

MANAGING PAYERS AND CONTRACTS

A NATIONAL ACO'S DATA-DRIVEN STRATEGY

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Chief Growth Officer



Housekeeping.....

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2. There will be time for questions at the end of the presentation. To submit your questions during the presentation, please submit it in the question tab in your GotoWebinar Control Panel.
3. This webinar is being recorded and will be made available on NAACOS' On-Demand Webinar page within 2 business days.

OUR SPEAKERS



JOHN DONLAN
President



HEATHER TRAFTON,
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Chief Operating Officer



MICHAEL MEUCCI
Chief Growth Officer



WHAT WE'D LIKE TO SHARE WITH YOU TODAY



Contracting strategy: How can you improve your chances of success when taking on a new risk-based contract?



Data infrastructure: What's the right approach to building an enterprise-grade, scalable data infrastructure to support your performance against multiple contracts?



Data issues and gaps: When there are issues with the data you receive from a payer, what can you do? How does having the right data management partner help you succeed?



Operationalizing insights: What are effective ways to disseminate information through your organization to support contracting and drive outcomes?

STEWARD HEALTH CARE NETWORK

Like many of you, we are a **clinically-integrated, physician-led ACO** serving Commercial, Medicare, and Medicaid populations

OUR MISSION

Achieve the **quadruple aim**:

- Better care of individuals
- Better health for populations
- Lower cost
- Drive value to physicians outside of the traditional fee for service construct

HOW WE CREATE VALUE

- Quality Management
- Care and Utilization Management
- Accurate Risk Adjustment
- Care Retention
- Network Governance and Performance Management



OUR VERTICAL AND HORIZONTAL APPROACH TO CARE DELIVERY

STEWARD HEALTH CARE SYSTEM LLC

Steward Hospital Management Company

- **Operations across three continents, including 40 hospitals, more than 6,600 physicians, and 12 million patient encounters.** Built a system that improves outcomes, lowers cost and establishes lasting partnerships with local communities.

Steward Medical Group ("SMG")

- ~1,425 employed providers across MA, PA, OH, FL, TX, UT, AZ, AR, & LA
- 3000+ total employees, ~ 500 PCPs at 433 practice locations

Physician Affiliated Businesses

- Home Care and Hospice, eICU, Mobile Oncology (PET) Imaging, Tailored Risk Assurance Company

