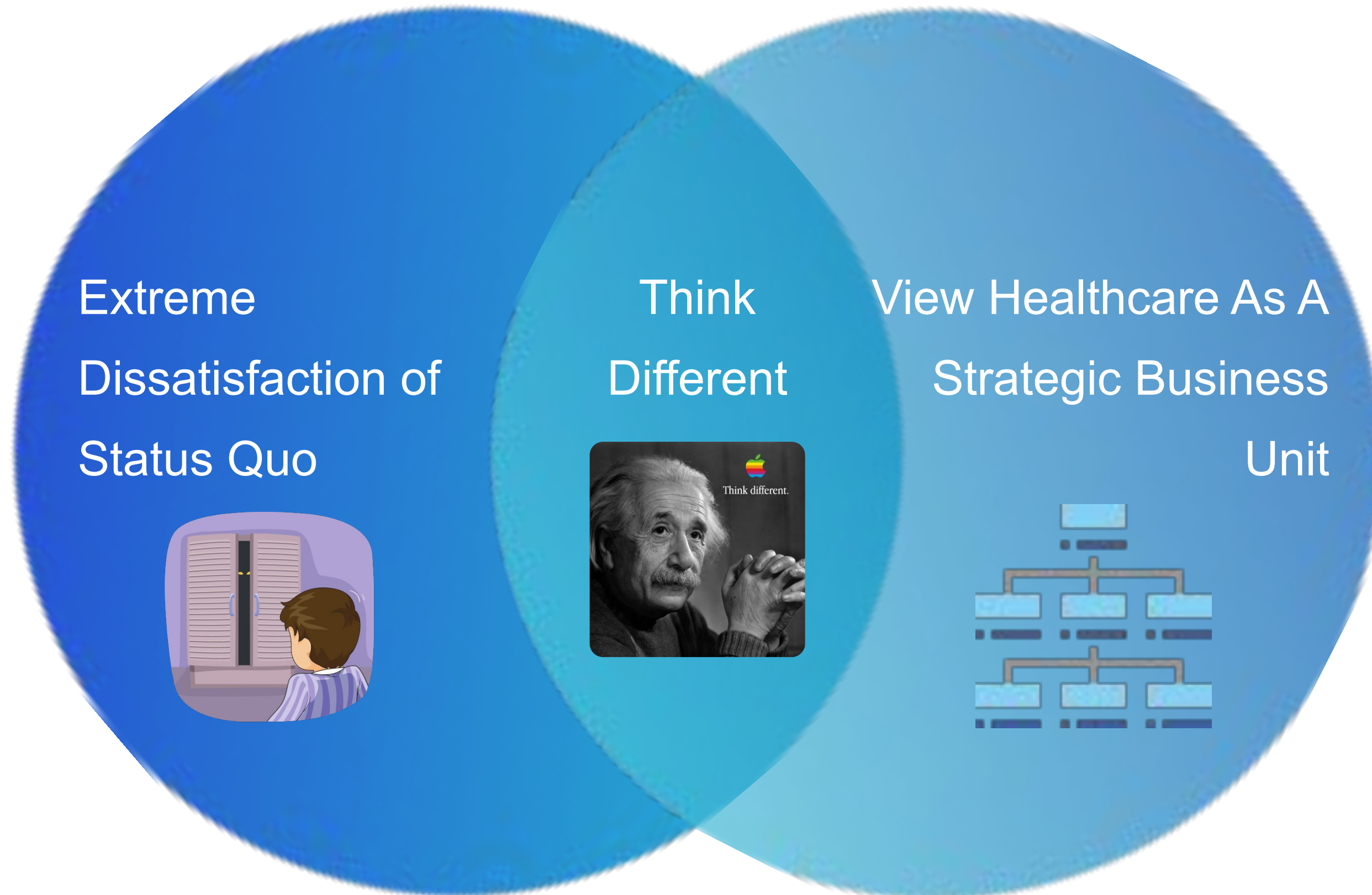
