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health

Innovating Access

Tackling Health Disparities in Rural
Arizona with Denova Collaborative Health



Transformational behavioral health platform with deep roots

Humble beginnings as a family business

1982-2009



- Founded by Dr. Michael Brad Bayless to **provide forensic psychological services** to probation departments, courts, insurance companies, and attorneys
- Shifted focus to specialize in **treating inner city** families
- Opened intensive outpatient program (Lighthouse) for **at risk teens** enrolled in Arizona Medicaid
- **Expanded into LTC facilities** providing mental health services

Establish integrated care

2010-2016



- First-to-market health programs designed to **detect and prevent** co-morbid health disorders
- Hired first family medicine nurse practitioner to begin **“integration” of all services**
- Completed first acquisition of Rainbow Pediatrics (2013) and **expanded integrated services** to children and teens

Rapid growth and development of new capabilities

2017-2022



- Rapid growth due to **72-hour and same-day access** to care platform
- **First in Arizona** to achieve URAC telehealth accreditation
- Creation and implementation of **symptom-based assessments (SBA)**
- Creation of Denova **Academic Partnership Initiative** and Denova **Training Institute**
- Majority interest **acquired by Magellan** in December 2020; remaining stake **acquired by Centene** following Centene's acquisition of Magellan

Leading BH provider in Arizona well positioned to expand into new geographies

2023+



- **Rebranded** to Denova collaborative health
- Focused on **enhancing core operations** and achieved **same / next day services** for all service lines
- **Revamping** customer recruiting, tech infrastructure, clinic size and access points, and system capabilities
- Strong financial profile with near-term **double-digit organic growth**
- **Continued growth in AZ** while well-positioned for **expansion across the U.S.**

Company Snapshot



Same day

psychiatry and primary care appointments

24 hours

from patient first contact to being seen by a behavioral health licensed provider

49 psychiatry providers

215 BH therapists

18 primary care providers

~93% virtual visits¹

9 in-person clinics²

~382K

annualized visits³

64% Medicaid

28% Commercial

7% Medicare

1% Private pay

Our hybrid care model provides compelling value

HYBRID CARE MODEL

- ✓ **Patient-first approach** delivered via a seamless hybrid clinic care model
- ✓ Hybrid model **drives better collaboration** and **lower medical costs** per member
- ✓ Conveniently located clinics **provide key access points to the community**
- ✓ In-person clinics **easily adapt** to evolving controlled substance prescribing guidance
- ✓ Virtual option significantly **expands access and reduces no show rates**
- ✓ **Comprehensive suite of digital tools** led by board-certified professionals to manage care

VIRTUAL



~93% of visits are virtual

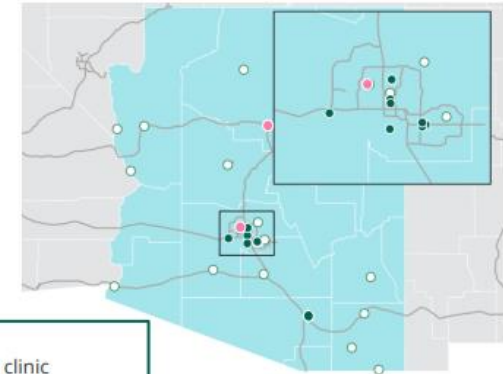


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CLINIC ACCESS POINTS

9 clinic locations

- Avondale
- Bella Vista
- Dobson Ranch
- Flagstaff
- Integrated Health Center
- Moon Valley
- Peoria
- South Mountain
- Tucson



- City
- Existing Denova clinic
- Planned Denova clinic in 2024

In a virtual-first model, physical locations serve as key access points for patients

The Denova difference



Unprecedented access

Connects patients to a relevant licensed behavioral professional within 24 hours for initial evaluation and same-day access for psychiatric care and primary care



Measurable outcomes

Symptom-based assessments to ensure measurable outcomes for patients with common conditions



Broad spectrum of outpatient services

Emotional and behavioral therapy, addiction treatment, and social services to families, children, adults, and older population



Coordination of care

Consistent primary care collaboration within Denova and with community PCPs



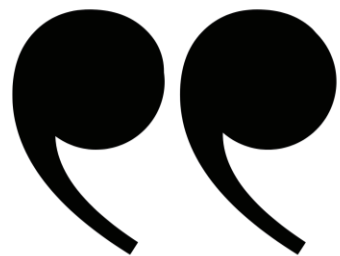
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Rural Arizona

Health Disparities and Impact



According to the 2019 Arizona State Health Assessment (SHA), one-quarter of Arizonans live in rural counties.



