

I. Executive Summary

A. The Focused Health Solutions - Commonwealth Partnership

Focused Health Solutions is a NCQA accredited national provider of customized health services for large self-insured employers. Our programs and services mitigate health risk factors, manage chronic conditions and are designed to reach every individual regardless of health status. By offering effective “high-touch” programs at all points along the health continuum, Focused Health Solutions achieves elevated participation rates, impressive clinical results and notably high enrollee satisfaction.

Individuals facing diagnosis with a dangerous or even life-threatening chronic condition or elevated health risk factor may slip into hopelessness about their ability to manage their health unless appropriate resources are in place to help. Yet we know that personal health and privacy are sensitive issues for all employees. Individuals could experience an unanticipated phone call from an employer sponsored health plan to discuss a health problem as intrusive or confusing and this may place a barrier between them and the help they need and even desire.

Focused Health Solutions’ service model is based on trusting partnerships. Our customized outreach helps employees understand that our sole focus is helping them to better manage their health. Our opt-in model effectively engages only those people who are currently ready to take action to improve their health, whenever that moment occurs. Then we support them with valuable programs and meaningful incentives that really make a difference in their lives. Our programs empower enrollees with the knowledge and confidence needed to make wiser healthcare choices, take better care of themselves and their families, and enjoy greater quality of life.

Focused Health Solutions will build a partnership with the Commonwealth based on proactive communication with the Commonwealth benefits staff. As part of our implementation support, we will provide training to benefits managers and administrators at the local/ divisional level to ensure smooth program roll out and ongoing success. We will use a consultative approach to recommend high quality solutions, leveraging the deep industry experience of the new Focused Health Solutions team to provide the Commonwealth with greater understanding of enrolled and non-enrolled populations who have chronic conditions, including forecasting future resources needs. We will provide clear, consistent reporting of program performance including savings, return on investment, clinical outcomes, and compliance, using industry standard measurements such as DMAA.



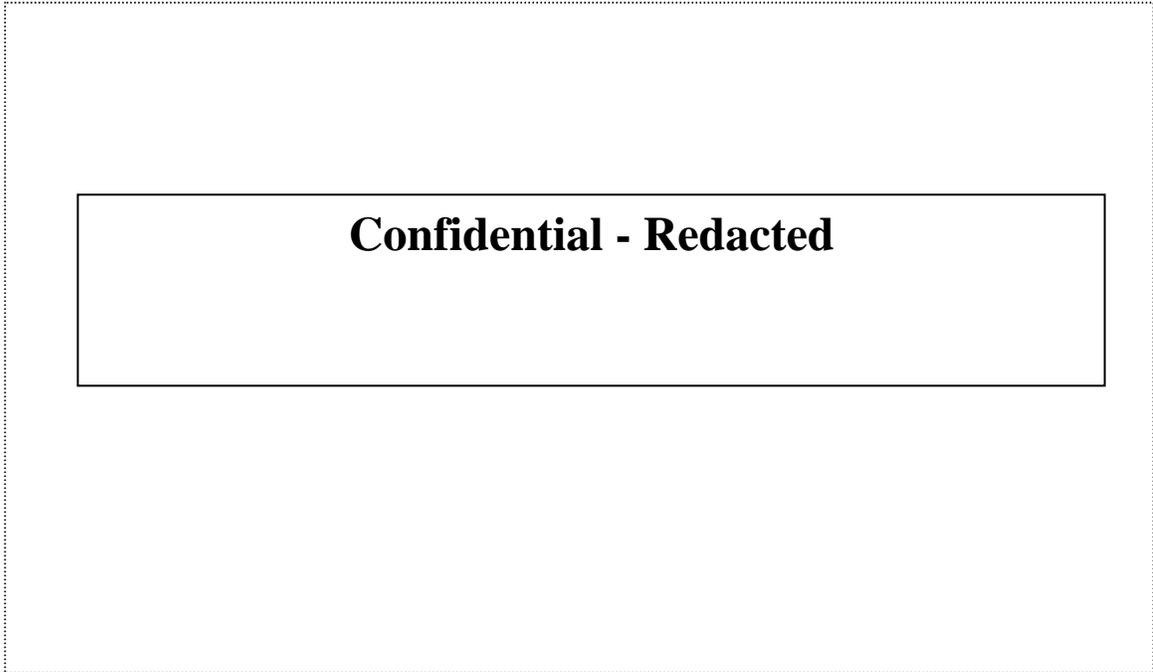
II. Experience

A. Company Background and History

During the late 1990s, Focused Health Solutions grew out of CM HealthCare Resources, a for-profit subsidiary of Children’s Memorial Medical Center which provided comprehensive home care services in the Midwest. As interest in disease management emerged, Focused Health Solutions was formed to exclusively address self-insured employers’ need for innovative cost solutions.