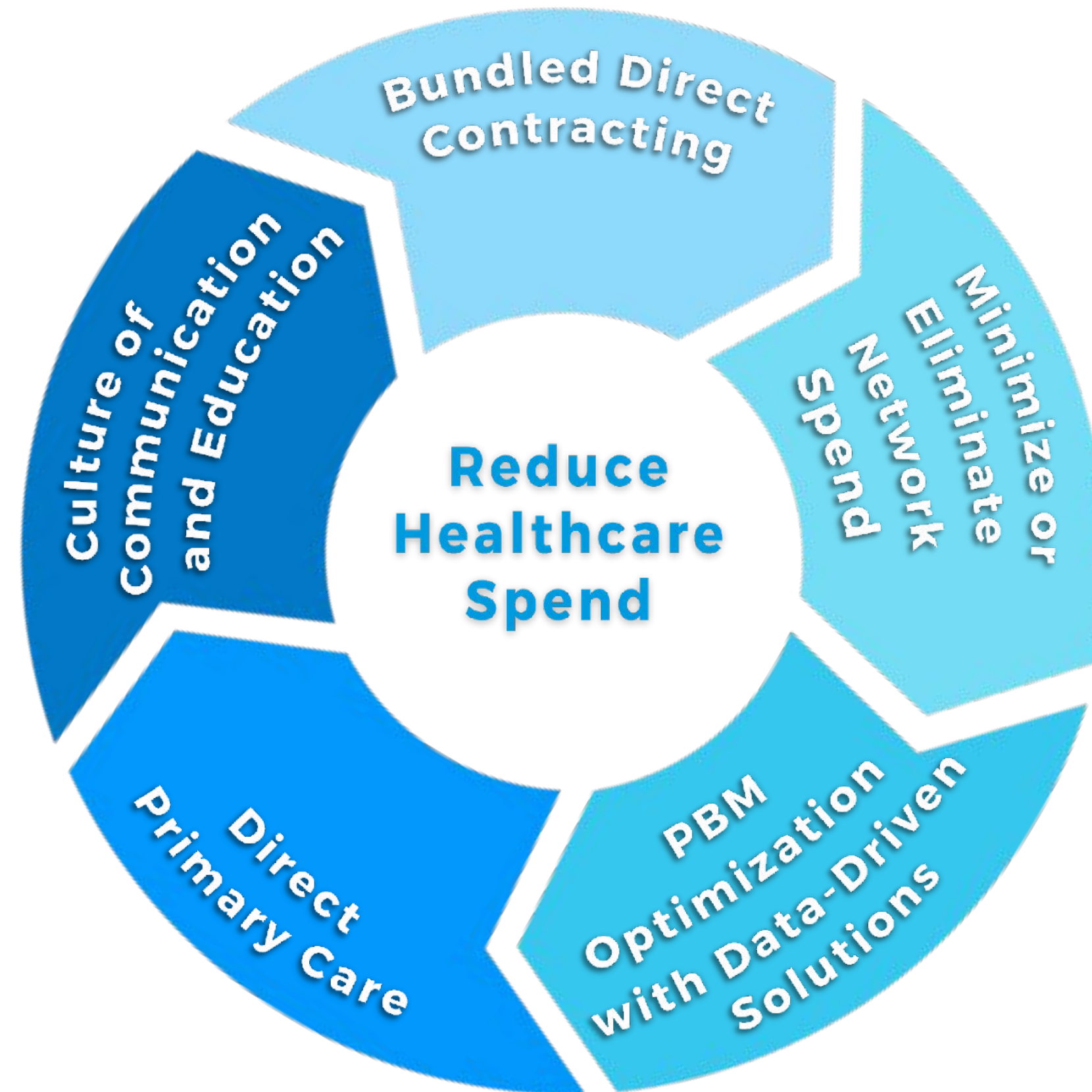


