WarriorHealth CombatCare

Time to Come Home

USING THE CAPITAL MARKETS TO FUND COMBAT PTSD CARE

THE STRATEGY: Combat PTSD will develop in up to 20% of Active Duty Personnel, but actual incidence ranges from 8.8% to 20%.[1] This is the opportunity: could expert traders leverage this 11.2% spread to securitize a free enterprise solution for Combat PTSD care costs? Could America's capital markets create a Cognitive Combat Risk Securitization (CCRS) strategy to fund a consortium that manages immediate new veteran care?

ABOUT PTSD: Post Traumatic Stress Disorder (PTSD) develops when a person survives a horrible and life-threatening experience but cannot emotionally 'move on' once safety is reached. Sufferers often despair in silence to avoid further social isolation. **An effective solution is urgently needed for this profound social challenge.** Pharmaceuticals are ineffective and debilitating;[2] Talk Therapy takes years and is in short supply; and sensory influence treatments (such as VR Therapy, with an 85% relief rate) require lab time—also in low supply.

ABOUT COMBAT PTSD: The disorder affects 220,000 OIF/OEF sufferers and 7.2 million older veterans. Right now, VA avoids most costs by putting claims into limbo; new veterans wait for 4.4 to 5.4 years to get the VA rating they need to get care. 18 veterans kill themselves every day, and many become homeless waiting for care. Secondary trauma harms families and society if the veteran is unable to manage the pain of remembering; creating immediate and direct care costs, and lost productivity costs estimated to be in the $trillions of dollars.

BUT FREE ENTERPRISE OFFERS A SOLUTION: Consider an entrepreneur's view of the problem. Right now, unrated veterans are seen as a cost to be avoided. But we see un-rated veterans as un-served customers—a market white space. The idea is to fund a **Veteran Triage Service Consortium (VTSC)** to help all veterans quickly get the immediate assistance they deserve and don't get now, by partnering with traders and government to pay for the costs of that care. We can use the 11.2% spread. Traders will manage Government's fear of the risk that it may have to pay certain future lifetime health costs for 20% of all veterans [Future Max Risk Value of Care (FMRVC)], while leveraging the principal, tax outcomes, and leveraged proceeds of the original buy. Government will backstop the risk borne by the trader(s) by loaning FMRVC at a value set by the parties today.

VTSC will provide Pre-VA care ("Prevacare")[3] until each veteran gets their VA rating, without affecting the operations of VA/TriCare in any way. And best of all, all honourably discharged veterans automatically get care—no need to wait for VA to make its rating decisions anymore.

Prove-out in the US opens the door to introducing the method to other sovereign states facing the same challenge. For example, Canadian military suicide numbers mirror the US experience, with 17% dying from suicide vs. 5% from combat. NATO states are possible targets for money market-funded care systems.

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[1] Espinoza, J. M. (2010), Posttraumatic stress disorder and the perceived consequences of seeking therapy among U.S. Army special forces operators exposed to combat. Journal of Psychological Issues in Organizational Culture, 1: 6–28. doi: 10.1002/jpoc.20008. onlinelibrary.wiley.com/doi/10.1002/jpoc.20008/abstract, T.Tanielian, Invisible Wounds of War, RAND Corp. 2008 www.rand.org/multi/military.html, www.defense.gov/news/newsarticle.aspx?id=58879, pubrecord.org/nation/322/va-confirms-18-vets-commit-suicide-every-day/, Veterans for Common Sense v. Shinseki 644 F.3d 845 (2011) www.leagle.com/xmlResult.aspx?xmldoc=In%20FCO%2020110510147.xml, www.cbo.gov/sites/default/files/cbofiles/attachments/02-09-PTSD.pdf

[2] Losciale, Christian, "PTSD medications fall short, other treatments remain," www.veteransunited.com/fitness, August 16, 2011, cf. http://www.nytimes.com/2011/08/03/health/research/03psych.html?_r=2

[3] Each vendor will have to transfer cash, and every % markup on the cost of capital/financing in that chain means less money available for care. Please consider Dwolla (dwolla.com) as the preferred B2G/B2B money transfer vendor; its involvement will cut out significant costs.

