

CUBIC

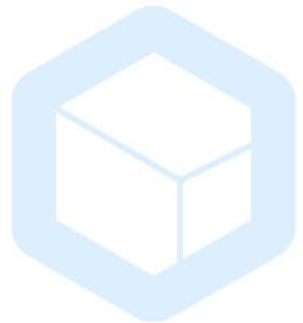
Controlling Healthcare Costs

World Pension Alliance &
Transatlantic Conference
June 15, 2023

Areas of Focus in Controlling Costs

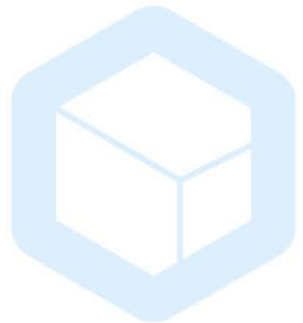
Point of departure for controlling healthcare costs: prescription drug benefit plan – meaningful opportunities, easiest to action, and drive **growing** returns that can be used to responsibly contain costs in other areas of plan experience:

- Enrichment of transactional-level claims data & data integration
- Taking control of plan design & drug formulary
- Introduction of independent, evidence-based Prior Authorization
- Implementation of preferred biosimilars
- Plan Sponsor controlled Product Listing Agreements
- Plan Sponsor Pharmacy – vertical integration



