

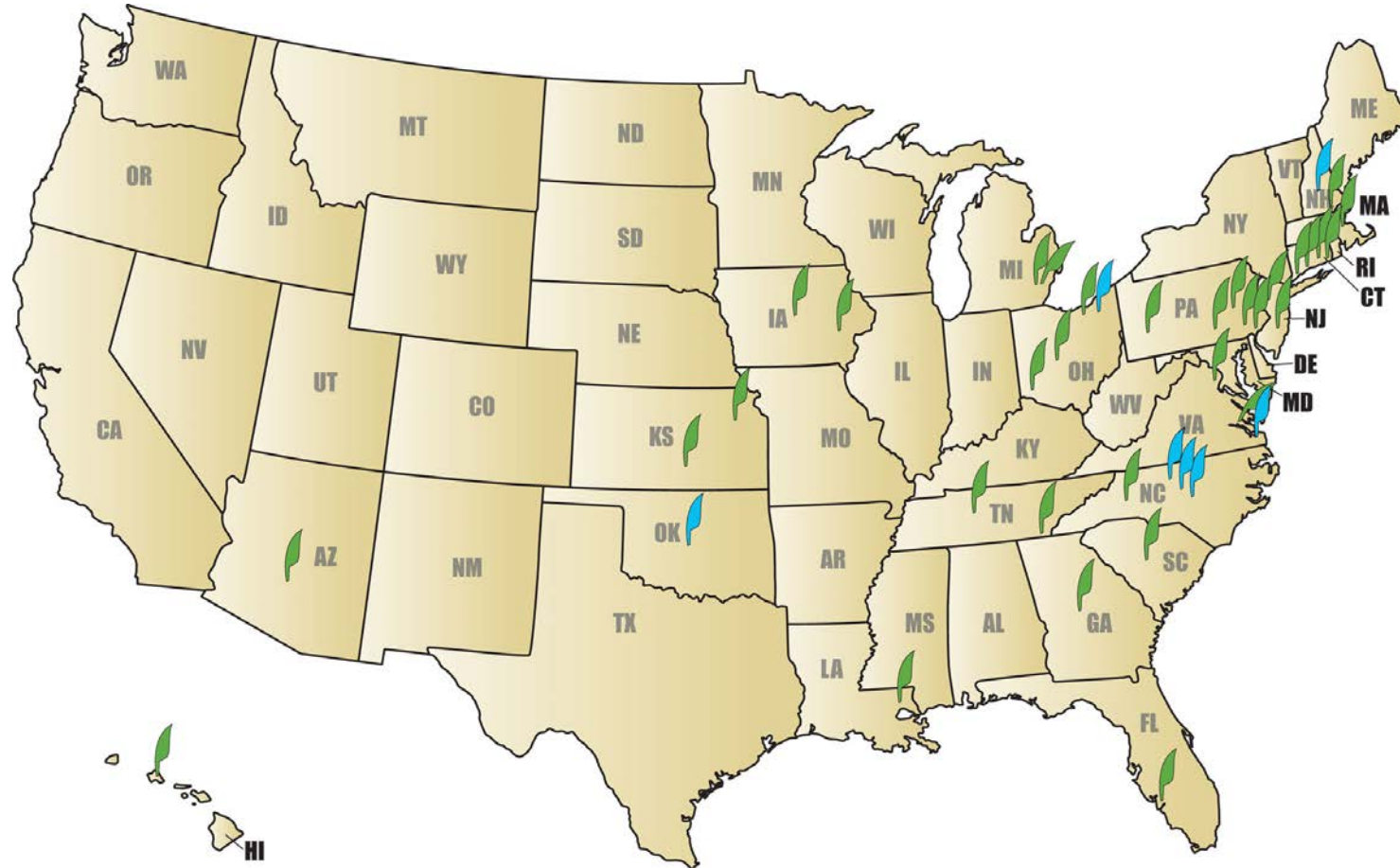
Benchmarking Survey 2017



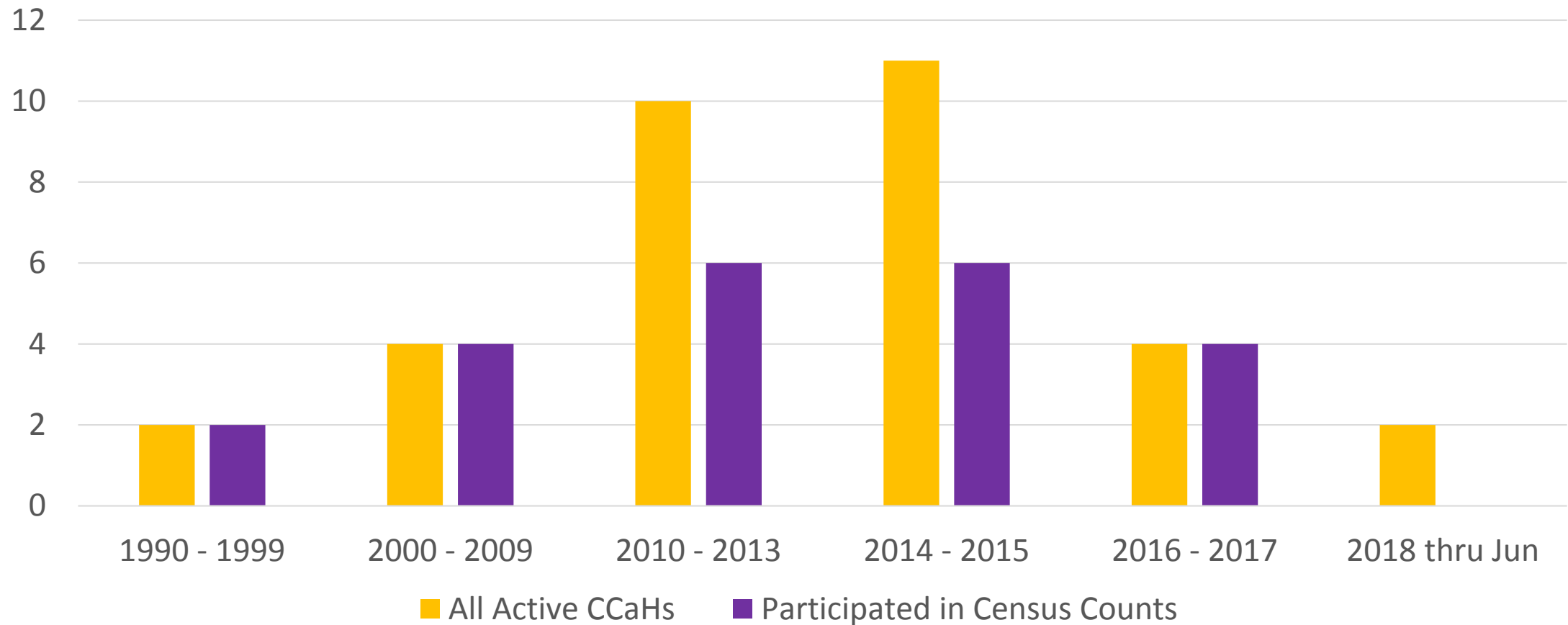
Amy Lampo, Chief Operating Officer
amy.lampo@avpowell.com ♦ 404.845.0360.x265
A.V. Powell & Associates, LLC



