HEROES

HEalth care Rewards to Achieve Improved OutcomES

January 10, 2024

Darshak Sanghavi, M.D. Program Manager

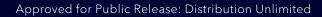
Resilient Systems Mission Office





What if... we moved from a sick care system to a system that truly rewards better health?





HEROES Draft Program Solicitation (PS)

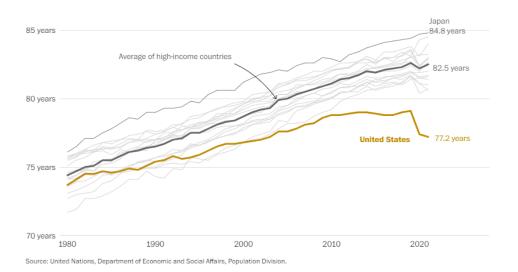
- Concise description of the program: Under the HEROES program, public health entities and collaborators will have the opportunity to improve the health status of their communities for specific patient populations as the program evaluates a new payment model that incentivizes community-based interventions to improve health outcomes across a fixed geography. These solutions will investigate a new regionally focused outcomes-based financing approach for the healthcare industry, which rewards only positive health outcomes and reduces the health care burden on patients, providers, and the economy.
- **Draft Program Solicitation (PS):** Posted to https://sam.gov on January 9, 2024, and is available for comments and feedback through February 20, 2024.
- Health Outcomes included within the draft PS:
 - 1. Maternal Health: Reduction in rate of intrapartum and postpartum severe obstetric complications.
 - 2. Heart Attack and Stroke Risk: Reduction in aggregate 10-year risk of heart attack and stroke for people aged 40-70 years.
 - 3. Opioid Overdose: Reduction in the number of emergency medical service calls for opioid overdoses.
 - 4. Alcohol-Related Health Harms: Reduction in the number of emergency medical services calls for alcohol-related emergencies.
- ARPA-H encourages feedback on this draft solicitation and will be utilizing this process to gauge interest in the four health outcomes. Note that **only two** health outcomes will be included in the final solicitation.

Refer to the full draft solicitation (ARPA-H-SN-24-04) posted to https://sam.gov for full HEROES Program details to include key dates.

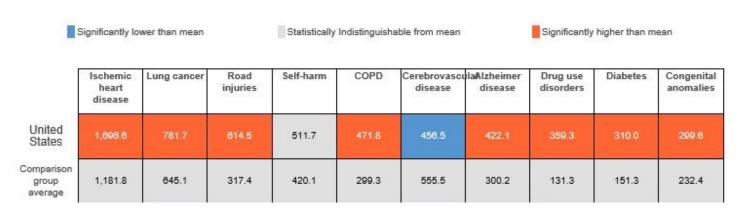


Preventive Health Care is Not Working for Many Americans

American life expectancy has been flat for decades and is declining, trailing other nations.



Despite massive spending, a high burden of preventable morbidity and mortality drives poor outcomes.



Years of Life Lost Per 100,000, All Ages, Age-Adjusted, from Global Burden of Disease, http://www.healthdata.org/united-states



Health Care Outcomes: Current vs. Future State

<u>Current State</u>: Health care organizations don't have strong financial incentives to fix early signs – and most people aren't lucky enough to get the right care at the right time.



- No Accountability: Pay for expensive treatments, no focus on prevention.
- Inequity: Fragmented care, inability to make broad system investments.
- Flying blind: No timely data on health of the whole population.

<u>Future State</u>: HEROES rewards fixing early warning signs to deliver better outcomes for <u>all</u> people, <u>not just the lucky few</u>, incentivized via pre-negotiated payments.



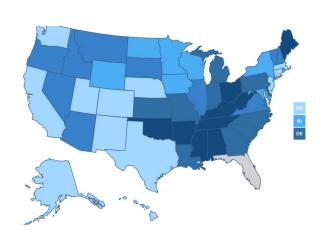
- Accountability: Payment only if preventive targets achieved.
- Equity: Whole geographic population is included.
- Evidence-driven interventions: Timely data to drive rapid-cycle improvement.

HEROES: Changing the System to Create a Market for Prevention

The Right Incentives: Sustainable financing that rewards outcomes In the Right With the Right Regions: Interventions: Population-level Create the right accountability in areas Technology, hardest hit by Engagement, & Clinical preventable health Interventions burden



How HEROES Aligns Incentives with Geographies



Health Accelerators will propose a high-need geographic region in **one of two** possible health outcomes.

Each Health Accelerator will need to meet a population-specific goal that has been projected to generate at least \$60M value to society (across health care, productivity, and social service costs) over 3 years.

ARPA

Maternal Health Outcomes **Significance:** The U.S. experiences higher rates of Severe Obstetric Complications (SOC) than most other developed countries, and rates continue to rise.