Following a successful pilot program with ComEd (now Exelon) in 2000, Focused Health Solutions broadened its scope to contract with self-insured employers throughout the United States. Today Focused Health Solutions partners with 16 major employers, including some of the most admired companies in the world. The success of Focused Health Solutions led to its present ownership by Linden LLC, a private equity firm specializing in the health care and life sciences sector.

In 2007, Focused Health Solutions substantially extended the scope of our client service offerings by acquiring The Good Health Company, a nationally recognized provider of wellness and health management programs, including health risk appraisal, lifestyle management and personal health coaching services.



B. Executive Team Biographies

Nancy Nelson

President & Chief Executive Officer

Nancy Nelson, the Chief Executive Officer and President of Focused Health Solutions, has an extensive background of over 30 years in the healthcare industry, as well as the information technology and financial services industries, in both the public and private sectors. She has successfully led organizations to new levels of growth and profitability through exceptional leadership, management, and strategy execution. Nancy's most recent accomplishments at Solucient, a healthcare information products company where she served as CEO, demonstrate her ability to develop and successfully execute business plans, institutionalize solid management practices, and drive market position. Nancy is committed to continuing to develop Focused Health Solutions' exceptional disease management business in this dynamic industry.

Eric Mollman

Chief Financial Officer

As CFO, Eric Mollman provides sophisticated financial support to all departments to enable them to best serve current and prospective clients as well as manages the company's financial operations and balance sheet.

Eric has 24 years of experience in all aspects of business finance, management and planning, particularly in working as lead financial officer with private equity-backed companies. Prior to joining Focused Health Solutions, he was Vice President – Finance of Pacific DataVision and Vice President – Finance of NeoWorld Communications; in each role, he was instrumental in capital raising and managing the financial aspects of the companies' business plans. Mr. Mollman has particular experience in raising capital, having spent 18 years in various capital market roles at Bank One and predecessor companies.

Eric earned his M.B.A. in Finance and Accounting from the University of Chicago and a B.A. in Economics from Harvard University.

Charlene Bonvissuto

Chief Operating Officer

Charlene Bonvissuto, the Chief Operating Officer at Focused Health Solutions, is a registered nurse, with an M.S. in Nursing and Healthcare Administration, Summa cum Laude, from State University of New York at Buffalo, and a healthcare industry expert with extensive experience in clinical, administrative, consulting and corporate executive management. A former Vice President with CHI Systems,

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a healthcare strategy and operations management consulting company, and Vice President and Partner for CAPGEMINI, a global leader in healthcare consulting, Charlene possesses a proven record of delivering client value, growing organizations and developing strong management talent.

Al Vega
Vice President, Sales & Marketing

Al Vega, the Vice President of Sales and Marketing, possesses extensive experience within the healthcare informatics and services market. He has a broad range of business experience ranging from start up organizations, mid sized growth firms and divisions of large multi billion dollar companies. Most recently he served as Senior Vice President of Sales and Marketing at Solucient where he was instrumental in significantly growing the company's top line revenue and its customer facing functions. He has executive expertise in developing high growth customer facing functions at EDS, Gerber Alley, Ameritech, HealthVision and Eclipsys and is committed to building upon the success of Focused Health Solutions.

Heather Knowles
Director of Analytics and Information Services

Heather Knowles works closely with the entire management team to track and analyze key enrollee metrics for the Focused Health Program. Her responsibilities include data warehousing, predictive modeling, tele-health data collection and client reporting (both standardized and custom requests).

Heather has decades of experience collecting and analyzing patient data, developing reporting models for specialty hospitals, and reducing medical expenses through sophisticated claims recovery processes. She is a certified project manager from the Project Management Institute and holds a B.S. in Finance from Taiwan University.

Caroline Millman
VP of Human Resources

Caroline Millman oversees all human resource and training needs at Focused Health Solutions. She has helped the company grow from its earliest days to a premier disease management company and a world-class training environment.