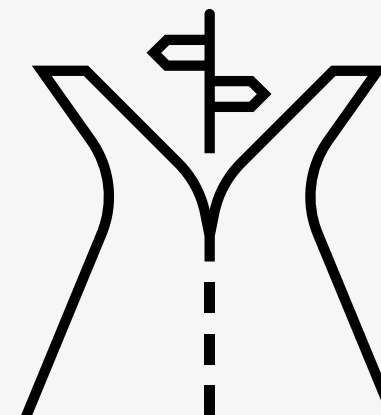
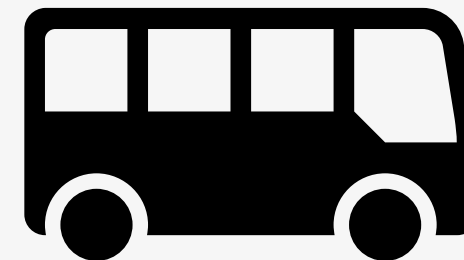
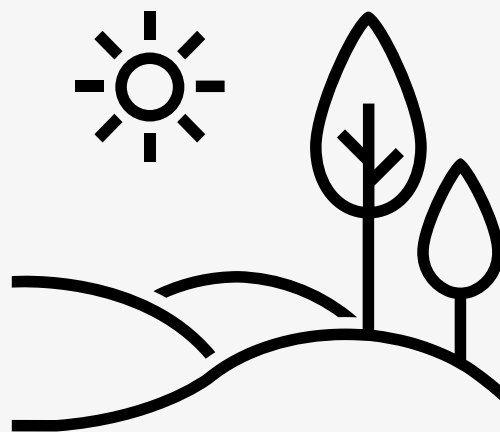
Americans living in rural areas are more likely to die from unintentional injuries, heart disease, cancer, stroke and chronic lower respiratory disease than their urban counterparts. These health disparities account for significant costs to states and communities.





Rural Risk Factors for Health Disparities

- Geographic isolation
- Lower socioeconomic status
- Higher rates of health risk behaviors
- Limited job opportunities
- Less likely to have employer provided health insurance coverage
- Limited access to healthcare specialists and subspecialists



Access To Care Issues



Arizona ranks 49th in nation for access to adult mental health care

The Arizona Behavioral Health Workforce

NOVEMBER 2020



40%

of Arizonans live in a mental health care professional shortage area.

