Clover Health

Clover Health to Scale In-home Primary Care Program Through Direct Contracting

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Program has driven reductions in hospital stays and medical expenses
Inks new partnerships with leading home-based care providers, Spiras Health and Upward Health

NASHVILLE, Tenn., June 09, 2021 (GLOBE NEWSWIRE) -- Today, Clover Health (Nasdaq: CLOV) ("Clover"), an innovative technology company committed to improving health equity for America's underserved seniors, announces plans to scale its in-home primary care program, *Clover Home Care*, through the U.S. Centers for Medicare and Medicaid Services' (CMS) new Direct Contracting model. The goal of Direct Contracting is to make the Medicare program more financially sustainable for taxpayers while improving health outcomes for beneficiaries, which aligns with the work of *Clover Home Care*.

Clover Home Care is led by Dr. Kumar Dharmarajan, Associate Chief Medical Officer of Clover and Chief Clinician of Clover's Direct Contracting Entity, Clover Health Partners. Launched in 2017, *Clover Home Care* was designed to better identify and care for the company's most medically complex members, with a focus on health outcomes improvement and medical expense reduction rather than risk adjustment. From inception of the program until the outbreak of COVID-19, the program reduced hospitalizations by 17% and medical expenses by $325 per member per month, on average, versus a control group of Clover Health members with similar health profiles.

Home care for high-risk individuals is more scalable than fixed-site-based care, and permits technology deployment to enhance care and outcomes directly where patients live. Home-based primary care provides access to care for the frailest and most medically complex older adults, particularly those who are homebound. It also gives greater insight into social determinants of health and medication concerns through direct review of the home environment, prescription bottles, and more.

Clover Home Care is differentiated from brick-and-mortar models and many other home-based care programs in a number of important ways:

1. **Focus on clinical-value.** *Clover Home Care* provides direct, 24/7 access to physicians, same day urgent visits, and collaborative care with in-network primary care physicians. Clover's model and technology enable provider visits to focus on major drivers of hospitalization risk, patients' most important clinical concerns, and advance care planning needs.

2. **Values pre-existing primary care relationships**. Program participants are encouraged to continue seeing their pre-existing primary care providers in addition to the Clover Home Care team. Many patients have longstanding and productive relationships that Clover works to maintain if the patient wishes. This approach contrasts with many models in which patients are actively reassigned by payors to new primary care providers who disintermediate patients from their pre-existing doctors. In contrast, since the inception of the program a majority of patients continued to see their pre-existing primary care provider after enrolling in *Clover Home Care*.

3. **Technology-driven**. For patients enrolled in *Clover Home Care,* clinical teams use Clover's technology platform, the Clover Assistant, to identify key medical conditions requiring further management, medication improvement opportunities, and additional gaps in care. In 2020, providers using the Clover Assistant had a gap closure rate on HEDIS quality measures that was approximately 10% higher than providers not using the Clover Assistant. The platform also flags recent hospital stays to clinicians using automated data feeds from hospitals and skilled nursing facilities to promote timely visits after discharge to home that lower hospital readmissions. The program continues to integrate and build toward technologies to facilitate patient engagement and monitor patients remotely to identify early evidence of deterioration in health.

4. **Sophisticated patient identification.** Clover uses in-house proprietary machine learning algorithms to identify patients expected to have high future costs due to adverse health outcomes. Patients targeted for the program have a hospitalization rate that is approximately four times the rate of the average Clover member. The algorithms have been designed based on clinical concepts supported by the medical literature rather than business-only considerations and do not index solely on patients who have a high historical cost. As a result, patients targeted for *Clover Home Care* include those with rising medical risk with little to no regression to the mean in medical costs in the year after identification. Competitors' models often focus on historical costs only, as it allows easier negotiations with their payor partners.

