

# Summit Perspectives



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If quality of care is equivalent, always select the transplant network with the greatest net savings, regardless of pricing structure.

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## Manage Your Transplant Risk More Effectively with New Program

### Selecting a Network

The most important consideration when choosing a transplant network should always be the quality of care delivered. A secondary but important consideration is the cost effectiveness of the network. A network that charges access fees but has greater **net savings** overall due to more favorable negotiated arrangements with network facilities is preferable to a transplant network that charges no access fees but has less effective contracts.

### New Program

Summit Re recently conducted a thorough assessment of three transplant networks. (See table on page 3.) As a result of that assessment, we concluded that United Resource Networks (U.R.N.) provided the best overall value. Therefore, we agreed to enter into an exclusive arrangement with U.R.N. for the provision of transplant services for our clients. We have been able to negotiate lower access fees because of this exclusive relationship.

### Access Fees

Under the new program, our clients will have their access fees for each transplant reduced by 5% due to Summit Re's exclusivity with U.R.N. An additional 5% reduction can be realized if clients incorporate certain benefit incentives into their plan designs for the use of U.R.N. facilities and use them exclusively. A third discount is based on Summit Re's total volume of business with U.R.N.

### Make the Change

This program replaces the previous benefit that Summit Re had negotiated with U.R.N. – namely, a waiver of the 35%-of-savings fee U.R.N. normally charges for cases that access U.R.N. facilities but do not result in transplantation. The current program is still available to existing Summit Re clients who access U.R.N., but we recommend the new program. Summit Re will contact current clients to discuss the program in greater detail.

Access Fee Discount	Source
5% discount	Summit Re's exclusive marketing of U.R.N. for transplant services
5% discount	Client's exclusivity agreement and benefit differentials
Up to 10%	Summit Re's total volume of business with U.R.N.*
<b>Total Discount: Up to 20%</b>	

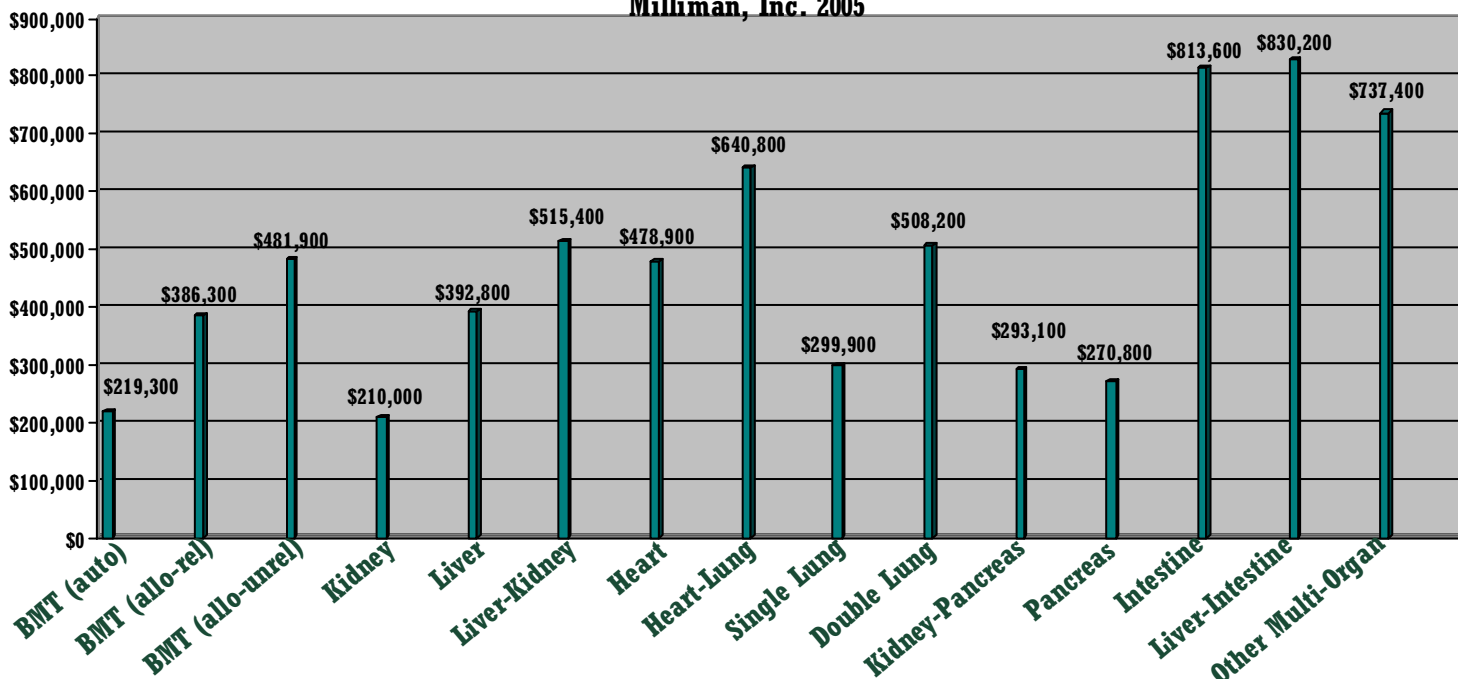
*\*This portion of the discounts will be calculated retrospectively by U.R.N. on an annual basis. The discount is available to clients who have reinsurance coverage through Summit Re that is in effect on the date of the payment to Summit Re.*

