



Healthdax LLC

July 2014 | Presentation to the State Health Plan of North Carolina



Company Overview

North Carolina Company with Unique Combination of Experience

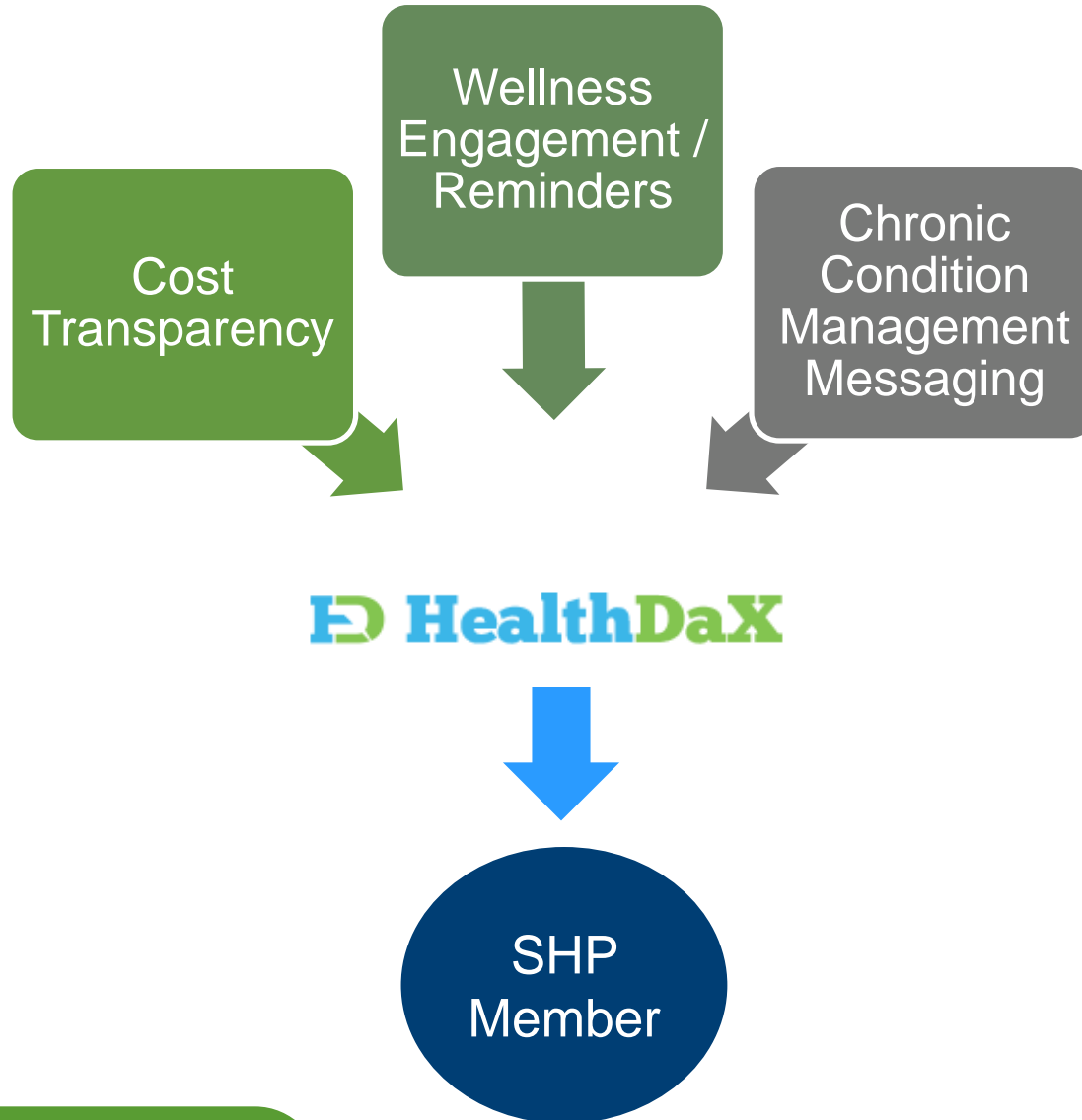
- Limited Liability Corporation
- Located in Charlotte, North Carolina
- Organization with significant health care and technology experience
 - Health Care Investment Banking
 - Health Care Technology
 - Health Care Consumer Engagement
 - Health Care Analytics
 - Mobile Application Development
 - Physicians
- Mobile, Data Driven and Chronic Condition Focused