Goal: Within a population of 5M, reduce rate of SOC during delivery hospitalization and 60 days after delivery by 20%.

Heart Attack and Stroke

Significance: Heart disease (#1) and Stroke (#5) are among the leading causes of death in the U.S. Annually, there are about 805,000 Heart Attacks and 795,000 Strokes.

Goal: Within a population of 700,000, reduce 10-year aggregate risk of Heart Attack and Stroke for people aged 40-70 years by 1% point.

Opioid Overdose **Significance:** Opioid Use Disorder (OUD) affects over 2.1 million individuals and causes over 100,000 deaths annually in the U.S. Fewer than 10% of patients with diagnosed OUD receive medication-assisted treatment (MAT).

Goal: Within a population of 500,000, reduce the number of emergency medical service calls for opioid overdoses by 10%.

Alcohol-Related Health Harms **Significance:** An estimated 1 in 5 deaths of people ages 20 - 49 result from excessive alcohol use. There are more than 140,000 alcohol-related deaths per year in the U.S.; excessive drinking, including binge drinking, costs the U.S. \$249B annually.

Goal: Within a population of 500,000, reduce the number of emergency medical service calls for alcohol-related emergencies by 10%.

HEROES Outcome Toolkit

OUTCOME SELECTION:

Chosen* for maximum impact on health disparities

*Outcome Toolkit will only display the selected 2 health outcomes detailed in the final PS

Opioid Overdose

Alcohol-related Health Harms

GEOGRAPHIC INCLUSION:

Health Accelerators must choose an entire geographic region and must serve <u>every person</u> in the area

SITE AND PERFORMER SELECTION:
Performers must choose a
geographic area with performance
worse than the national average and
must have a plan to reach all people

1 What is the outcome you want to investigate?

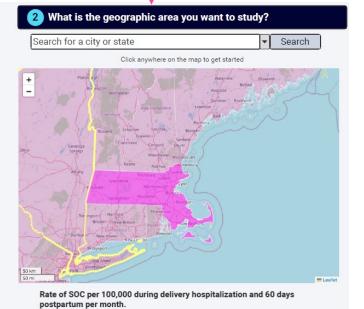
Maternal Health

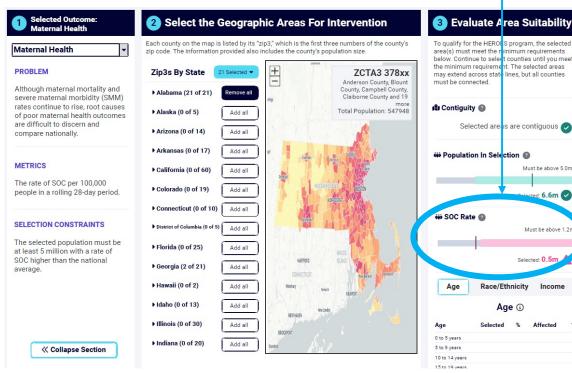
Heart Attack and Stroke Risk

Severe Obstetric Complications (SOC) can occur during or after labor and delivery and can result in major disability and even death of a parent or child after pregnancy. The use of technology and improved clinical coordination have been shown to improve maternal health outcomes. Estimated total maternal morbidity costs for all U.S. births in 2019 to be \$32.3 billion from conception through the child's fifth

birthday. This amounts to \$8,624 in additional costs to society for each

Learn More







How HEROES Creates Incentives

Pick Targets



Health Accelerator selects an outcome and target geographic area.

Identify Outcome Buyers



Health Accelerator secures promise of future payment for successful health outcomes from ARPA-H and Outcome Buyers (e.g., employers,

Raise Funding



Health Accelerator raises money to be used in prevention-oriented care to fund new technologies and operations.

Help People



Health Accelerator deploys innovative, evidence-based technologies at scale to improve health outcomes in the specified geographic area.

Get Rewarded



If outcome achieved,
ARPA-H and
Outcome Buyers
reward Health
Accelerator.

Population Benefit Over
Three Years:
At least \$60M of value

Possible Incentive:

health plans).