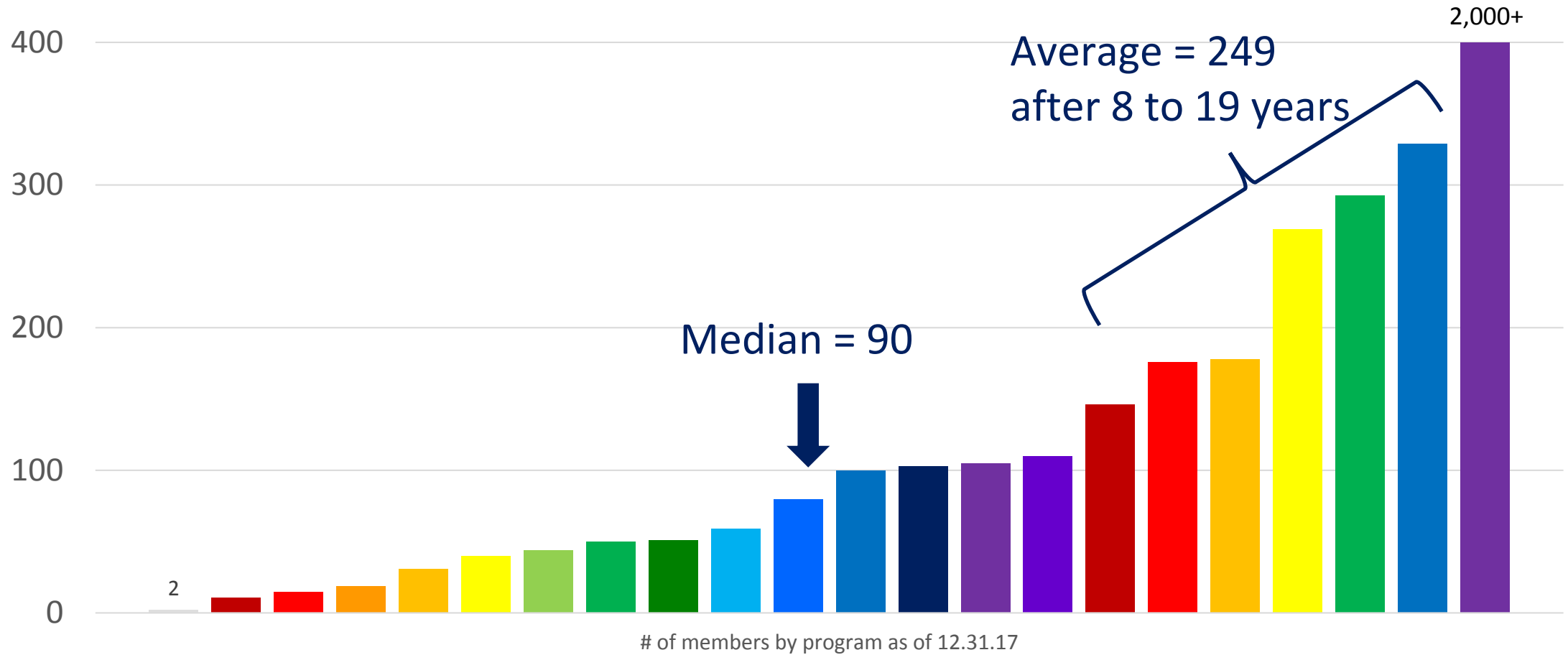
33 Operating CCaHs as of June 30, 2018



CCaH Programs by Year Sold 1st Contract



Reported 4,700 Members in 22 Programs



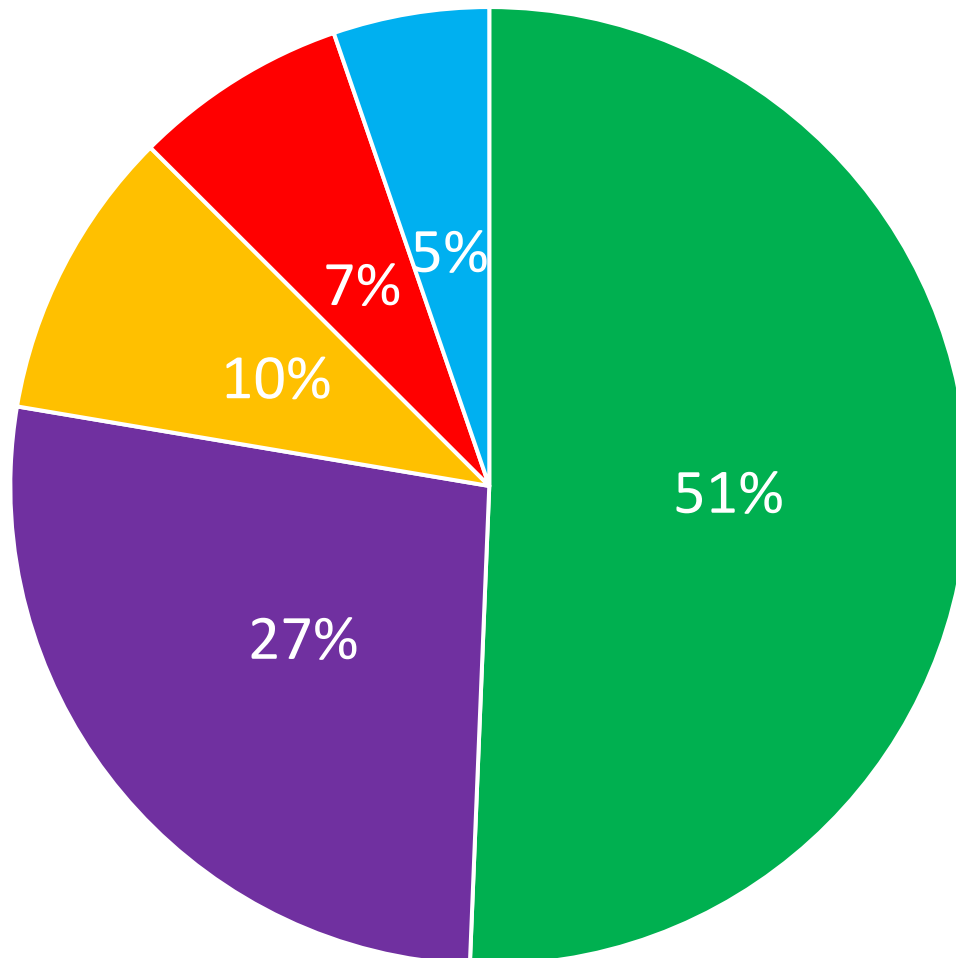
Benchmarking Objectives

1. Define useful metrics
2. Identify industry-specific medians
3. Enable monitoring of trends
4. Compare with other programs to identify outliers and establish targets
5. Future analysis to access “best practices”

