



Fixing Mental Health Insurance

**Virtual ER/ICU for mental health**

# Opportunity: **We won the 1st Value-based care contract**



In Q3 2020 we won 2 (out of 12) contracts to pilot Value-Based Care for outpatient mental health.  
NY & Texas: Start Q3 2021



We are the only private and for-profit entity to win.  
And the only entity to win 2 contracts.



**This is because we do things no one else can. And the contracts are an opportunity to build something no one could copy.**

## **\$632m**

**ARR contract!**

## **Covering 2 million lives**



# OPTUM



# UnitedHealthcare®

# We are: a mental healthcare company



We specialize in caring for acute patients



If you are a care company capable of treating these patients they are premium: like Tesla Roadsters (they cost \$60k - 250k /yr)



We stand alone in being able to do this

# Problem: failure of the system to triage



**5% of patients drive  
95% of insurance costs**

(The Power Law of Distribution)\*

These high utilizing 'Acute' patients are the **'Tornado Ally' of mental health insurance.**

They are making the system inaccessible



**80% of Practitioners  
work alone\*\***

(Hyper fragmentation)

Solo practice isn't equipped & organized for high-acuity or complexity

They hospitalize them:

- Costing **25x**
- **Increasing suicides by 212 fold** after discharge

\* **Tornado Alley of Health Insurance:** Of Cigna's 800,000 members, 53K drive the cost for all

\*\* **74% of psychiatrists and 81%** of licensed behavioral health provider practices are <10 clinicians



# Our Solution: we created a revolutionary care model



## A virtual (& in-person) triage system comprised of:

- 1 On-demand virtual ER or an ICU for mental health
- 2 'Virtual Clinic' (Virtual Provider Network)



**Key to this working** -  
rapid interventional  
care with highly  
effective of clinicians  
do not have

# Impact: improved patient outcomes and lowered cost



**Lowers costs**

⬇️ **98%** reduction

In residential costs:

**@\$60k / month**  
the most expensive care

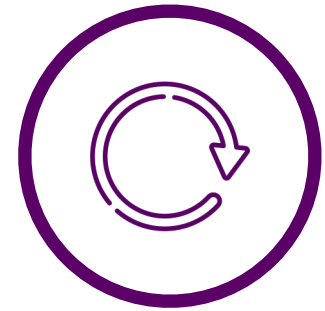


**Improves outcomes**

⬇️ **98%** reduction

In hospitalizations:

**@\$40-60k / yr**  
increasing 33% / yr



**Inverts the Power law**

**Premium Roadsters**

Easy to service:

**@\$3.5-5k / yr cost**  
which we can optimize

**Consistent trend:** the above are an average from 2018-2020. They are also optimizations on prior numbers from 2016-2018 which were: **Psychiatric emergency rooms** from 44% to 7% (84.1% improvement). **Psychiatric hospitalization** from 37% to 6% (83.8% improvement). **Residential treatment** from 21% to 2% (90.5% improvement)

# Model: sold as an insurance product



Think of it like key-man insurance but for mental health



**Key difference:** our model prevents the loss of the man (mind). And so the loss of premiums



**This has big implications...  
savings... for insurance**

# The BIG Opportunity: Hacking Insurance



## We did a deal with a big finance company:

50% reduction for every Self-Funded employer who uses our direct care product (Like a gym membership gets a discount)



## Cutting out BUCA

If we prove via the contracts that the model works at scale, we get baked into every self-funded health insurance plan in the USA

## Cutting out middlemen & Phantom Networks



SPHERE CARE



Patient Pools



SPHERE CONNECT



UnitedHealthcare®



Financial Risk Pools

## Insight: we can do insurance better



Unlike current providers,  
our care model is how we  
**mitigate, triage, and stratify**  
patient pools.....in other  
words risk pools



Put another way, what we are building is **better**  
**at managing/triaging both health and wealth**