Outcome buyers contribute \$45M (\$15M ARPA-H plus 2:1 match)

Build Capacity:

Create tech and a community that is engaged in preventive care

Public Health Win:

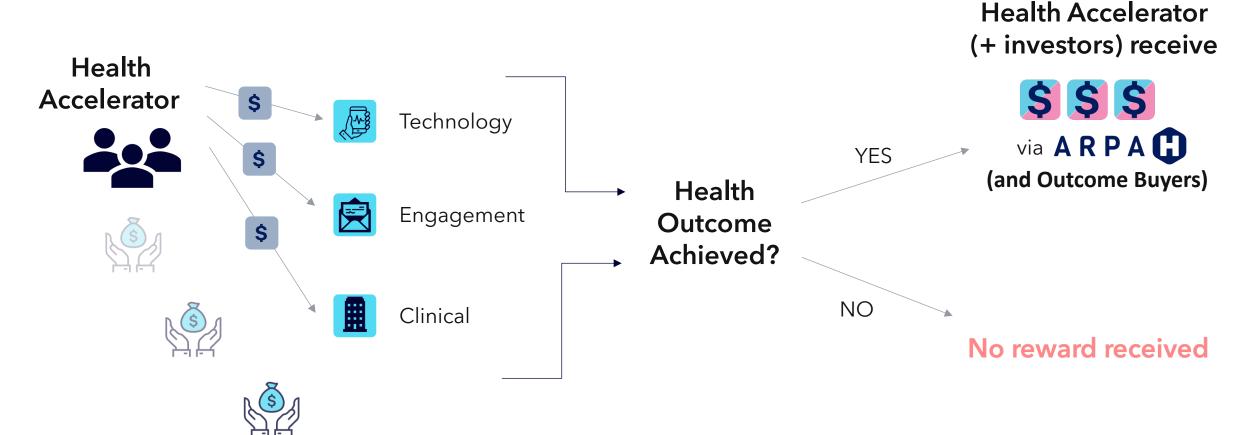
Outcomes, like heart attack risk or opioid overdoses, improve

Fiscal Win-Win:

Outcome buyers create \$60M value for \$45M



HEROES: How the rewards flow





Investors contribute to Health Accelerator plan for equity in reward payment

Hypothetical Reward Example for Maternal Health

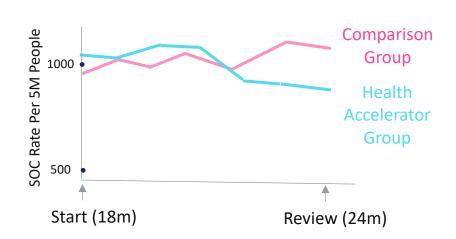
Step 1: Agree to "rate card" at the start

Change Relative to Comparison Group	Outcome Payment (\$375K per 1% change)
0% or worse	None
5%	\$1.875M
10%	\$3.75M
15%	\$5.6M
20% or better	\$7.5M

Calculation going into contract:

- Performance period 36 months, paid every 6 months.
- Total Outcome Buyer Commitment = \$45M (\$15M from ARPA-H + \$30M from partners), which allows \$7.5M maximum payment pool every 6 months.
- Target Outcome = 20 percentage point improvement averaged over 3y (\$375K per 1 percent every 6 months, given payment pool).

Step 2: Every 6 months, review metrics



- ➤ In Comparison Group, rate <u>worsens</u> from start time by 5% (from its baseline).
- ➤ In Health Accelerator Group, rate <u>improves</u> from start time by 10% (from its baseline).
- ➤ Thus, Health Accelerator showed 15% improvement relative to Comparison.

Step 3:
Pay Health Accelerator per rate card

Change Relative to Comparison Group	Outcome Payment (\$375K per 1% change)		
0% or worse	None		
5%	\$1.875M		
10%	\$3.75M		
15%	\$5.6M		
20% or better	\$7.5M		\$
			Ą

- ➤ ARPA-H / Outcome Buyers disburse \$5.6M reward payment to Health Accelerator.
- 6-month cycle restarts.

Hypothetical Reward Example (more details)

	6 months	12 months	18 months	24 months	30 months	36 months	Total payout (\$) and average outcome reduction (%) over entire 3- year program
Hypothetical maximum outcome-based payout (assuming \$45M total reward pool)	\$3.75M	\$3.75M	\$7.5M	\$7.5M	\$11.25M	\$11.25M	\$45M
Expected reduction of severe obstetric complications (% relative to comparator)	15%	15%	20%	20%	25%	25%	20%
Scenario 1: Slow start with moderate sustained progress but does not achieve the expected 3-year average outcome reduction.							
Relative reduction achieved by the Health Accelerator	0%	0%	17%	15%	20%	25%	12.8%
Reward earned by Health Accelerator	\$2M	\$0M	\$6.38M	\$5.63M	\$9M	\$11.25M	\$34.25M
Scenario 2: Strong performance but does not hit all milestones during the program. At end of the program, the 3-year average outcome reduction exceeds the expected amount. The HA is eligible to receive the balance of the reward pool via a post-program "true-up."							
Health Accelerator's relative reduction	10%	15%	15%	20%	25%	35%	20%
Health Accelerator Reward Payment	\$2.5M	\$3.75M	\$5.63	\$7.5M	\$11.25	\$11.25M	\$41.88M earned and trued-up to \$45M

^{*}The actual value of the outcome-based reward pool is dependent on additional advanced commitments from Outcomes Buyers secured by the AHA.

