RISK ADJUSTMENT
From Process to Outcomes

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APRIL 2016
WHO IS GORMAN HEALTH GROUP?

*Gorman Health Group* is the leading solutions and consulting firm for government-sponsored health programs.

**Government Programs**
Leading enterprise of national consulting services and software solutions for payers and providers.

**Our Mission**
Our mission, as the industry’s most active professional services consultancy and provider of technology-based solutions, is to empower health plans and providers to deliver higher quality care to beneficiaries at lower costs, while serving as valued, trusted partners to government health agencies.

**Washington, DC**
Headquartered in Washington, DC, with more than 200 staff and contractors nationwide with over 2,000 combined years of Government Programs experience.

**Leadership**
Deep payer and provider knowledge coupled with Centers for Medicare & Medicaid Services (CMS) regulatory expertise.

**Privately Owned**
Founded in 1996
Our clients have one-stop access to expert advice, guidance, and support, in every strategic and operational area for government-sponsored programs, across seven verticals.

**BROAD SERVICES**

**CLINICAL**
Changing how you approach Medical Management, Quality and Stars.

**PHARMACY**
Leading experts in Part D, PBM, formulary and pharmacy programs.

**HEALTHCARE ANALYTICS & RISK ADJUSTMENT SOLUTIONS**
Implementing cross-functional risk adjustment programs for medical trend management and quality improvement.

**OPERATIONS**
Bringing excellence to every aspect of your implementation from enrollment to claims payment.

**PROVIDER INNOVATIONS**
Supporting network design and medical cost control implementation.

**COMPLIANCE**
Offering guidance and support in every strategic and operational area to ensure alignment with CMS.

**STRATEGY & GROWTH**
Driving profitable growth and member retention through strategic marketing, sales, and product development.
AGENDA

Risk Adjustment

Call Letter
Impact
Industry Trends
Strategy
RISK ADJUSTMENT

Critical Regulatory Changes

HCC Model Change

RAPS and Encounter Data

Coding Intensity Adjustment

FFS Normalization Factor
RISK ADJUSTMENT
HCC Model Change

Assumption:
• The HCC model has “underpaid” health plans for complex, dual eligible beneficiaries and “overpaid” for lower risk, non-dual eligible beneficiaries.

Reaction:
• Recalibrate the HCC model, accounting for inaccuracies in payment, and awarding appropriate payments to increase coverage and care to our most vulnerable populations.

Impact:
• CMS is estimating a net overall reduction in payments of 0.6% as a result of increased payments to health plans respective to the full-dual eligible membership and reduced payments for partial-benefit and non-dual beneficiaries.
RISK ADJUSTMENT

HCC Model Change

Analytics
- Beneficiary Landscape
- Financial Impact
- Market Trends

Operations
- Membership Accounting
- Enrollment
- Reconciliation

Strategy
- Member Engagement
- Benefits
- New Products
RISK ADJUSTMENT

RAPS / Encounter Data

Key Challenges

<table>
<thead>
<tr>
<th>Multiple data hand-offs and rejection points</th>
<th>Lack of standard data quality benchmarking</th>
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<tbody>
<tr>
<td>File formats vary and change</td>
<td>Reliance on vendor clean-up and accuracy</td>
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<tr>
<td>Data submission requirements and communication</td>
<td>Submission process creates unnecessary work</td>
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<tr>
<td>Verification processes vary</td>
<td>Provider data completeness and accuracy</td>
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<tr>
<td>Unknown financial impact</td>
<td>Edit and error reviews and resolution</td>
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RISK ADJUSTMENT
RAPS / Encounter Data

Analysis

• Systems
• Process
• Financial
  • Member
  • Provider

Data Governance

• Conversion
• Pre-validation
• Error prioritization
• Submissions
• Reconciliation
• Post-Submission analysis
• Error analysis
• Error management
INDUSTRY TRENDS