Caroline's entire career has been in health care, initially as an owner of a clinical and anatomic pathology laboratory and later involved with nursing organizations in the suburbs north of Chicago. She is an active member of the Society for Human



Resource Management and Human Resources Management Association of Chicago.

Caroline earned her B.A. from Northern Illinois University.

C. Account Team Biographies

Jon Hart

National Sales Manager

Jon Hart comes to Focused Health from Health Management Corporation (HMC), WellPoint's disease management company, where he was Regional Vice President of Sales. Jon has over six years of experience in the disease management industry. He was responsible for all sales and account management functions for 14 WellPoint owned Blue Cross and Blue Shield organizations. Prior to joining HMC, he worked with Trigon Blue Cross and Blue Shield with responsibilities for Operations in the National Account arena. Jon resides in Richmond, Virginia.

Lauren Biscotti

Director of Account Management

Focused Health Solutions account management is led by Lauren Biscotti, Director of Account Management. Lauren has over 20 years of health care administration experience. Immediately prior to joining Focused Health Solutions, Lauren held the position of Vice President of Client Management at Matria Healthcare. Additional relevant experience includes client relationship management at a nationally known disability and FMLA program provider; the development and strategic oversight of the customer service program for NaviMedix, an organization which provides an internet portal for connecting providers' offices with managed care organizations; a directorship in the provider claims call center for Harvard Pilgrim Health Care (HPHC).

Lisa Burba

Implementation Services Manager

Lisa is responsible for the successful implementation of Focused Health Solutions programs. Prior to joining Focused Health Solutions, Lisa served as the Director of Implementation Services at Matria Healthcare and as a Project Manager and Benefits Consultant for Hewitt and Associates. Lisa previously served as Member Services Manager for Resurrection Health Care, Chicago, IL.



D. Client Case Studies

Toyota Motor Engineering & Manufacturing North America, Inc.

Toyota currently operates 13 manufacturing plants in North America. In 2006, Toyota produced more than 1.55 million vehicles and 1.4 million engines at its North American manufacturing facilities. Annual purchasing of parts, materials, goods and services from North American suppliers totaled more than \$29 billion.

In April 2006, Toyota Motor Manufacturing North America, Inc., and Toyota Technical Center consolidated to form Toyota Motor Engineering & Manufacturing North America, Inc. (TEMA). TEMA is responsible for Toyota's North American engineering design and development, R&D and growing manufacturing activities in the U.S., Canada and Mexico.

The Challenges

- Plants in rural locations with lifestyle management issues
- Rapid escalation of claims for chronic conditions
- Required a turnkey vendor to facilitate implementation
- Needed a vendor that understood their population and its unique challenges

Our Solution

Focused Health Solutions partnered with Toyota to bring comprehensive disease management services to its covered population. Launched during January, 2005, the services attracted more than 2,100 individuals to voluntarily enroll, representing more than 20% of those people with chronic disease claims.

Toyota developed a compelling umbrella for its health benefits called *Take Ownership of Your Health*. All disease management and wellness services were bundled together and made easily available to employees, pre-Medicare retirees and their covered family members. After one year of participation, enrollees at Toyota report very high satisfaction with the disease management program (88% are very satisfied) and want it to continue.

Focused Health Solutions delivers 24/7 education and support to people with asthma, diabetes, hypertension, heart disease, back and neck pain and behavioral health conditions to the Toyota population. When adults and children enroll, they receive education from experienced nurse managers, self-care kits, telehealth devices for vital sign monitoring, reimbursed co-pays for related office visits and rewards for remaining compliant with their care plans and achieving their health goals.



Known as the Focused Health Program, much of its success hinges on frequent communication between enrollees and their nurse managers. Some of the most frequent education topics discussed during these phone calls are stress management, details on specific medical conditions, tips on exercise, asthma triggers and the use of portable health monitors. With personalized coaching, enrollees experience measurable improvements in their health. For example, nearly one out of ten enrollees with diabetes experienced a one-point (or greater) reduction in their HbA1c readings to regulate glucose; these reductions are important factors in helping diabetics avoid complications in eye, kidney, nerve and heart disease.

The Results

After only 12 months, Toyota realized savings of several million dollars, stemming from reduced medical utilization and improved quality of life for eligible employees, retirees and covered family members. This equates to a savings of \$1.50 for every \$1.00 the company invested. For example, year-end results showed significant decreases in utilization among program enrollees because they did not have to resort to high-cost resources to resolve their health care needs:

- Inpatient admissions decreased by 32.4%
- ER visits decreased by 27%
- Outpatient visits decreased by 21.4%

These figures were accompanied by a dramatic decrease in workdays missed due to illness.