5. **Unique patient insights**. Engagement in the home leads to a deeper understanding of environmental factors impacting health, including dangerous living situations, lack of healthy food, and disorganization around medications. Medications are the most common cause of adverse health events in older adults, and patients entering our program have regularly been prescribed more than 15 unique medications in the year prior to enrollment. House calls also permit meaningful interactions with family members and other caregivers who are critical to helping oversee care plans for many older adults. Moreover, establishing remote patient monitoring programs within the home as a center of care can be used to more efficiently target disease exacerbations and utilize telehealth strategies in seniors.

6. **Prioritization of patient engagement**. A high proportion of targeted patients must be engaged to maximize outcomes improvement and cost reduction at a population level. Through multi-faceted engagement of both patients and their physicians, the program ended last year with 72% of its target list enrolled, which Clover believes is significantly above the industry average.

7. **Anchored on clinical value, not risk adjustment**. The majority of value generation for many legacy brick and mortar and home-based care models has come through additional documentation of member health conditions rather than true clinical outcomes improvement. In contrast, Clover indexes on improved member health outcomes including hospitalization reduction, improved performance on quality measures, and better care at the end of life. More than 75% of Clover's historic financial return from *Clover Home Care* has occurred via outcomes improvement and cost reduction rather than risk adjustment.

8. **Removing legacy barriers to care.** Direct Contracting beneficiaries joining Clover who are identified as eligible participants will have access to *Clover Home Care*. Much of this cohort falls within socio-economic groups that largely have not received this level of attended care. For example, enrolled patients are almost twice as likely to be signed up for state pharmaceutical assistance programs that help reduce out of pocket costs for medications. Clover currently plans to build and share data-sets around improvements in health that are attainable for complex older adults through its model.

Clover is excited to scale its home-based primary care program within the new Direct Contracting program from CMS. While the Clover Assistant will be used to properly identify eligible participants, achieve high rates of program enrollment through direct collaboration with primary care providers, and facilitate high value care coordination, Clover has partnered with trusted entities to keep pace with the growth of Direct Contracting. Leveraging the asset-light power of the Clover Assistant in collaboration with trusted clinical organizations allows Clover to be able to scale at the speed of software.

Bringing this high level of complex care management to the fee for service Medicare population is another step forward in Clover's drive to health equity. By providing home-based care to this new cohort of beneficiaries, Clover aims to simultaneously support improving health outcomes while reducing costs for the government and helping the sustainability of the Medicare program.

Clover's first two partners, Spiras Health and Upward Health, were chosen because of their record of exceptional care delivery in the home via a multidisciplinary model, which is core to Clover's strategy for complex care management.

About Clover Health
Clover Health (Nasdaq: CLOV) is a next-generation insurance company dedicated to achieving health equity for all Americans. While our mission is to improve every life, we particularly focus on seniors who have historically lacked access to affordable high quality healthcare.

We aim to provide great care, in a sustainable way, by having a business model built around improving medical outcomes while lowering avoidable costs. We do this while taking a holistic approach to understanding the health needs and social risk factors of those under our care. This strategy is underpinned by the company's proprietary software platform, the Clover Assistant, which aggregates patient data from across the health ecosystem to support clinical decision-making by providing physicians with real-time, personalized recommendations at the point of care.

Making care more accessible is at the heart of our business, and we believe patients should always have the freedom to choose their doctors. To support this belief, we offer two models of care: affordable Medicare Advantage plans with extensive benefits; and care coordination for Original Medicare beneficiaries through Direct Contracting. In both cases, we provide primary care physicians with the Clover Assistant and also make comprehensive home-based care available via the *Clover Home Care* program.

With corporate headquarters in Nashville, Clover's workforce is distributed around the U.S. with a team of world-class technologists based in Hong Kong. The company manages care for Medicare beneficiaries in eleven states, including Arizona, Georgia, Kansas, Mississippi, New Jersey, New York, Pennsylvania, South Carolina, Tennessee, Texas and Vermont.

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