Framework for Unrated Veteran Triage

OLD FRAMEWORK: **VA manages long-term care costs by minimizing claims over near term.** New Veterans often wait for up to 5.4 years to receive a Disability Rating which is required to receive disability assistance. During this period, veteran survival dangers increase (suicidal ideation and attempting, successful suicides, homelessness, collateral family damage).

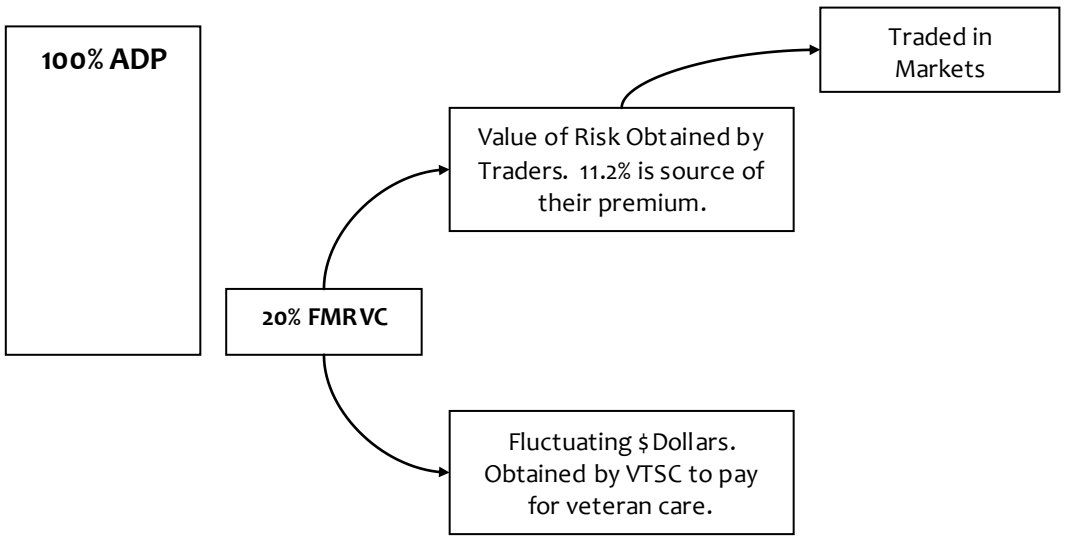
NEW FRAMEWORK: **Acknowledge claims at separation from service, before VA claim consideration begins. VTSC manages care during the VA claim consideration period.**

CCRS: **BENEFIT TO GOVERNMENT**

- It is reasonably likely that the risk will be below 20% for each person leaving service
- Actual incidence will fluctuate over length of service for each cohort or inductee
- VTSC will cover present healthcare costs until transition to VA/TriCare aftercare
- Government avoids FMRVC by transferring value to traders at Present Value Rates
- Immediate care has a known value for reducing long-term PTSD care costs

RISK MANAGEMENT: Anticipated Risk of Combat PTSD = 20% of all Active Duty Personnel (ADP)
Actual Incidence of Combat PTSD = 8.8% to 20% ADP
Combat PTSD risk levels fluctuate depending on daily warfighter deployments

