



Data Powers the Member Experience and Optimizes Return on Investment



At the start of the implementation process, your Livongo team will ask for various data. Access to this data is important for three reasons:

- 1. To ensure all potential candidates are identified on an ongoing basis**
- 2. To create a more personalized member experience and improve member health metrics**
- 3. To demonstrate and optimize your return on investment (ROI)**

On your behalf, the Livongo team will interact with your health plan, pharmacy benefits manager, and/or data warehouse to access medical and pharmacy claims as well as biometric data (if collected by your company). Livongo's existing partnerships and best practices in data-integration management simplifies the implementation process for you and minimizes the demands on your time. The security of member data is paramount to all Livongo team members. Livongo is SOC2-certified, and its data-management practices are independently audited, so you can be assured that member privacy is protected.

1: IDENTIFYING THE ELIGIBLE POPULATION

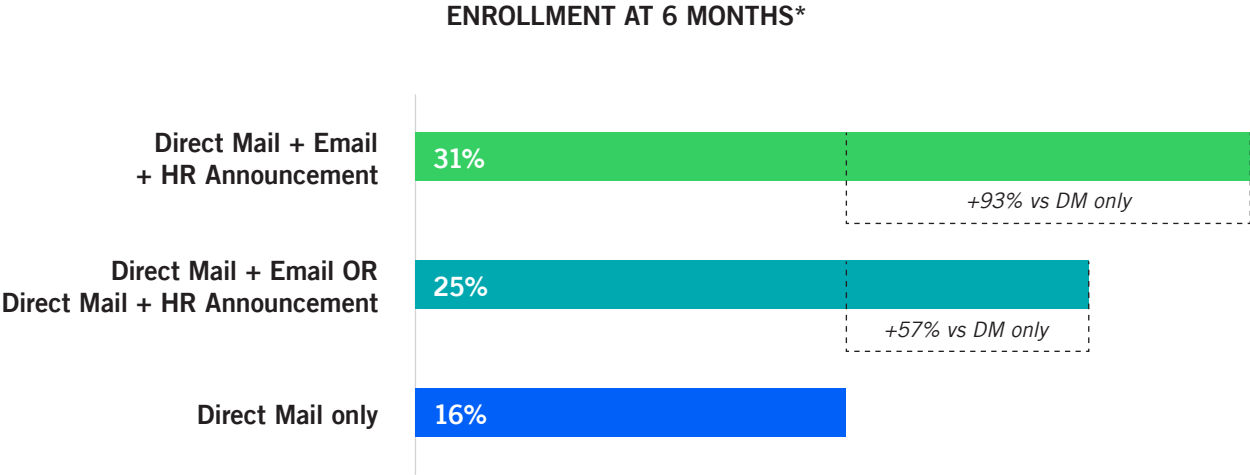
Identifying the eligible population is the first step in getting future members the support they need to successfully manage their hemoglobin A1c (HbA1c) and avoid costly diabetes-related complications, such as heart attack, stroke, and lower-limb amputation. You can increase the number of individuals who participate in the Livongo for Diabetes program by providing access to eligibility, medical, and pharmacy data for launch and on a regular cadence thereafter.

Medical claims may show reimbursement codes denoting Type 1 or Type 2 diabetes or elevated HbA1c. However, medical claims data alone or pharmacy benefit claims alone may not be enough to identify the eligible population. People with diabetes may not have seen a physician in the past 12 months. The physician may not use a reimbursement code that signifies the patient has diabetes for an office visit related to a sore throat. Having both medical and pharmacy claims data increases the percentage of people with diabetes identified for outreach.

POTENTIAL BENEFICIARIES
with pharmacy benefits data + medical claims

Livongo’s automated workflows, combined with access to medical claims data, typically identifies 45%-60% of potential beneficiaries. A large university had a 28 percent increase in potential beneficiaries after layering pharmacy benefits data onto medical claims. The reverse also is true. One national healthcare organization initially provided access to pharmacy data. After giving Livongo access to medical claims data, the number of identified people with diabetes rose by 38.6 percent.

Livongo also requests access to email addresses to develop a targeted outreach campaign that engages potential members and streamlines onboarding. Providing Livongo with email information is critical to maximize the number of members who enroll in Livongo, as shown in the below chart.