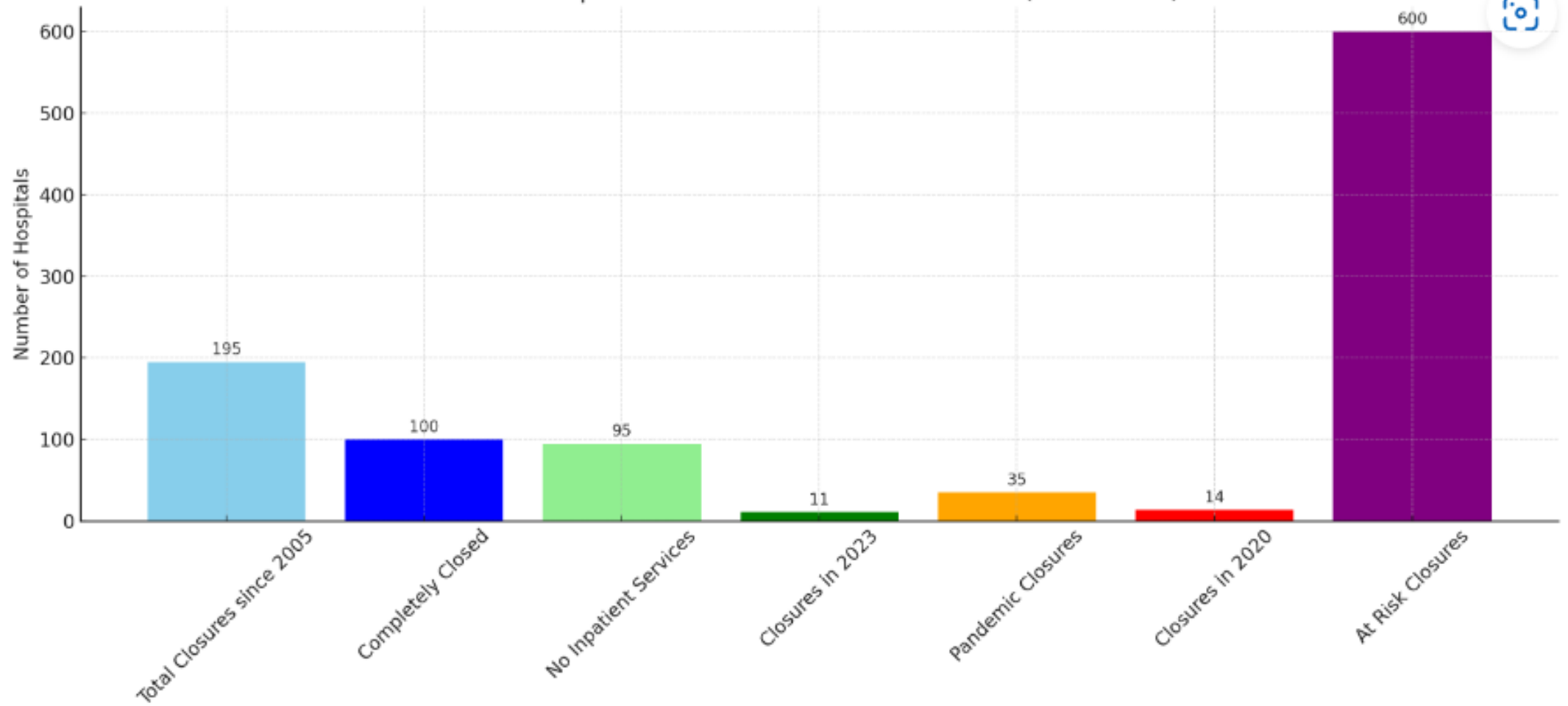
61%

of Arizonan adults experience mental illness but do not receive treatment.



THE UNIVERSITY OF ARIZONA
MEL & ENID ZUCKERMAN COLLEGE OF PUBLIC HEALTH
Center for Rural Health

Rural Hospital Closures and Risks in the U.S. (2005-2023)