# TRANSPLANT FACTS: COSTS AND INCIDENCE

The cost of transplantation can be staggering and continues to rise as new technology and pharmacology become available.

## Average 1-Year Costs by Tranplant Type

Milliman, Inc. 2005



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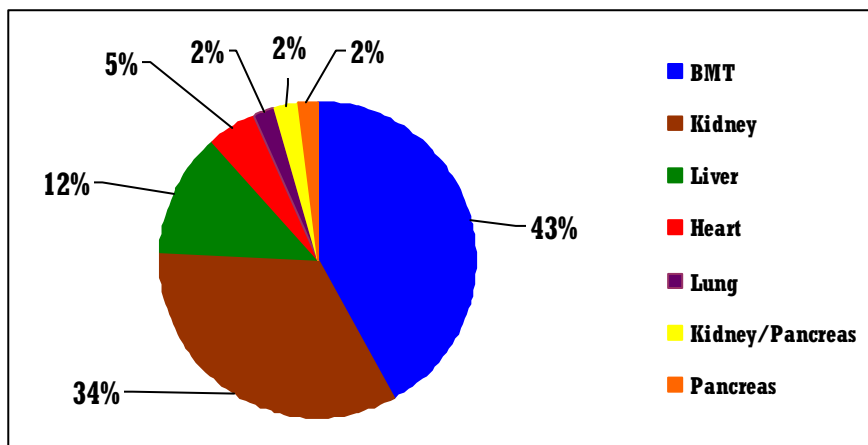
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## Incidence of Transplants

According to the United Organ Sharing Network (UNOS), there are currently over 89,000 patients listed for a transplant. The breakdown of types of transplants as a percentage of the total is shown in the chart below. There continues to be a disparity between the number of transplants requested and the number of organs available. Only 40% of the patients waiting for a solid organ transplant will get one. To view the current wait list statistics and the number of transplants completed and organs donated, please go to [www.unos.org](http://www.unos.org).



## Summit Perspectives

## Comparison of Transplant Programs

Summit Re engaged in a stringent due diligence process prior to making the decision to enter into an exclusive agreement with United Resource Networks (U.R.N.) for transplant management. Below you will find a comparison of the type of information we considered:

<b>Size &amp; Scope</b>	<b>U.R.N.</b>	<b>INTERLINK</b>	<b>LifeTrac</b>
Covered lives	46 million	20 million	15 million
Annual transplant referrals	10,000+	900	1,800
Centers available	108+	44	47
Average network discount across all five phases	43%	31%	31%
Dedicated personnel (excluding claims repricing):			
Licensed medical / clinical staff	86	2	3
Support staff	<u>97</u>	<u>10</u>	<u>6</u>
Total	183	12	9
<b>Pricing</b>			
Per diem for all phases of care in most contracts	Yes	No	No
Organ & bone marrow acquisition included in all case rates	Yes	Some	Some
Access Fees	\$3,500 - \$20,000	\$3,000 - \$13,000	None
<b>Services</b>			
Complete utilization & financial reporting	Yes	Yes	Unknown
Web access to comprehensive medical center data	Yes	No	Yes
Transplant case-management services available	Yes	No	No
<b>Quality &amp; Credentialing</b>			
Physician advisory panels	4	No	No
<b>Education</b>			
Annual education conferences	5+, on-line CEUs	On-line CEUs	No
Annual client conference	Yes	No	Unknown
<b>Other Products</b>			
Able to take or share economic risk for transplants	Yes	No	No
Specialized pediatric credentialing and network	Yes	No	Yes
Congenital heart disease program and network	Yes	No	No

**Disclaimer** – Competitor information is based on data available through a variety of sources. Specific detailed information should be sought directly from each competitor to ensure reliable comparison data.

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### Zero Access Fees (ZAP) Available on Case-by-Case Basis

If you access U.R.N. through Summit Re, you also have access to ZAP. You can elect *at the time of each transplant referral* to use U.R.N.'s traditional facility terms, which have the access fee, or use the ZAP contract and not pay an access fee. Your actual transplant costs will be determined based on the terms you have chosen.

Generally, the traditional terms will provide for a lower cost, even with consideration of the access fee, if

the transplant situation turns out to be average or worse than average. On the other hand, the ZAP terms will generally perform better if it turns out that the transplant situation is much better than average.

ZAP provides contract terms which U.R.N. believes are superior to their competitors. While U.R.N. does not guarantee to always beat the competition, it is U.R.N.'s intent to maintain the best contracts as compared to its competitors, regardless

of which U.R.N. option is selected.

Reinsurance incentives for the use of either U.R.N. program are available. For clients who choose the traditional access fee product, the access fee will continue to be treated as a claim cost. Summit Re receives no incentive payments for offering these network products to our clients. Our interest is to bring you effective programs and services to help manage your catastrophic risk. Please note that this program is only available through Summit Re.

### U.R.N. Transplant Information and Reports

U.R.N. provides an extranet site, [www.urnclient.com](http://www.urnclient.com) that contains the detailed quantitative and qualitative information collected during the network credentialing process. The site also contains contract information for each participating provider, maps for each U.R.N. network, referrals submitted to U.R.N., and the status of claims repricing for individuals referred for services through U.R.N. Many of the transplant contracts are negotiated based on "phases" of transplant. Below are the definitions of the phases:

<b>Phase I Pre-Transplant Evaluation</b>	All health services required to access and evaluate a member for acceptance into a transplant program. Phase I ends upon the member's listing with United Network for Organ Sharing (UNOS). For living donor organ transplants or organ transplants not listed with UNOS, Phase I ends upon the member's acceptance into a transplant program.
<b>Phase II Pre-Transplant Care</b>	All health services provided to a member following acceptance into a transplant program, or listing with UNOS, and before the admission for the authorized transplant.
<b>Phase III Transplant Procedure</b>	All health services provided to a member from the day of admission for the authorized transplant until the earlier of the member's discharge from the transplant facility following the transplant admission or transfer to transplant facility's inpatient rehabilitation unit or facility.
<b>Phase IV Follow-up Care</b>	All health services provided to a member during the 90 day period immediately following Phase III.
<b>Phase V Post Phase IV Health Services</b>	All health services provided to a member during the one-year period immediately following Phase IV.