Database Caveats

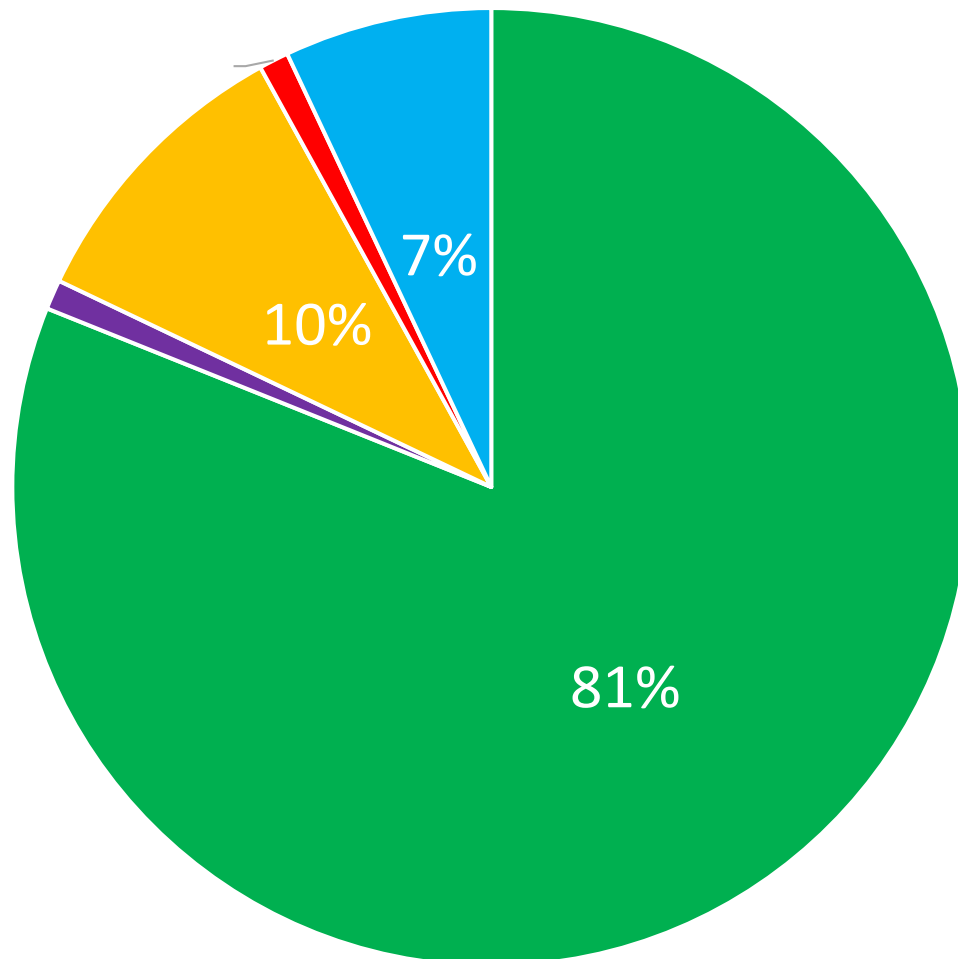
1. Small data set
2. Over 50% participation (18 of 33)
3. Not all survey questions answered

High Lifetime Cap is Most Prevalent Selection



- Lifecare with lifetime cap > \$500k
- Lifecare with lifetime cap ≤ \$500k
- Homecare only with lifetime cap > \$250k
- Homecare only with lifetime cap ≤ \$250k
- Other

Type A is Predominant x/Largest Provider



- Lifecare with lifetime cap > \$500k
- Lifecare with lifetime cap ≤ \$500k
- Homecare only with lifetime cap > \$250k
- Homecare only with lifetime cap ≤ \$250k
- Other

Estimate 5,000 Members Nationwide

Statistic	12.31.15	12.31.16	12.31.17
n =	11	14	16
Number of members	3,610	3,863	4,519
Average attained age	78.1	77.0	77.4
Average enrollment age	73.7	74.9	75.2

Typical CCaH is 1/3rd Size of CCRCs

Statistic	25 th Percentile	Median	75 th Percentile
Total # of members	46	104	178
% new members	19%	39%	58%
% deaths	0%	2%	3%
% lapses	0%	0%	2%