Scenario 1:

- The AHA does not earn the full reward amount available in each 6 months except for the last where it performed below the target improvement rate.
- In each 6-month payout period, the AHA earns a reward value proportional to the improvement, except in the first 6-month payout period in which it earned the floor payout minimum of \$2M despite showing no improvement.

Scenario 2:

- The AHA receives the full reward amount of \$45M.
- Every 6 months, the AHA earns a payout proportional to its improvement performance (e.g., in the first 6-month payout period, a 10% reduction relative to a 15% target rate reduction earns two-thirds of the maximum payout of \$3.75M).
- Towards the end of the 3-year performance period, the AHA starts to perform better than the targets. However, the reward pools are capped regardless of the AHA over-performing.
- As a result, at the end of the implementation period, ARPA-H reviews the overall improvement and determines that the AHA met its overall improvement target of 20%.
- Therefore, the AHA will be trued up to earn the full \$45M reward to encourage the catch-up improvements that were made.



Today's Financing Models

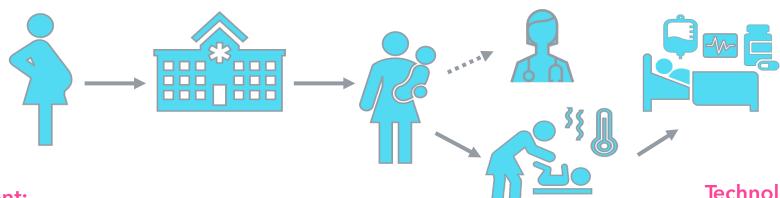
Key organizational attributes	Traditional Payers (Medicare, Medicaid, Commercial)	Public Health Departments and Agencies	Venture Capital and Private Equity-Backed Companies	HEROES
Payment for prevention	Limitations: Churn, provider focus	Strengths: Prevention focus	Limitations: Focused on high acuity patients	Strengths: Upstream outcomes
Geographic accountability	Limitations: Small fraction of the population	Limitations: Geographic scope, but no accountability	Limitations: Narrow population focus	Strengths: Population-wide accountability
Population-level outcomes measurement	Limitations: Primarily hospital-based	Limitations: Long lags in surveillance data	Limitations: Primarily hospital-based	Strengths: Near real-time population measurement
Sustainable business model that integrates private capital	Strengths: Established contracting approaches	Limitations: Largely grant-funded, unstable	Limitations: Unproven	Strengths: Meaningful business case

Key

- Minimal alignment with program requirement
- Moderate alignment with program requirement
- Complete alignment with program requirement



How HEROES Could Transform Care in Communities: Current State Example Maternal Health Patient Journey



Engagement:

Disparities are invisible until it's too late

Natalia lives in a community with limited access to care and doesn't have her first prenatal care visit until her 7th month of pregnancy.

Clinical Interventions: Mothers with newborns suffer through intense and reactive treatment plans only after experiencing a poor outcome

Natalia experiences significant blood loss and develops an infection, both of which are preventable with improved hospital protocols. Technology Advancements:
Promising technologies go to
select few

Natalia develops dangerously high blood pressure after returning home with her infant, resulting in a rehospitalization that could have been prevented with home blood pressure monitoring technology.



Evaluating Effectiveness of Interventions and Progress Towards Financial Sustainability

Health Outcomes

HEROES will evaluate if Health Accelerators achieve health outcome milestones.

Interventions

HEROES learns and shares what works and what doesn't to drive impact.

Sustainability

HEROES supports a path to sustainability for the program performers.

Tools to Monitor Success and Estimate Payout



\$

HEROES will use metrics to:

- Track progress toward health outcome goals at 6-month intervals for ARPA-H funded Health Accelerators.
- Determine the expected payout based on changes in the outcome relative to the adjusted national average.

Evaluation to Understand Intervention Effectiveness



HEROES will work with Health Accelerators to:

- Understand which interventions were delivered to whom to understand how population-level improvements were achieved, or why they weren't achieved.
- Evaluate the impact of interventions
 on subgroups to learn what strategies were (and
 weren't) effective in different demographic
 groups, and which strategies were effective in
 closing equity gaps.
- Convene workshops for learning and diffusion among Health Accelerators to build infrastructure for collaboration and trust.

Drivers of Financial Sustainability



Through data collected from Health Accelerators and key stakeholders, HEROES will:

- Track Outcome Buyer and Investor activity to determine whether the financial incentives are operating as intended.
- Monitor financial outcomes for all stakeholders to determine whether each Outcome Buyer and Investor met financial goals.
- Identify which Health Accelerators successfully scaled to long-term contracts or new geographies through renewed or expanded contracts (with Outcome Buyers and Investors) by the end of the HEROES period.







