

The background is a blue gradient with several overlapping, semi-transparent circular shapes of varying shades of blue, creating a layered effect.

HealthCare Cost Reduction 6 Years In The Making

A Typical Family In Our Cost-Reduction Program

Father - 40 yr old

Mother - 27 yr old

Child 1 - 17 yr old

Child 2 - 14 yr old

Child 3 - 12 yr old

Child 4 - 6 yr old

Child 5 - 2 yr old

- Viral head cold / sore throat
- Bronchitis / pneumonia
- Hand and wrist fractures
- Foot and ankle sprains
- Leg, head, chin lacerations
- Vomiting, diarrhea, influenza
- Dehydration, croup

Number of Clinic Visits

	2012	2013	2014	2015	Total
Father	0	4	2	0	6
Mother	3	4	1	1	9
17 yr old	0	8	6	2	16
14 yr old	1	1	0	1	3
12 yr old	1	1	1	1	4
6 yr old	1	6	2	1	10
2 yr old	0	0	10	3	13
Total	6	24	22	9	61

Costs of Visits at a Typical Clinic

	Total	Clinic Cost \$150/visit	Clinic Cost \$100/visit
Father	6	\$900	\$600
Mother	9	\$1,350	\$900
17 yr old	16	\$2,400	\$1,600
14 yr old	3	\$450	\$300
12 yr old	4	\$600	\$400
6 yr old	10	\$1,500	\$1,000
2 yr old	13	\$1,950	\$1,300
Total	61	\$9,150	\$6,100

If Everyone Went to ER

	Total	Average ER Cost \$1,265 / visit**
Father	6	\$7,590
Mother	9	\$11,385
17 yr old	16	\$20,240
14 yr old	3	\$3,795
12 yr old	4	\$5,060
6 yr old	10	\$12,650
2 yr old	13	\$16,445
Total	61	\$77,165

** Average ER visit cost in 2008 was \$1,265 per visit

Frequent Reasons for Emergency Room Visit

Father - 40 yr old

Mother - 27 yr old

Son 1 - 17 yr old

Son 2 - 14 yr old

Son 3 - 12 yr old

Son 4 - 6 yr old

Son 5 - 2 yr old

Viral head cold / sore throat

Bronchitis / **Pneumonia**

Hand and wrist Fractures

Foot and ankle Sprains

Leg, head, chin Lacerations

Vomiting, diarrhea, influenza

Dehydration, croup

If 1/3 Went to ER

	Total	If 1/3 Visited ER
Father	6	\$2,277
Mother	9	\$3,415
17 yr old	16	\$6,072
14 yr old	3	\$1,138
12 yr old	4	\$1,518
6 yr old	10	\$3,795
2 yr old	13	\$4,933
Total	61	\$23,148

Actual Costs at Our Clinics

	Total	Via Membership at Medallus Medical
Father	6	\$60
Mother	9	\$90
17 yr old	16	\$160
14 yr old	3	\$30
12 yr old	4	\$40
6 yr old	10	\$100
2 yr old	13	\$130
Total	61	\$610 / 61 Visits

Cost Comparison

	Total	Clinic Cost \$150/visit	ER Cost \$1,265/visit	If 1/3 Visit were ER	Membership at Medallus
Father	6	\$900	\$7,590	\$2,277	\$60
Mother	9	\$1,350	\$11,385	\$3,415	\$90
17 yr old	16	\$2,400	\$20,240	\$6,072	\$160
14 yr old	3	\$450	\$3,795	\$1,138	\$30
12 yr old	4	\$600	\$5,060	\$1,518	\$40
6 yr old	10	\$1,500	\$12,650	\$3,795	\$100
2 yr old	13	\$1,950	\$16,445	\$4,933	\$130
Total	61	\$9,150	\$77,165	\$23,148	\$610

Possible Because of HB 240

- Medical Retainer Agreement
- Utah Code 31A-4-106
- Chief Sponsor - Ken Ivory
- Routine Medical Care in Exchange for a Pre-Paid Fee

Medallus Medical Membership

- Pre-Paid Membership fees:
- One person → \$45/month
- If Family of 2 → \$35/person/month
- If Family of 3 or more → \$25/person/month
- Family Cap of \$100/month
- Members Receive Care for \$10 per Visit

Membership Benefits

- Urgent Care - unlimited visits
- Primary Care - unlimited visits
- All Procedures Included
- No Extra charges (Except for outside services)
- X-Ray, Splinting, Casting, Breathing Treatment
- Strep test, Urinalysis, Shots, IV Fluid
- 24- Hour answering Service

Membership Benefits

- Nine Walk-In Clinics - Layton to American Fork
- Urgent Care and Primary Care
- 5 to 8 Exam Rooms
- Cardiac Bay
- Trauma Area
- Minor Surgical Area
- X-Ray and Lab On Site

History

- Created and Implemented in 2009
- Reason for the Creation =
- Patient hesitated to seek help
- They were sicker than They should be
- Higher Copays
- Higher Deductible
- No Health Insurance

Program Achievements

- Increase Access of Care
- Allows Patients NOT to Hesitate to Seek Medical Help
- For **\$1 a day and \$10 per Visit**,
- WE Prove: **Basic Medical Care is ACTUALLY NOT Expensive**
- WE: **Prevents Basic Care from Becoming Expensive**
- Steering Patients away from ER and Hospital Admissions
- Reduce Visits to Expensive Specialists
- Our Members: *Get Well and Stay Healthy for Less*

Current Membership

- Almost 5,000 Members
- Monthly Member Visit = Financially Feasible for us
- 60% of our Members = Multiple Years
- Becoming Popular among Employers
- Over 200 Companies offer Membership to Employees

ER Cost Reduction

- If **5%** of 5,000 Members Visit ERs in a Month,
- ER Costs = **\$316,250**
- If **1%**
- ER Costs = **\$63,250**
- But 20% - 30% of 5,000 Members Use Our 9 Clinics / MO
- Costs = **\$10,000 - \$15,000** for 1,000 - 1,500 Visits
- **Membership Fee = Under \$100,000/mo**

Compared to Monthly Insurance Cost

- 5,000 Members
- If All are Individual Policies,
- \$250/month/Individual = **\$12.5 Million**/Month
- If ½ Individual and ½ Family Policies
- \$700/month/Family (4 per family),
- **\$1.06 Million**/Month
- Plus \$1,000 - \$10,000 Out of Pocket per Year

Future Goals

- 30,000 to 50,000 Members along Wasatch Front
- 15 to 20 Clinics
- Telemedicine - to help **Increase Access** and **Reduce Cost**
- **Population Management Medicine**
- **Actively Reach out to Members to Manage Their Health**
- **Pilot Program for the State**
- **Possibly Cost Reduction Strategy for the Gap Population**