



July 21, 2020

SEQUOIA BRANCH PROGRAM

Market Insight

**COVID-19
Branch
Case
Savings
\$180K
29.4%**

The COVID-19 pandemic has caused historic widespread social and economic disruption. The economic impact has devastated many industries including our nation's hospitals and health systems.

Because COVID-19 is caused from a novel virus, there is limited data available for health plans to accurately predict the expected care and plan for the impact of the financial exposure.

Many who have contracted COVID-19 may have relatively mild symptoms that are manageable at home but older patients or those with co-morbidities are more at risk for the serious form of COVID-19. Some people -- about 1 in 6 -- will have complications, including some that are life-threatening.

The clinical presentation and hospital length of stay for COVID-19 with complications is highly varied with the most severe cases requiring hospitalization in the ICU with treatment that might include supplemental oxygen, assisted ventilation, medications and other very expensive supportive care measures. Currently there is only one FDA authorized medication for emergency use to treat COVID-19. However, an array of medications approved for other indications, as well as multiple investigational agents, are being studied for the treatment of COVID-19 in current clinical trials.

The Branch Program COVID-19 Solution

Specialty financial and clinical resources are needed to assess and manage COVID-19 risk. Sequoia Branch implements client specific risk mitigation strategies to help them prepare and manage this high cost exposure.

Complications of COVID-19

Pneumonia

Hypoxemic respiratory failure/acute respiratory distress syndrome (ARDS)

Diffuse alveolar damage

Secondary bacterial infections

Sepsis and septic shock

Cardiac injury

Cardiomyopathy

Arrhythmia

Sudden cardiac death

Acute kidney injury

Liver dysfunction

Multiorgan failure

Thromboembolism

Large vessel strokes

Gastrointestinal bleeding

*Critical illness polyneuropathy/
myopathy*

Branch Program COVID-19 Case Savings

This medically complex COVID-19 case had a 42 day hospitalization in the ICU with mechanical ventilation. Resolution of the findings were obtained with the facility. The savings are based on a carve out negotiated payment agreement for COVID-19 experimental/investigational services. All other services were paid at the contract rate.

Carve Out Negotiated Payment Agreement - COVID-19 Experimental/Investigational Services	
COVID-19 Patient	
42 Day Length of Stay	
Facility Billed Charges	\$816,901
Less Contractual Discount	\$204,225
Contract Payable Charges	\$612,676
Experimental/Investigational Charges Identified	\$276,678
Plus All Other Services	\$335,998
Total	\$612,676
Branch Claim Settlement	
Experimental/Investigational Charges Identified	\$276,678
Experimental Investigational Services	\$96,418
Negotiated Based on Facility Cost Plus 20% Margin	
Plus All Other Services	\$335,998
Total Payable	\$432,416
Branch Savings - 29.4%	\$180,260

Branch Program

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