n = 18

Cost/Sale Decreased by 30% from 2016

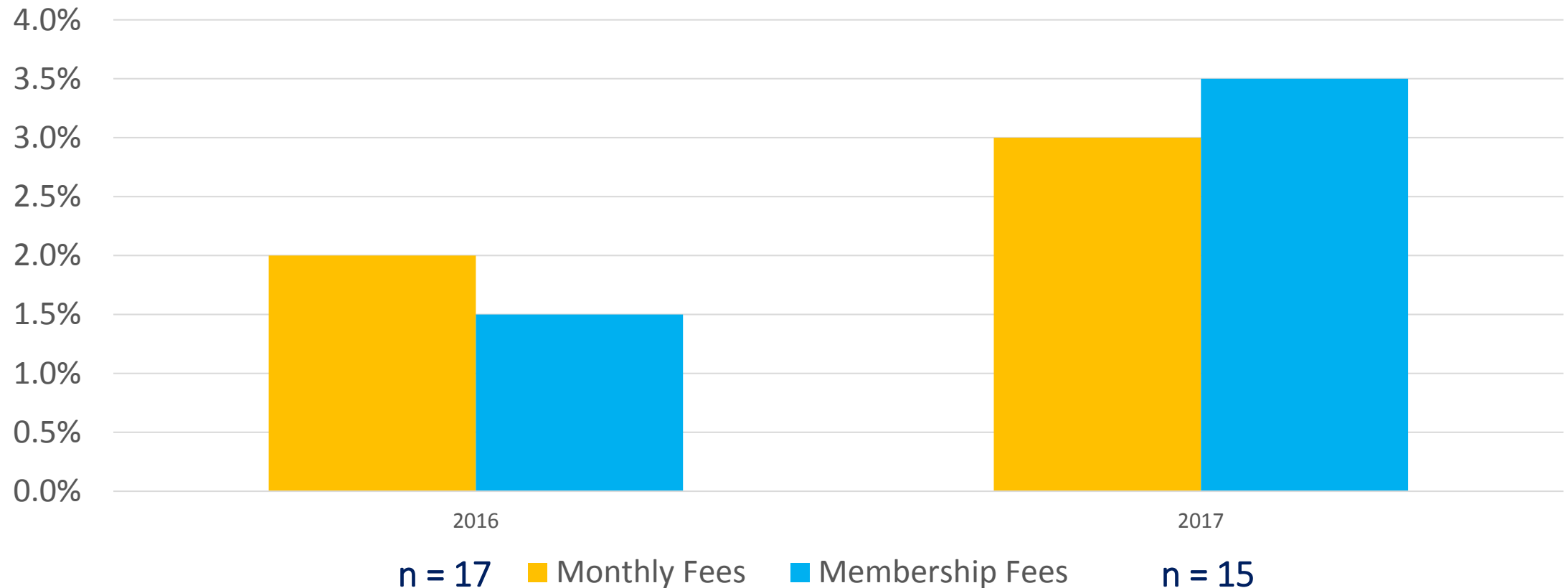
	n =	25 th Percentile	Median	75 th Percentile
Marketing cost/sale	13	\$7,329	\$8,722	\$17,466
Acceptance ratio	17	65%	81%	90%