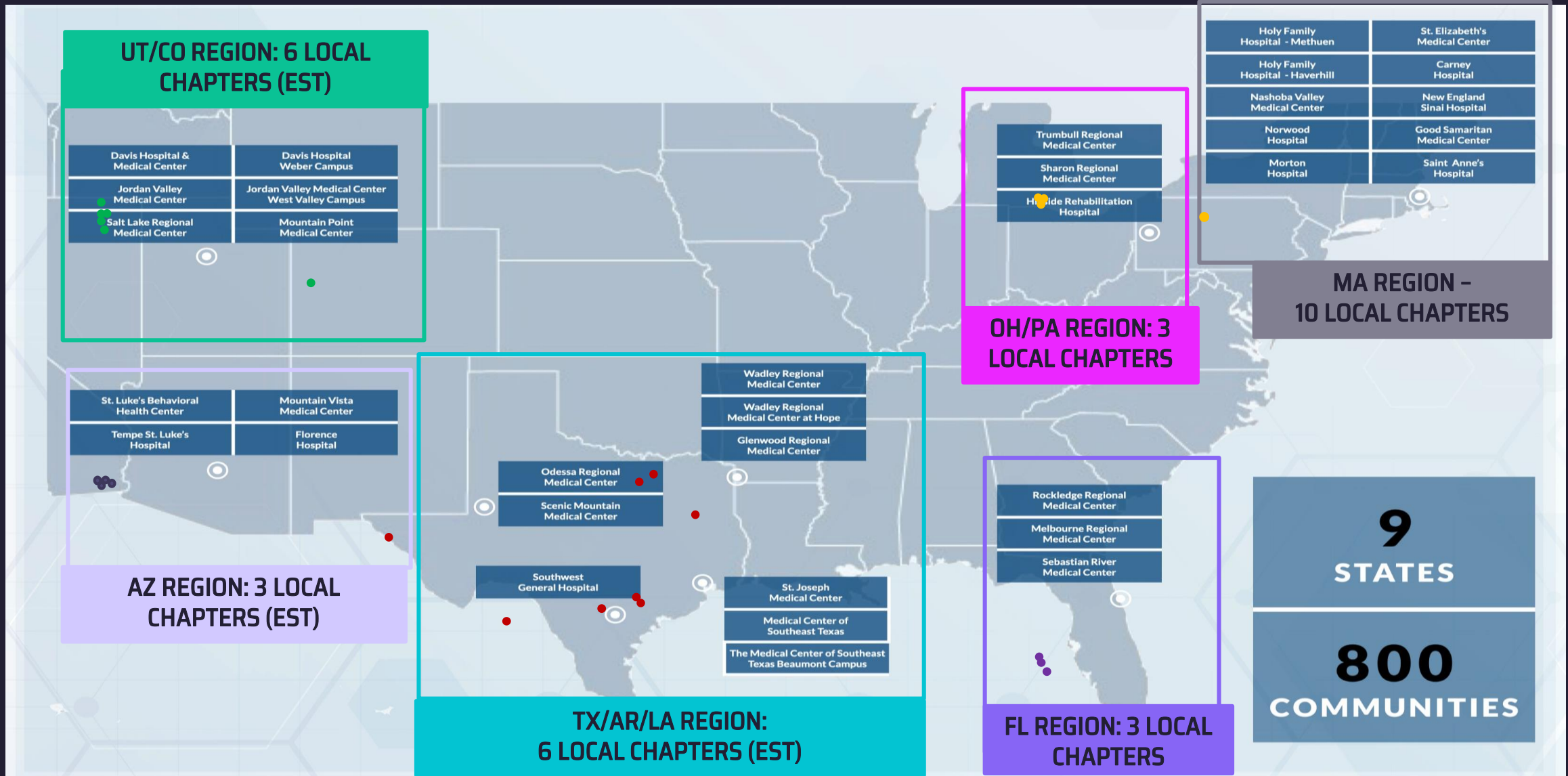
Steward Health Care Network ("SHCN")

- Largest care management /ACO in New England and soon to be one of the largest in country
- Highly integrated physician network and managed care contracting entity
 - >1,300,000 covered lives under value-based contracts (2018P)
 - ~5,500 contracted physicians including approximately 1,800 PCPs, 3,700+ specialty physicians and 250+ mid-levels
- Managed the 4 health plans (Medicare x 2, Medicaid x 2)

Steward is a nationally recognized, **fully integrated**, healthcare system centered around community care as a means to meet the increasing market demand for value.



STEWARD HEALTH CARE NETWORK FOOTPRINT



WE HAD EARLY DATA INTEGRATION CHALLENGES



1,100
EMPLOYED
PHYSICIANS



2,300
AFFILIATED
PHYSICIANS



EHR Vendor A



EHR Vendor B



EHR Vendor A



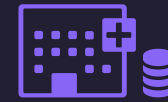
EHR Vendor B



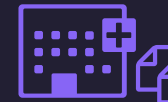
EHR Vendor C



EHR Vendor D



EHR Vendor E



Paper

PATIENT RISK
INFORMATION

Distributed across
80+ EHRs and
paper records.

- ▶ We initially partnered with Arcadia to tackle this problem in Massachusetts

COMPANY OVERVIEW

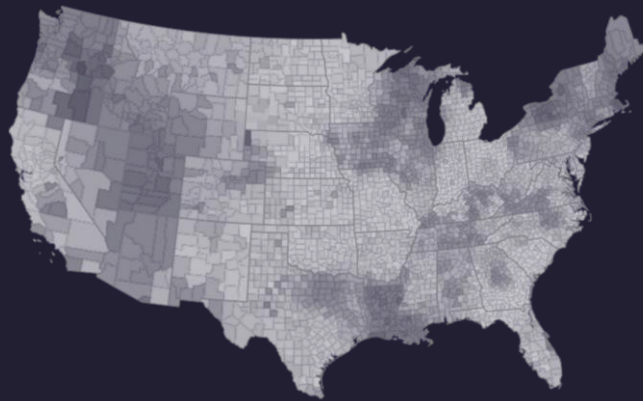
ABOUT ARCADIA

Arcadia is the only healthcare data & software company dedicated to healthcare orgs achieving financial success in value-based care. Our purpose-built pop. health platform delivers enterprise-level transformational healthcare outcomes.