Approved for Public Release: Distribution Unlimited

APPENDIX: OUTCOMES



Severe Obstetric Complications

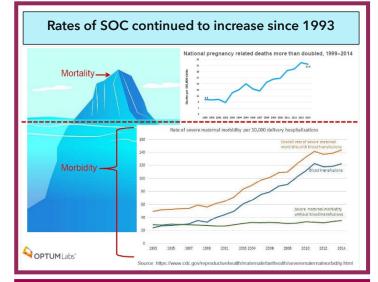
Goal: Improve Care During the Postpartum Period to Reduce Rates of Severe Obstetric Complications (SOC)

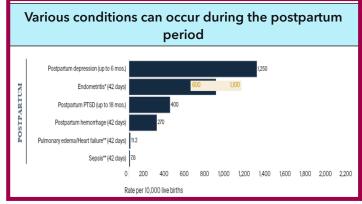
Severe Obstetric Complications (SOC)

- Has been increasing due to change s in the overall health of the population of women giving birth (e.g., increases in maternal age, pre-pregnancy obesity, preexisting chronic medical conditions, cesarean delivery).
- Research and prevention efforts historically have been focused on the delivery hospitalization; less is known about SOC diagnosed after delivery discharge.

Scope of the Problem

- Affects approximately 65,000 women each year (or 1.8 percent of women giving birth in 2021).
- Up to 17% of cases first developed a SOC after the delivery discharge (e.g., one in seven among commercially insured women, and almost one in six among Medicaidinsured women).
- Predominantly occurs within the first two weeks after delivery (75% of SOC cases) and could be avoided with timely, appropriate care in most instances.
- Estimated total maternal morbidity costs for all US births in 2019 were \$32.3 billion from conception through the child's fifth birthday, amounting to \$8,624 in additional costs to society for each maternal-child pair and \$500,000 for each SOC case.





Timely identification of at-risk postpartum women can improve outcomes.

- If more at-risk women are identified early enough, appropriate care can be initiated, improving outcomes.
- The CDC has identified 21 indicators (16 diagnoses and five procedures) for measuring SOC. Monitoring for precursors can help identify women at risk.

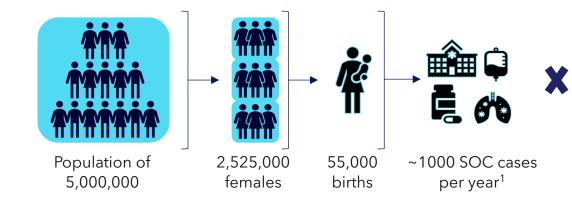
Key Outcome Metric

- Severe Obstetric Complications
 measure was developed by The Joint
 Commission, CMS, and Yale New Haven
 Health Service Corporation/ Center for
 Outcomes Research and Evaluation.
- It identifies patients with severe obstetric complications that occur during the inpatient delivery hospitalization.
- The measure may be modified to capture SOCs during the delivery hospitalization and 60 days after discharge using claims data.



Prospective approach to generate >\$60M economic value (>30% ROI) from the Severe Obstetric Complications (SOC) program

Current state in target geography



 \sim \$107,000 = \sim \$107M

Average societal cost of each case²

Total annual economic cost

Potential impact in target geography

Reducing ~200 SOC cases per year for 3 years (~20% annual reduction relative to national average)



~\$62M

Estimated economic cost savings over 3-year program

Potential annual economic value if successfully rolled out across the US



~\$1.4B

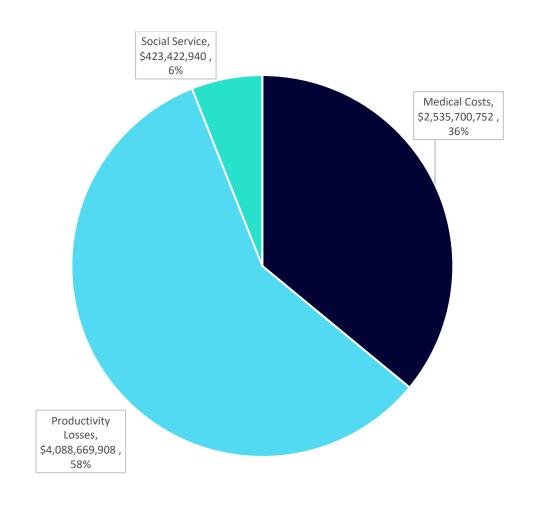
Total annual economic savings

- 1) Claims-based prevalence of severe obstetric complications based on US-wide averages
- 2) Excludes costs associated with reduced quality of life and therefore represents a minimum societal cost estimate



Severe Obstetric Complications: US-wide Economic Costs

- Total Estimated US-wide Economic Costs = \$7B
 - \$2.5B in Acute Healthcare Costs (36%)
 - Extended intrapartum hospitalization.
 - Readmissions for Severe Maternal Morbidity as identified by the Centers for Disease Control and Prevention through a list of 21 indicators and corresponding ICD codes.
 - \$4.1B in Productivity Losses (58%)
 - Presenteeism (reduced productivity and accuracy at work)
 - Absenteeism (regularly missing work)
 - Unemployment
 - \$423M in Social Service Use (6%)
 - Mental health support services and other assistance, such as the Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Medicaid, Temporary Assistance for Needy Families (TANF).