Coupled with the upbeat financial results were equally positive clinical outcomes. When people first enroll in the program, they are assigned a severity level indicating the stage of their disease and the type of outreach needed to effectively support them. Levels 1 and 2 are less severe than Levels 3 and 4. After twelve months, a 15% drop in severity level was tracked, indicating that people's symptoms are improving and they require less intervention to manage their conditions.

"We are thrilled with these Year One results because they prove that you can enhance health care benefits while still improving your bottom line," noted Ford Brewer, MD, and Medical Director at Toyota. "Our goal was to provide people with better tools for healthy self-management and that's exactly what the data is showing us."

DTE Energy

DTE Energy is one of the nation's largest diversified energy companies. Headquartered in Detroit, Michigan, DTE Energy is involved in the development and management of energy-related businesses and services nationwide. Its largest operating units are Detroit Edison, an electric utility serving 2.2 million

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customers in Southeastern Michigan, and MichCon, a natural gas utility serving 1.3 million customers in Michigan. The DTE Energy portfolio also includes non-utility energy businesses operating in 29 states which focus on power and industrial projects, coal and gas midstream, unconventional gas production and energy trading.¹

The Challenges

Rising health care costs for an aging, stable workforce created a challenging situation that DTE needed to address. The onset of chronic disease as a result of lifestyle and age had hit the company hard. DTE was ready to invest in strategies that would greatly impact costs and quality of life for employees, union members, early retirees, and their families. With the help of an outside consultant, a health claims analysis showed a fast moving trend of prevalence and associated costs related to musculoskeletal and circulatory conditions. Many of the complicating factors were shown to respond favorably to changes in lifestyle behaviors such as weight loss and smoking cessation. Others required more focused interventions. DTE implemented a multi-component health management program to address these issues, including wellness and disease management services.

Our Solution

Focused Health Solutions partnered with DTE to bring our full suite of disease management services to its population of employees, union members, pre-Medicare retirees and their covered family members. Launched in 2004, the services attracted more than 2,500 individuals to voluntarily enroll as of March 2008, representing more than 18% of those people with chronic disease claims.

Focused Health Solutions delivers 24/7 education and support to people with asthma, diabetes, hypertension, heart disease, back and neck pain and behavioral health conditions to the DTE population. Enrollment covers the full gamut of all major disease categories. Disease specific markers are tracked to measure clinical improvements and overall impact on quality of life, enhanced productivity and reduced medical claims.

The Results

DTE has seen impressive clinical outcomes and associated cost reductions resulting from improved compliance among the participating population:

¹ <http://dteenergy.mediaroom.com/>



- Hypertension management has shown great improvement with more than 905 of enrollees now in the safe range for systolic pressure and 93% for diastolic pressure
- The number of enrollees with total cholesterol readings in the adverse risk range (>200) has declined 25%
- One-third of enrollees experienced reductions in HbA1C levels on one-half points or better, and 21% reduced their levels by at least one point.
- Only 33 individual enrollees now have HbA1C test results at 9.5 or above at their most recent assessment, the threshold for an adverse result²

Average severity levels have seen a 31.2% improvement for the total enrolled population, regardless of program enrollment year since the program's inception, an indication that the program is achieving stabilization of enrollee's health status and reducing the need for costly health resources. Focused Health Solutions maintains excellent ongoing participation among enrollees; at the end of year six, the Focused Health Solutions model had 12.5% of total members. By comparison, a competitor's model had 1.2% penetration at the end of year one.³ Enrollees at DTE report 92% satisfaction with the disease management program and want it to continue.

III. Project Overview

A. Scope of Services

(a) Condition Management

Focused Health Solutions' model for promoting healthier living is based on incremental behavior change. For lasting change to occur, an individual must be *educated, prepared, motivated* and *supported*. We believe only *active participation* in a "high touch" disease management program will yield meaningful and sustained outcomes for individuals living with one or more chronic condition. Therefore, we engage chronically ill individuals who are ready to actively manage their personal health in patient-centric programs that treat each enrollee with robust, sustained interventions.

Focused Health Solutions offers the programs for the following chronic conditions:

- Asthma

² U.S. DHHS, NDEP, 2007

³ Lynch, et al. JOEM 2006: 48(5) 447-454.