NATIONAL REACH

118.4M PATIENTS AS OF OCT '20

Below is the county level concentration of Arcadia's patient records across the United States. The data asset has **grown 58% over the past year**.



THE MARKET LEADER

#1 VALUE-BASED SERVICES (2 YRS RUNNING)



LEADS IN ALL ANALYST REPORTS

Arcadia is in a leadership position across all analyst reports for VBC and health care analytics.



2.5X

HIGHER ACO PERFORMANCE



\$20.46 PMPM

AVG SAVINGS IN 2017 & 2018



\$205B

AT RISK IN VBC



118M

PATIENTS AGGREGATED



1759+

CLAIMS & EHRs CONNECTED



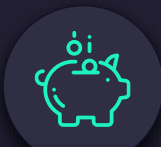
END-TO-END HITRUST CSF CERTIFIED

OUR MISSION IS YOUR SUCCESS IN VBC

OUR MISSION



THE SUCCESS OF VBC



\$ FOR PROVIDERS

HOW WE WORK TO MEET THOSE GOALS



WE TAME HEALTH DATA



WE BUILD GREAT SOFTWARE



COMMUNITY OF PIONEERS



MARKET LEADERSHIP



COMPANY OVERVIEW

TRANSFORMATIONAL CUSTOMER RESULTS

(BENCHMARK X RISK ADJUSTMENT — MEDICAL EXPENSE) X QUALITY IMPROVEMENT

RISK ADJUSTMENT IN-VISIT DIAGNOSIS CAPTURE **81%**

Arcadia's risk suspecting algorithms comb through EHR and Claims data sets to suggest possible conditions for a patient. Our point of care workflow tools get these insights Infront of physicians, creating an 81% improvement in in-visit diagnoses.

RISK ADJUSTMENT MORE RAF CAPTURED **52%**

Arcadia's 360° health risk assessment uses machine learning to suggest patient conditions. This adds decision support to an Annual Wellness Visit, resulting in 52% more RAF than just using AWWs alone & ~\$330 in additional premium per member.

MEDICAL EXPENSE REDUCTION IN POST ACUTE ALOS **4DAYS**

Arcadia Analytics was used to build a high-performance post acute network, identifying those facilities with high volume to performance ratios. Our platform coordinated care between the PCP and SNF, reducing Average Length of Stay by 4 days.

MEDICAL EXPENSE REDUCTION IN ED VISITS **6%**

Arcadia's ED Propensity score, which predicts patient level ED activity, was used in conjunction with provider level performance reporting to reduce ED visit volume by 6% and improve outcomes for vulnerable patients.

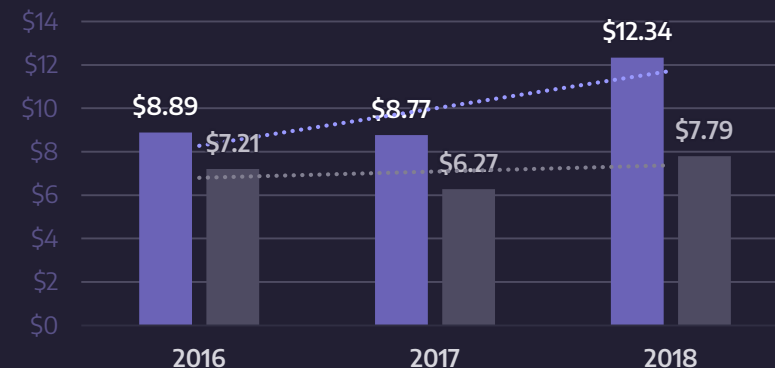
MEDICAL EXPENSE REDUCTION IN \$ POST DISCHARGE **\$8k**

Arcadia utilizes ADT pings and predictive models to identify patients with high transition risk for triage by care teams. TCM visits are scheduled with a PCP resulting in fewer readmissions and an ~\$8k reduction in medical spend per TCM visit.