Heart Attack and Stroke Risk

Goal: Reduce the Rates of Heart Attack and Stroke, the Leading Causes of Death and Disability

Heart Disease Death Rates, 2019 - 2020 Adults, Ages 35+, by County Age Adverted American Ame

Scope of the Problem

Nationally, heart disease is the leading cause of death. About 695,000 people in the United States died from heart disease in 2021 (this equates to 1 in every 5 deaths).

In 2021, **1** in **6** deaths from cardiovascular disease was **due to stroke**.

1.6M annual total heart attack and strokes deaths and 1.2M first time heart attack and strokes per year.

Stroke Death Rates, 2018 - 2020 Adults, Ages 35+, by County Am Adjoint American County Am Adjoint County Am Adjoint County Am Adjoint Coun

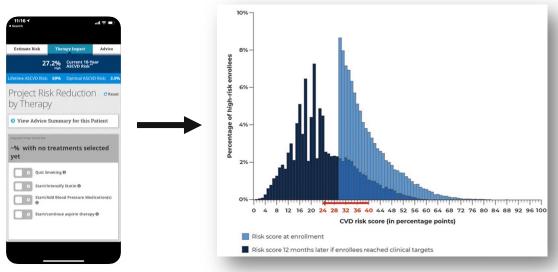
Health Outcomes & Costs

- Heart disease and stroke totals \$254.2B in annual direct and indirect costs.
- With 123 million adults between the ages 40-70 living in the United States, the approximate cost per case in this age group is \$101,000.
- A 1%-point reduction in 10-year Heart Attack and Stroke risk would result in a total cost savings of \$20.3M per year, or \$61M over 3 years.

Heart Disease Facts | cdc.gov Know Your Risk for Heart Disease | cdc.gov Stats of the States - Stroke Mortality (cdc.gov) Evaluation of the Million Hearts® Cardiovascular Disease Risk Reduction Model: Third Annual Report (cms.gov) Heart Disease and Stroke Statistics—2018 Update: A Report From the American Heart Association

Opportunity for Change

- Patients are unaware of their Heart Attack and Stroke risk (as there is no requirement for screening in the clinical setting).
- The Million Hearts Cardiovascular Risk Reduction Model resulted in several hundred thousand Medicare age members having significant improvement in Heart Attack and Stroke risk, use of preventive medications, and 6% relative reduction in death, in a randomized design.



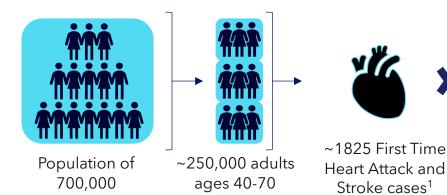
Key Outcome Metric & Reporting

- Reduce the aggregate 10-year Heart Attack and Stroke risk for intermediate-high risk people (>7.5% risk) at the population wide level in specific geographically attributed populations in people aged 40-70 years.
- Partner with hospitals and primary care providers in the identified geographies to report Heart
 Attack and Stroke data. Partner with Health Information Exchange Networks or Organizations
 within the identified geographies to obtain Heart Attack and Stroke-related data to calculate risk.



Prospective approach to generate >\$60M economic value (>30% ROI) from the Heart Attack and Stroke program

target geography **Current state in**





Stroke cases¹

~\$101,000

Average societal

cost of each case²



= ~\$184M

Total annual economic cost

Potential impact in target geography



9% baseline population Heart Attack and Stroke risk

Maintaining a 1% reduction in the population's 10-year Heart Attack and Stroke risk³



8% population Heart Attack and Stroke risk



~\$61M

Estimated economic cost savings over 3-year program

Potential annual economic value if successfully rolled out across the US



~\$13.5B

Total annual economic savings

- 1. Based on EHR ambulatory data
- 2. Excludes costs associated with reduced quality of life and therefore represents a minimum societal cost estimate
- 3. 10-year Heart Attack and Stroke Risk correlates with absolute Heart Attack and Stroke cases and will be used to track intervention efficacy