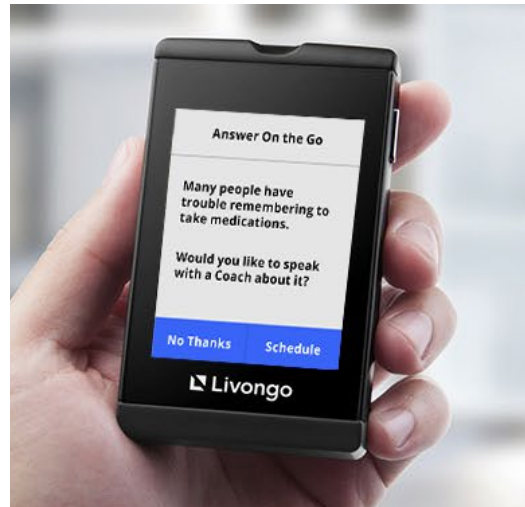
* Data based on Livongo clients who launched in 2017

2: PERSONALIZING THE PRODUCT EXPERIENCE

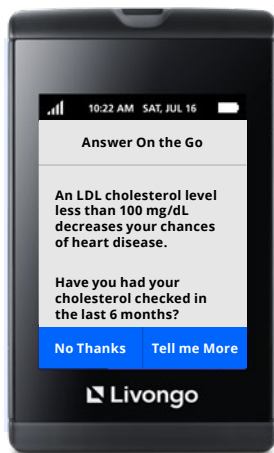
People with diabetes have varying levels of knowledge regarding the consequences of elevated HbA1c or awareness of the steps they can take to manage their condition. Diet, exercise, and medication are the cornerstones of diabetes management. Not following treatment plans is perhaps the biggest hurdle to controlling daily blood glucose fluctuations and HbA1c.

Challenges related to management of diabetes also vary. A member who has Type 1 diabetes and who takes insulin faces different obstacles than a member newly diagnosed with Type 2 diabetes who takes oral medication. One member may have several comorbidities, such as high blood pressure and neuropathy, whereas another may struggle with episodes of hypoglycemia and emergency room visits. Livongo for Diabetes can help members with different profiles better manage their disease and overall health.

Livongo is an expert at developing strategic communications to send the right message at the right time to prompt an individual to actively manage his or her diabetes. Access to medical and pharmacy data drives the development of targeted messages to potential and existing members and allows for medical and pharmacy data to individualize guidance from Livongo's Certified Diabetes Educators (CDEs). In this way, a CDE's real-time response to a member's blood glucose check considers the member's overall health, not just blood glucose levels. In addition, with access to ongoing pharmacy claims, Livongo can help increase adherence to treatment regimens by "nudging" members to refill overdue prescriptions or offering coaching sessions on medication adherence.



Diabetes often co-exists with other chronic conditions, such as high blood pressure. Diabetes also increases the risk of high cholesterol, which can lead to coronary artery disease and heart attack. Having access to medical claims, pharmacy claims, and biometric data (such as HbA1c, blood pressure, weight, height, etc.) enables Livongo to direct targeted messages to members who need help in certain areas. Improvements in body weight and blood pressure can enhance a member's overall health status, quality of life, and functionality. Improvements in these areas also can lower the risk of costly adverse health events, such as heart attack or stroke.



PERSONALIZATION: LIVONGO METER MESSAGING

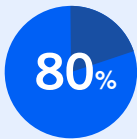
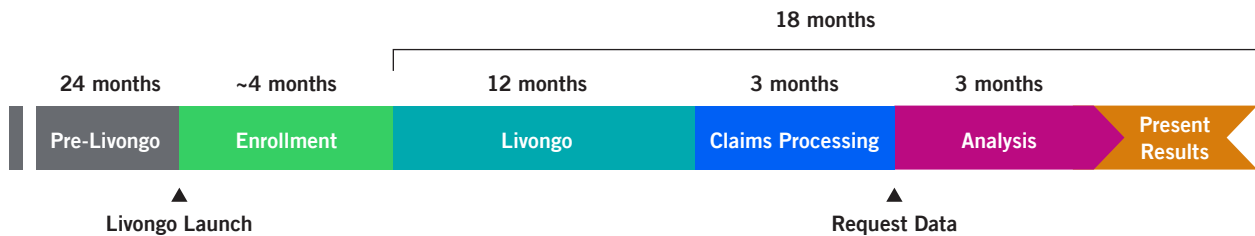
Livongo leverages medical claims, pharmacy claims, and biometric data to personalize the Livongo meter message, such as "An LDL cholesterol level less than 100 mg/dL decreases your chances of heart disease. Have you had your cholesterol checked in the past 6 months?" In this way, Livongo encourages members to be proactive with their health and receive medication or treatment that prevent life-or limb-threatening conditions.