Executive Summary

- Organizations that have employed online transparency have saved as much as 12% on their health-care costs, with most savings coming on imaging studies, endoscopies, cardiac testing and other outpatient procedures.
- Nationwide, only 2% of health plan members who have access to transparency tools have used them, but that number is expected to rise as more patients become aware of the tools and see their out-of-pocket costs growing.
- The Healthdax mobile platform will provide members of the SHP with an easily accessible transparency tool that aggregates quality data resulting in “utilization of high quality care that is provided in the most affordable setting.”
- Beyond transparency and quality, the Healthdax platform will support the SHP’s strategic priorities of effective population health management, improving member experience and ensuring a financially stable State Health Plan.

What is Healthdax? Health Care Connected

Healthdax Provides Transparency & Engagement Via Our Proprietary Mobile Platform



Healthdax Offers Comprehensive Decision-Support

Healthdax Helps Consumers Overcome Obstacles of Health Management

Limited Memory

- Provides timely personalized reminders
- Allows user to track health and provides personalized reporting
- Encourages employees to make appointments and participate in screenings
- Incentive reminders / tracking

Information Salience

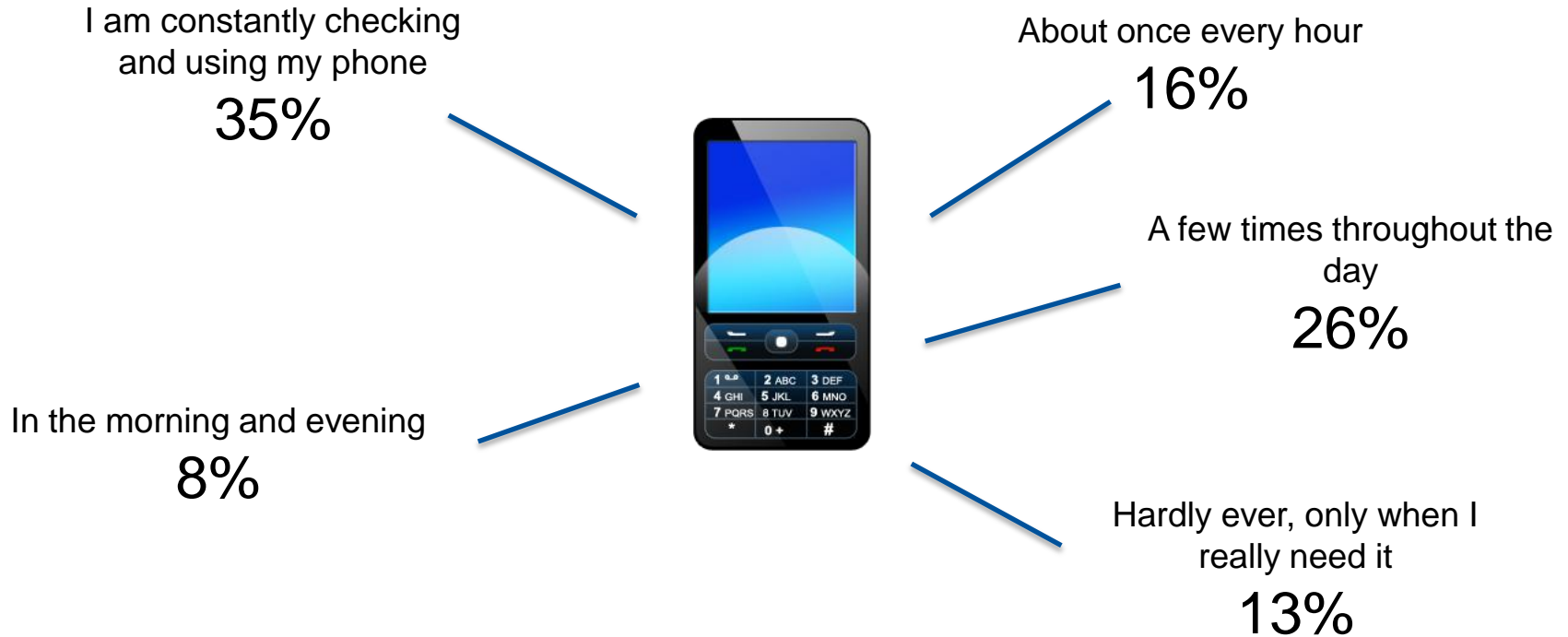
- Provides information/health tips relevant specifically to the user

Imperfect Information

- Provides recent and updated health tips/information
- Provides cost transparency data for in-network procedures and services

Why Mobile?