#### Quarterly Reports

During the month following each quarter, U.R.N. compiles a client network activity summary report reviewing all referrals received for transplants for that quarter. The status of the referrals and claims payments, access fees paid, and cost savings are included in the report. The report is forwarded to all Summit Re clients accessing U.R.N. through Summit Re. If you have any questions about the reports you receive, please contact Debbie Stubbs RN, MS, CCM at [dstubbs@Summit-Re.com](mailto:dstubbs@Summit-Re.com) or Kari Lee at [kari.lee@UHC.com](mailto:kari.lee@UHC.com).

## Flexible, Multi-tiered Approach to Transplant Management

As the nation's leading provider of transplant benefit management services, U.R.N. leverages over 46 million lives and its expertise to offer access to the most advantageous provider contracts available. To address all the needs identified by clients, U.R.N. has developed a multi-tiered approach for transplant patient management, which includes the following:

### Transplant Resources Services

TRS provides individuals in need of transplant services with access to expertise through the U.R.N. Transplant Centers of Excellence Network (COE). The COE Network is evaluated annually to help ensure that only those programs that excel in transplantation participate as members. The COE Network developed through U.R.N. offers the highest quality of care for patients, greater volume for providers, and lowest total cost for payers. Clients typically experience an average savings of 43% per transplant episode as compared to industry standard transplant costs.

### Transplant Access Program

TAP was developed to address the challenge clients face when their members decide to use a non-COE Network transplant program. TAP provides geographical access and economic relief through prearranged contracts for transplantation at medical centers through the US.

### Supplemental Contracts (Extra Contractual Services )

U.R.N.'s contracting expertise is available on a case-by-case basis through Supplemental Contracts, when a patient referral falls outside of both the COE and TAP Networks. U.R.N. is able to negotiate discounts at these facilities for transplants and related services to provide economic protection for clients. U.R.N. is able to negotiate an average discount of 35% of billed charges.

**"U.R.N. is proud of its partnership with Summit Re. Working together we have access to America's best transplant programs resulting in the nation's best outcomes clinically and financially."**

**Richard Migliori, M.D.  
Chief Executive Officer,  
United Resource Networks**

### Specialized Physician Review

Specialty physicians are available to review clinical information related to requests for transplantation and congenital heart disease (CHD) surgery/treatment. Clients may elect to receive one or three written opinions by board certified, actively practicing physicians regarding the appropriateness of the transplant or CHD surgery/treatment. The clinical status and proposed protocol are addressed. Each clinical summary includes disease treatment statement, literature review, alternatives to care and community standards.

### TransAdvise

A single phone call lets clients reach a U.R.N. nurse to request consultation regarding transplants, CHD surgery and complex cancer care. The nurses have extensive experience in the area in which they consult and have access to the most updated information regarding the types of care provided in each U.R.N. facility.

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## U.R.N Programs for Specific Diseases: Congenital Heart Disease Resource Services (CHD)

Half of the referrals for pediatric heart transplantation are for congenital heart disease. For these cases, corrective surgery may be a viable alternative to transplantation. **Treatment for complex CHD cases averages \$290,000 per episode – or \$1.16 million per 100,000 covered lives.**

Clinical and financial outcome data reveals that experience with CHD surgery creates value in all dimensions. This is the basis for the U.R.N. CHD Centers of Excellence Network. There are seven centers across the United States that meet the rigorous evaluation criteria spe-

cific to CHD. The surveys and criteria are reviewed annually by the U.R.N. Clinical Sciences Institute and their advisory panel for CHD.

The average length of stay in a CHD COE network facility is 16 days vs. 29 days in a non-COE Network facility. The decreased length of stay, in addition to the average of 40% discount U.R.N. has negotiated with the CHD COE Network facilities, leads to a total average cost of \$106,873 vs. \$290,000 per surgery.

**Centers of Excellence Network for congenital heart disease results in an average cost per surgery of \$106,873 instead of \$290,000.**

You may visit [www.urnclient.com](http://www.urnclient.com) to view the volume data, outcome data, and credentialing criteria for the U.R.N.'s CHD Centers of Excellence Network. Volume and outcome data might be helpful information to share with members and their physicians.