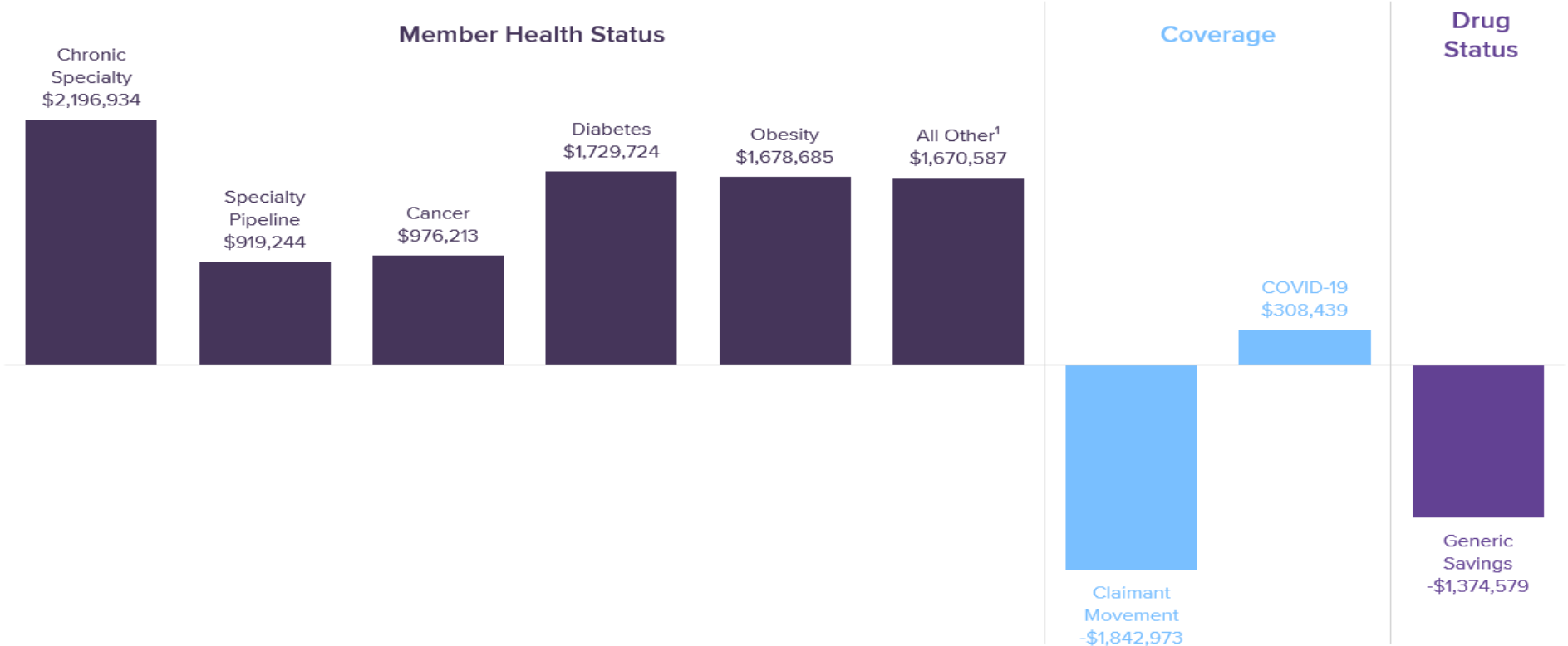
Areas of Focus in Controlling Costs

- **Next focus – moving upstream to Extended Health Claims management and optimizing Disability Management**
- Use proceeds from driving more efficient and effective use of drug plan benefit to invest elsewhere in sustainable manner that focuses on **win-win: optimizing member health & driving better financial outcomes for the plan** (no need for zero sum approach)
- Looking at areas with modifiable risk factors: **Mental Health & Diabetes** at top of the list (e.g. triaging Stepped Care, isolating & managing Prediabetes)
- Key is leveraging enriched and integrated data

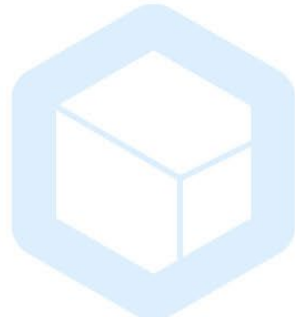


Predictive Analytics- Setting Context

By the end of 2025, the net result of these changes in member health status, coverage and drug status is an increase of \$6,262,274 or 14.3% compared to the plan's 2022 spending, to a total of \$49,955,602.