Mobile technology trends provide a significant engagement opportunity



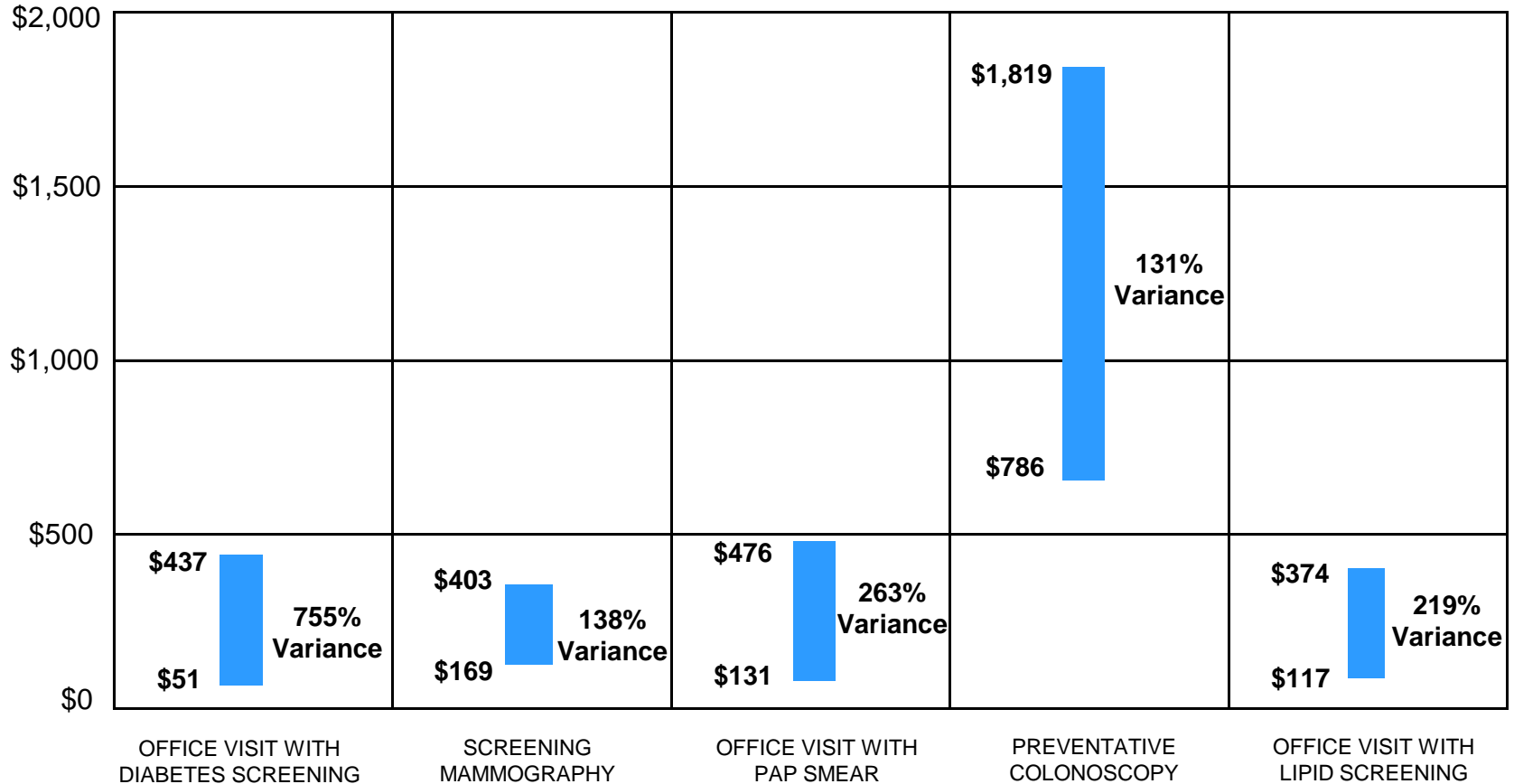
- 99% of all mobile messages are read; 90% within 3 minutes of being received
- 287.4 million 3G/4G subscriptions in the U.S.; 1.9 billion subscriptions worldwide
- 7.8 trillion SMS trillion messages were sent in 2011
- 82% of smartphone users web browse at least once per month