## U.R.N Programs for Specific Diseases: Cancer Resource Services (CRS)

Treatment of many cancers is complex and costly, representing approximately \$18 million per 100,000 lives per year. CRS targets the relatively small number of complex cancer patients that drive the majority of medical expense. The new cancer annual incident rate is 0.23%, with 1/3 of those cases considered complex. (SEER Cancer Statistics Review 1975-2000, National Cancer Institute.)

There are significant practice variability trends for complex cancers. CRS provides unparalleled clinical and economic value in managing complex cancers by:

- Helping patients make informed decisions about their cancer care
- Connecting patients with experts at the 15 cancer centers in the
- U.R.N. Cancer Centers of Excel-

lence Network.

- Helping payers manage their cancer costs by providing contractual discounts and realizing cost avoidance savings
- Procedure case rates for major surgical procedures in some contracts
- Discounts of 15%-35% for outpatient and physician services
- Lower case costs with shorter length of stay and cost avoidance by reducing unnecessary and inappropriate treatment

The U.R.N. Cancer Centers of Ex-

cellence delivers proven results. An ROI of 2:1 to 4:1 is very achievable with good communication and implementation of referral strategies. U.R.N.'s fees are based on a percentage of savings.

**An ROI of 2:1 to 4:1 is very achievable for the small number of complex cancer patients that account for most of the medical expense.**

Not all cancer diagnoses are appropriate for referral to CRS. Contact Debbie Stubbs at Summit Re if you would like a copy of the CRS referral diagnosis list.

## U.R.N. Programs for Specific Diseases: Kidney Resource Services

End stage renal disease (ESRD) is a complex condition with considerable economic implications. Ongoing care can cost \$15,000 – \$40,000 *per month* and kidney failure leads to multiple co-morbidities such as cardiovascular disease, which is twice as common in ESRD patients. There is a significant variance in the quality of care provided to dialysis patients, with 40% of Medicare-certified dialysis facilities **not meet-**

**ing minimum standards** of anemia management for 80% of their patients.

U.R.N. provides clinical consulting and administrative services that can reduce complications and costs associated with ESRD, and U.R.N. fee structure ensures clients receive a high ROI for these services. Absence of negotiated contracts is costly, with some clients

facing markups of over 500% on dialysis services. Non-standard billing is not uncommon. U.R.N.'s Chronic Kidney Disease Extended Provider Network Services can help manage the cost while maintaining quality of care by focusing on the following:

- Medicare Eligibility Management
- Contractual Discounts
- Claim Audit/Re-pricing

## First Dollar Coverage Under Managed Transplant Program

To further control the risk and volatility of transplant claims, outsourcing the financial risk and medical management of your transplants to U.R.N.'s Managed Transplant Program is a quick and easy way to reduce costs.

The Managed Transplant Program provides a low-effort, low-risk way to manage costs on high-dollar claims. Transplant costs can be \$4 million of exposure for a 100,000 member plan. U.R.N. is able to

limit expenses associated with transplantation and to eliminate needless costs, such as inappropriate transplants and moving eligible patients to Medicare. A simple analysis will allow U.R.N. to provide a quote quickly.

Using the Managed Transplant Program enables your company to devote attention and resources to other priorities. First dollar transplant coverage through U.R.N. frees up reserves, allowing you to reinvest in

your business and focus attention on reducing other expenditures for high cost diagnostic and service categories. In addition, first dollar transplant coverage through U.R.N. eliminates volatility. As always, you would have access to care using U.R.N.'s leading Centers of Excellence Transplant network.

The program is easy to implement; just contact Summit Re for more information.

*Summit Perspectives* is a periodic newsletter published by Summit Reinsurance Services, Inc., a full-service managing underwriter and reinsurance intermediary that focuses exclusively on managed care. *Summit Perspectives* highlights various items from both Summit Re and the managed care reinsurance marketplace. We will publish it only when we have important information to share.

If an item in this edition generates questions or comments, please give us a call at 260-469-3000 or write to us at [www.summit-re.com](http://www.summit-re.com).



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