QUALITY IMPROVEMENT ON TARGET ACROSS 33 MEASURES **99%**

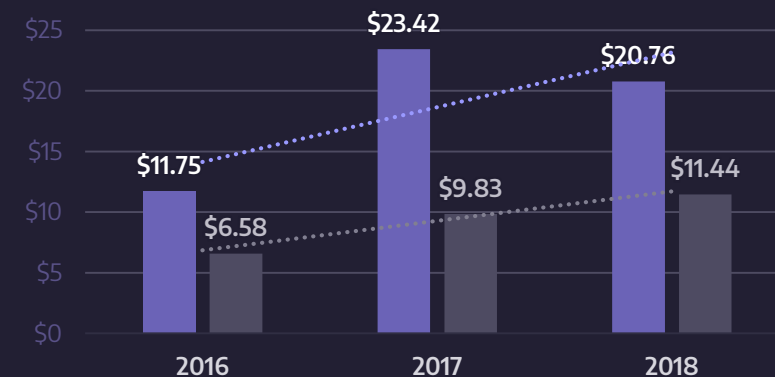
Arcadia's platform combines EHR and Claims data to get real-time insight into contract measures. This system targeted patients with the most gaps, achieving 99.6% against a composite measure target and maximizing bonus payment.

MSSP Savings vs Market



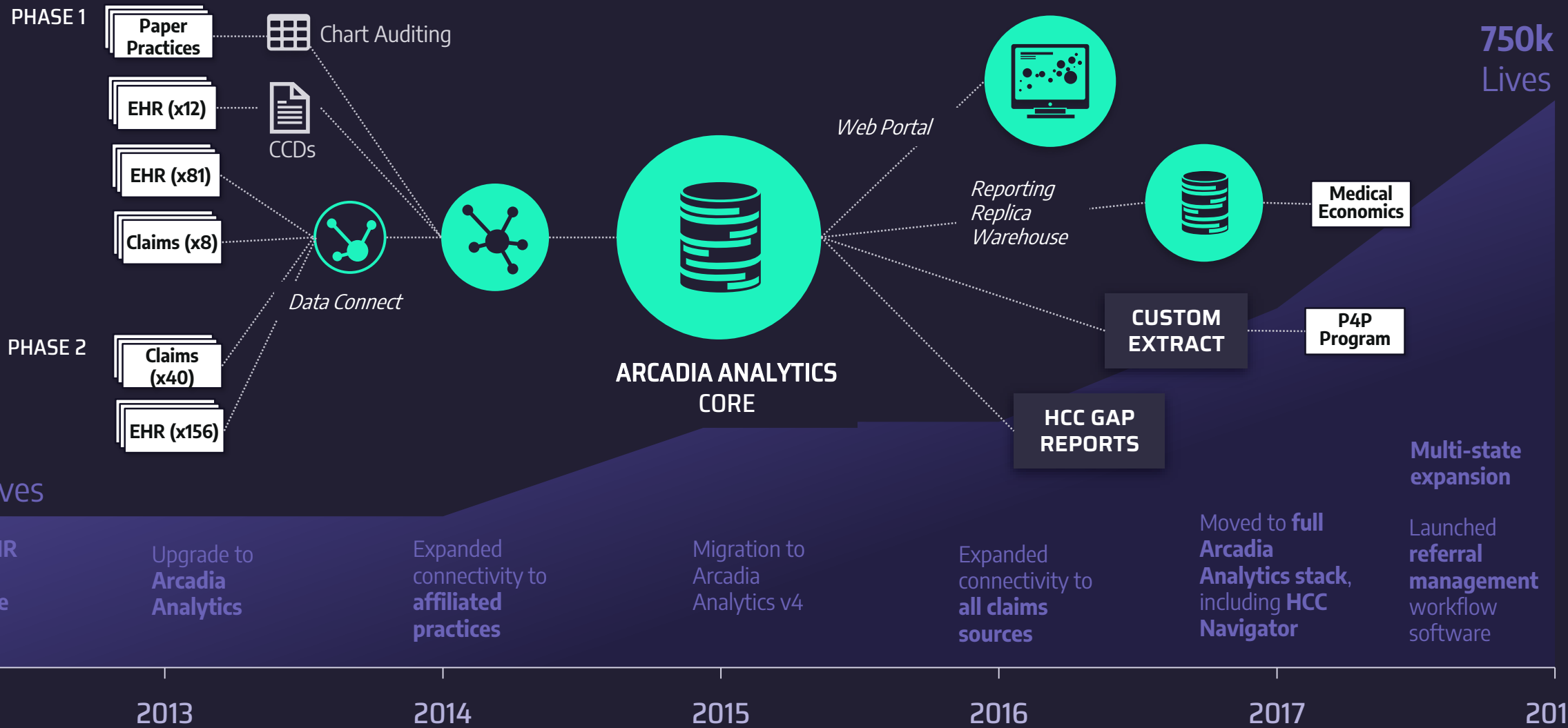
■ Arcadia ACOs Average Bonus (PMPM) ■ All other ACOs Average Bonus (PMPM)