Sources: Braun Research, Inc and mobiThinking

Transparency Case Study

Preventative Screening Services Covered Under ACA Offer Cost Savings Opportunities

COST VARIANCES FOR AN EMPLOYER WITH 20,000 EMPLOYEES



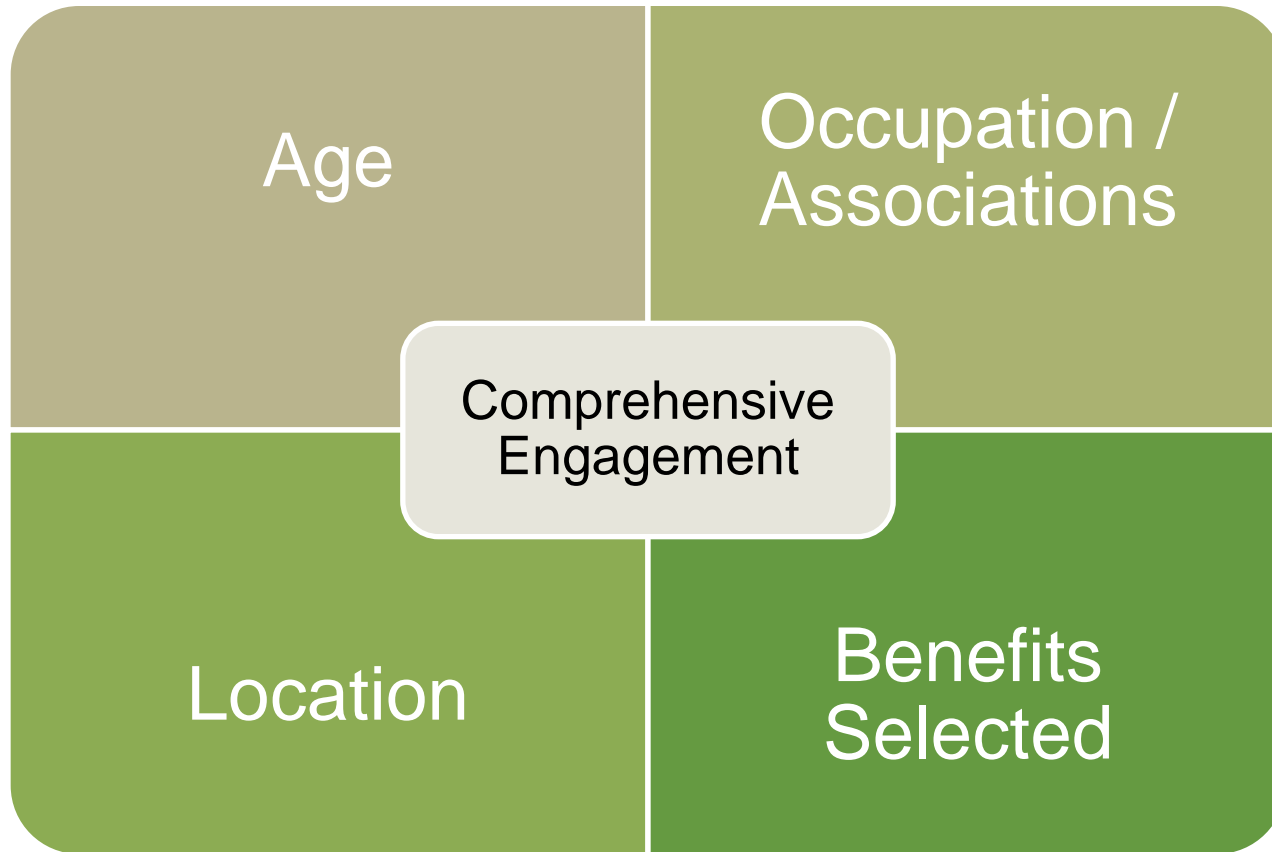
Source: Change Healthcare

Aggregate quality ratings for more informed decision-making

- Experts caution that most doctor-rating systems are still rudimentary, and a four-star rating or other high-performance designation may not reliably reflect a doctor's abilities.
- While ratings can provide helpful information, consumers still need to research further to find the best doctors for their needs.
- As insurers and employers try to hold down health-care costs, steering patients toward doctors and other providers who provide the best care for the money is an important priority.
- Pointing consumers to multiple resources that provide quality ratings results in a more informed decision-making process