Impact on Arizonans



Higher rates of illness and death



Excess medical care costs



Lost productivity



Reduced economic growth



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Healthcare Collaboration

The Overall State of Well-being

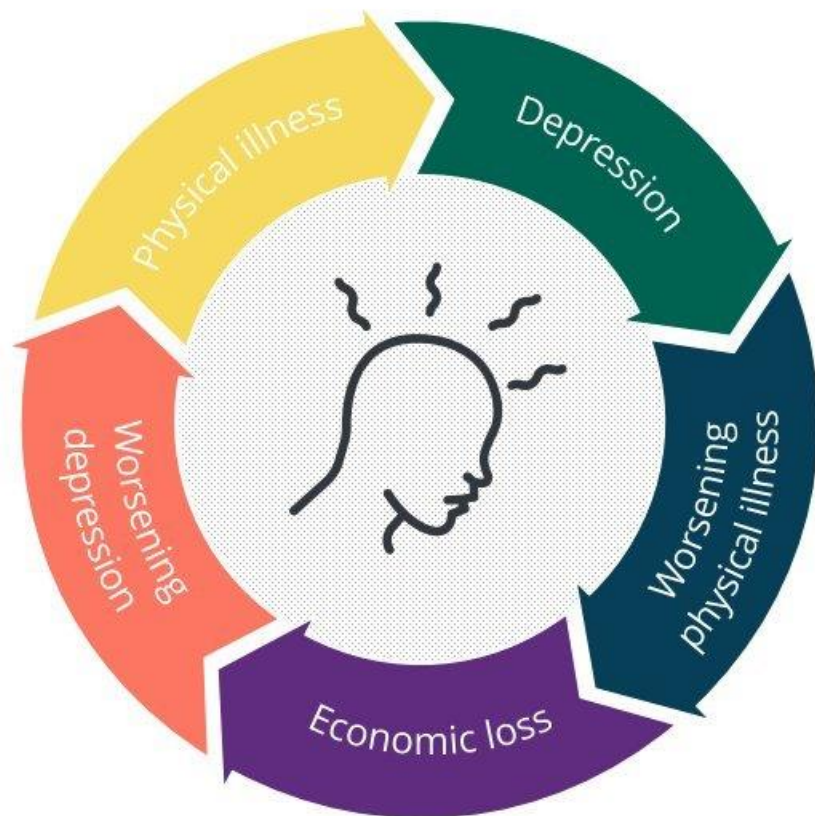


- In 2018 it was estimated that fewer than 3% of psychiatrists and psychiatric nurse practitioners are aligned with primary care.
- 10–20 percent of the general population will consult a primary care clinician for a mental health problem in the course of a year.
- 10–40 percent of primary care patients have a diagnosable mental disorder.
- An estimated \$38 billion to \$68 billion can potentially be saved annually through effective integration of medical and behavioral services



Typical interaction of physical / mental / social health

Patient can get trapped in a cycle



Limited access and collaboration

- Lack of timely access
- Limited coordination between behavioral health, psychiatric, and physical wellness

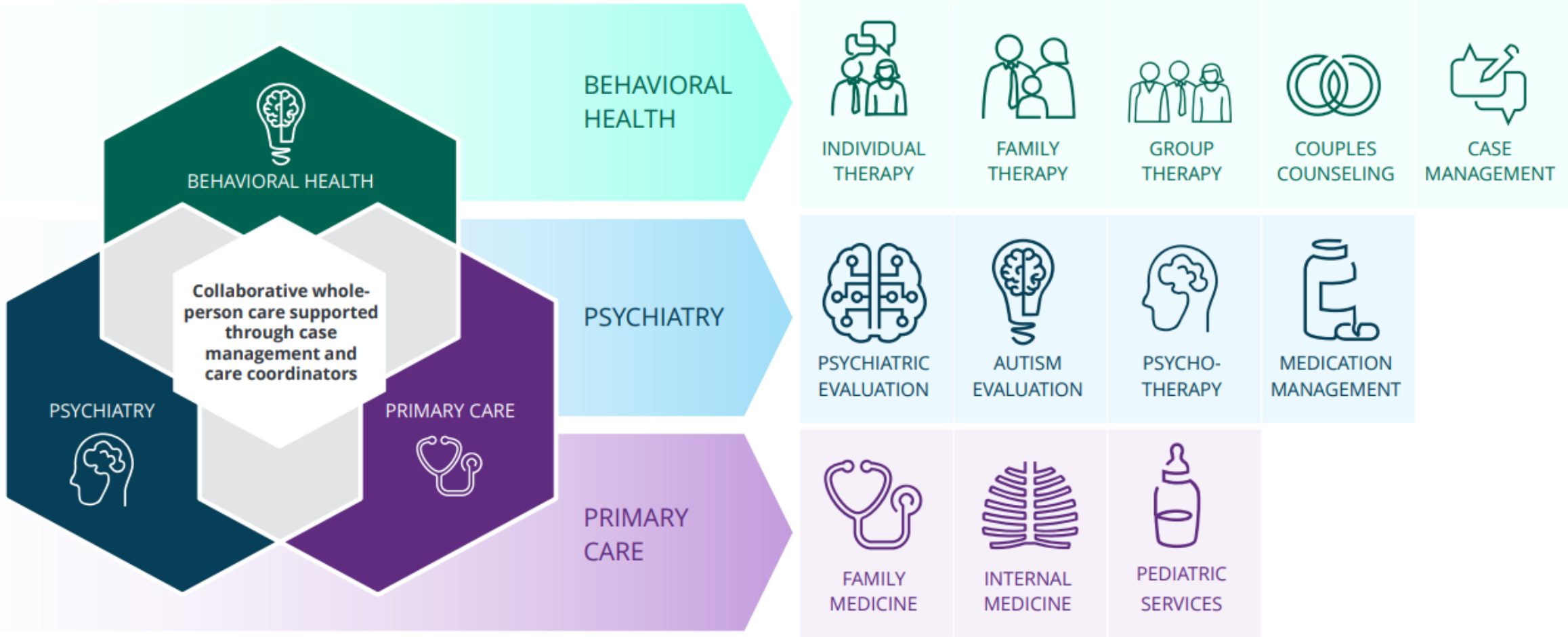
Lack of patient accountability and outcomes leading to poor patient treatment success