In addition, with access to the requested data, Livongo can perform an analysis to ascertain whether members with other chronic conditions have healthcare costs that exceed average rates or help identify areas to modify benefit design to optimize cost savings (e.g., co-pays for medications and/or healthcare visits).

3: OPTIMIZING RETURN ON INVESTMENT

At launch, Livongo will request medical claims, pharmacy claims, and eligibility data for the preceding 24-month period. There can be a nominal fee to set up data received from your health plan, pharmacy benefit manager, or partner. Livongo will work directly with your account team to determine the amount and minimize the stress on you and your budget.

The pre-launch data is critical to performing an ROI analysis, as the data serves as the benchmark against which future healthcare costs will be compared. Assuming about four months for enrollment, Livongo tracks medical and pharmacy claims for one year after launch. It can then take insurers and benefits vendors approximately three months to process claims. Roughly 18 months after the enrollment period, you will receive an ROI analysis of the healthcare cost savings for individuals enrolled in Livongo for Diabetes.



Livongo Members experiencing average HbA1c reductions of **0.8%-1.6% at one year**

The Livongo Return on Investment model assumes that 80 percentage of Livongo members experience average HbA1c reductions of **0.8%-1.6% at one year**. In general, the short-term benefits include reduced symptom burden and greater functionality. The more significant cost savings are typically seen after two to three years of continued HbA1c control through the avoidance of emergency room visits, hospitalizations, and doctor visits. Thus, Livongo's Return on Investment model assumes a three-year horizon for calculation of expected cost savings.

4: ENSURING PRIVACY AND SECURITY



Livongo is fully HIPAA-compliant and has more than **100 controls** in place to secure protected health information and the organization is certified in Service Organization Controls 2 (SOC 2) for security, confidentiality, and availability. Livongo uses data encryption as well as technical and physical safeguards to ensure data security. It uses secure network architecture, such as firewall and other boundary devices, and keeps member health information on a server separate from the corporate network servers. Livongo also routinely audits its technological infrastructure and policies to ensure that member private health information remains secure.

5: REQUESTING DATA

Following your approval, Livongo works with your benefits vendors to gain access to pertinent data for potential enrollees for the 24 months prior to launch. It also will require medical claims, pharmacy claims, and eligibility data, including diagnosis and drug codes as well as paid amounts, from these sources on a recurring basis post-launch. A sample of the type of data needed is shown in the following table.

LIVONGO DATA USE-CASE MATRIX

	Targeted Marketing	ROI Analysis	Personalized Messages	Streamlined Registration
Medical & Pharmacy Claims				
All Claims for All Covered Lives	✓	✓	✓	N/A
All Claims for People with Diabetes Only	✓	✓	✓	N/A
Only Diabetes-related Claims	✓		✓	N/A
Only Diabetes-related Claims (Predefined List)	✓			N/A
Eligibility File: Minimum of First Name, Last Name and Date of Birth				
Has Address, City, State, Zip Code	✓		N/A	
Has Email Addresses	✓		N/A	
Has Insurance Group ID and Insurance Member ID	✓		N/A	✓
Has Coverage Effective Date and Coverage Termination Date	✓	✓	N/A	✓

To enable Livongo to provide a ROI analysis, full claim files need to be provided by clients.

6: CONCLUSION

With access to health data, Livongo can create a compelling, personalized platform that empowers members in the management of their diabetes and reduces the risk of costly complications. Livongo interacts with health plans, pharmacy benefit managers, and other parties to reduce the time you need to dedicate to implementation. In addition to powering the member experience, the requested data enables Livongo to optimize your cost savings and ROI.