NGACO Savings vs Market



A NATIONAL ACO'S STRATEGY FOR MANAGING PAYERS AND NEGOTIATING CONTRACTS

STEWARD AND ARCADIA: A 10-YEAR PARTNERSHIP



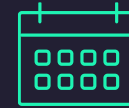
A NATIONAL ACO'S STRATEGY FOR MANAGING PAYERS AND NEGOTIATING CONTRACTS

RESULTS FROM THE ARCADIA-SHCN PARTNERSHIP



Referral Management Platform.

Co-developed innovative referral management platform focused on managing referral patterns for High Tech Radiology and High Cost Specialty Services



Reduced SNF ALOS by 7 Days. Decreased SNF ALOS over 4 years from 26 days to 19 days through development of preferred post-acute network and enhanced discharge planning program



STAR Rating. Real-time EHR data integration used to improve Health Plan STAR Rating from 2 Star to 3 Star in 6 months



Downward TME Trend. Reduced TME trend from 7.5% to 2.3% over 5 years across managed lines of business



Risk Adjustment ROI. 12:1 ROI for HCC Risk Adjustment program focused across all risk-adjusted lines of business driven from 6% improvement of HCC risk score in Medicare products and 4% in Commercial



Medicaid Performance. “Broke” Medicaid cost corridor

MANAGING 40 CONTRACTS ACROSS 9 STATES

Performance management requires 1) an advanced data infrastructure, 2) getting the right data from managed care partners, and 3) a tight partnership between contracting and data management

1 Advanced Data Infrastructure



- ▶ Scalable for national ACO
- ▶ Enterprise-grade security (ideally, HITRUST CSF®™ Certified)
- ▶ Robust, “fit for use”, trustworthy data

2 The Right Data from Managed Care Partners



- ▶ Supports the creation of a longitudinal patient record and the needs of population health programs
- ▶ Timely
- ▶ Accurate and complete
- ▶ Consistently formatted

3 Expert Data Management



- ▶ Active monitoring, curation, and use of longitudinal patient data to support value-based contracts and patient interventions
- ▶ Proactive identification and resolution of data issues before they manifest in applications



WHAT ELEMENTS DO YOU NEED TO SUCCEED UNDER RISK?



On an **individual contract** basis, SHCN assesses:

- ▶ Attribution model and process for disputes
- ▶ Population floor (at least 25,000 lives)
- ▶ Fee-for-service multiplier
- ▶ Shared Savings Program bonus structure
- ▶ Management fee to help with infrastructure investments, because shared savings may not be available until after the performance year (12-24 months out)



