

CASE STUDY

Significant Savings and Superior Care: Peraton's Experience with Carrum Health





Peraton

About Peraton

Peraton is a next-generation national security company operating at the critical nexus between traditional and nontraditional threats across all domains: land, sea, space, air, and cyberspace.

- Headquartered in Reston, VA
- 24K+ covered lines
- Carrum Health partner since 2022

Service lines active with Carrum Health



Musculoskeletal



Cardiac



Bariatric



Oncology

- All Voluntary
- Waive all member cost share*

*Deductibles still apply.



Problem

In 2021, Peraton's benefits team realized their employees weren't getting the best possible care for critical diagnoses such as cancer and heart disease or surgeries like total joint replacements and spinal fusions.

They believed this was happening for two main reasons: Their members were navigating their care options with minimal or insufficient guidance from experts, and they were making care decisions based on convenience and familiarity—with little regard to the provider's quality or track record with health outcomes.

As a result, members received care that was lower than ideal quality and sometimes completely unnecessary or ineffective. Studies have found, for example, that <u>almost one in three</u> knee replacement surgeries were inappropriate, <u>60% of spine surgeries</u> were unnecessary, and upwards of <u>40% of low back pain surgeries</u> failed.

Combined, these factors led to poor member experiences and sub-par health outcomes and contributed to high costs for both the company and its members.





Solution

Peraton wanted to partner with a centers of excellence (COE) solution that would help them achieve better outcomes, a superior patient experience, and cost savings.

Their selection of Carrum Health was primarily driven by Carrum's seamless integration with Peraton's health benefits ecosystem, including their medical plan and two other point solutions, Accolade and Hinge Health. Because Peraton was already a Hinge Health customer, they were able to easily contract with and activate Carrum.

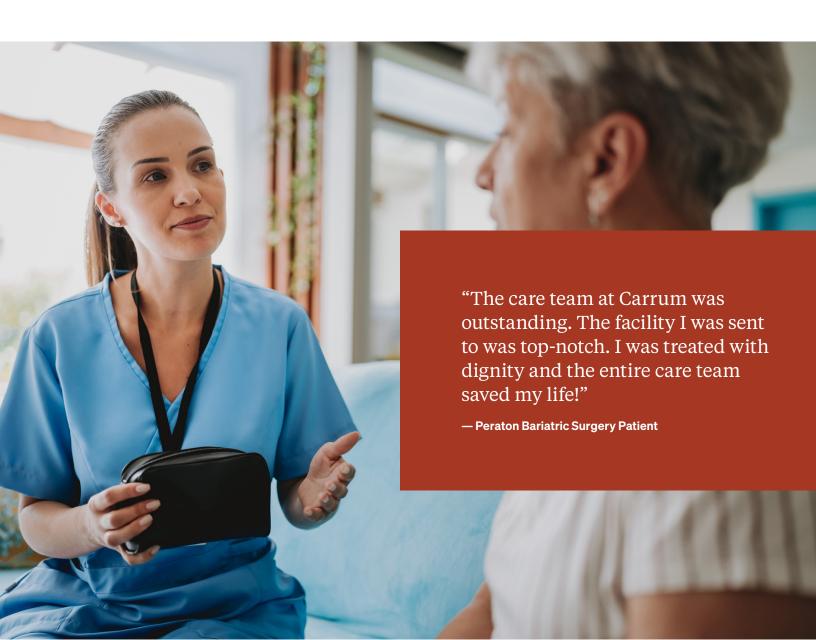
Carrum works very closely with its ecosystem partners, which is very important to Peraton. In addition to hosting joint webinars for Peraton employees, for example, Carrum and Hinge Health have deep bidirectional referral pathways—Carrum will refer a Peraton member to Hinge Health for virtual physical therapy, and Hinge Health will refer a member to Carrum when they believe surgery is required. "The collaboration and coordination has been eye-opening," shares Bernadette Long, Peraton's Senior Director of Benefits. "You don't see that a lot."

In addition, Peraton appreciated that Carrum provides high-touch, white-glove service. From the moment a member fills out a Carrum profile, they are matched with a dedicated, empathy-driven Carrum care navigator who helps them navigate the program, coordinates their care, and continuously checks in with them over the course of their treatment and beyond.

In January 2022, Peraton launched all of Carrum's service lines: MSK (spinal surgery and hip, knee, shoulder, and ankle replacements), cardiac care (coronary and valve surgeries), bariatric surgery, and cancer care. In 2022, they promoted Carrum to their population with a launch email and a home mailer. In 2023, they overhauled their outreach strategy—holding two "Coffee with Carrum" webinars, mailing a Carrum brochure, featuring Carrum in a new quarterly well-being newsletter, producing a powerful video testimonial, and more.

Two years into the partnership, the highlights of working with Carrum are:

- The positive feedback from Peraton employees who leverage Carrum
- The dynamic and collaborative approach to the partnership, especially in creating custom communications tailored to the needs of members
- The ability to pivot and adjust strategy based on program performance and employee sentiment





Snapshot of Results

\$23k

average plan savings per episode

\$3.6k

average member savings per surgery

91 NPS

Member Net Promoter Score

5.6:1

RO

"I had a wonderful experience at Rothman Ortho and would recommend it to anyone. Amelia [from Carrum] was a pleasure to work with. She was very responsive and always explained every phase of the process in great detail."

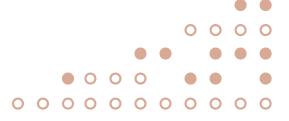
- Peraton Hip Replacement Patient

"I cannot say enough great things about the entire experience. (Yes, that's a weird thing to say about surgery.) This was my second neck surgery. I'm sure if I had this team for my first surgery, I wouldn't have needed this second one."

— Peraton Spinal Fusion Patient

"I have never had an experience like Carrum Health but it was super easy and took away most of the stress of preparing for this surgery. Margaret [from Carrum] was the best! She guided me well and made getting this surgery so very easy. I cannot thank her enough!"

- Peraton Bariatric Surgery Patient



Results

By selecting Carrum as its COE partner, Peraton has been able to increase members' utilization of high-quality care, improve the member experience, and reduce costs for both the company and its members.

(i) Meaningful cost savings for Peraton and its members

Carrum's transparent and predictable bundled payments model along with their <u>proven ability to reduce</u> <u>unnecessary surgeries</u> has helped Peraton achieve substantial cost savings. Since implementation in 2022, Peraton has saved an average of \$23,200 per episode when a member used Carrum for care; those same members saved an average of \$3,662. Peraton's ROI with Carrum is 5.6:1.

(A collaborative approach that yields real results

When Carrum and Peraton put their heads together to revamp the communications strategy between years one and two, it helped increase utilization by 171%. In addition, Accolade referrals directly contributed to one third of completed surgery episodes in 2023.

(Very satisfied members

The average satisfaction score for Peraton members who utilized their Carrum benefit was 91, far above the average NPS of 25 for health plans. "We have had nothing but positive experiences reported with Carrum," says Bernadette Long, Peraton's Senior Director of Benefits.

These results are from 2022 and 2023 combined.



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About Carrum Health

Carrum Health was founded in 2014 with a mission to "bring common sense to healthcare" through a value-based healthcare model that benefits families, employers and providers. Headquartered in the San Francisco Bay Area, Carrum's award-winning surgery benefits platform connects self-insured employers with top providers under standardized bundled payment arrangements to better manage healthcare costs. By aligning provider incentives with quality performance, Carrum drives improvements in patient experience and health outcomes. Customers include Fortune 500 companies and public sector organizations.

For more information, visit carrumhealth.com.

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