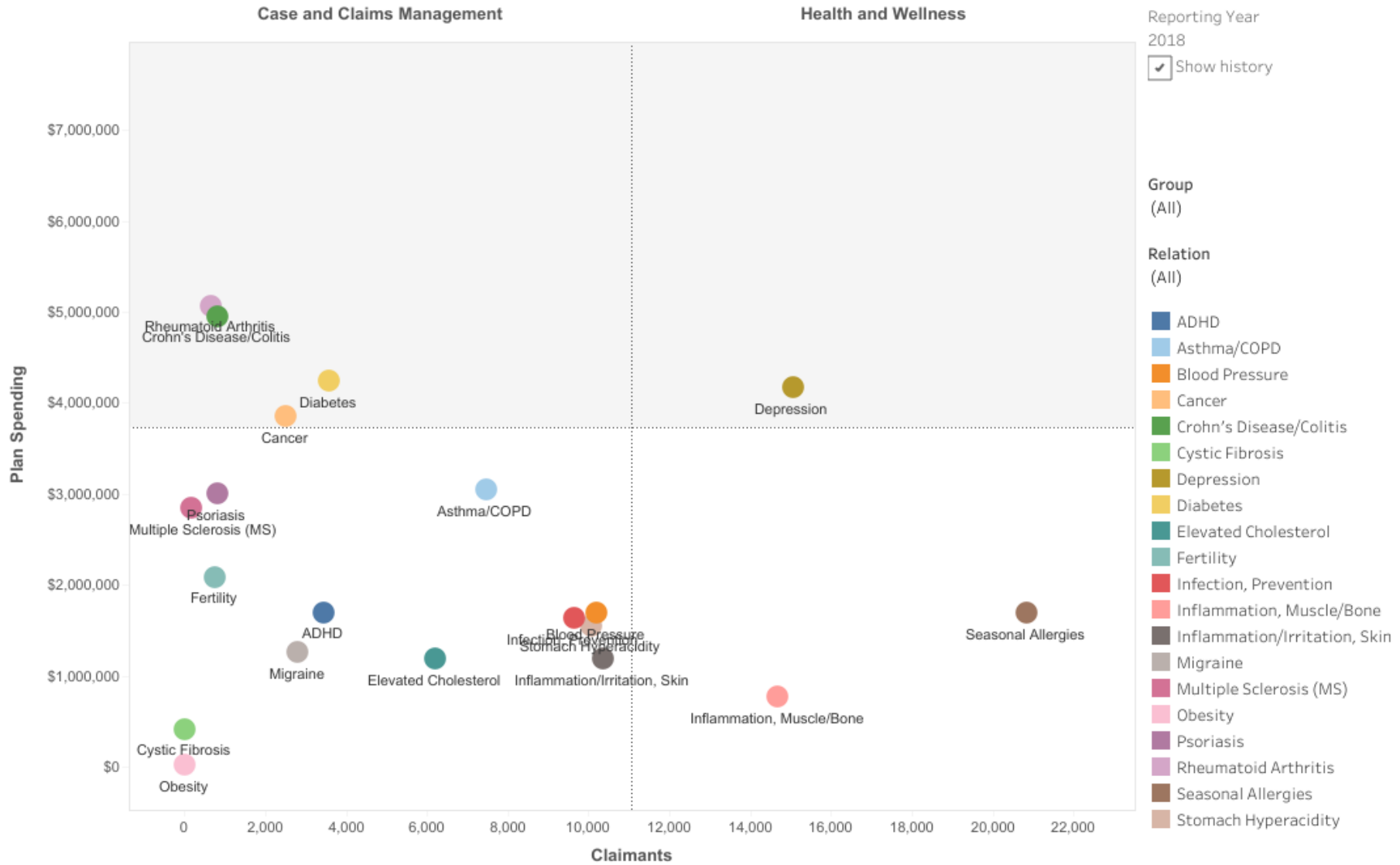


1. All Other = All other conditions outside of assessed Chronic Specialty, Pipeline, Cancer, Diabetes and Obesity



Population Health Map

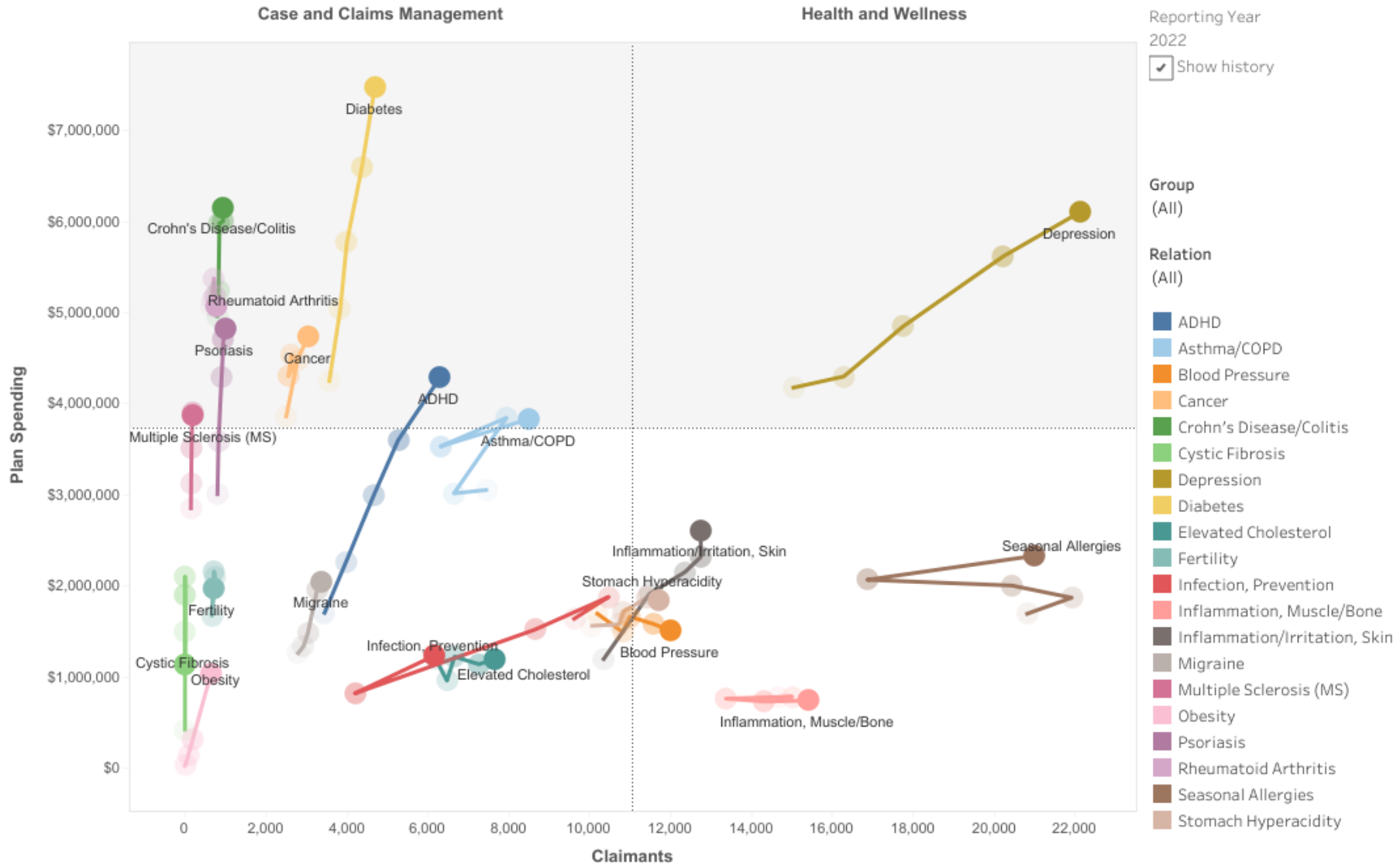
Plan spending versus number of claimants per therapeutic category through time



