



NORTH CAROLINA STATE HEALTH PLAN

Service Package Overview

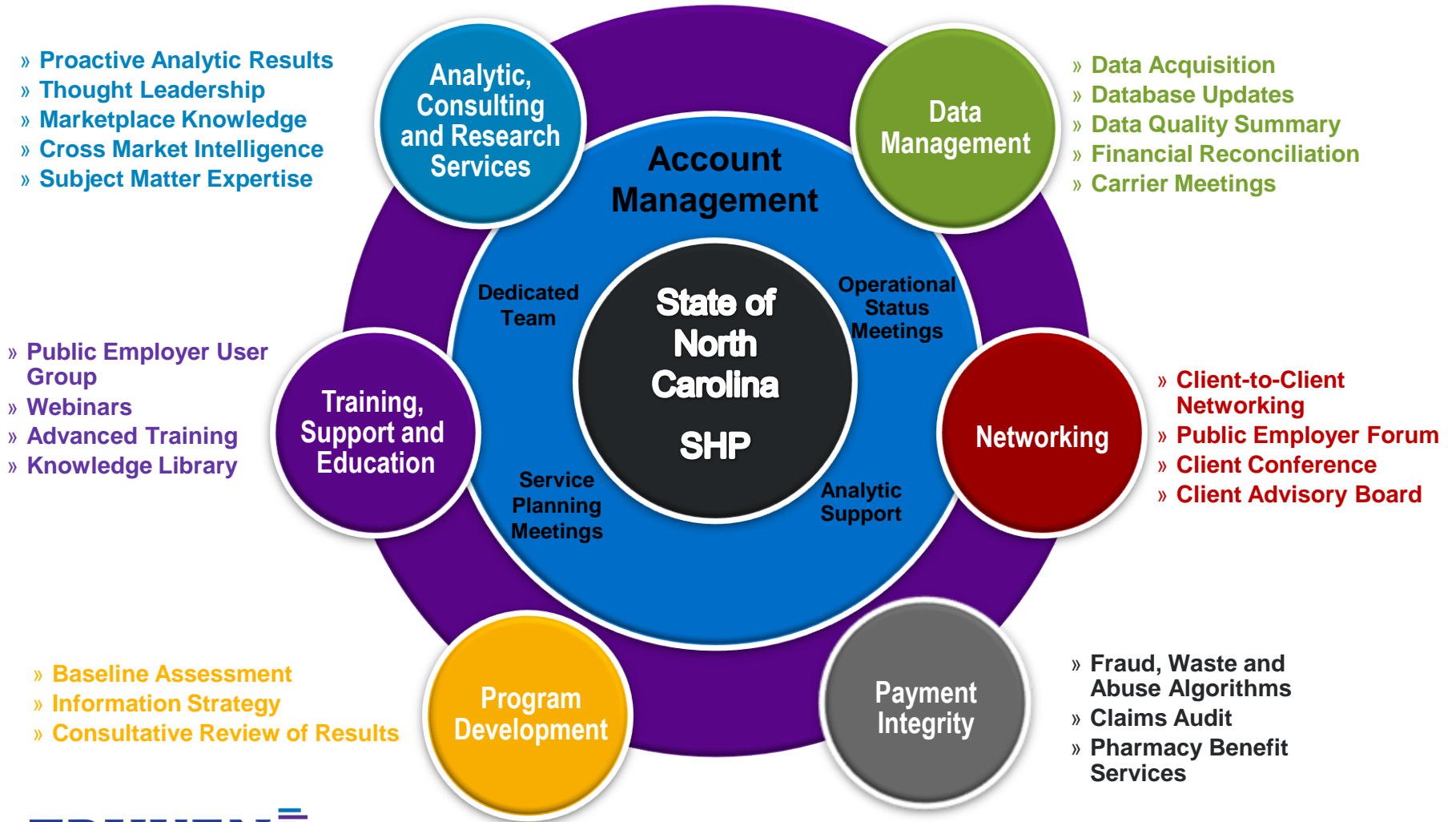
December 2012



OBJECTIVE

- We are proud to partner with State of North Carolina to provide vital information to support your daily and strategic initiatives. Our goal is to continually provide you with thought leadership and solutions to identify and validate your healthcare programs and to activate your employees to better health and more efficient use of your healthcare dollars.