- Poor identification and matching
- Sub-optimal care
- Limited outcomes tracking

Delivery of care

- Limited follow-up care plans
- Restrained engagement via digital tools
- Limited adherence / lack of resources

Our collaborative whole person care addresses an individual's biological, psychological and social needs



Delivering psychiatric care same-day and behavioral health care within 24 hours

REFERRAL CHANNELS



VALUE PROPOSITION



Quick access to BH care



Streamlined referral to high-quality clinicians



Accountability to patient success



Access to ongoing progress reports, discharge summaries, and outcome data

Q2 '23 – Q1'24 collaboration pilot results



55

new provider
partnerships



2,435

new referrals

Streamlined Partnership

- Robust payor coverage helps to ensure patients are supported
- Technology platforms and large support staff ease patient triage process
- Majority of providers re-refer to Denova for BH Services due to high patient and practice satisfaction



Integrated Communication

- Notification to PCP when patient starts treatment at Denova and care is administered/completed
- Discharge information with medications is shared with PCP for psychiatric patients



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Advancing Virtual Care

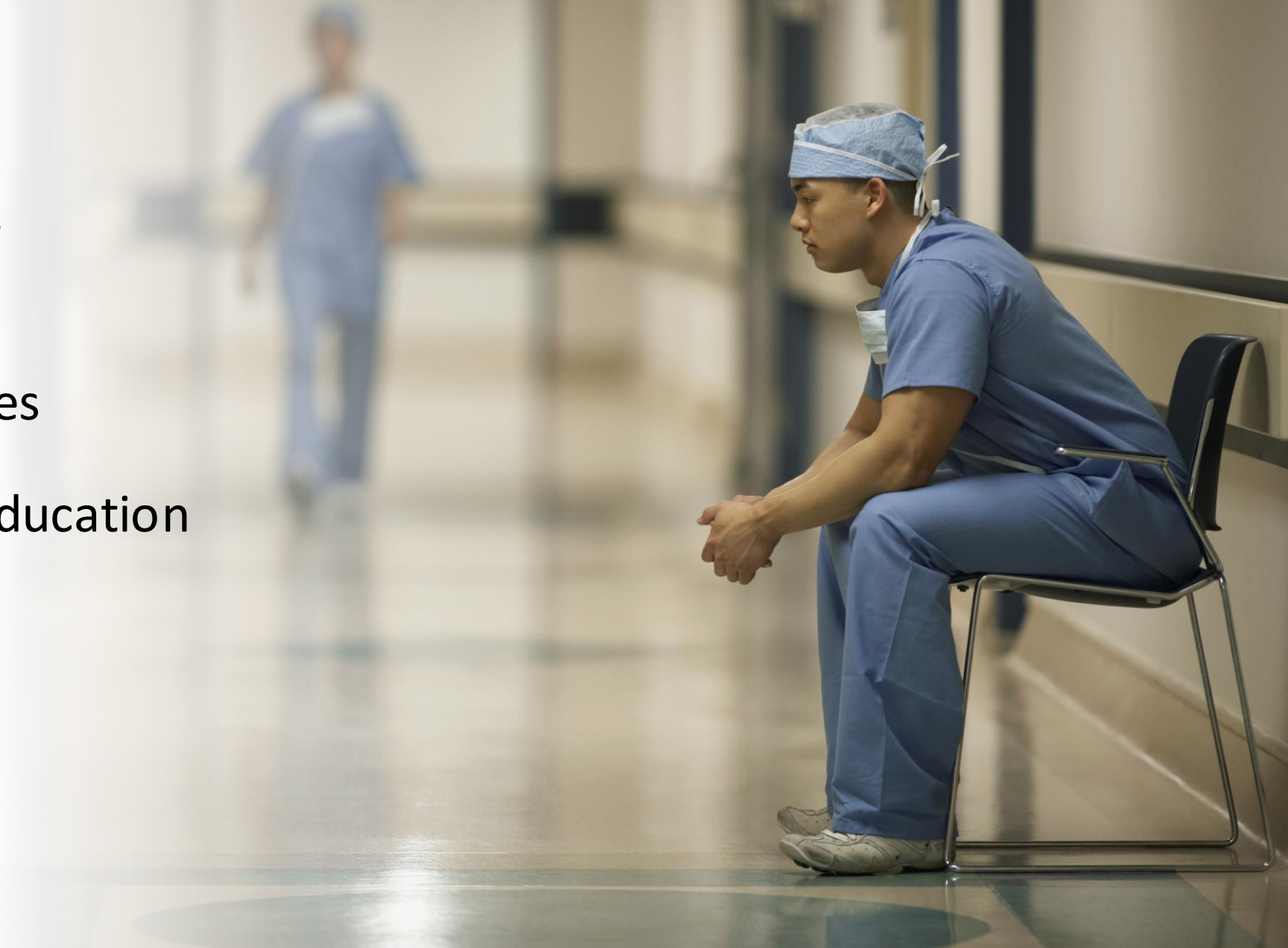
Rural Arizona



Barriers



- Patient and provider perception
- Technology challenges
- Lack of awareness/education



URAC accreditation helps Denova scale nationally

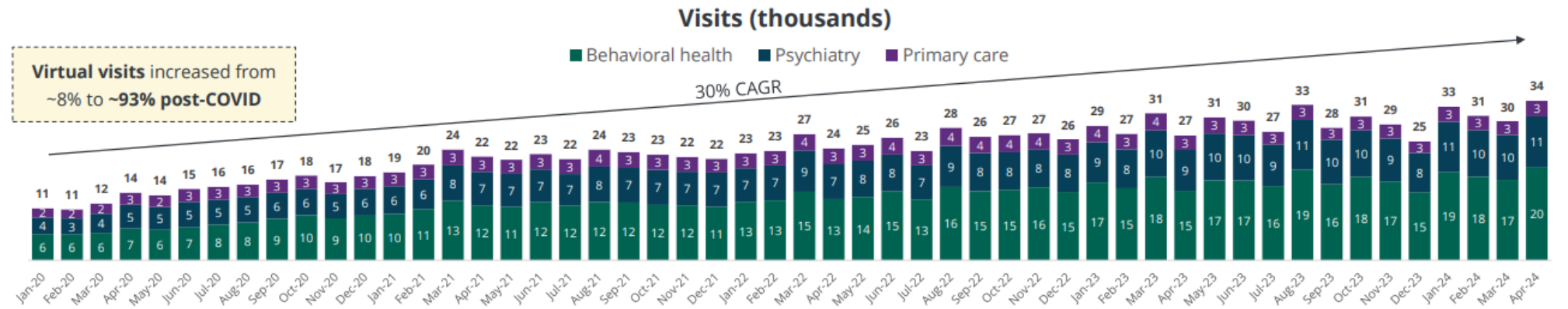


- The URAC Telemedicine Accreditation Program (TAP) seal **provides consumers with an easy-to-identify confirmation of quality** from an independent third-party organization
- TAP's goal is to promote **access to safe, quality, and competent health care** regardless of the modality being deployed, or the type of clinical services being provided to patients
- Denova requires **15.5 hours of telehealth clinical training** for all clinicians, qualifying them for a **TeleMental Health training certificate**