Most Recent Claim: Aug 31, 2022

Population Health Map

Plan spending versus number of claimants per therapeutic category through time



Most Recent Claim: Aug 31, 2022

Type 2 Diabetes - Severity Profile

Status
(All)

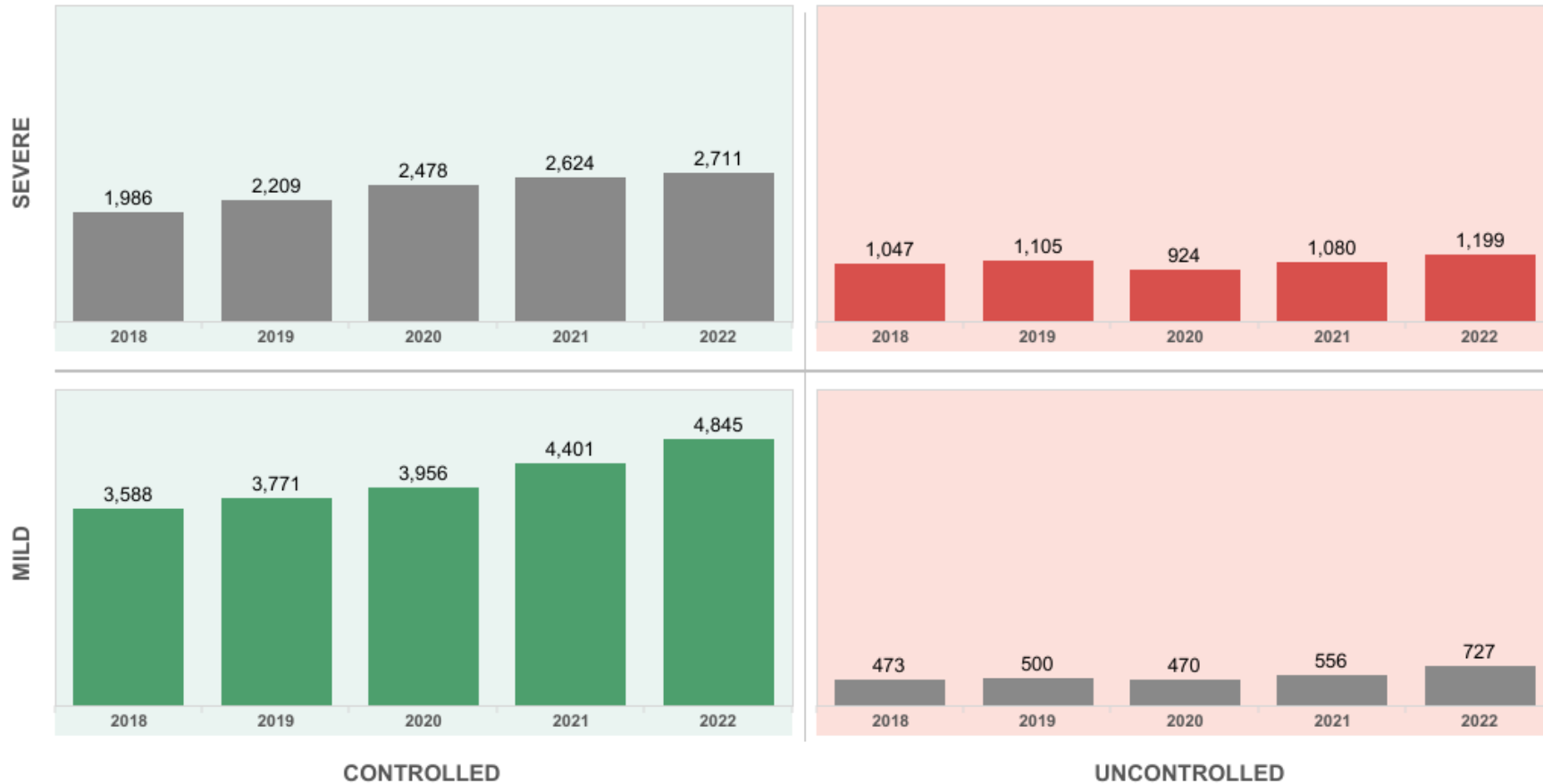
Relation
(All)