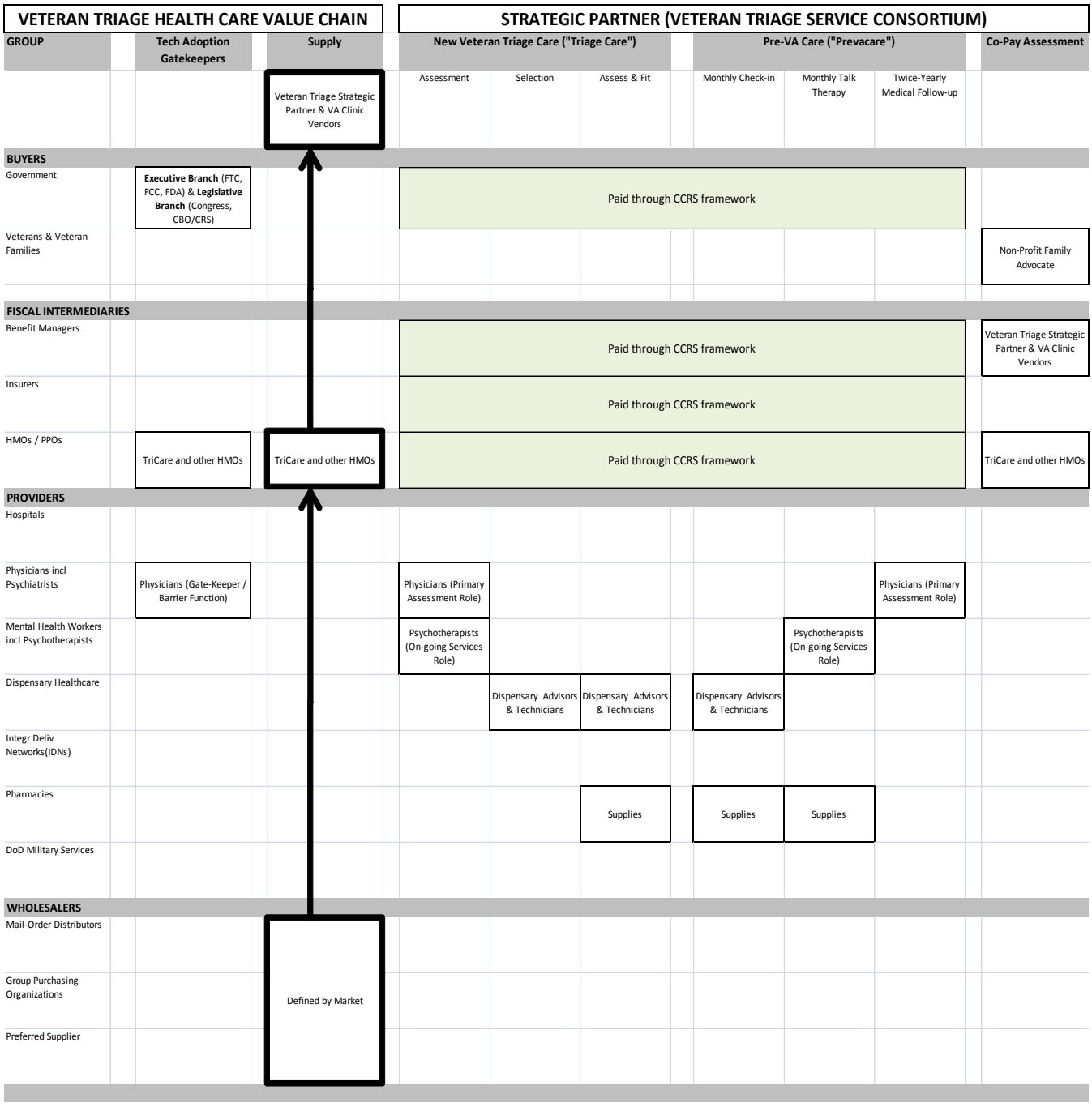
DAILY FRAMEWORK: C-PTSD risk levels assigned a daily *equivalent value unit price* equalling all estimated costs
US Government guarantees total of equivalent value unit price to minimize market risk
VTSC obtains contract to manage US Government risk costs and new veteran triage
VTSC and money manager sells equivalent value of 20% ADP risk levels to traders
VTSC and non-government organizations retain a portion of money market earnings
VTSC uses principal to fund triage costs for each new unrated veteran
Rated veterans transition from VTSC care to VA/TriCare aftercare