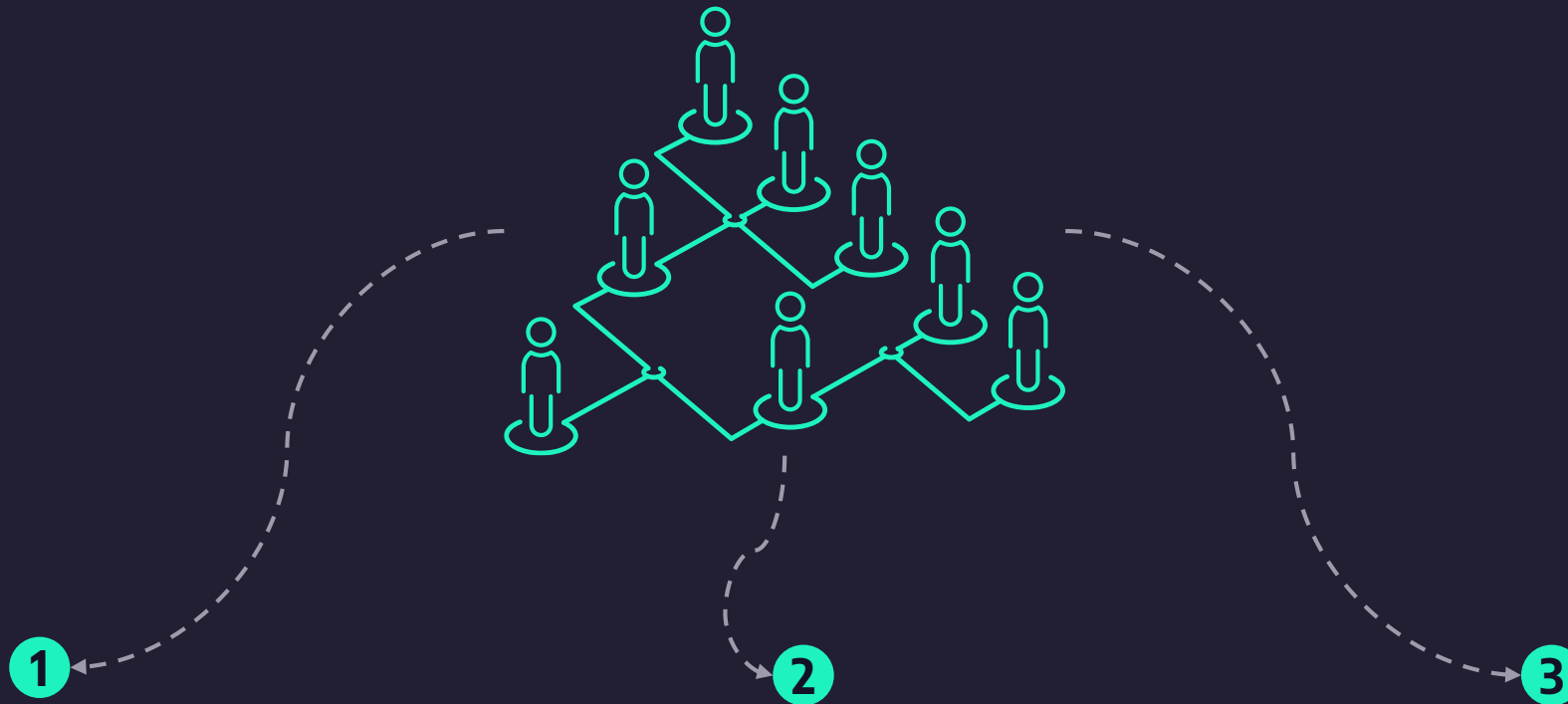
Across contracts, SHCN assesses:

- ▶ Can quality measures be similarly structured to ensure efficient operations?
- ▶ Is there delegation for utilization management and care management?



A NATIONAL ACO'S STRATEGY FOR MANAGING PAYERS AND NEGOTIATING CONTRACTS

HOW DO YOU ORGANIZE YOUR TEAM FOR PERFORMANCE?



1
Build a high-performing contracting organization

2
Fill critical roles (med econ, analysts)

3
Evolve over time as needs change



WHAT DATA DOES YOUR PARTNER NEED TO PROVIDE?



Member Months.



Cost (TME). This must include the paid amount for accurate budgeting.



Labs.



ADT data. Supports real-time care coordination response when patients have emergent or critical care needs.



Claims and Line Detail. Detail on services and rendering providers enable ACO to understand and address variability in cost and quality of care.



Reconciliation Reports/Fund Reports. Verify, then trust.



Attribution/Eligibility. Ensure performance is measured against the right population and that you are receiving complete claims data for lives under risk.



MANAGING DATA SHARING CHALLENGES



Not every payer can or will provide the data you need to perform on a risk-based contract...