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- Back and Neck Pain
- Coronary Artery Disease
- Diabetes
- Hypertension
- Congestive Heart Failure
- Behavioral Health (Depression, Anxiety, Obsessive/Compulsive Disorder)

Focused Health Solutions uses a *patient-centric* approach to deliver *disease-specific* programs. Commonwealth enrollees will be assigned a dedicated nurse manager with expertise in a specific disease; the nurse manager assignment will take place upon final stratification of the enrollee. Focused Health Solutions nurse managers have extensive training and certification in the disease type to which they are assigned. Our experience shows that assigning nurse managers by disease type, rather than client, enables nurses to develop deep expertise in their discipline, providing the most knowledgeable resources in the industry.

Our dedicated nurse model promotes the development of long-term nurse/enrollee relationships. Over time, this relationship leads to improved communication and drives long-term, positive behavioral change and compliance. The Focused Health Solution nurse manager and enrollee work as a team to lower and/or hold severity levels constant. Through improved condition management, individuals with higher severity levels improve their ability to manage their condition and shift to a lower severity level. This stabilization of clinical condition builds savings through both cost reduction *and* avoidance.

(b) Outreach

Focused Health Solutions recognizes that the Commonwealth faces unique challenges in meeting healthcare goals. Focused Health Solutions has the experience and capabilities needed to effectively design an integrated strategic plan for the health and wellness program.

We will complete a comprehensive claims data analysis using proprietary grouping algorithms and book of business benchmarks to identify key cost drivers and savings opportunities for the Commonwealth's population. Informed by this process, Focused Health Solutions will make initial and ongoing recommendations consistent with the Commonwealth's overall program goals and state employment culture to ensure continued positive engagement and program success.



A key attribute of Focused Health Solutions plan will be to collaborate with the Commonwealth to design a strategy that ensures we reach those individuals who will benefit most from, and actively participate in, our programs. Tactics include:

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(c) *Active Engagement*

Focused Health Solutions' program model is opt-in, which means that individuals affirmatively volunteer to participate. Informed by Prochaska and DiClemente's *Stages of Change* model for describing complex human behavior change processes, which suggests that attempting to force complex behavior change on individuals who are not ready or willing to make such changes is futile, Focused Health Solutions' approach is to proactively offer our program to all those who are ready for a serious engagement. This is a more cost effective approach than programs that identify and enroll everyone with the chronic condition, whether or not they are ready to change. What's more, our comprehensive outreach is ongoing throughout the life of the program, with the objective of reaching members of your population as they become motivated to address their condition, whenever that may occur.

Focused Health Solutions uses highly interactive, customized programs of care and outreach to generate genuine active participation. We define participation as individuals *actively* enrolled in our intervention programs and working with a personal nurse. Since the impact of a program is a function of effectiveness and



penetration, it is crucial that participants remain actively involved for as long as interventions are required; rather than a defined period of time.

A 2006 article in the Journal of Environmental and Occupational Medicine studied the participation rates of a typical disease management model at various intervals over a one year period and found that only 1.7% of the total population remained engaged at one year (“participation” in this article is defined as at least one completed telephone call.) By contrast, more than 6% of Focused Health Solutions’ eligible population participates in one or more of our programs.

Moreover, our definition of *active* participation goes well beyond the minimal standard used in the JOEM study. Focused Health Solutions programs require multiple telephonic encounters with the nurse manager, follow-up mailings to confirm key topics discussed during nurse contact, telehealth “alert” driven outreach, and inbound calls to our nurse line available 24/7/365.

Condition Management Intervention

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(d) *Clinical Interface*



Confidential - Redacted

(e) Enrollee Incentives

Confidential - Redacted

(f) Data Analytics and Predictive Modeling



Confidential - Redacted

(g) *Gaps in Care*

Confidential - Redacted



(h) Integration

Throughout the course of working with enrollees, we understand there will often be times when third party services will be beneficial. Our ideal third-party integration model supports enrollee access to the right service at the right time. Focused Health Solutions possesses deep experience coordinating our programs with complementary services; we are fully prepared to coordinate with other health-related resources available to the Commonwealth's population such as the CommonHealth program, third party health risk assessments and more.

Focused Health Solutions' definition of vendor integration is based on both incoming and outgoing referrals to optimize use of all third party programs and benefits. Through our integration with third party vendors we raise enrollee awareness and access to additional programs that can help them, supporting their entry to necessary services as efficiently as possible.