15% use 3rd party underwriters

Annual Fee Adjustments Similar to CCRCs

{source: AVP CCRC 2017 benchmarking report}

Median Increases



Care Coordinator Statistics Are Critical

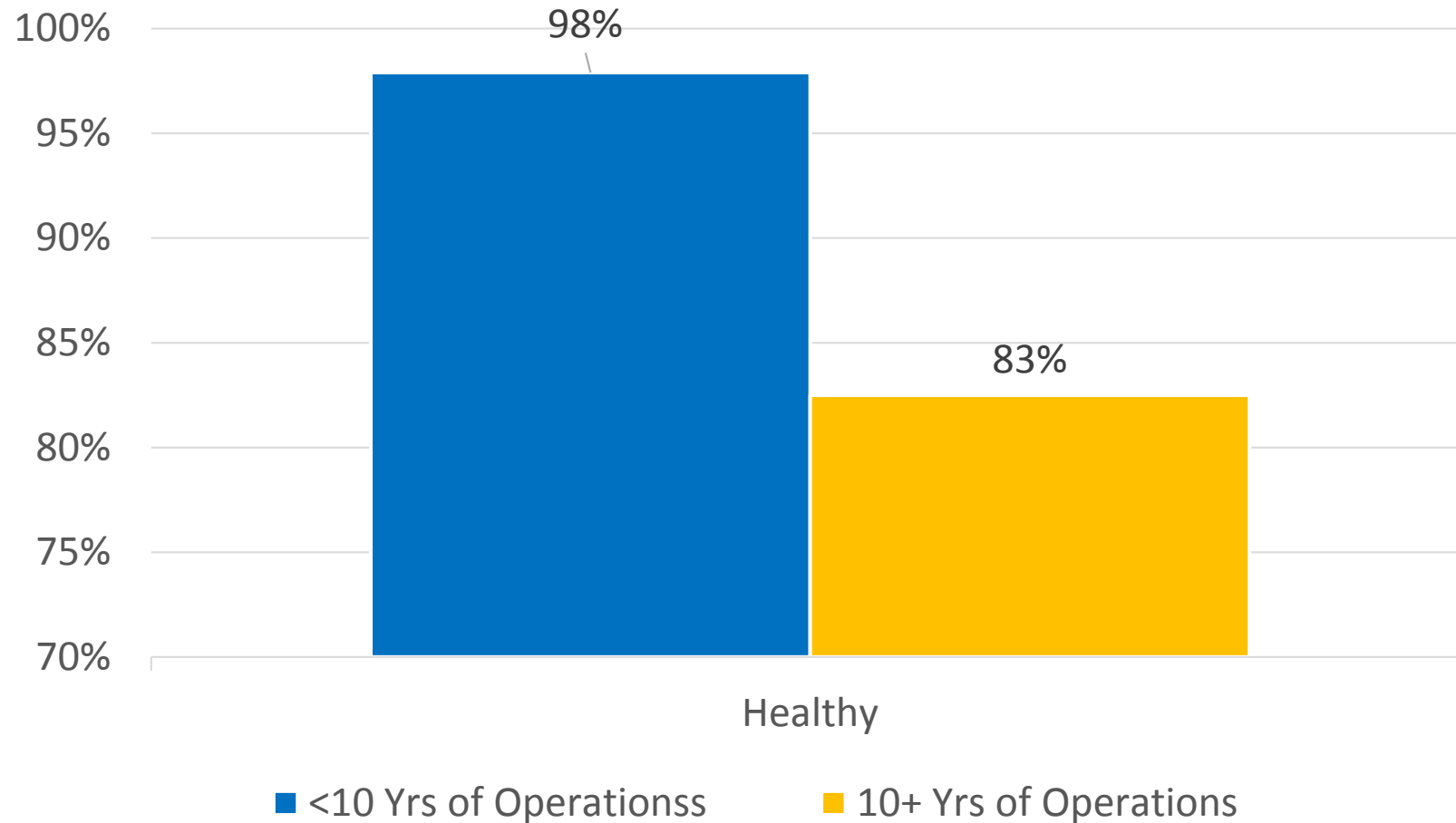
	n =	25 th Percentile	Median	75 th Percentile
Members per care coordinator FTE	18	41	47	71
Care coordinator cost/month/member	16	\$76	\$133	\$262
Home health aide/hour	16	\$19.81	\$22.50	\$25.00
Assisted living/day	14	\$152	\$167	\$196
Nursing care/day	15	\$237	\$276	\$383