COMPREHENSIVE RESOURCES





ADVANTAGE SUITE SOLUTIONS

- **Ad Hoc Report Writer** - provides powerful analytic capabilities across various topics (cost, utilization, benefit planning, finance, care management, fraud, provider profiling, etc.) and allows complete flexibility for ad hoc reporting on a full detailed database.
- **NetEffect Management Report Set** – Web-based interactive reporting tool that gives benefit managers rapid access to integrated summary-level information for managing healthcare benefit programs
- **User Licenses** – 10 User Licenses for State of North Carolina to access the database
- **MarketScan Benchmarks** – embedded benchmarks for accurate comparison of an employer’s healthcare experience to the experience of similar populations
- **Medical Cost Grouper (MEG)** - groups professional, facility, and prescription drug claims into a clinically homogenous unit (episode) for analysis. MEG can be used to evaluate a particular patient’s complete course of care, including cost, utilization, and process, for a single illness or condition
- **Truven Health Analytics Solution Center** - provides one-stop access to Truven Health Analytics decision support applications and content, such as thought leadership articles, market-specific newsletters, and targeted news content.
- **SSAE 16 certified** – improves the cost, quality and value of health benefit programs



DATA WAREHOUSE SERVICES

- **Monthly Database Updates** – Update BCBS NC, Medco, and eligibility files on a monthly basis. Monthly updates provide timely and accurate reporting to improve the cost, quality, and value of health benefit programs
- **Active Data** - Rolling 36 months of paid claims data available in the database at all times
- **Monthly Data Quality Summary Reports** – details quality of data warehouse (including financial and eligibility reconciliations); critical to the success of internal audits
- **Data Receipts Reports** – enforces vendor performance guarantees
- **Database Enhancements** – updates to valid values of database fields are included prospectively
- **Additional Data Sources** – ability to integrate additional data sources such as Health Risk Assessments, Disease Management participation and Biometrics to your Advantage Suite database



NETWORKING OPPORTUNITIES

- **Annual Advantage Client Conference - 2 Free Registrations**
 - Presentations by leading-edge clients and external national leaders on topics such as competitive benefit plan design, vendor negotiations and cost cutting strategies
 - Numerous concurrent/breakout sessions highlighting client success stories and Advantage Awards
 - Networking opportunities with hundreds of healthcare employers from all markets
- **Participation in Industry Workgroups**
 - Public Employer Forum – Quarterly teleconference meeting among state employer clients. The meeting provides an opportunity for the public sector benefit managers to share experiences, successes, analytic approaches, and lessons learned with their peers.
 - Public Employer User Group Meetings – monthly WebEx training sessions conducted by Truven Health Analytics consultants. The training focuses on advanced analytic topics and system capabilities

ACCOUNT MANAGEMENT AND ANALYTIC SERVICES

- **Focused Account Team** – monthly status calls, annual service planning meetings, analytic and user support, unlimited telephone support during business hours
- **Ad Hoc Analyses and Proactive Reporting** –
 - **Delivered periodically throughout the year. Current examples include:**
 - Disability Determination of Medicare Enrollment Analysis
 - Type 2 Diabetes Analysis
 - Controlled Substance Abuse Overview
 - Specialty Pharmacy Analysis
- **Advantage Suite Training**
 - One 2-Day New User Advantage Suite training in Raleigh, NC during first year of contract
 - Additional New User training is offered at our training facility in Ann Arbor, MI, for an additional fee
 - WebEx Advantage Suite Training – One hour training sessions given by your Account Team Analyst to address specific Advantage Suite applications and topics of interest
 - E-Learning Training sessions – Advantage Suite hands-on, simulated learning in a “sandbox” environment



ACCOUNT MANAGEMENT AND ANALYTIC SERVICES

(cont'd)

- **Client Webinars** – client education sessions that address hot topics in employee benefits such as advancing consumerism, navigating healthcare reform, and price transparency
- **Access to Subject Matter Experts** – Advice and consulting services from our Practice Leadership group to address specific topics such as Value Based Design, Healthcare Reform, and ERRP

FEES FOR ONGOING SERVICES

Contract Year	Fees*
Year 1:	\$ 223,800.00
Year 2:	\$ 235,000.00
Year 3:	\$ 246,750.00
Optional Year 4:	\$ 254,132.27
Optional Year 5:	\$ 261,777.08
TOTAL:	\$ 1,221,459.35

- Fees are based on:
 - Monthly Updates
 - BCBS NC, ESI/Medco and Eligibility data feeds
 - 10 Advantage Suite User Licenses
 - 10 NetEffect Management Report Set Licenses
 - Access to 36 months of on-line data (on a rolling paid date basis)

ADDITIONAL OPTIONAL SERVICES

Additional Optional Services	
Diagnostic Cost Groups (DCGs)	The DCGs are a patient classification system that helps evaluate and forecast healthcare utilization and costs (predictive modeling).
Audit & Compliance Solutions	Comprehensive suite of audit capabilities utilizing 100% claims review to identify errors associated with both administration/pricing and plan design under nearly any health and welfare benefit line. Requires separate statement of work.
Consulting Retainer Bank	A pre-paid bank of consulting time for additional ad hoc needs (e.g., training, analytics, data management).
Employee Activation Solutions	A suite of tools that includes Informed Enrollment, Personal Health Insights, Personalized Messaging, Treatment Cost Calculator, and Health Education Library designed to help employees evolve from being passive participants to active, educated healthcare consumers. Requires separate statement of work.

