

HEALTH INSURANCE INNOVATION

2018 AAM Investment Conference June 28th, 2018

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TODAY'S TOPIC:

CASE STUDIES OF INNOVATIVE HEALTHCARE COMPANIES



- **Start-ups are disrupting incumbents**
- **Entrepreneurs Define the Future**
- **Tapping into Innovation Through Investment**

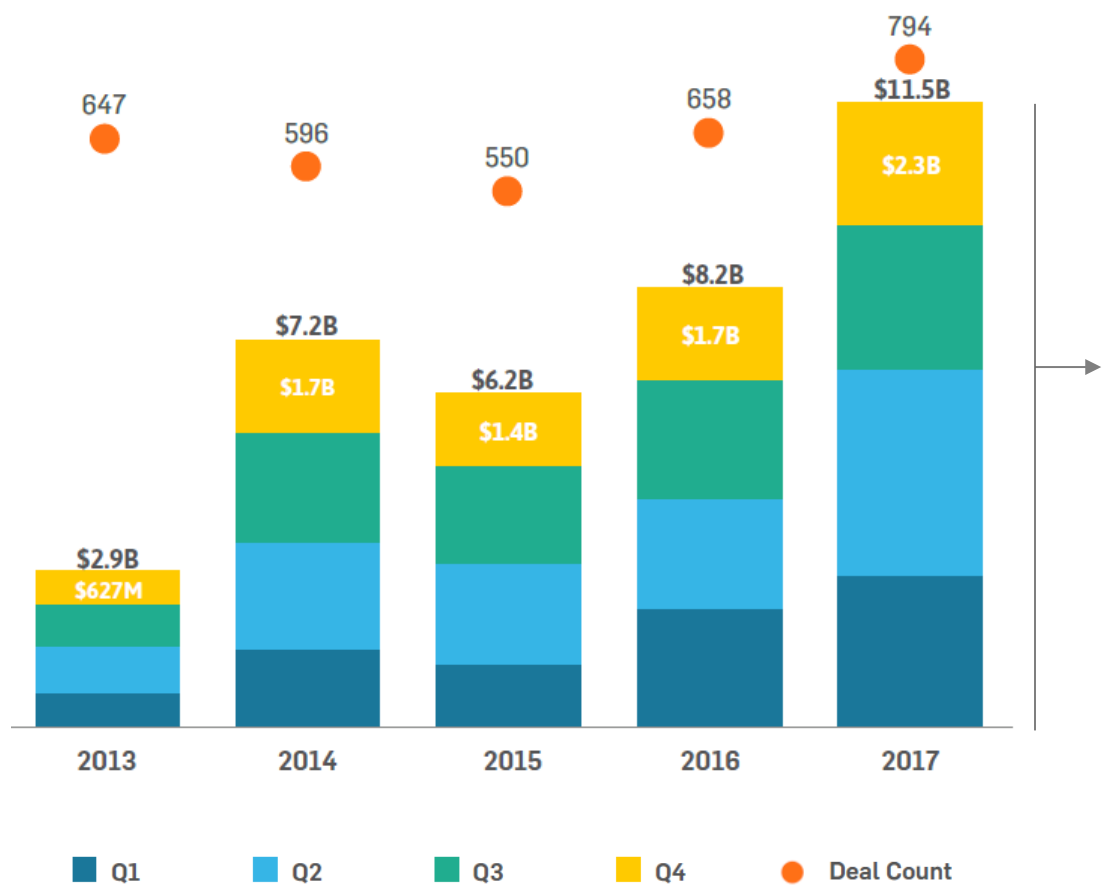


An Independent Licensee of the Blue Cross Blue Shield Association

- **Collaborative investment model with BCBS Plans**
- **\$575 million of capital from 33 BCBS entities across three funds**
- **Portfolio of 39 companies**
- **Sandbox is the exclusive provider of investment management services**

CURRENT HEALTHCARE TECHNOLOGY AND SERVICES FUNDING ENVIRONMENT

YOY FUNDING



MOST ACTIVE TRENDS: 2017

	Subsector	Total Raised	Deal Count	Avg. Deal Size
1	Patient / Consumer Experience	\$1.64B	191	\$9.3M
2	Personalized Health	\$1.59B	71	\$25.7M
3	Big Data / Analytics	\$1.39B	56	\$26.7M
4	Medical Device	\$1.37B	72	\$20.2M
5	Wellness	\$1.12B	77	\$16.5M
6	Workflow	\$1.07B	161	\$7.5M
7	Research	\$933M	38	\$24.6M
8	Education / Training	\$730M	17	\$48.7M
9	Population Health	\$696M	56	\$13.4M
10	EHR	\$404M	12	\$33.6M