Burden Level
All Therapies

Utilization Metric
Claimants

Measure
Absolute

Severe/Uncontrolled claimants within the selected population currently cost the plan 1.8x more in annual drug plan spending for all therapies than Mild/Controlled claimants



Tracking New Starts - Drug Claims

New starts on medications for select conditions including claimant demographics (select condition(s) for assessment)

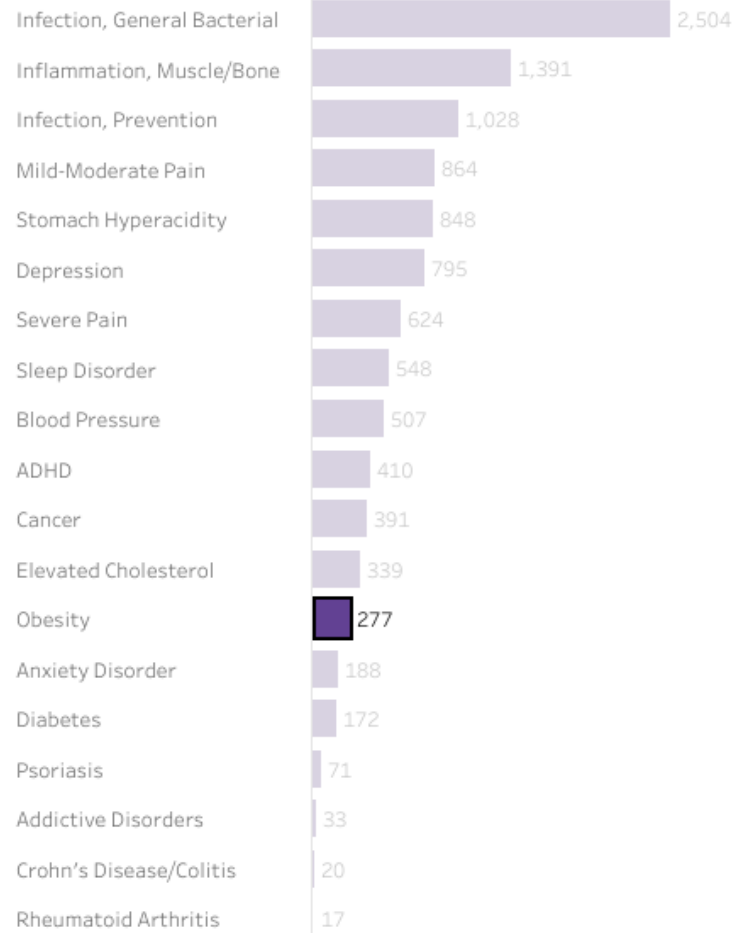
Group
All

Relation
All

Period 1
2022 - Q2

Period 2
2023 - Q2

Select One or More Disease(s) for Assessment (2023 - Q2)



For Selected Reasons

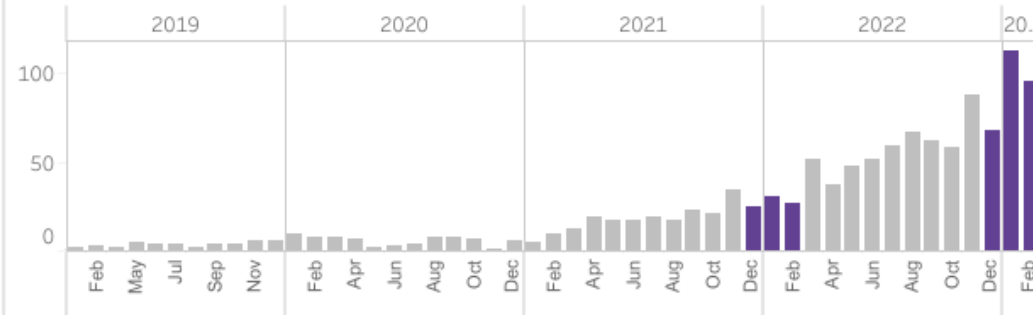
Number of New Starts
277

Period-Over-Period
▲ 194 (or 233.7%)