THEN and NOW
INDUSTRY TRENDS

Risk Adjustment Infrastructure – THEN

Finance

Vendors

Interventions

Data

Retrospective

Prospective

Revenue
INDUSTRY TRENDS

Risk Adjustment Infrastructure – NOW

Provider | Member | Prospective

Compliance | Vendor(s) | Retrospective

Analytics

Cross-Functional
INDUSTRY TRENDS

Compliance – THEN

- Random Sample
- Vendor
- Annual Results
- Provider Education
INDUSTRY TRENDS

Compliance – NOW

- Providers
- Vendors

Analytics

- Contracts
- SLA

Oversight

- Clinical Documentation Improvement
- 90% HCC Validation

Monitoring
INDUSTRY TRENDS

Risk Adjustment Interventions – THEN

- Chart Review
- In-Home Assessments

Code Capture
INDUSTRY TRENDS

Risk Adjustment Interventions – NOW

Member Data ➔ Analytics and Gap Closure Initiatives ➔ Targeted Strategies ➔ Coordination with Existing Programs

- Retrospective Chart Review
  » Chase Logic
  » Provider Attribution

- Prospective Initiatives
  » In-Home Assessments
  » Annual Wellness Visits

- Concurrent Chart Reviews
  » Align with HEDIS
INDUSTRY TRENDS

Provider Engagement – THEN

HCC

Chart Review

Mock RADV
INDUSTRY TRENDS

Provider Engagement – NOW

Value

Targeting Suspecting

Alignment with Quality

Analytics

Population Health

EMR Integration

Information Delivery

Intervention Coordination

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BEST-IN-CLASS STRATEGY
RISK ADJUSTMENT

Infrastructure

- Vendor Support
- Data Management and Submissions
- Analytics
- Retrospective Chart Reviews
- Prospective Interventions
- Quality Assurance and Oversight
- Provider and Member Strategies
- Clinical Quality and Medical Management Alignment
STRATEGY

Keys to Success

Analytics
- Optimize Investments
- Integrate and Coordinate: Quality, Trend, Risk
- Build Provider Strategy: NP, PA, MD…

Vendor Management
- 95% Accuracy
- Data and Program Interoperability
- De-commoditize the Commodities

Provider Engagement
- Risk-Based Incentives: Alternative Payment Models
- Accountable for Data (Contracting)
- Education and Support
## STRATEGY

### Keys to Success

**In-Home Assessments**
- Link with Quality, Service, and Care
- Provider Integration
- EMR Integration

**Data Governance**
- Internal Controls
- RAPS vs. EDS Analysis (Financial and Provider)
- Rejections, Reconciliation, and Errors

**Compliance**
- RADV Readiness Programs
- Clinical Documentation Improvement Programs
- Department Policies and Procedures
STRATEGY

Keys to Success

Product Design
- Value-Based Insurance Design
- High Risk, High Reward
- Dual Eligible Beneficiaries

Member Strategy
- Onboarding and Enrollment
- Retention
- Care Management/Population Health Management

Pharmacy
- Leverage Your PBM
- MTM and Rx Quality Measures
- Rx Data Is Invaluable
BRING IT ALL TOGETHER
COMPLIANCE – ANALYTICS – PROGRAMS

Analytics

State-of-the-Art Membership Accounting

Quality Ratings Mastery

“Make It Work” Care Management

Compliance

Risk Adjustment Adaptation

Proactive Member Service

Collaborative, Accountable Providers
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Gorman Health Group, LLC (GHG) is a leading consulting and software solutions firm specializing in government health programs, including Medicare managed care, Medicaid and Health Insurance Marketplace opportunities. For nearly 20 years, our unparalleled teams of subject-matter experts, former health plan executives and seasoned healthcare regulators have been providing strategic, operational, financial, and clinical services to the industry, across a full spectrum of business needs. Further, our software solutions have continued to place efficient and compliant operations within our client’s reach.

GHG offers software to solve problems not addressed by enterprise systems. Our Valencia™ software reconciles membership of more than 10 million members in Medicare, Medicaid and the Health Insurance Marketplace. Over 3,000 compliance professionals use the Online Monitoring Tool™ (OMT), our complete Medicare Advantage and Part D compliance toolkit, while more than 33,000 brokers and sales agents are certified and credentialed using Sales Sentinel™. In addition, hundreds of health care professionals are trained each year using Gorman University™ training courses.

We are your partner in government-sponsored health programs