Our current integration relationships include, but are not limited to, HRA, disability, PBM, EAP, managed behavioral health, and case management vendors. Integration includes multi-media points of integration (teleconferences, warm transfers, fax/web referrals, etc.) across various vendors to make certain that enrollees are provided all available services as soon as possible after identification. Focused Health Solutions systems are designed to facilitate, track and report inter-program referrals.

Focused Health Solutions has extensive experience integrating with our clients' vendors. Examples of these integration activities include:

- Wellness: We have worked with wellness vendors to create custom marketing materials to promote the unique combined capabilities of an integrated program. In addition, we receive electronic and telephonic referrals from health risk assessments and health coaches, as well as electronic data identifying potential enrollees for outreach.
- Case Management: Focused Health Solutions has worked with several client vendors in the area of case management, so that individuals can be referred to Focused Health Solutions for potential enrollment.
- Behavioral Health: We have worked with niche behavioral health disease management vendors to create a hybrid behavioral health program, where case notes are shared to ensure optimal care management services for the enrollee.
- Onsite Clinics: Focused Health Solutions has worked with our clients' on-site health clinics to integrate services that support routine clinical checkups for chronic conditions and referral processes. We also accept

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data from on-site biometric vendors; Focused Health Solutions will input up-to-date biometric data into our clinical system for use in the management of enrollees' conditions.

- Disability/Worker's Compensation: Focused Health Solutions has worked with several clients' disability and workers compensation vendors to support quality of life and return to work initiatives.
- Ancillary Benefits: Focused Health Solutions works with our clients to identify all client vendors programs and assists with creating enrollee awareness of these. Examples include referring enrollees to EAP programs when they have work-life issues, helping create awareness of lifestyle management programs such as weight-loss, stress, and smoking cessation, including nicotine replacement therapy benefits. We also help make enrollees aware of upcoming vendor site visits for wellness, and health fairs.

Our goal is to create a seamless participant experience, making sure we support the enrollee in making the best choice from the programs available to them. We will facilitate effective integration through joint education of each provider's programs and resources and through the establishment of integration points and referral rules between Focused Health Solutions and other programs during implementation.

Focused Health Solutions' programs are delivered using Focused Health Solutions internal resources. However Focused Health Solutions has gained extensive experience partnering with best-in-breed vendors for certain complementary services. They include vendors for onsite biometric health screenings, as well as vendors that provide customized, broad-based solutions such as disability, managed behavioral health, online health advisor tools and others.

(i) Physician Engagement

When an individual enrolls in the program, Focused Health Solutions contacts their personal physician to confirm enrollee information and ask the physician to review the initial care plan. After that, the physician is sent regular summaries of the enrollee's health progress.

Nurse case managers coach enrollees on effective communication skills with their physicians. Nurses help organize data and suggest relevant questions for enrollees to ask physicians at the next office visit. To encourage enrollees to keep appointments with physicians for guideline recommended tests and check-ups, Focused Health Solutions will reimburse office co-pays for scheduled office visits specific to the



managed condition (up to program defined limits). Nurse managers are evaluated, in part, on enrollee compliance with physician visits.

By providing relevant actionable data, empowering enrollees to effectively communicate with physicians and avoiding unnecessary physician interruption, we have preserved an excellent working relationship with enrollees' physicians, who view us as a means to pass on crucial but non-reimbursable patient monitoring tasks.

Biometric data gathered by our telehealth devices is transmitted, trended and recorded into the enrollee's internal electronic medical record. This data is printed and included in routine updates to the physicians. In addition, physicians can request copies of this data prior to scheduled appointments.

(j) *Lifestyle Management*

As the *Roadmap for Virginia's Health*⁴ elaborates, the prevalence of obesity and tobacco use is a considerable and growing threat to the quality of health in the Commonwealth. Preventable risk factors are associated with onset of chronic health conditions, loss of productivity in the workplace and premature mortality among adults and children. Obesity-related health costs in Virginia are currently estimated to exceed \$1.6 billion annually. The documented negative health impacts from direct and environmental tobacco smoke are significant. According to the report, tobacco use is the number one leading preventable cause of death in the Commonwealth, accounting for more than 9,000 deaths annually in Virginia.

Focused Health Solutions Lifestyle Management programs are a powerful tool to gain the multiple benefits associated with reduction modifiable health risks such as obesity and tobacco use. Our interventions apply the optimal level of resources at the optimal time to improve the health and well being of participants.