# Profile of Employer With Success Utilizing Free Market Healthcare



# The Secret to Spending Less On Healthcare Is... Spending Less On Healthcare!







MARKET BASKET OF COMMON PROCEDURES	LOW PRICE	HIGH PRICE	VARIANCE
1 Colonoscopy (screening)	\$933	\$7,580	812%
2 Shoulder MRI (no contrast)	\$349	\$3,031	868%
3 Sleep Study	\$650	\$3,370	518%
4 Chest CT (no contrast)	\$140	\$1,483	1059%
5 Knee Arthroscopy	\$4,444	\$17,488	394%
6 Upper Gastrointestinal Endoscopy (no biopsy)	\$799	\$6,960	871%
7 Abdominal Ultrasound	\$95	\$949	999%
8 Cataract Surgery	\$2,448	\$7,211	295%
9 Heart Perfusion Imaging	\$1,063	\$3,284	309%
10 Ear Tube Placement (Tympanostomy)	\$2,248	\$8,734	389%
Average Market Variance			651%
EQUIVALENT VARIANCE IN A GALLON OF GAS	\$2.50	\$16.29	651%

## BUNDLE



### Major Joint Replacement - Knee

Consultation fee

Facility

Surgeon

Anesthesia

Implant

Inpatient Physician

Physical Therapy (12 visits)

Complications

Revisions

**Employer Cost**

**Total Cost**

**Patient Cost - \$4,059.33**



### Traditional Payment Model\*

not included

\$74,379.63

\$1,312.80

\$2,553.13

\$89,077.88

\$384.04

not included

not included

not included

**\$167,707.48 +**

**\$172,005.61 +**

**Patient Cost - \$0**



### Bundled Payment Model

\$200

included

included

included

included

included

\$1,020

included\*\*

included\*\*

**\$20,920.00**

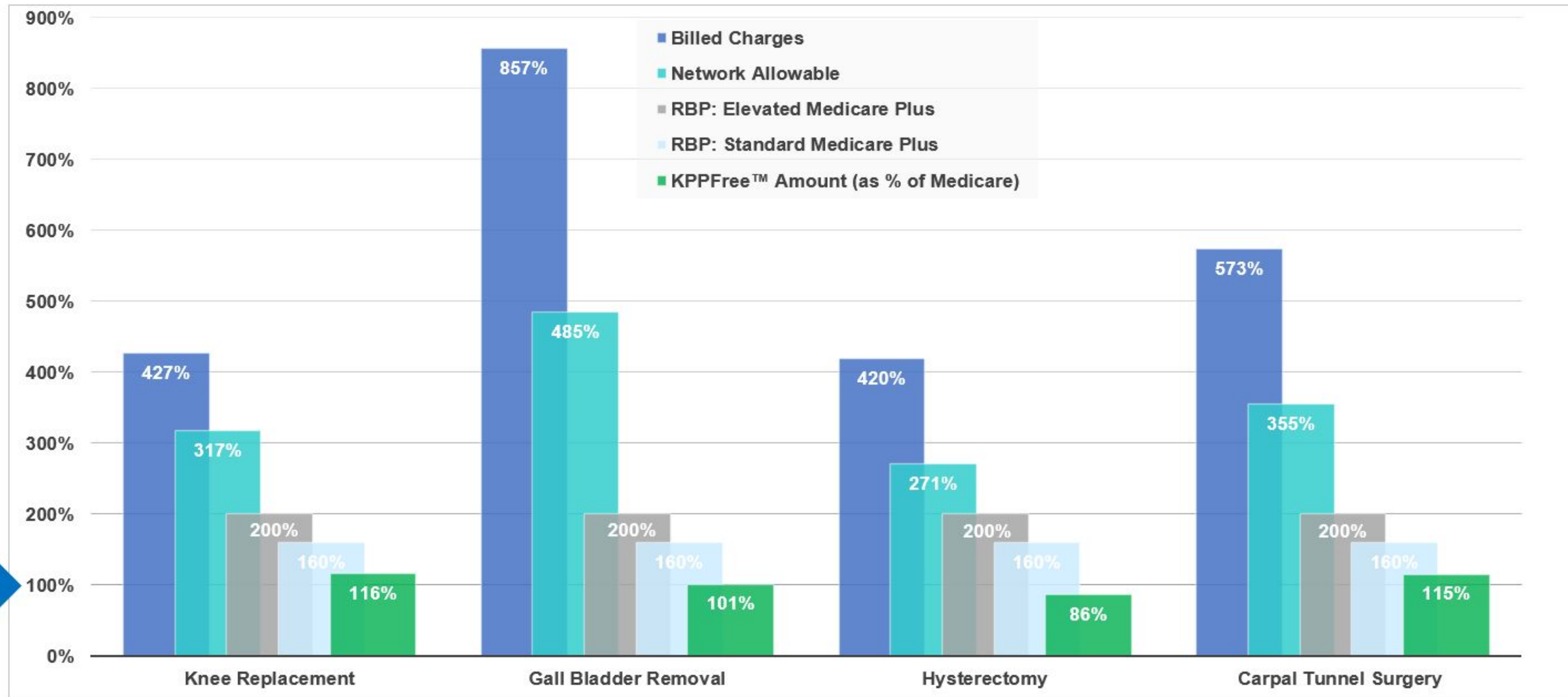
**\$20,920.00**

\*\*Average PPO allowed amount.