Engagement Strategy

Multiple components to a successful engagement strategy



Profile Specific Communication

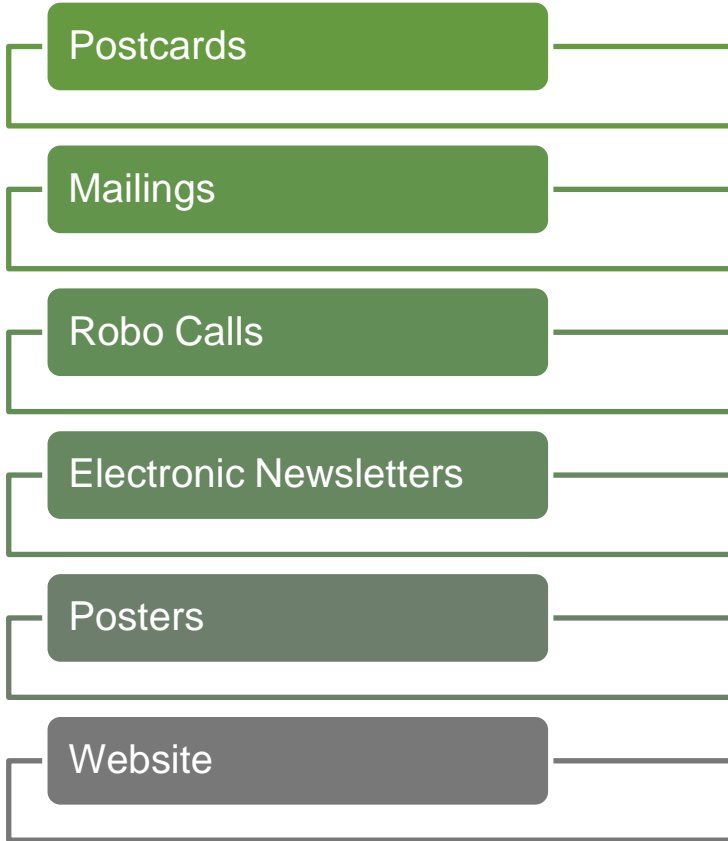
Unique messaging per member demographic

Age	Occupation	Location	Benefits Selected
<ul style="list-style-type: none">• 18-24• 25-40• 40-55• Over 55	<ul style="list-style-type: none">• Office• Mobile• Industrial	<ul style="list-style-type: none">• Rural• Urban	<ul style="list-style-type: none">• High Deductible• Low Deductible