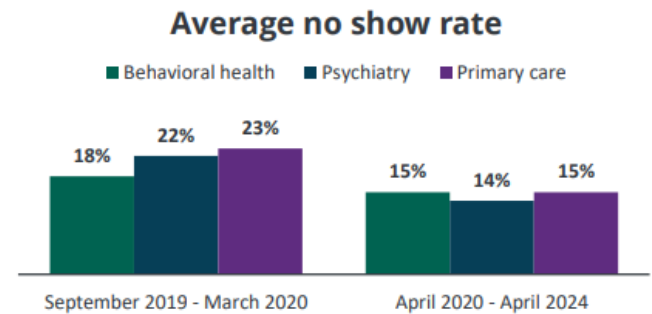
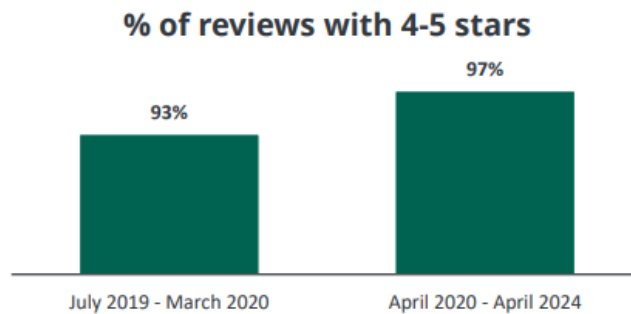
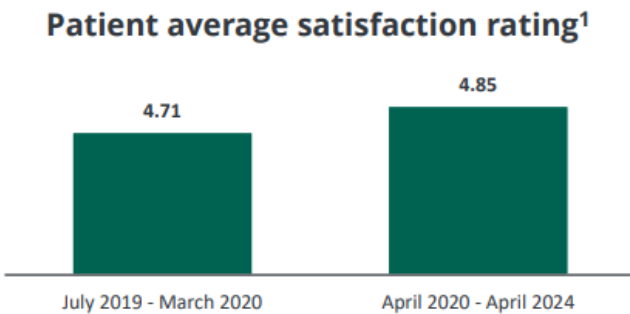
Denova is the first and only provider group in Arizona and among just 27 provider groups nationally to receive URAC accredited designation

We have demonstrated tremendous organic growth, while delivering high quality care

Strong and consistent organic growth



Increase in patient satisfaction and decreased no-show rate with transition to virtual care



¹ Scored on a scale of 1 - 5



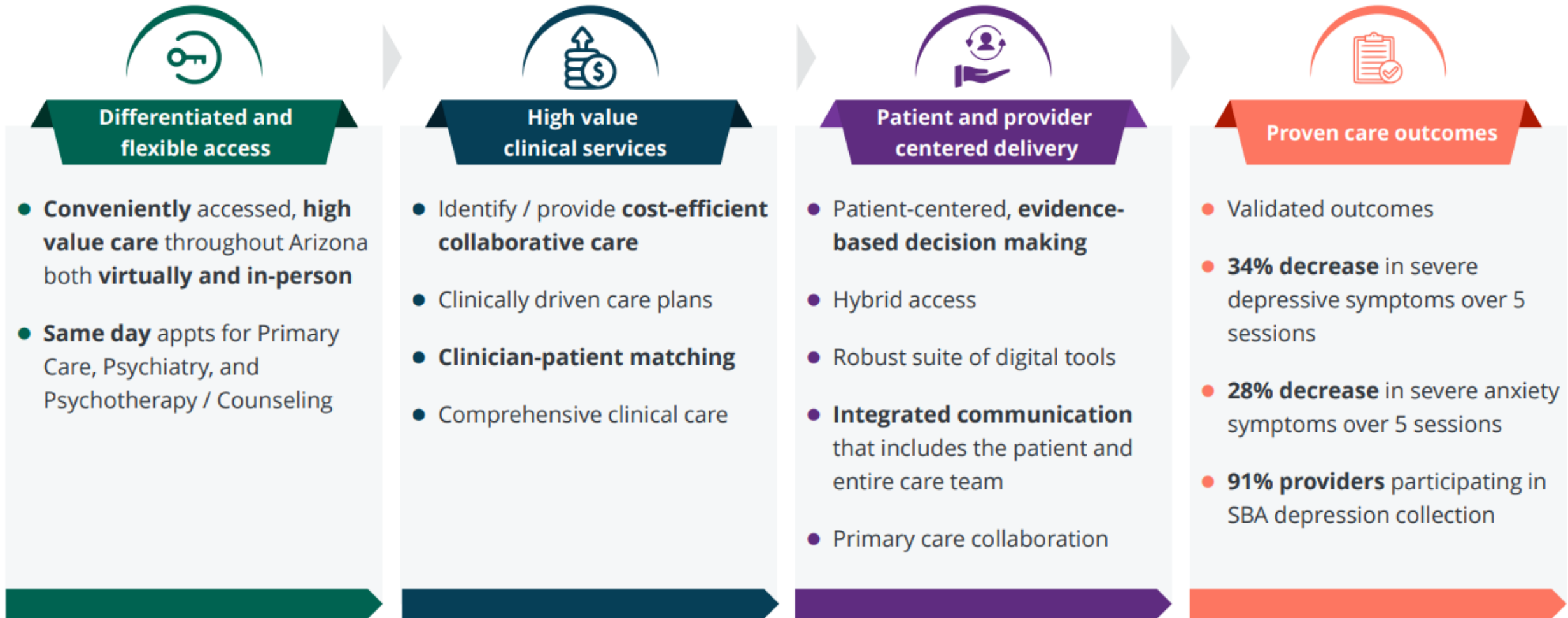
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Mental Health Access Crisis

