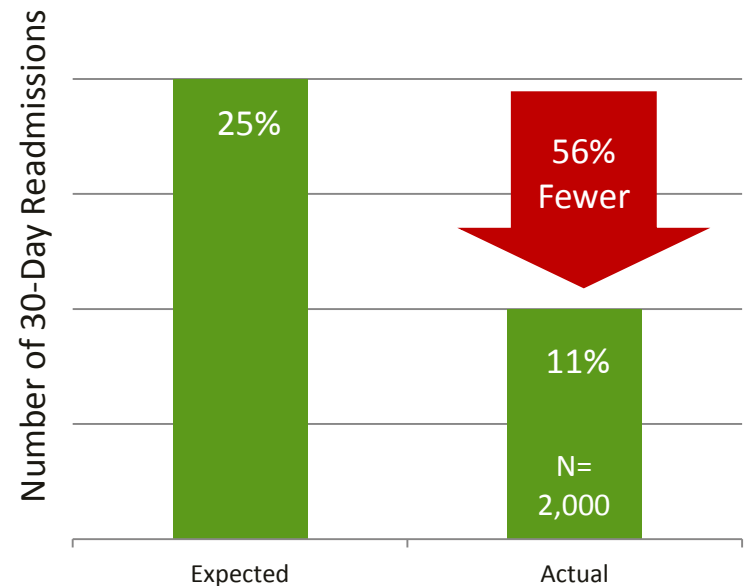
Functional (Physical and Cognitive) Limitations	Instrumental Activities of Daily Living (IADL) Limitations	Activities of Daily Living (ADL) Limitations
<ul style="list-style-type: none">• Reaching• Grasping• Stooping• Lifting• Short-Term Memory Loss	<ul style="list-style-type: none">• Meal Preparation• Shopping• Housework• Managing Money• Telephoning• Transportation• Managing Medications	<ul style="list-style-type: none">• Bathing• Dressing• Eating• Transferring• Walking• Toileting

Initial Outcomes: Humana Care Management Programs Reduce Hospitalizations Among High-Risk Individuals

Humana Chronic Care Program Averts Hospitalizations (ongoing)



Transitions Program Reduces Hospital Readmissions (30-day program)



As of March 1, 2013

Humana Cares/ SeniorBridge Combined Organization

Our Organization

- NCQA accredited health plan and CHAP accredited homecare company that provides complex chronic care management in the home.
- 1,000 telephonic care managers nationwide
- 3,500 field care managers in a nationwide network
- 50 homecare clinical offices in NY, NJ, CT, FL, TX, IL, AZ, KS, PA, NC, MD, MA, VA
- 3,000 employed home health aides in clinical offices
- 1,750 homecare companies nationwide in a homecare network
- National directory of vetted community resources for elder care and caregiving
- Online Points of Caregiving portal for family caregivers

Our Programs

- Humana Chronic Care Program (HCCP)
- Hospital Transitions
- NP/MD Assessments
- Special Needs Programs (SNPs)
- Consumers services (Fee for service)

Expertise

- Older adults with multiple chronic conditions and functional and/or cognitive limitations
- Complex Chronic Care Management, Chronic Condition Care Management
- Advanced Illness Counseling

Helping Members Age with Grace and in Place

The Humana Chronic Care Program (HCCP) is an evidence based approach that substantially improves health outcomes of members who need the most support. By providing support, education and advocacy to help members manage their health in their own homes, HCCP improves member wellness, outcomes and overall experience while at the same time reducing total cost of care.