Focused Health Solutions lifestyle management programs are based on the principle of Elasticity of Behavior Change™ pioneered by Dr Jim Fries of Stanford University. This principle, simply put, focuses on helping enrollees achieve a successful behavior change when they are most willing and ready. Throughout each program year, participants will be assessed and engaged in highly interactive programs appropriate for their personal health status and readiness to change behaviors.

Why choose Focused Health Solutions health risk assessment (HRA) and lifestyle management?

⁴ Health Reform Commission, *Roadmap for Virginia's Health – A Report of the Governor's Health Reform Commission*, (September, 2007), Office of the Secretary of Health and Human Resources (OSHHR)



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Focused Health Solutions lifestyle management program is built with the following complementary components:

HRAOne™ Health Risk Assessments – The purpose of HRAOne is to give individuals a barometer of their relative risk for developing or exacerbating lifestyle related health conditions. An individual personal wellness score is a reflection of how well the individual is doing to be as healthy as possible. HRAOne feeds our proprietary predictive modeling algorithms and drives our lifestyle management program outreach. HRAOne targeted health risk assessments are conducted between two to four times per year depending on the enrollee’s specific risk level. HRAOne can be administered online or in paper format. Focused Health Solutions can integrate with HRA data from third party vendors.

Advising Sessions – Each enrollee that completes HRAOne and agrees to be contacted will receive an advising session regardless of their state of health. These sessions are designed to advise the enrollee on steps to improve health and to set expectations going forward. Most importantly, these sessions educate enrollees about the availability of High Intensity Coaching™ or disease management programs that are appropriate for them.



Focus Programs – Focus Programs consist of self-education materials and surveys that assist individuals in learning how to best manage their risk. High-risk participants will be invited to participate in follow up HRA questionnaires four times per year; low-risk participants will be invited to participate in follow up HRA questionnaires twice annually. Follow up questionnaires are customized based on previous information shared by the participant and builds on lifestyle improvements to reward achievements and encourage continued healthy behavior changes.

High Intensity Coaching (HiC) – Upon completion of HRAOne, program participants will be evaluated on their eligibility and readiness to change identified risk factors. Focused Health Solutions' High Intensity Coaching programs include one-to-one coaching with frequent outbound calls to address risk factors that drive health care costs and are associated with the onset of chronic disease. These highly structured yet completely individualized programs are focused on reduction of risk factors through safe and healthy measures. All programs have clearly defined outcome measures and are based on the best evidence from existing research. Programs include:

- *Smoking Cessation*
- *Pre-Diabetes*
- *Weight Loss*
- *Stress*
- *Exercise*

Focused Health Solutions uses a collaborative coaching model that empowers people to make positive change. Our model is coach facilitated and participant driven, taking individual learning styles and readiness to change into account. Each program stresses ongoing education, problem-solving and goal-setting. Our coaches meet each participant's unique needs, giving them the tools they need to take control of the process of long-term positive behavior change.

Health Education Portal – Focused Health Solutions provides a completely personalized Health Portal as an additional communication hub to wrap around the entire program. The Health Portal incorporates resources such as the participants' health assessments and tailored response physician letters and reports, an illustrated health encyclopedia, a comprehensive drug database, daily health news, targeted weekly health improvement newsletters, care guides for consumers with chronic conditions, and much more. The site can be customized to include client specific branding and resources.



Support for the Commonwealth's Nicotine Replacement Therapy (NRT) Benefit – Focused Health Solutions Lifestyle Management supports participation in the Commonwealth's NRT benefit by identifying need through our HRA, proactively communicating NRT availability and tracking NRT participation in HRA reporting. HRA participants who are tobacco users and who agree to be contacted for an advising session will receive an email thanking them for HRA participation and encouraging them to use their NRT benefit. This email can include a hyperlink directly to the NRT pharmacy vendor site so the participant can order their NRT immediately. The email will also include information about the advising session the participant will receive for additional support and program guidance.

Disease management program participants who are tobacco users will be informed by their nurse manager of the availability of nicotine replacement therapy to assist them in their goal of tobacco cessation; NRT participation among condition management participants may be added as a metric in outcomes reporting to the Commonwealth.

(k) *Patient Confidentiality and Data Security*

Focused Health Solutions takes protection of enrollee confidentiality and private health information seriously. Under HIPAA regulations, Focused Health Solutions is considered a “Business Associate” providing services on behalf of our self-insured employers’ health plans.