5 Source: Startup Health Insights; Note: report based on public data on seed, venture, corporate venture, and private equity funding only

HEALTH PLAN MARKET LANDSCAPE

REGULATORY TRENDS

- Shifting of Risk
- Risk Adjustment
- Alignment of Quality and Reimbursement



CONSUMER TRENDS

- Distribution
- Engagement
- Cost and Quality Transparency



HEALTH PLAN

INNOVATIVE INSURANCE PRODUCTS

CLINICAL TRENDS

- Focused Care Management
- Primary Care Innovation
- Bundled Payments and Episodes of Care
- Care Anywhere



TECHNOLOGY TRENDS

- Data Integration and Management
- Analytics
- Precision Medicine and Diagnostics
- Cyber Security



CASE STUDY:



LUMIATA USES AI AND DATA SCIENCE TO
PREDICT FUTURE STATE OF INDIVIDUAL
OR POPULATION'S FUTURE HEALTH
(COST, RISK, UTILIZATION)

LUMIATA

Lumiata's Medical Map



20M+ patient records to **enrich** the raw data and build and train **models**

+

Interpretable Deep Learning



Lumiata AI combines medical models with personal medical history to **predict medical futures**

=

Real-time Prescriptive Action



Insights to help health plans and providers allocate optimal resources

Applications:

- Care Management - Influence health outcomes through proactive, prescriptive care
- Risk Adjustment - Identify undocumented member conditions to maximize payments from ACA and Medicare
- Cost Prediction - Predict spend/costs of patients and employer group plans for new and renewal business

CASE STUDY:



AXIAL USES A BIG DATA APPROACH TO NAVIGATING PAIN CARE AND THE OPIOID EPIDEMIC

MARKET SNAPSHOT

+\$300B	Medical costs associated with pain care
\$72.5B	Medical costs incurred by health plans because of non-medical use of opioids
+400%	Increase in number of deaths due to opioid overdoses from 2000 to 2012 with a total of 282 million opioid prescriptions written in 2012
10M	Estimated number of people in the U.S. addicted to or abusing opioids.



AXIAL: SUITE OF SOLUTIONS

ANALYTICALLY-DRIVEN

Proprietary models delivering
insight into interventions



- Fueled by data from over 100 million people and 2.4 million providers
- Evidence-based guidelines
- Continuous refinement and reassessment

TECHNOLOGY-FORWARD

Secure delivery of dynamic patient-centered
information and recommendations



- Cloud-based, flexible, dynamic, solutions
- Full suite of solutions to support all stakeholders, Health Plan, Provider, and Patient

CARE-ENABLED

axial's own pharmacists and health
coaches working to improve outcomes



- Pharmacists and coaches to drive outcomes
- Engages with prescribers and patients
- Service models are needed to ensure impact from technology and tools

AXIAL: SUITE OF SOLUTIONS

axialINSIGHT Operating platform that draws on a database of over 100 million lives and the latest clinical evidence to deliver a customized view of pain care and opioid misuse and their associated high costs.



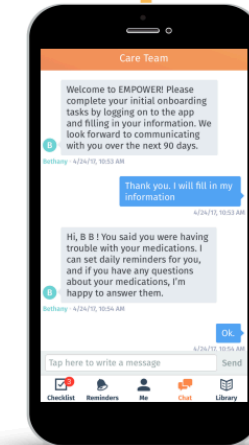
axialNETWORK

Proven network of highest quality and appropriate cost pain and opioid care facilities.



axialPRACTICE

Practitioner support tools, personalized treatment plans, and clinical consultation.



axialPATIENT

Mobile support and engagement applications for pain and OUD patients.

AXIAL: RESULTS

Multiple Prescribers



Co-Prescribing (with certain sedatives)



Opioid Prescriptions



Opioid-Related Deaths



MEDD (morphine equivalent daily dose)



*1 year post-implementation with current client-partner in one market covering ~310,000 lives