TRIAGE TIMELINE

Month 0-1:	Honourable discharge – Claims automatically accepted
Months 1-12:	VTSC triages claimant needs for best fit for care ("Triage Care")
Months 12 up to 60:	VTSC provides post-assessment pre-VA care ("Prevacare")
Months 1-2:	Veteran transitions to VA/TriCare long-term care

COMBAT PTSD : TRIAGE BY VTSC			ADP %			
VA PROCESS : MINIMIZE CLAIMS WITH EXTENDED WAIT TIMES				**VTSC PROCESS : ACKNOWLEDGE CLAIMS DURING TRANSITION CLAIM TIMES**		
				Key Point: Veterans with PTSD often **do not** want to be on Wait List. They have a vested interest in managing and minimizing effects.		
DoD to VA PROCESS		**Months**	**20%**	**DoD to VTSC to VA PROCESS**	**Months**	**20%**
Pre-Wait List		1.00				
Wait-List & Assessment Period		52.80		Transition_List	0 to 12.00	
				Assign for best fit		
				Sensory Therapies (ex. EMDR, VR/FSW)		
Veterans Transition off Wait List through:				Pharmcological Drug		
> Learned Helplessness				Talk Therapy		
> Frustration				Combinations		
> Homelessness				Fitting if required		
> Suicide				Lease equipment for veteran		
> Obtaining a rating				Transition to Assessed Care	up to 48.00	8.8 to 20%
				Full Effect		
				Assessment Period		
				(Determine Rating *during* VA Wait Period)		
				Rated List		
				0 to 100 percent		
Survivors of the Wait List	Smaller % of:		8.8 to 20%	Transition to Care	1.0 to 2.0	
VA Rating Review & Transition to Long-Term Care				**Transition to VA Long-Term Care**		
Appeal List		12.00				
UnRated List						
Rated List						
Transition to VA Care	Smaller % of:		8.8 to 20%	Smaller % of:	8.8 to 20%	


VETERAN TRIAGE HEALTH CARE VALUE CHAIN
STRATEGIC PARTNER (VETERAN TRIAGE SERVICE CONSORTIUM)
GROUP
Tech Adoption Gatekeepers
Supply
New Veteran Triage Care ("Triage Care")
Pre-VA Care ("Prevacare")
Co-Pay Assessment
Assessment
Selection
Assess & Fit
Monthly Check-in
Monthly Talk Therapy
Twice-Yearly Medical Follow-up
Veteran Triage Strategic Partner & VA Clinic Vendors
BUYERS
Government
Executive Branch (FTC, FCC, FDA) & Legislative Branch (Congress, CBO/CRS)
Paid through CCRS framework
Veterans & Veteran Families
Non-Profit Family Advocate
FISCAL INTERMEDIARIES
Benefit Managers
Paid through CCRS framework
Veteran Triage Strategic Partner & VA Clinic Vendors
Insurers
Paid through CCRS framework
HMOs / PPOs
TriCare and other HMOs
TriCare and other HMOs
Paid through CCRS framework
TriCare and other HMOs
PROVIDERS
Hospitals
Physicians incl Psychiatrists
Physicians (Gate-Keeper / Barrier Function)
Physicians (Primary Assessment Role)
Physicians (Primary Assessment Role)
Mental Health Workers incl Psychotherapists
Psychotherapists (On-going Services Role)
Psychotherapists (On-going Services Role)
Dispensary Healthcare
Dispensary Advisors & Technicians
Dispensary Advisors & Technicians
Dispensary Advisors & Technicians
Integr Deliv Networks(IDNs)
Pharmacies
Supplies
Supplies
Supplies
DoD Military Services
WHOLESALERS
Mail-Order Distributors
Group Purchasing Organizations
Defined by Market
Preferred Supplier