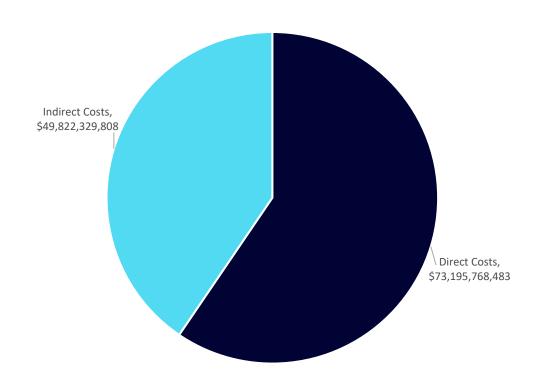
Approved for Public Release: Distribution Unlimited



Heart Attack and Stroke: US-wide Economic Costs

- Total Estimated Economic Costs = \$123B
 - \$73.2B in Direct Costs (60%)
 - Physician Office-based Visits
 - Hospital
 - Inpatient
 - Outpatient
 - Emergency Room
 - Prescriptions
 - Home Health
 - Other
 - Vision
 - Medical Supplies
 - Dental
 - \$49.8B in Indirect Costs (40%)
 - Productivity loss from morbidity and mortality.

Direct and Indirect Cost of First Time Heart
Attack and Stroke in the United States





Opioid Overdose

Goal: Decrease the Rate Opioid Overdoses

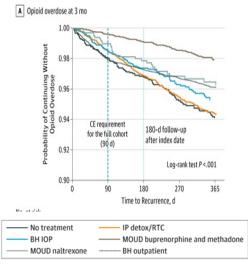
Scope of the Problem

 Opioid Use Disorder (OUD) is the chronic use of opioids that causes clinically significant distress or impairment. OUD consists of an overpowering desire to use opioids, increased opioid tolerance, and withdrawal syndrome when discontinued. OUD includes dependence and addiction.

Health Outcomes & Costs

• OUD is a life-threatening condition associated with a 20-fold greater risk of early death due to overdose, infectious diseases, trauma, and suicide.

Non-Fatal Opioid Overdose Surveillance Dashboard June 12, 2022 – June 11, 2023 EMS Data Updated On: July 1, 2023 Select Time Profile (Bulling JBS Days *) Select Arridiction (IAI) * Select Lines of Geographic Detail: (Gauries *) Select an Overdose Measure: (Base of Hondrase Opioid Overdose Day 23, 48) * Select Lines of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 23, 48 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 24 (Select Lines) of Geographic Detail: (Gauries *) Select Lines of Hondrase Opioid Overdose Day 24 (Select Lines) of Geographic Det



Ref: JAMA, 2020

Opportunity for Change

- Fewer than 10 percent of US patients with diagnosed OUD receive medication-assisted treatment (MAT).
- Behavioral therapies, when delivered alone, have limited efficacy in addressing the complex symptomatology and physical aspects of OUD.

Key Outcome Metric & Reporting

- Decrease the rate of fatal and non-fatal opioid overdoses/100,000 population/rolling 28-day period.
- National Emergency Medical Services Information System (NEMSIS) is a county-level database updated semi-monthly which includes fatal and non-fatal opioid overdoses. It is a collaboration of the Office of National Drug Control Policy, the National Highway Traffic Safety Administration, and the Department of Health and Human Services.

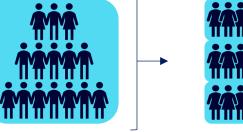


Prospective approach to generate >\$60M economic value (>30% ROI) from the Opioid Overdose program

target geography **Current state in**





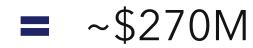


~3,700 individuals with Opioid Use Disorder (OUD)



x ~\$73,000

Average societal cost of each case¹



Total annual economic cost

Potential impact in target geography

Reducing ~360 OUD cases per year for 3 years (~10% annual reduction relative to national average)²



~1080 fewer individuals with OUD



~\$79M

Estimated economic cost savings over 3-year program

Potential annual economic value if successfully rolled out across the US



~\$17.8B

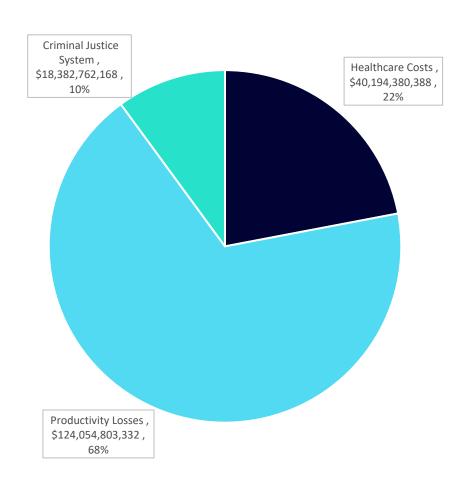
Total annual economic savings

- 1. Excludes costs associated with reduced quality of life and therefore represents a minimum societal cost estimate.
- 2. OUD cases correlate with absolute prevalence of Fatal and Non-fatal Opioid Overdoses in the National Emergency Medical Services Information System (NEMSIS) Opioid Overdose Tracker, which will be used to track intervention efficacy.