Operating Statistics

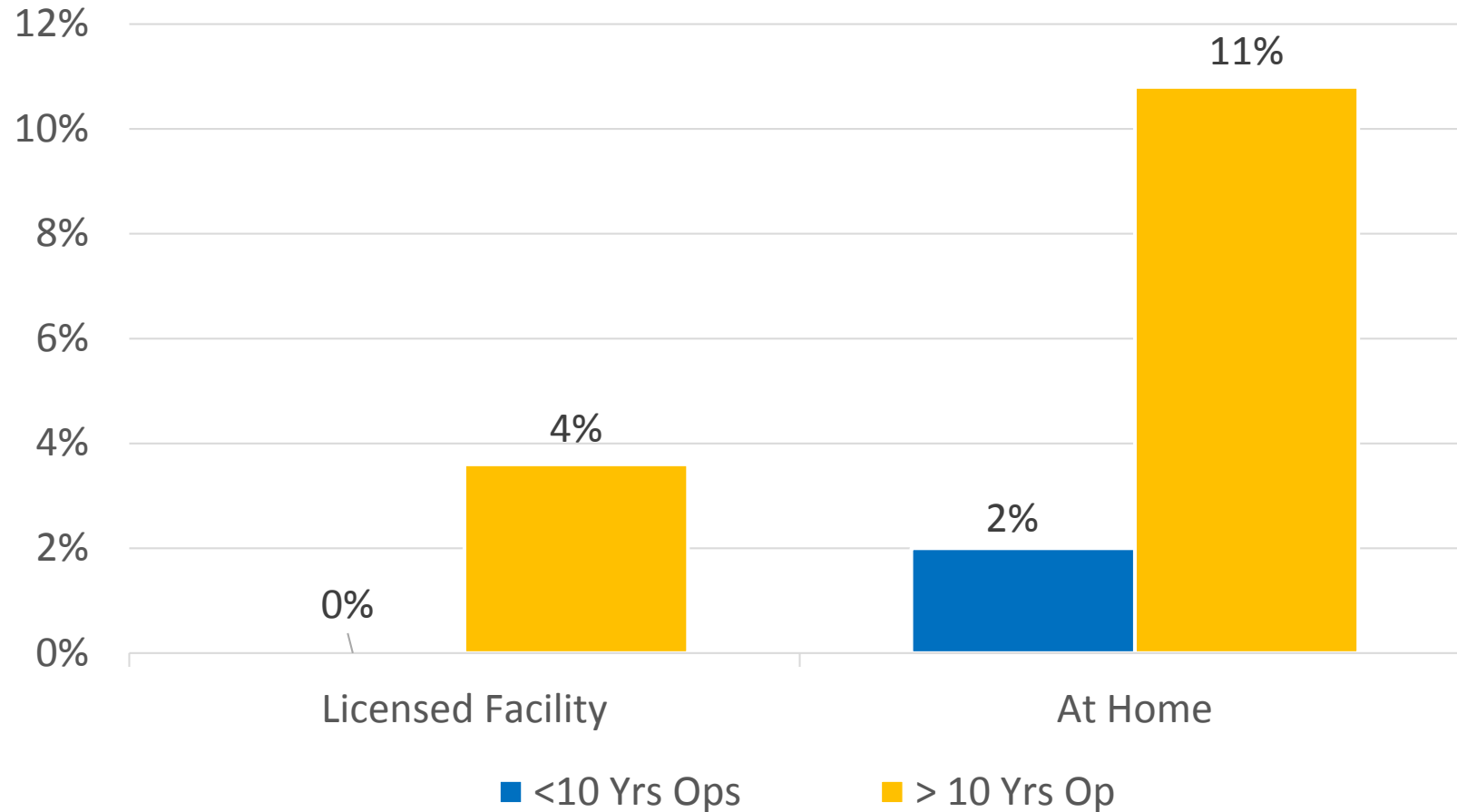
What other operating costs should be measured?

- Overhead expenses
- Ancillary benefits (e.g. transportation)

Older Provider Median Benefit Usage > 15%



Licensed Facility Median Usage Low, but...



n = 17

Utilization Statistics

1. Need to capture total annual usage
2. How to measure utilization in-between healthy and ALU/SNF eligible
 - Periodic vs. continuous
 - Limited vs. extensive
 - Average hours of care

Wrap Up

1. Is this information worthwhile?
2. How can we solicit more participation?
3. What objections do you have in the survey data collection?
4. How much time was spent collecting the data?
5. How can the data be captured and monitored during the year?

About Amy Lampo



Amy Lampo is Chief Operating Officer of A.V. Powell & Associates, LLC. Amy is a consulting actuary and performs actuarial studies for CCRC/LPCs and CCaH programs. Her responsibilities include firm-wide peer reviews and implementing consistent internal consulting policies. Amy is based in Kansas City, MO.