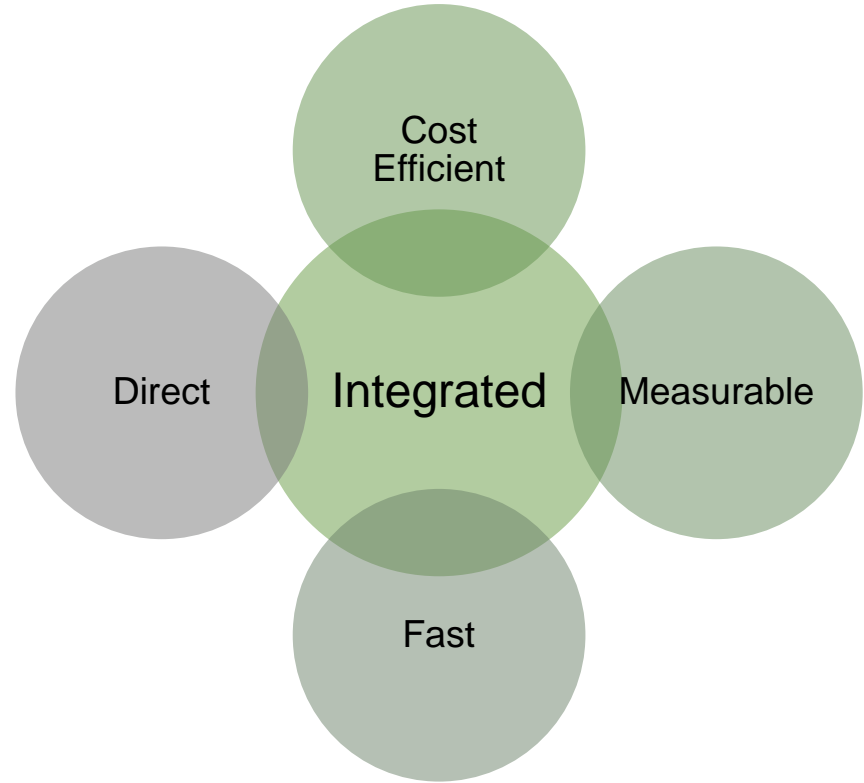
Plan Communication

The SHP Can Reach More Plan Members via the Healthdax Mobile Platform

Current Communications



Healthdax



Wellness Makes an Impact But Improved Participation Required

Wellness programs have been proven to impact health-limiting behavior, but low program participation minimizes the potential impact

- Wellness programs have demonstrated ROIs from 50% to 300%
- Nearly half of employees are not aware of work-based wellness programs or do not see them as relevant
- Only 9% of U.S. consumers have reported participating in a disease management or health improvement program
- Healthdax will help drive wellness participation and positive behavior change
 - NC HealthSmart
 - QuitlineNC
 - Health Assessment, PCP Election, Smoker Attestation Reminders
 - Other future wellness initiatives

Source: Guidelines for Analysis of Economic Return from Health Management Programs

The Burden of Chronic Conditions

Engage members with high cost high prevalence chronic conditions

- Members with at least one chronic condition account for 76% of total cost of care
- Members with unmanaged chronic conditions utilize almost 4x the services of members with managed conditions (\$19,899 vs \$5,198)
- Hypertension (25%), Asthma/COPD (10%), Diabetes (9%), CAD (3%) are conditions most prevalent among active members of plan
- Significant opportunities exist in engaging these members with relevant, actionable information

Why Engagement Matters

Fifty percent of health status is a result of behavior

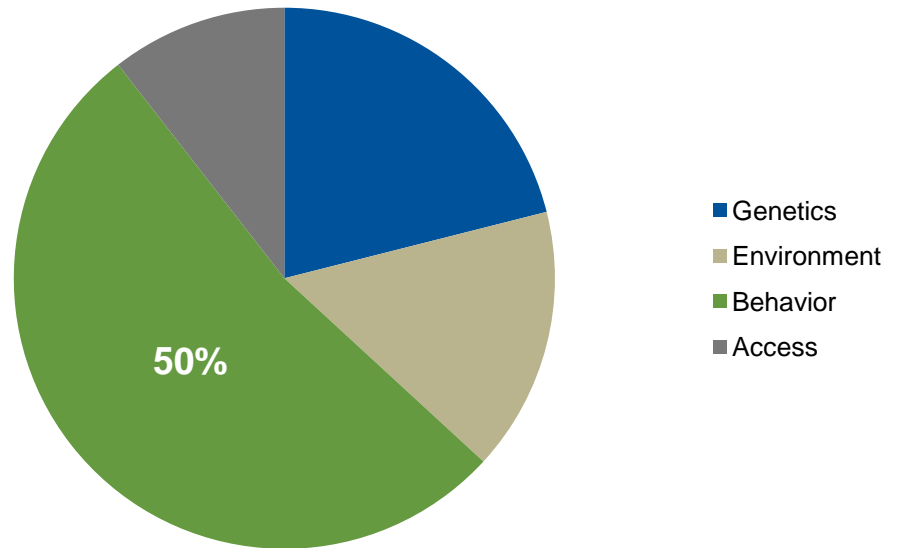
Decisions, Decisions...

“Should I quit smoking?”

“I don’t need a mammogram yet.”

“I didn’t know my benefits included a Healthy Weight program.”