\*\*Foreseeable complications are included in the bundled price. Many providers offer a warranty on bundled procedures.



# NETWORK – RBP - **BUNDLES** v MEDICARE



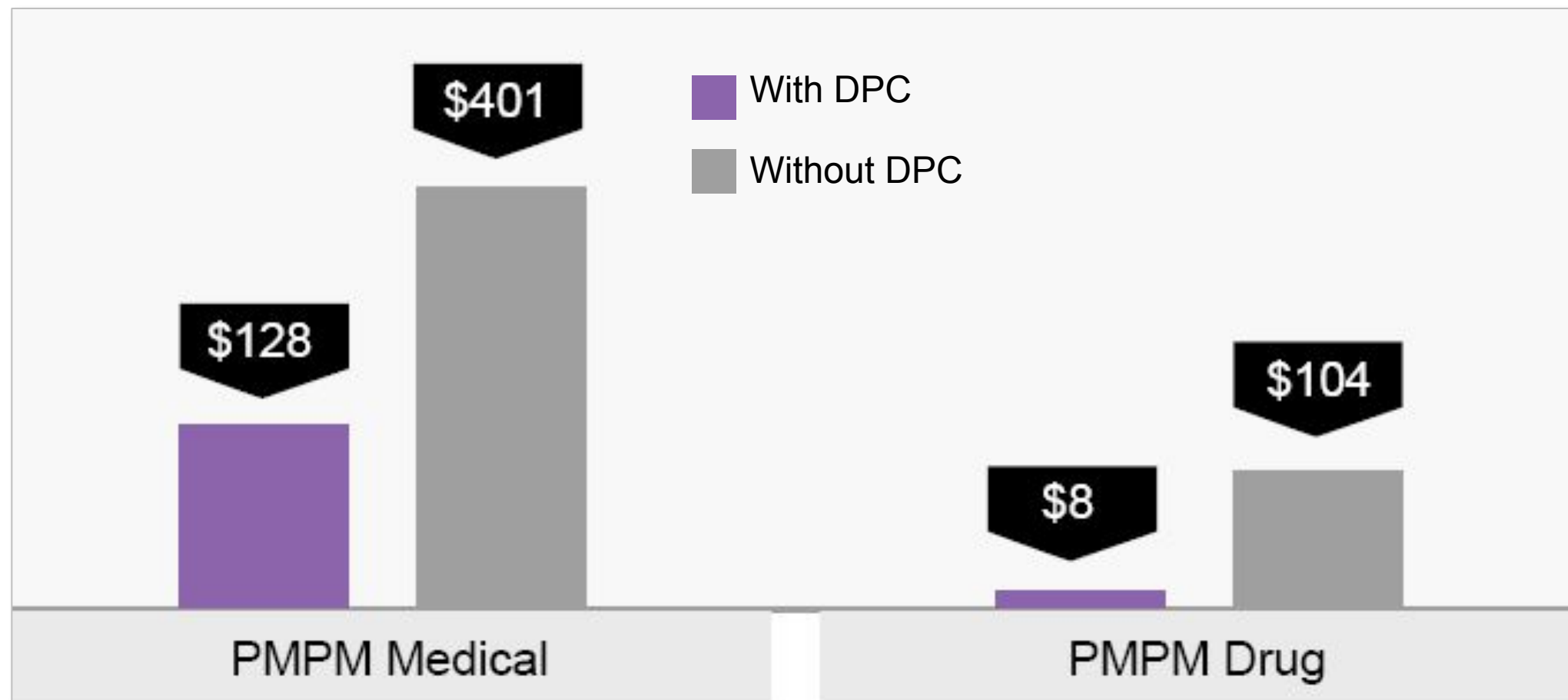
- All non-bundled claims for a specific episode of care have been re-bundled for an accurate comparison to KPPFree™ market price.