Approved for Public Release: Distribution Unlimited

Opioid Overdose: US-wide Economic Costs

- Total Estimated US-wide Economic Costs = \$182B
 - \$40B in Healthcare Costs (22%)
 - Emergency Department Visits
 - Emergency Medical Services Activations
 - Hospitalizations and Rehabilitation Services
 - General Medical Care
 - \$124B in Productivity Losses (68%)
 - Presenteeism (reduced productivity and accuracy at work)
 - Absenteeism (regularly missing work)
 - On-the-job injuries
 - Unemployment
 - \$18.6B in Criminal Justice System (10%)





Alcohol-Related Health Harms (ARHH)

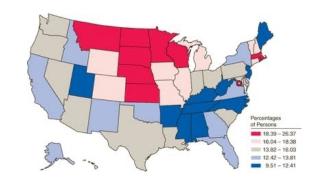
Reduce the number of alcohol-related Emergency Medical Services (EMS) activations

Binge Drinking

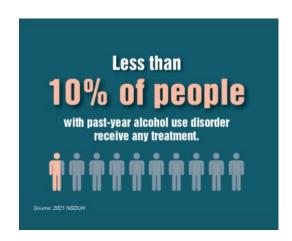
- Binge drinking is defined as consuming 5 or more drinks on an occasion for men or 4 or more drinks on an occasion for women.
- Drinking too much alcohol can cause serious health problems including stroke, cancer, and cirrhosis.
- People with alcohol use disorders, including binge drinking, are also more likely to get sick and are less able to fight off infections.

Scope of the Problem

- Binge drinking is the most common and costly pattern of <u>excessive alcohol use</u> in the United States.
- Binge drinking is a serious but <u>preventable</u> public health problem.
- Every day, about 37 people in the United States die in drunk-driving crashes – that's one person every 39 minutes. In 2021, 13,384 people died in alcohol-impaired driving traffic deaths – a 14% increase from 2020. These deaths were all preventable.



% of residents with prior DUI arrest (Source: MPR, 2010)



Opportunity for Change

- 18% of Americans have engaged in binge drinking in the past month.
- A 2019 government survey found less than 1 in 10 people with an alcohol use disorder received any treatment, and less than 2% of those individuals said they had been offered medication.
- In every state, <u>it is illegal to operate a motor vehicle with a blood alcohol content of</u>
 0.08% or higher. Yet for every 88 instances of driving, someone is arrested for operating a motor vehicle above the legal limit.

Key Outcome Metric

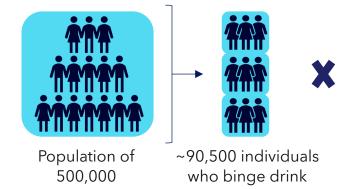
- Metric: Number of alcohol-related emergencies reported by EMS services/100,000 population.
- The National Emergency Medical Services Information System (NEMSIS) dataset is a repository for emergency medical technician provision of services nationally. It is funded primarily by the National Highway Traffic Safety Administration.

Approved for Public Release: Distribution Unlimited



Prospective approach to generate >\$60M economic value (>30% ROI) from the Alcohol-Related Health Harms (ARHH) program

Current state in target geography



~\$3,900 **=** ~\$354M

Average societal cost of each ARHH¹

Total annual economic cost

Potential impact in target geography

Reducing ARHH cases ~9000 per year for 3 years (~10% annual reduction relative to national average)²



~27,000 fewer individuals with ARHH



Estimated economic cost savings over 3-year program

Potential annual economic value if successfully rolled out across the US



~\$23.8B

Total annual economic savings

- Excludes costs associated with reduced quality of life and therefore represents a minimum societal cost estimate.
- ARHH cases correlate with the prevalence of alcohol-related EMS calls reported via National Emergency Medical Services Information System (NEMSIS), which will be used to track intervention efficacy.

Approved for Public Release: Distribution Unlimited



Alcohol-Related Health Harms: US-wide Economic Costs

- Total Estimated US-wide Economic Costs = \$237.6B
 - \$20.2B in Healthcare Costs (9%)
 - Emergency Department Visits
 - Emergency Medical Services Activations
 - Hospitalizations and Rehabilitation Services
 - General Medical Care
 - \$166.6B in Productivity Losses (70%)
 - Presenteeism (reduced productivity and accuracy at work)
 - Absenteeism (regularly missing work)
 - On-the-job injuries
 - Unemployment
 - \$50.7B in Other (21%)
 - Criminal Justice
 - Motor Vehicle Crashes
 - Fire Losses