**So we are becoming an integrated care  
and insurance company**

# Market Sizes: evolving to best market



**Clinic Co**

**\$2Bn  
SAM**

2019 NY Healthcare  
spend on complex  
mental illness

**<1% of total USA  
market**



**Coaching**

**\$36Bn  
TAM**

Employee plans  
@\$30 PEPM\*12

**157 M Total  
62 M Fully-Insured  
95 M Self-Funded**



**Value-based Care**

**\$225Bn  
TAM**

2019 US Healthcare  
spend on complex  
mental illness



**Insure & Care**

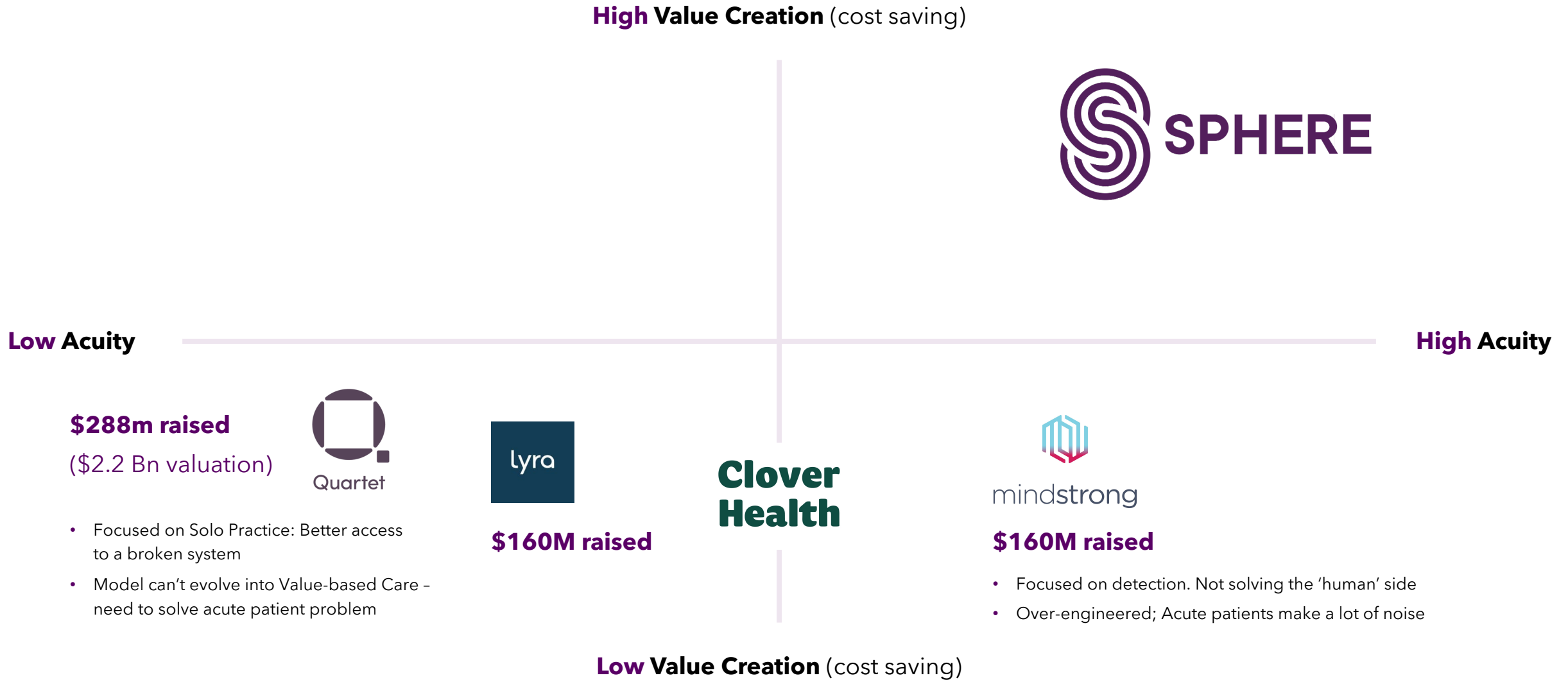
**\$73Bn  
TAM**

Employee plans  
@\$64 PEPM  
Population = 157 Million

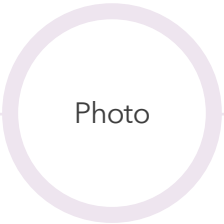
**Model most:**

- Direct
- Scalable
- Profitable

# Competition: Fix insurance by fixing care (specifically acuity)



# Executive Team



Photo

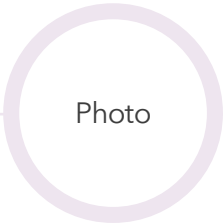
**Owen Muir MD**

**Founder & Co-CEO**

Founder Brooklyn Minds

Amherst college, Uni  
of Rochester School of Med

- Child, Adolescent & Adult Psychiatrist
- OCD
- Neuromodulation
- Healthcare economics
- Zucker Hillside hospital
- Bellevue Hospital
- NYU School of Med
- Anna Freud Centre



Photo

**Colin Beattie**

**Founder & Co-CEO**

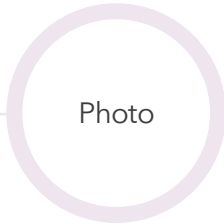
Synthesis Cap & MindMed

Cambridge & Jönköping University, Y  
Combinator S09

- Barrister
- Attorney
- Stockbroker
- Tech Entrepreneur
- GFI Group
- Reavis Parent LLP
- Founder MindMed Inc, Synthesis Capital & Tuxebo YCS09 (eBay for rentals)



**\$1.5Bn  
Mkt Cap**



Photo

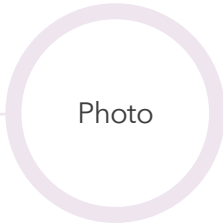
**Carlene MacMillan MD**

**Founder & CMO**

Founder Brooklyn Minds

Harvard Med School, MGH, McLean,  
Anna Freud Centre

- Child, Adolescent & Adult Psychiatrist
- Epidemiology of Provider attitudes
- EHR tech



Photo

**David Balinski**

**Founder & VP Insurance**

Temple University Healthcare Risk  
Management, National Academy of  
Social Insurance

- Health Plan Optimization
- ACO Development
- Healthcare Access
- Arthur J. Gallagher
- Continental
- Georgetown
- Sanofi-Aventis



**Michael Sarmiento**

**COO**

Healthcare scaling specialist,  
Previously COO One Medical  
& Private medical

Previously COO of One Medical  
(\$5Bn USD Mkt Cap) & Private  
medical. Mike scaled these  
companies from a few clinics  
to nationwide networks of 75+ clinics.  
Mike has helped us build our  
infrastructure over the past few years.

**Mike joined us because he saw  
a 'wildly more profitable  
and scalable model.'**





# How our approach differ: in simple infographics



**Practitioner:**  
"What's the insurance CPT Code to hold this guys legs? Can I do that?"



**Patient team Key Workers**  
From their 'Sphere of Influence'



**Insurance Co:**  
"No! Leg holding isn't covered by his benefits. Hospitalize him"



**Doing what it make money**



**SPHERE team:**  
Doing what it takes