Data provided by KPI Ninja, a healthcare analytics and performance improvement firm.

## Highlighted Results:

PMPM Medical ↓ 68%  
PMPM Pharmacy ↓ 92%  
ED and UC Visits ↓ 93%  
Workers Comp ↓ 77%



## Employer Case Study

- Reduced per member per month medical claims expenses by 68% for the members who enrolled.
- 100 employees in Omaha, NE
- In just 6 months, members enrolled in DPC showed:
  - Improved health measures of enrolled members (vs. *non-enrolled members*).
  - BMI, waist circumference, blood pressure, blood sugar, and lipid levels.

# Employer Case Studies



## Scenario

For CEOs and CFOs

For Average Joes



## Dynamics

Public entity, VEBA Trust.  
Approximately 1200 Members  
Strong Culture of Communication for Use of  
Bundled Direct Contracting

Member found out he needed a  
medical procedure AND a  
new trailer home at same time.

Trailer had black mold.

Learned his procedure was covered  
with no Member responsibility.

Could now afford used trailer for \$3000.



## Results

\$6.14M in savings over  
3 and half year period.  
Average of \$438,000 per quarter

Member: "With so much bad in the world,  
you (Kempton and employer health plan)  
are doing a good thing and I cannot thank  
you enough"



# \$6.14M

Total Estimated Savings

# \$5.08M

Total Paid by Plan

# 2,989

Total Count of Procedures

## Estimated Savings and Utilization by Year

● Estimated Savings ● Count of Procedures



## Estimated Savings by Category

Category	Estimated Savings	Percent of Total	Count	Percent of Total
Orthopedic	\$1,621,875.65	26.42%	148	4.95%
Imaging	\$888,535.74	14.47%	842	28.17%
Ear, Nose & Throat	\$614,486.94	10.01%	92	3.08%
General	\$605,779.68	9.87%	74	2.48%
Cardiology	\$437,296.72	7.12%	194	6.49%
Gastroenterology	\$359,648.41	5.86%	191	6.39%
Sleep Medicine	\$230,016.67	3.75%	298	9.97%
Urology	\$185,738.36	3.03%	25	0.84%
Gynecology	\$163,111.09	2.66%	15	0.50%
Ophthalmology	\$148,648.17	2.42%	24	0.80%
Pain Management	\$130,943.90	2.13%	62	2.07%
Physical Therapy	\$126,252.37	2.06%	305	10.20%
Oncology	\$119,272.05	1.94%	64	2.14%
Podiatry	\$112,823.87	1.84%	14	0.47%
Infusion Therapy	\$81,326.86	1.32%	25	0.84%

## Estimated Savings by Provider

Provider Name	Estimated Savings	Percent of Total	Count	Percent of Total
Surgery Center of Oklahoma	\$1,724,998.72	28.10%	284	9.50%
McBride Orthopedic Hospital	\$1,297,613.83	21.14%	448	14.99%
Oklahoma Heart Hospital	\$343,539.71	5.60%	200	6.69%
Oklahoma Heart Hospital South	\$262,998.75	4.28%	44	1.47%
Digestive Disease Specialists	\$189,602.36	3.09%	106	3.55%
Community Hospital	\$159,157.03	2.59%	14	0.47%
Comprehensive Diagnostic Imaging	\$137,987.74	2.25%	155	5.19%
Norman Endoscopy Center	\$120,504.63	1.96%	65	2.17%
Southwest Eye Surgery Center	\$110,005.62	1.79%	18	0.60%
Touchstone Imaging Oklahoma	\$92,686.97	1.51%	70	2.34%
Cancer Specialist of Oklahoma	\$89,705.22	1.46%	41	1.37%
Physical Therapy Central	\$86,968.40	1.42%	167	5.59%
Affordable Sleep Center LLC	\$86,535.29	1.41%	326	10.91%
Vantage Diagnostic Imaging	\$79,988.38	1.30%	52	1.74%
Norman Interventional Pain Mgmt	\$75,501.71	1.23%	29	0.97%









**Questions?**





**Have A Great  
Summer!**