Innovation is the solution



We designed a model of care with four necessary ingredients to deliver behavioral health at scale





DENOVA CORE OFFERINGS...

Behavioral Health

59% of weekly visits¹

- Individual, family, and group therapy via employed therapists and clinicians

Psychiatry

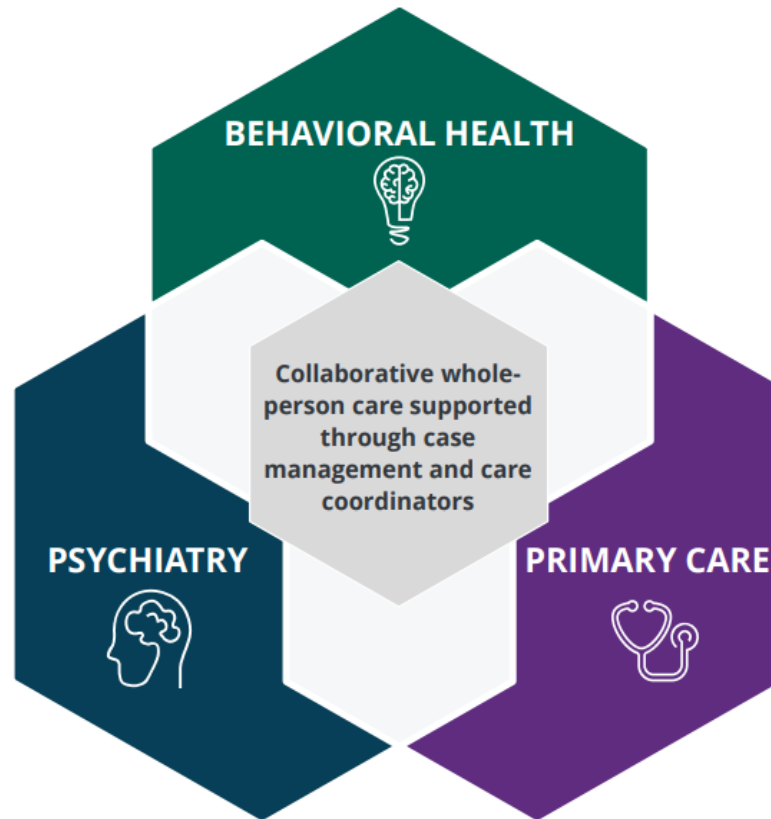
31% of weekly visits¹

- Psychiatric / autism evaluations and medication management
- Prescribers collaborate with behavioral health and primary care

Primary Care

10% of weekly visits^{1, 2}

- Employed primary care providers offer family medicine, internal medicine, and pediatric services to patients without an identified PCP
- Partnerships with community based primary care providers to manage the behavioral health and psychiatric needs of their patients



...SUPPORT A SUITE OF OVER 27 SUB-SPECIALTIES SERVICES INCLUDING:



General mental health



Post-traumatic stress disorder



Substance use and abuse



General trauma issues



Medication assisted treatment (MAT)



Autism evaluations and management



LGBTQ+

Over half of our patients are integrated across our key offerings



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Q&A