ADDITIONAL SERVICES AND FEES

Additional Services	Fees	Frequency
Diagnostic Cost Groups (DCGs)	\$55,700 /year	Annual Update
20 Consulting Retainer Days	\$21,600 /year	Annually
12 Months of Additional Data in the Database	\$20,500 /year	Monthly Update
Additional User IDs	\$3,000/year	Annually
Additional Training per User in Ann Arbor Facility	\$2,500 per user, plus travel	One Time per Training
Treatment Cost Calculator - Implementation	\$125,000	One time
Treatment Cost Calculator - Ongoing	\$175,000 /year	Annually

NEW DATA FEED FEES

Data Feed	Implementation Fees*		Update Fees
	Truven Health Standard Format	Truven Health Non-standard Format	(Per Update) Monthly Update Schedule
Medical	\$9,000	\$16,000	\$500
Prescription Drug	\$9,000	\$16,000	\$500
Eligibility	\$17,000	\$22,500	\$500
Capitation	\$9,000	\$16,000	\$500
Behavioral Health	\$9,000	\$16,000	\$500
Dental	\$9,000	\$16,000	\$500
Vision	\$9,000	\$16,000	\$500
On-site Clinic	\$15,000	\$20,000	\$750
Disease Management	\$15,000	\$20,000	\$750
Health Risk Assessment	\$20,000	\$25,000	\$1,000 annual \$750 quarterly
Biometrics	\$15,000	\$20,000	\$750

*Pricing for 'standard formats' applies to vendors who frequently send data to Truven Health for multiple customers using a consistent layout. This allows Truven Health to develop cost-effective shelled programs which can then be customized to load data to each customer's data warehouse.



INTEGRATION OF MEDICARE ADVANTAGE PLANS

- State of North Carolina is introducing two new Medicare Advantage Plans in 2014
- Medical coverage will be provided by the following vendors:
 - Humana
 - UHC
- Prescription drug coverage will either be provided by the medical vendors or it will be covered by ESI
- We assume the enrollment data for these plans will be managed by Benefits Focus

INTEGRATION OF MEDICARE ADVANTAGE PLANS

- Our recommended approach for integration of the Medicare Advantage Plans is as follows:
 - Integrate new data sources to cover Humana and UHC medical claims
 - Implement Benefit Focus Eligibility for all employees/retirees, replacing the current eligibility received from BCBS NC
 - The Benefit Focus datafeed may provide more value due to the availability of additional custom fields
 - It is more cost effective to implement one new eligibility vendor for entire population compared to two eligibility feeds from Humana and UHC
 - Ongoing fees related to eligibility would remain unchanged as Truven Health will continue handling just one eligibility feed on an ongoing basis
 - Integration of drug claims for these plans depends on how drug coverage is handled:
 - Integrate new data sources for Humana and UHC drug claims if the drug coverage is carved in, or
 - Collect drug claims through the current ESI datafeed at no additional charge

INTEGRATION OF MEDICARE ADVANTAGE PLANS

	One-time Implementation Fees	2013 Ongoing Fees	2014 Ongoing Fees	2015 Ongoing Fees
Humana Medical Claims	\$9,000	N/A	\$6,300	\$6,615
UHC Medical Claims	\$9,000	N/A	\$6,300	\$6,615
Benefit Focus Eligibility	\$22,500	N/A	N/A	N/A
Total Less 5% Implementation Fee Discount	\$38,475			
These following fees are only applicable if drug claims are managed by the medial vendors:				
Humana Drug Claims	\$9,000	N/A	\$6,300	\$6,615
UHC Drug Claims	\$9,000	N/A	\$6,300	\$6,615
Total Less 5% Implementation Fee Discount	\$17,100			

- Truven Health will discount the applicable implementation fees for this project by 5% as part of the initial 3-year contract
- Ongoing fees reflect annual amounts plus the annual escalator used in the proposed base fees; however, any ongoing fees would be in effect after the implementation is complete and the data is present in the database. As a result, 2013 ongoing fees would likely not apply