Monthly Trends - New Drug Claims

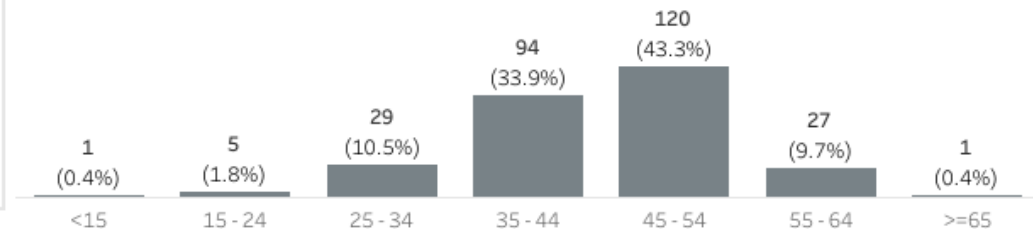
Date Range 1/1/2019 to 2/28/2023

By Month



Demographic Profile of New Starts (2023 - Q2)

Age Band



Note: New starts for drug claims are based on the Date Dispensed.

Most recent claim date: Feb 28, 2023

Integrated Benefits Analysis - Depression (2022)

Impact of Depression and Treatment Resistant Depression (TRD) among Employees

Reporting Year
2022

Group
All

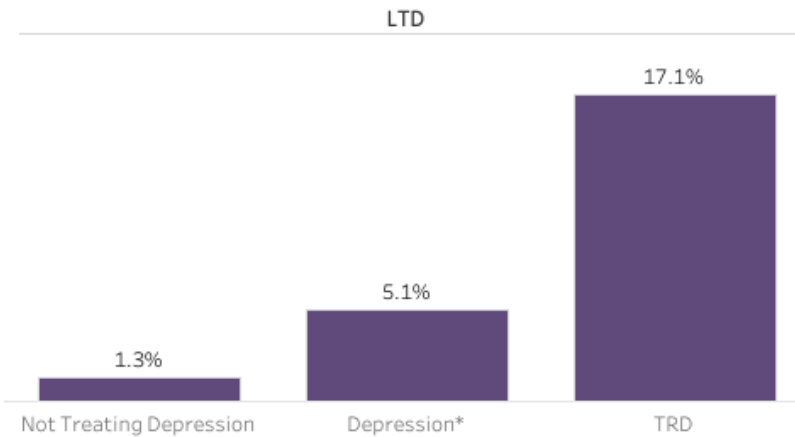
Integrated Insights: Combining Complete Benefits Experience

	Treating Depression	With LTD claims due to Depression	Plan spending for Depression for Drug + LTD combined	% of combined benefits spending
# Employees:	1,870 ▲ 10.7% YOY	57 ▲ 3.6% YOY	\$1,882,028 ▲ 40.5%	13.0%

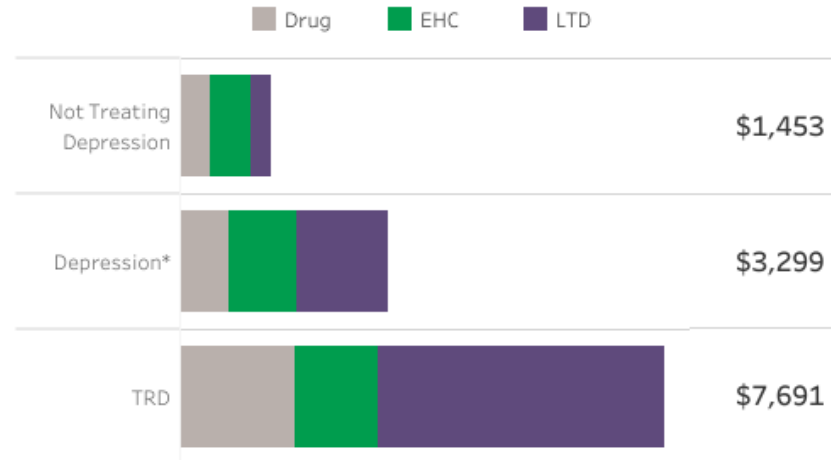
Employees with Treatment Resistant Depression:	281
Employees with TRD at work with no LTD:	233

Employees on LTD due to Depression	
with no claims for antidepressants:	20 (or 35.1%)
with no claims for Psychology Services:	36 (or 63.2%)
with no claims for antidepressants or Psychology Services:	16 (or 28.1%)

Comparative Disability Rates



Average Annual Plan Spending per Employee for all Drug + EHC + LTD:



* Treatment Resistant Depression excluded

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