newtopia

Actuarial Study Finds Newtopia's Habit Change Platform Predicts Significant In-Year Medicare Advantage Cost Savings

Santa Barbara Actuaries Inc. estimates that Newtopia's platform can generate first year medical cost savings of up to $1,700 per Medicare Advantage plan participating member

TORONTO, ON, Dec. 10, 2020 /CNW/ - Newtopia Inc. (TSXV: NEWU), a habit change platform for disease prevention, today announced results of a study that demonstrates its programs can provide significant medical cost savings when applied to Medicare Advantage (MA) populations, according to a report authored by Santa Barbara Actuaries Inc. and commissioned by Newtopia.

Newtopia's CDC accredited hyper-personalized approach combines the best of human intervention and digital technology to improve health and prevent, reverse, and slow the progression of chronic disease.

"Using an actuarial process, we are able to estimate that Newtopia's habit change platform could save up to $1,700 per MA member," said Ian Duncan, PhD, FSA, President of Santa Barbara Actuaries. "We developed a high-level economic model that estimates the potential savings from the Newtopia program when applies to a given MA population with Metabolic Syndrome (MetS) prevalence. The results of the report show promise of significant savings for the MA population."

Santa Barbara Actuaries further stipulates that, where members remain engaged with Newtopia for 12-months, the potential one-year savings to a plan with 100,000 members is an estimated $10.8 million. Analysis of existing Newtopia data for participants aged 65 years or more shows an expected one-year average body weight reduction of 5.5%. This compares favorably to the 4.3% average weight loss seen in younger Newtopia program participants, as previously reported in a published randomized controlled trial in the Journal of Environmental and Occupational Medicine.

"Our published, randomized controlled trial with Aetna and our current commercial outcomes prove that our programs make a meaningful impact on employer populations by improving overall health and cost savings," said Jeff Ruby, founder and CEO, Newtopia. "With this model developed by Santa Barbara Actuaries, we can confidently say that our behavior change platform has a high likelihood of improving the health of populations over 65 and generating corresponding cost savings for MA payers."

In addition, Newtopia understands there are immediate benefits with cost of care reduction for other Medicare risk-bearing entities such as Accountable Care Organizations or other provider organizations, who can also leverage our lifestyle intervention for in-year savings. Providers who are accountable for a population's total cost of care are likely to realize similar cost savings results as Medicare Advantage plans.

Newtopia will be conducting deeper analytics on medical loss ratio and other relevant Medicare metrics to further understand the cost reduction and revenue impact potential for risk-bearing entities.

About Newtopia

Newtopia is a tech-enabled disease prevention company focused on healthy habit change. Newtopia prevents, reverses, and slows the progression of chronic disease while enriching mental health, resilience, and overall human performance. The platform leverages genetic, social, and behavioral insights to create individualized prevention programs with a focus on type 2 diabetes, heart disease, stroke, and weight. With a person-centered approach that combines virtual care, digital tools, connected devices and actionable data science, Newtopia delivers sustainable clinical and financial outcomes. Newtopia serves some of the largest nationwide employers and health plans. To learn more, visit newtopia.com.

About Santa Barbara Actuaries Inc.

Santa Barbara Actuaries is an actuarial consulting firm that assists clients in developing economic models to demonstrate the financial efficacy of healthcare devices and intervention programs. www.sbactuaries.com

Forward Looking Information

This news release contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, and forward looking statements, within the meaning of applicable United States securities legislation (collectively, "forward-looking statements"), which reflects management's expectations regarding Newtopia's future growth, results from operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. All statements other than statements of historical fact may be forward-looking information. Such statements reflect Newtopia's current views and intentions with respect to future events, based on information available to Newtopia, and are subject to certain risks, uncertainties and assumptions. Material factors or assumptions were applied in providing forward-looking information. While forward-looking statements are based on data, assumptions and analyses that Newtopia believes are reasonable under the circumstances, whether actual results, performance or developments will meet Newtopia's expectations and predictions depends on a number of risks and uncertainties that could cause the actual results, performance and financial condition of Newtopia to differ materially from its expectations. These forward-looking statements include, among other things, the estimated cost savings to plan payers associated with the use of Newtopia's platform by plan members, the potential cost of care reduction for other Medicare risk-bearing entities, the continued engagement with Newtopia's platform by plan members, clients continuing to offer Newtopia's platform pursuant to agreements entered into, statements relating to Newtopia's business plans and outlook. Forward-looking statements are not a guarantee and are based on a number of estimates and assumptions management believes to be relevant and reasonable, whether actual results, performance or developments will meet Newtopia's expectations and predictions depends on a number of risks and uncertainties that could cause the actual results, performance and financial condition of Newtopia to differ materially from its expectations.. Certain of the "risk factors" that could cause actual results to differ materially from Newtopia's forward-looking statements in this press release include, without limitation: the termination of contracts by clients, risks related to COVID-19 including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; and other general economic, market and business conditions and factors, including the risk factors discussed or referred to in Newtopia's disclosure documents, filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com including Newtopia's final long form prospectus dated March 30, 2020.

For more information on these risks please see the "Risk Factors" in Newtopia's final long-form prospectus dated March 30, 2020. Should any factor affect Newtopia's in an unexpected manner, or should assumptions underlying the forward- looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, Newtopia does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release, and Newtopia undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law.

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