



ValidationInstitute

2024 Validation Report

Review for: Livara Health and Carelon

Validation Achieved: Savings

Valid through: August 2025



Company Profile



Category: Musculoskeletal Management

Carelon Medical Benefits Management

www.carelon.com/capabilities/medical-benefits-management

CEO: Robert Mandel, MD

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Livara Health

<https://www.livarahealth.com>

CEO: Rob Cohen

Contact: hello@livarahealth.com

Description Provided by the Company:

The Back and Joint Pain Program offers a comprehensive and tailored approach to supporting each person's individual needs. Each case is supported by nationally recognized musculoskeletal experts. **Carelon** and **Livara Health** have partnered to create the Back and Joint Pain Program that offers personalized programs cultivated to address a member's unique functional, work and lifestyle challenges.

This program was launched in 2021 in one of **Carelon's** health plan customers' fully-insured markets and initially targeted members with a high risk of back surgery. This study was performed on this population, but the program has expanded to cover all spine and joint conditions. The previous name for this product in the fully insured market was the Back Pain Guide.





Claim Assertion for Validation

This program targeted members at highest risk of back surgery and potential for high future spend. The study showed that non-users had higher spend in the 12 months following targeting than users. Members from one of Carelon's health plan customers had lower total costs in their first 12 months of using the Back and Joint Pain Program. Program users reduce their claims for surgeries, pain management medications, and related services.





Method / Calculation / Examples

Data from 850 Back Pain Guide users was compared to members who were invited but declined to participate. Both compared populations were targeted according to a proprietary risk model as being at a high risk of a future back surgery. Users were active in the program for an average of 60 days. With data from the 12-month period before enrolling in the program, users were matched to non-users on:

- Diagnosis category (grouping) within back pain and spinal conditions
- Health insurance plan allowed amounts for services that had back pain or spine-related conditions as the first or second diagnosis listed.
 - These health insurance allowed amounts were also segmented as listed below.
- Each member's risk score (a proprietary algorithm).
- Back surgery likelihood score (a proprietary algorithm)

Health insurance plan allowed amounts for the 12 months before users started Back Pain Guide and the 12 months after were segmented into:

- Diagnostic tests
- Evaluation and management office visits
- Surgery
- Therapy
- Pain Management (including medications)
- Durable Medical Equipment





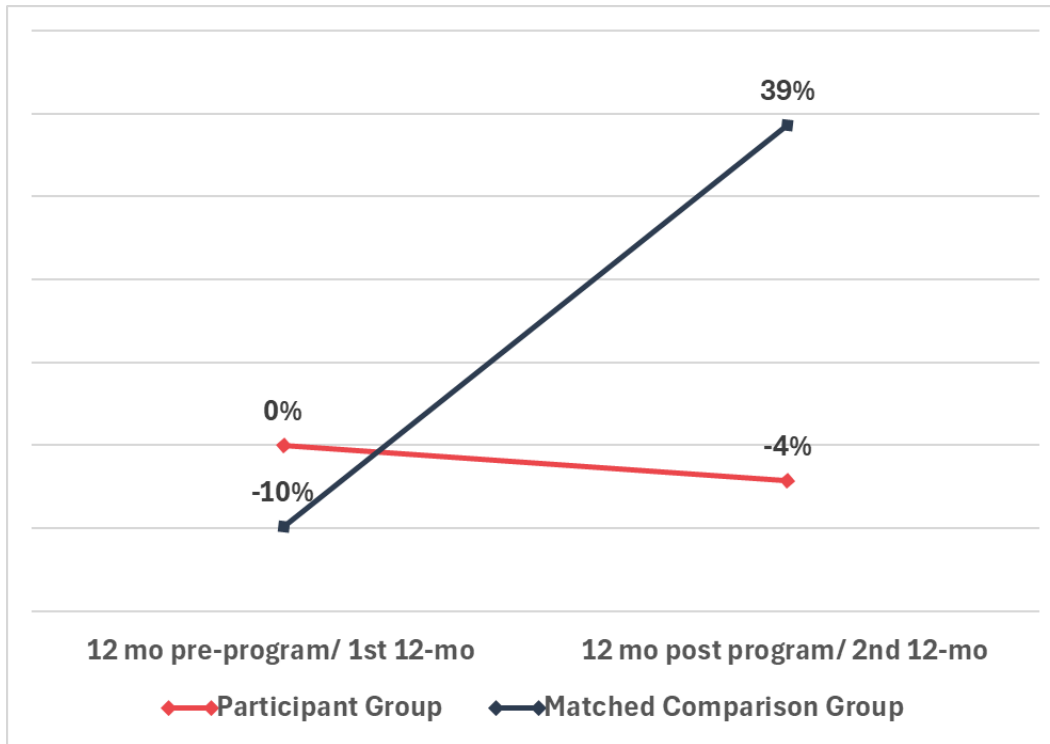
Method / Calculation / Examples

Non-users did not have an enrollment date; dates for their 12-month period were selected to closely match those of program users. Cost per person for the user and the non-user group were calculated for each 12-month period. Then the percentage change from the first to the second year was calculated for both groups and compared to one another. (Difference in Differences).





Findings & Validation



Graph 1: Percentage Change Per Member Per Month Medical Costs for Musculoskeletal Care

Back and Joint Pain Program users' Per Person Per Month medical costs for musculoskeletal care went down four percent in the 12-months after the program. Non-users PMPM began at almost 10 percent lower than participants and went to 39% higher. The participants' MSK spend was 43% lower than non-participants for the post program year. More than 75% of the difference came from the participant group's lower use of inpatient and outpatient surgery services.





Limitations

Though the user and non-user groups were matched on various traits, they may differ in a way that was not measured. This unmeasured difference could explain some of the differences in their results.





Validation and Credibility Guarantee

Back and Joint Pain Program, a collaboration between Livara Health and Carelon achieved validation for **Savings**. Validation Institute is willing to provide up to a \$25,000 guarantee as part of their Credibility Guarantee Program. To learn more, visit

<https://validationinstitute.com/credibility-guarantee>.

Savings

Can reduce health care spending per case/participant or for the plan/purchaser overall.

Outcomes

Product/solution has measurably moved the needle on an outcome (risk, hba1c, events, employee retention, etc.) of importance.

Metrics

Credible sources and valid assumptions create a reasonable estimate of a program's impact.

Contractual Integrity

Vendor is willing to put a part of their fees "at risk" as a guarantee.





CERTIFICATE OF VALIDATION

- Applicant:** Livara Health and Carelon
7525 Metropolitan Drive, Suite 306,
San Diego, CA 92108
- Product:** Back and Joint Pain Program, a collaboration
between Livara Health and Carelon
- Claim:** People have lower total costs in their first 12 months
of using Back Pain Guide, a collaboration between
Livara Health and Carelon, than they had in the
previous 12 months.
- Validation Achieved:** Validated for Savings
- Award Date:** August 2024

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About Validation Institute

Validation Institute is a professional community that advocates for organizations and approaches that deliver better health value - stronger health outcomes at lower cost. We connect, train, and certify health care purchasers, and we validate and connect providers delivering superior results. Founded in 2014, the mission of the organization has consistently been to help provide transparency to buyers of health care.

Validation Review Process

Validation Institute has a team of epidemiologists and statisticians who review each program. The team focuses on three components:

- Evidence from published literature that a similar intervention had similar results.
- The reliability and credibility of the data sources.
- The rigor of the approach to calculating results.

To achieve validation, the program has to satisfy each of these components. VI's team then summarizes the review into a report which is publicly available. Details of VI's review are available with the program's permission.