...do you have effective strategies to manage these challenges?



WHERE DO YOU NEED TO SUPPLEMENT DATA GAPS

- ▶ An advanced data infrastructure will allow your ACO to incorporate multiple data types to supplement the information you get from claims data



PatientPing (ADT)

Real-time notifications about emergency or inpatient care support better care coordination



EHR Data

Clinical detail for better assessment of patient care needs and risk gaps



SDoH

Clearer picture of the socioeconomic and demographic factors that can substantially impact a patient's health



Lab Data

Timely information about patient health



BE ON THE LOOKOUT FOR KEY DATA ISSUES



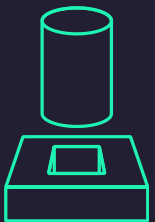
Deidentified mental health and substance abuse claims. Many payers will deidentify claims related to SMI or SUD, which hampers ACOs from doing important care coordination work for patients with physical and mental health co-morbidities.



Blinded cost data. ACOs are held accountable to a benchmark which is cost-based. Without actual cost data, the ACO will struggle to reconcile expenses.



Attribution. Attribution errors or changes commonly impede reconciliation.



Inconsistent files. It is extremely common for payers to send files where structures and data sets change significantly from month to month. Data cannot be loaded automatically; time must be invested to make sure that the data are valid and properly formatted each month.

HOW YOUR DATA PARTNER CAN HELP

A close partnership between your VBC Operations and Contracting teams and your data platform vendor assures an advanced data infrastructure that supports key needs.

- ▶ **CONTRACT CONFIGURATION** Each contract has its own specific nuances requiring flexibility in data load approach
- ▶ **GROUPERS** Customizable groupers by product allow for nuances in contracts and attribution approaches
- ▶ **DATA RECONCILIATION** Attribution changes, stop loss, and carve outs all need to be accounted for to get data that can be tightly reconciled with payer reporting
- ▶ **DATA QUALITY** A highly-detailed claims refresh process should have automated and human process gates
- ▶ **DATA MODEL** Medical economists have specific needs and need a data model purpose-built for their work
- ▶ **FOUNDATIONAL ELEMENTS** Complex ACOs need configurable attribution and the ability to accommodate complex provider hierarchies