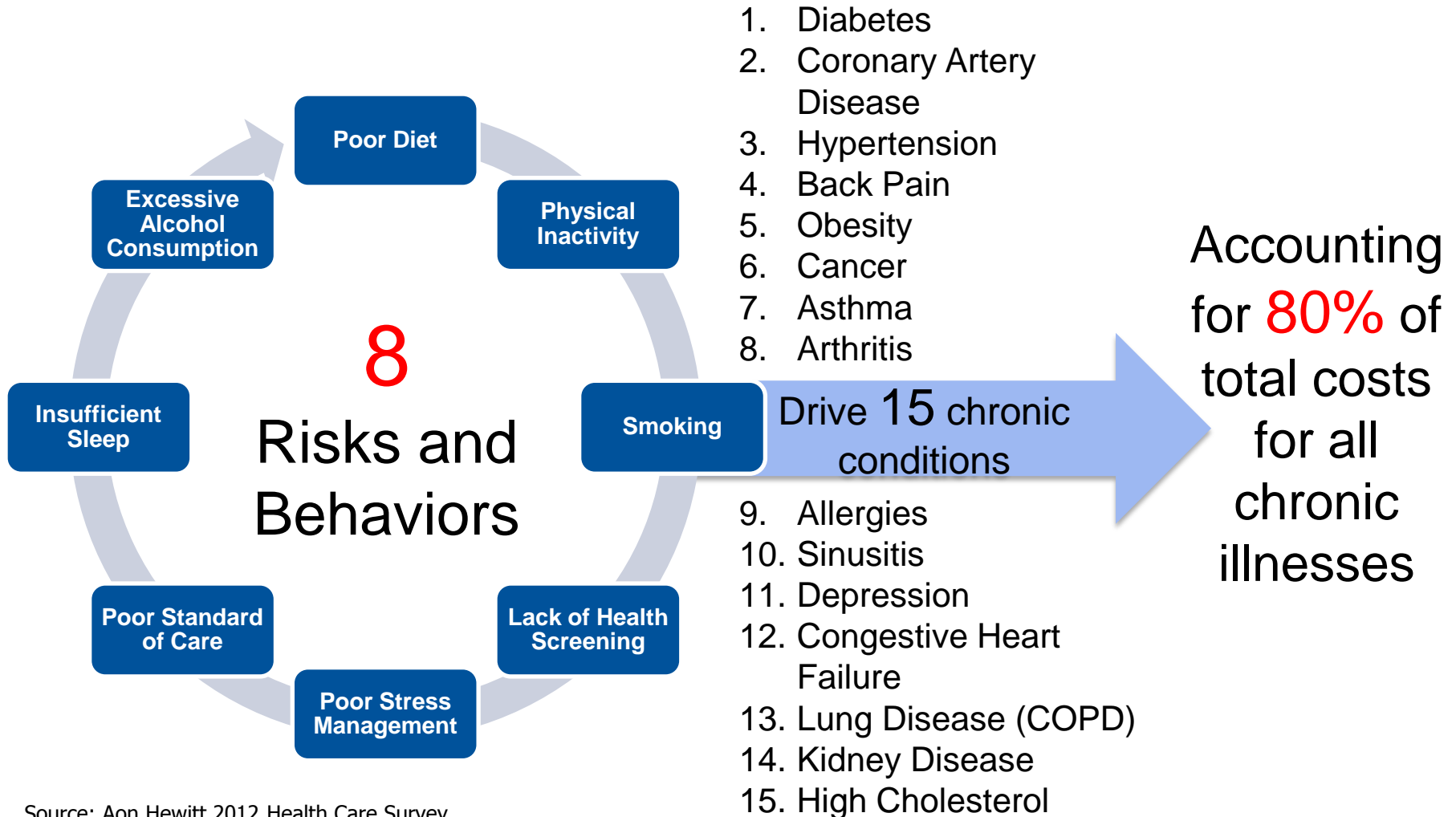
“My cholesterol is high but I don’t know what to do about it.”



Source: Center for Disease Control

Manage Chronic Conditions and Gain Control of Costs

Even if employers are able to meaningfully impact as few as three of these behaviors, they can see a savings of as much as \$700 per employee per year



Source: Aon Hewitt 2012 Health Care Survey

Healthdax Demo

Healthdax LLC Overview

Prepared by Dan Nunn | CEO

Healthdax LLC

Charlotte, North Carolina

P: 704.965.3607

dnunn@healthdax.com

Healthdax.com

