

# Feasibility Study

WEST LAFAYETTE  
SCHOOL CORPORATION

## Understanding your data.

We performed an analysis of your paid claims data to identify areas of impact and opportunities for cost savings.

The following pages detail cost savings for WLSC projected to result from implementing Proactive MD's Advanced Primary Care program.

proactive **md**

## W. Lafayette Schools - Shared Site

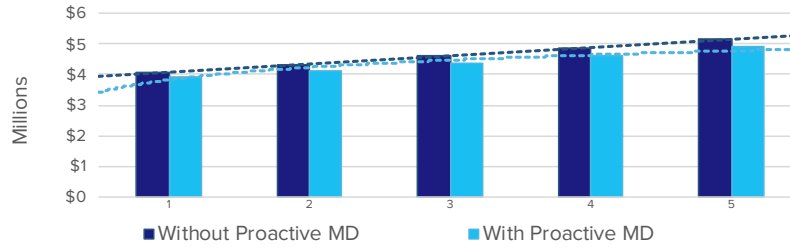
By the Numbers

**\$1,113,052**  
5-year net savings

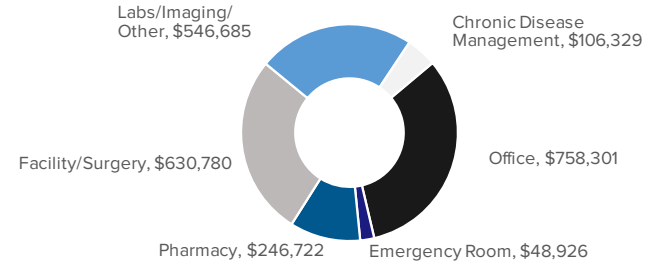
**1.91**  
5-year ROI

**\$46**  
Net PMPM decrease

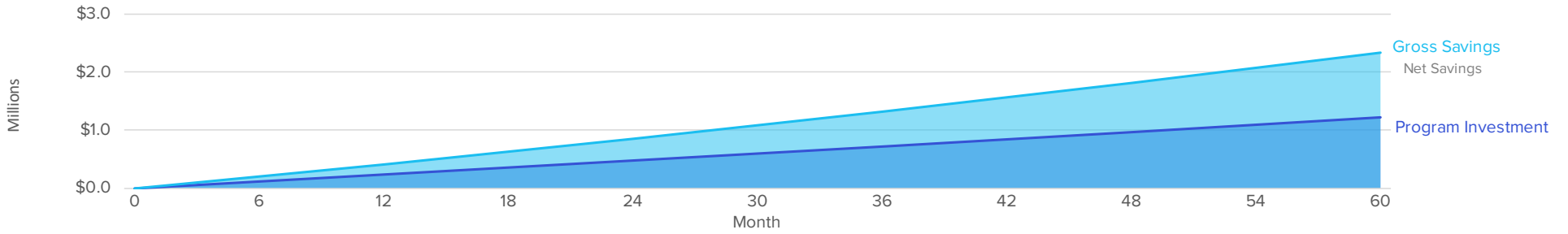
Projected Healthcare Costs



Gross Savings by Category



Return on Investment



### Proactive MD's Proposal

- Coverage for members: approximately 407 total members.
- Access to TSC/LSC Health Center
- Nurse Practitioner-led care team with Proactive MD Patient Advocate
- Unlimited primary care visits
- Common labs and medications included
- Annual service fee (with estimated passthrough): Years 1 - 3: \$240,564

**W. Lafayette Schools - Shared Site**  
Calculations

Service Savings						
Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Office	\$134,520	\$142,591	\$151,146	\$160,215	\$169,828	\$758,301
Emergency Room	\$8,679	\$9,200	\$9,752	\$10,337	\$10,957	\$48,926
Labs	\$26,589	\$28,185	\$29,876	\$31,669	\$33,569	\$149,887
Imaging	\$58,964	\$62,502	\$66,252	\$70,227	\$74,441	\$332,385
Outpatient Hospital	\$80,957	\$85,814	\$90,963	\$96,421	\$102,206	\$456,360
Inpatient Hospital	\$30,942	\$32,798	\$34,766	\$36,852	\$39,063	\$174,421
Pharmacy	\$43,768	\$46,394	\$49,177	\$52,128	\$55,256	\$246,722
Other	\$11,426	\$12,112	\$12,839	\$13,609	\$14,426	\$64,412
<b>Total</b>	<b>\$395,845</b>	<b>\$419,596</b>	<b>\$444,771</b>	<b>\$471,458</b>	<b>\$499,745</b>	<b>\$2,231,415</b>

Chronic Disease Management Savings						
Condition	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Diabetes	\$2,931	\$3,826	\$3,826	\$3,826	\$3,826	\$18,235
Hypertension	\$10,635	\$13,794	\$13,794	\$13,794	\$13,794	\$65,811
Hyperlipidemia	\$3,518	\$4,691	\$4,691	\$4,691	\$4,691	\$22,283
<b>Total</b>	<b>\$17,084</b>	<b>\$22,311</b>	<b>\$22,311</b>	<b>\$22,311</b>	<b>\$22,311</b>	<b>\$106,329</b>

Productivity Savings						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
EE provider visits	595	770	770	770	770	3,675
Hours saved per visit	1.5	1.5	1.5	1.5	1.5	1.5
Average hourly wage	\$15	\$15	\$15	\$15	\$15	\$15
<b>Total</b>	<b>\$13,388</b>	<b>\$17,325</b>	<b>\$17,325</b>	<b>\$17,325</b>	<b>\$17,325</b>	<b>\$82,688</b>

Return on Investment						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service Savings	\$395,845	\$419,596	\$444,771	\$471,458	\$499,745	\$2,231,415
Chronic Dz Savings	\$17,084	\$22,311	\$22,311	\$22,311	\$22,311	\$106,329
Productivity Savings	\$13,388	\$17,325	\$17,325	\$17,325	\$17,325	\$82,688
Gross Savings*	\$412,928	\$441,907	\$467,083	\$493,769	\$522,056	\$2,337,744
Program Cost	(\$240,564)	(\$240,564)	(\$240,564)	(\$247,800)	(\$255,200)	(\$1,224,692)
<b>Net Savings</b>	<b>\$172,364</b>	<b>\$201,343</b>	<b>\$226,519</b>	<b>\$245,969</b>	<b>\$266,856</b>	<b>\$1,113,052</b>
<b>ROI</b>	<b>1.72</b>	<b>1.84</b>	<b>1.94</b>	<b>1.99</b>	<b>2.05</b>	<b>1.91</b>

\*Gross/net savings calculations include only projected healthcare cost savings and do not include additional estimated savings from productivity. Productivity is provided for illustration purposes.

**Assumptions**

- Healthcare cost by category and savings opportunity are based on WLSC's paid medical and pharmacy claims
  - Projections reflect strong plan designs for Year 1 that financially incentivize utilization of the Health Center for employees for all primary care services and require the utilization of Proactive MD direct contracts when care is non-urgent.
  - Projections reflect an anticipated 6% year-over-year increase in healthcare costs in line with national trends.
- Program costs include the Proactive MD membership fee and estimated pass-through costs.
- Projections based on assumption of 60% of employees engaged (one or more provider visits) in Year 1 and 80% in Years 2-5. These engagement targets are in accordance with Proactive MD's book of business.