HIPAA requires that employer health plans maintain a firewall between the plan operations and the “Plan Sponsor” – the employer itself. Focused Health Solutions honors that firewall by never providing personally identifiable health information to the employer. Outcomes results are reported in aggregate and individual case studies are de-identified and presented anonymously.

As a Business Associate, Focused Health Solutions has implemented business processes related to management of Protected Health Information (PHI) that comply with HIPAA privacy and security requirements. These include:

- Developing policies and procedures specific to all job functions with regard to using, disclosing, and protecting PHI
- Providing HIPAA training programs for all Focused Health Solutions staff
- Designating a Privacy Officer and Security Officer with responsibility for ensuring ongoing compliance with HIPAA regulations and the Business Associate agreements we have in place with clients



- Limiting access to the minimum necessary PHI required for a job function by developing role-based access for information systems that contain PHI
- Requiring Business Associate agreements with our few trusted sub-contractors with access to PHI
- Engaging legal counsel with expertise in HIPAA as it applies to disease management organizations and self-insured employers, to provide sound guidance in the development of our compliance programs
- Limiting marketing activities solely to the provision of our organization's health services. Focused Health Solutions does not provide data to any other parties for marketing purposes or market on other entities' behalf

HIPAA requires the technical and physical protection of personal health information. Focused Health Solutions is fully capable of electronically sending and receiving member protected health information (PHI) and remaining in compliance with HIPAA standards. Systems and processes in place to meet the requirements for data security and privacy include the following:

- Encryption strategies
- Managed firewall technology with intrusion detection
- Multi-tier authentication for information system access
- Virtual Private Networks (VPN)
- Real-time anti-virus scanning
- Redundant servers for critical applications
- Disaster-tolerant storage area network for PHI data storage

(l) Reporting



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(m) Implementation

Focused Health Solutions has developed an efficient and timely 90-day implementation process that extends from signed contract to program launch. Our process leverages internal resources from relevant organizational areas, such as account management, marketing, and informatics and data analysis, and is led by a highly experienced implementation manager to ensure all project requirements are achieved on schedule. Communication during implementation is typically scheduled on a weekly basis, with more frequent communication scheduled ad hoc as required.

Focused Health Solutions implementations are designed to require minimal resources on the part of clients; we recommend that a designated representative from the Commonwealth be assigned to facilitate day to day interaction.

The Focused Health Solutions implementation process is included in our fees.

(n) Quality

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(o) *Satisfaction*

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IV. Financials

A. Fee Proposal, Assumptions, Payment Structure

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B. Return on Investment Methodology

Focused Health Solutions will use a mutually agreed upon industry standard ROI methodology, to be established at a later phase of the procurement process.

V. Project Benefit and Compatibility

A. Benefit to Enrollees and Their Families

The benefit of empowering people to take charge of their health goes beyond the obvious impacts of improved clinical outcomes and cost reductions. The burden of poorly managed chronic conditions on individuals and their families is profound both from a quality of life and productivity standpoint. Unaddressed lifestyle risk factors such as obesity and tobacco use exacerbate the impact of chronic disease making people even less healthy and feel worse. And as the Commonwealth's own research has shown, younger people are alarmingly at risk for obesity and tobacco use, paving the way for health complications later in life. In young people who already have

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chronic conditions such as asthma, this is an especially unfortunate burden. Happily, Focused Health Solutions enrollees frequently report that the healthy lifestyle changes they are making to manage their own condition are having a positive impact on the health of their children and partners.

While the tools we use to measure overall clinical improvements in populations are central to evaluating program success, the frequent unsolicited testimonials and messages received by our staff are testament to the positive difference our programs are making in the lives of individuals living with chronic health challenges.

B. Contribution to Commonwealth Health Care Goals

Faced with fiscal constraints and competing demands on resources, public and private sector employers are pursuing new strategies to reduce the cost of caring for patients with costly chronic diseases. Through its past research and experience, the Commonwealth recognizes that chronic diseases, such as cardiovascular disease, asthma, and diabetes, are among the most prevalent, costly, and preventable of all health problems.

Focused Health Solutions condition and lifestyle risk management provides a uniquely powerful strategy for the Commonwealth to improve employee health outcomes and limit health care spending by identifying, educating and supporting populations with health risk factors; helping employees adhere to proven interventions; and engaging patients in the management of their own care.

