Gregg Raybuck
President
Women’s & Children’s Health Division
Preterm Birthrates – U.S.

Percent of Live Births

1981: 9.4%
1991: 10.8%
2001: 11.9%
2002: 12.1%
2003: 12.3%
2004: 12.5%
2007: 10.1% (March of Dimes Goal)
2010: 7.6% (Surgeon General Goal)
Preterm Birthrates

- Analysis of March of Dimes Perinatal Data Center using National Inpatient Sample, November 2005, Agency for Healthcare Research and Quality
- National Center for Health Statistics, final natality data
Preterm Birthrates

- > 13.1% (15 states)
- 11.8 – 13.1% (19 states)
- < 11.8% (17 states)

Total cost for newborns: $36.7 billion

Preterm births

- Analysis of March of Dimes Perinatal Data Center using National Inpatient Sample, November 2005, Agency for Healthcare Research and Quality
- National Center for Health Statistics, final natality data
Preterm Birthrates

- > 13.1% (15 states)
- 11.8 – 13.1% (19 states)
- < 11.8% (17 states)

US births 2004

- 12.5% preterm

- Increase of 14% since 1994
- Higher in women over 40

- Analysis of March of Dimes Perinatal Data Center using National Inpatient Sample, November 2005, Agency for Healthcare Research and Quality
- National Center for Health Statistics, final natality data
Typical health plan commercial expenditures

Maternity-Newborn Costs
25 – 40%

Percentages Reflect a Non-Medicaid Environment
Source: Washington Business Group on Health
1 in 3 pregnant women develop complications

NICU costs for preterm & complications = $6.6 billion

$2,830
Healthy Full-term

$41,610
Premature

$80,000
Average cost of NICU

- Report by Cigna Corporation by the Center for Risk management and Insurance Research-Georgia State University and the Center for Health Policy Studies, Columbia, Maryland; www.bls.gov/cpi;
- Data on file
- CDC Safe Motherhood
- Society of Actuaries: Large Claim Data Base 1997
<table>
<thead>
<tr>
<th>Diagnosis</th>
<th>Incidence</th>
<th>Average LOS</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-term Labor</td>
<td>25%</td>
<td>3.4 days</td>
<td>$5,642</td>
</tr>
<tr>
<td>Hyperemesis</td>
<td>9%</td>
<td>3.0 days</td>
<td>$4,167</td>
</tr>
<tr>
<td>Hypertensive Disorders</td>
<td>9%</td>
<td>4.6 days</td>
<td>$7,145</td>
</tr>
<tr>
<td>Ruptured Membrane</td>
<td>6%</td>
<td>12.6 days</td>
<td>$20,753</td>
</tr>
<tr>
<td>Diabetes</td>
<td>3%</td>
<td>3.1 days</td>
<td>$4,591</td>
</tr>
</tbody>
</table>

NICU Cost Drivers

• Increase of preterm births

• Smaller and earlier infants survival

• NICU proliferation

• Infertility and multiple gestation increases
Impact of Poor Birth Outcomes

**Employer/Insurer**
- Maternal care costs
- Loss of productivity
- Cost of newborn care

**Community/Society**
- Continued care costs
- Disabilities and care requirements

**Family**
- Quality of life issues
- Financial hardship
Employer Costs for Preterm Birth

Productivity/Synergy Loss $ 2,766
Drugs $ 395
Physician Office Visits $ 4,561
Inpatient Hospital $ 33,824

Average additional cost to employer per premature vs. full term birth $41,546

March of Dimes and Thomson Medstat, The many costs of premature birth, impact on business, 2/06.
Introducing TMNS℠

The first integrated solution for managing complicated pregnancies across the entire continuum of care
Continuum of Care

Matria MaternaLink®

Matria MaternaLink® OB Case Management

Matria OB Homecare Services

Matria NeoLinkSM NICU Care Management

Matria Outcomes Reporting & Informatics

IDENTIFY RISKS | REDUCE COSTS | IMPROVE OUTCOMES
IDENTIFY risk factors that may impact healthy birth outcomes and educate families about behavior changes.
EXTEND the pregnancy and improve birth weight through specialized maternity case management.
MINIMIZE the need for hospitalization through industry-leading homecare services.
REDUCE NICU admissions and length of stay through proactive prenatal interventions and NICU care management.
DOCUMENT clinical improvements, financial savings and patient satisfaction.
MaternaLink/CM Clinical Results

Preterm birth rates – All births

<table>
<thead>
<tr>
<th></th>
<th>National</th>
<th>MaternaLink®</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preterm birth rates</td>
<td>12.1</td>
<td>9.0</td>
</tr>
</tbody>
</table>

NICU days per 1,000 births

<table>
<thead>
<tr>
<th></th>
<th>National</th>
<th>MaternaLink®</th>
</tr>
</thead>
<tbody>
<tr>
<td>NICU days</td>
<td>1,614</td>
<td>1,142</td>
</tr>
</tbody>
</table>

*MaternaLink® results include 11,732 births (Commercial/Medicaid)

Benchmark NICU data from 7 health plans/employers claims data (1998-2002).
MaternaLink® Financial Results

Reduction in total NICU costs per delivering member

**Commercial**

- National average: $3,228
- MaternaLink: $1,980 (38.7% reduction)

**Medicaid**

- National average: $3,228
- MaternaLink: $1,620 (49.8% reduction)

National Average based on benchmark of NICU data from 7 health plans/employers claims data (1998-2002).
Total Maternal-Newborn Solution

DELIVERS

ROI Savings
- 2.5:1 to 4.8:1 for component programs
- Full TMNS implementation
- Delivers additional ROI synergies

Expenditures

Savings
• Working with Informatics, we are now able to perform sophisticated, industry-leading analysis of TMNS Program performance.

• It is important to demonstrate both savings and return on investment (ROI).
Matria Case Studies Actual ROI

Case 1: 2.5:1 (Risk assessment & education only)
Case 2: 3.7:1 (+ OB home care)
Case 3: 4.8:1 (+ Case management)

OB home care
Case management

MaternaLink® Participants Growth

2004: 30,554
2005: 50,967
2006: 83,440
2007*: 129,505
2008*: 189,000

*forecasted
Market Opportunity

Total Births: 4,000,000

- MatrenaLink®: $240 million
- MaternaLink® CM: $150 million
- Home OB Services: $375 million
- NeoLink (NICU CM): $1.7 billion

Total Market Opportunity: $2.4 billion
1. Fully integrated suite of products
2. Meets increasing payor, employer demand
3. Claims-based ROIs
4. A solid value story
5. Unique, differentiated product
Maternity management is becoming a **must-have** component of any DM program.