CLAIMS DATA VALIDATION & MONTHLY REFRESH

DATA HEALTH CHECKS

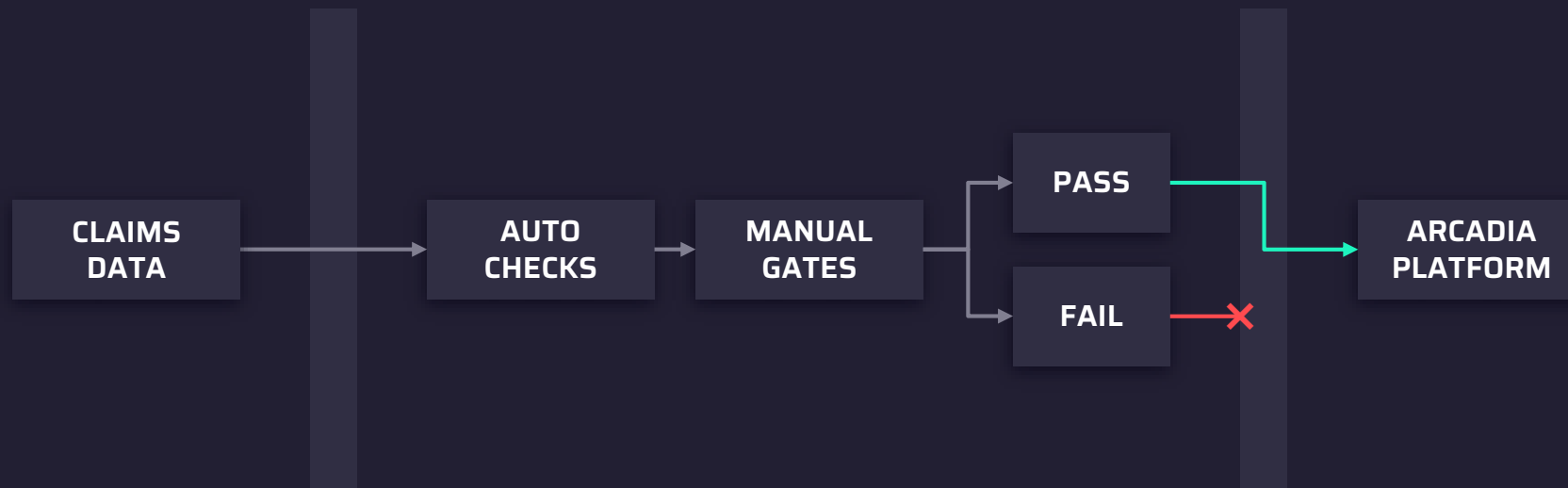


CLAIMS DATA VALIDATION & MONTHLY REFRESH

THE IMPORTANCE OF DATA QUALITY

This process represents Arcadia's commitment to providing the highest quality of data to support our customers' success, acknowledging that claims datasets are the cornerstone of this success in many facets of Value Based Care. To accomplish that, Arcadia must prevent data quality issues from entering our suite of applications, even when there are issues or unexpected changes in the processes that result in claims data being sent to Arcadia.

To support this, Arcadia executes a broad set of automated tests prior to allowing claims data to load into the application, with manual review by a team member familiar with your data and your contracts prior to releasing the data for loading. **Any issue that is discovered that cannot be resolved immediately will result in the claims feed in question being excluded from the data load until resolution.** This may result in additional data lag, but will **protect at all times the integrity of the data** in active use within our product that you rely on. Put simply, this model is built on a philosophy where **we believe it is better to hold on incremental data, than introduce a data quality issue.**



OPERATIONALIZING INSIGHTS

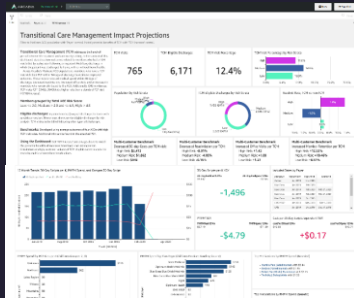
HOW SHCN DRIVES PERFORMANCE FROM HIGH-QUALITY DATA

ARCADIA

A NATIONAL ACO'S STRATEGY FOR MANAGING PAYERS AND NEGOTIATING CONTRACTS DRIVING OUTCOMES ACROSS THE ORGANIZATION

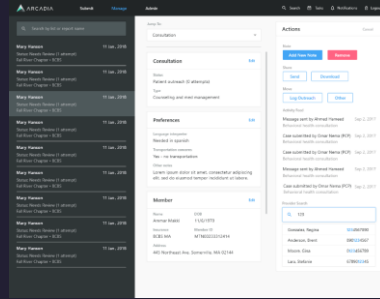
LEADERSHIP

Administrative reporting and interactive analytics supports planning, budgeting, and monthly close



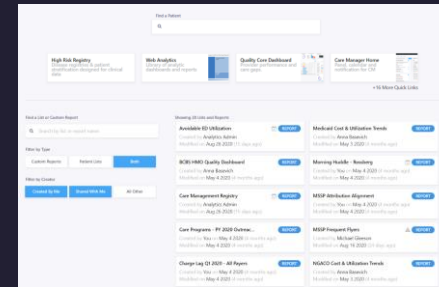
OPERATIONAL TEAMS

Single source of truth for MDM trackers, Referral Management, and Local Governance



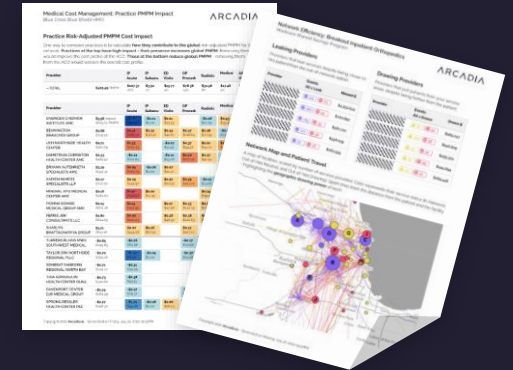
CLINICAL TEAMS

Opportunity reports are actionable at the point of care within existing workflows



PHYSICIANS

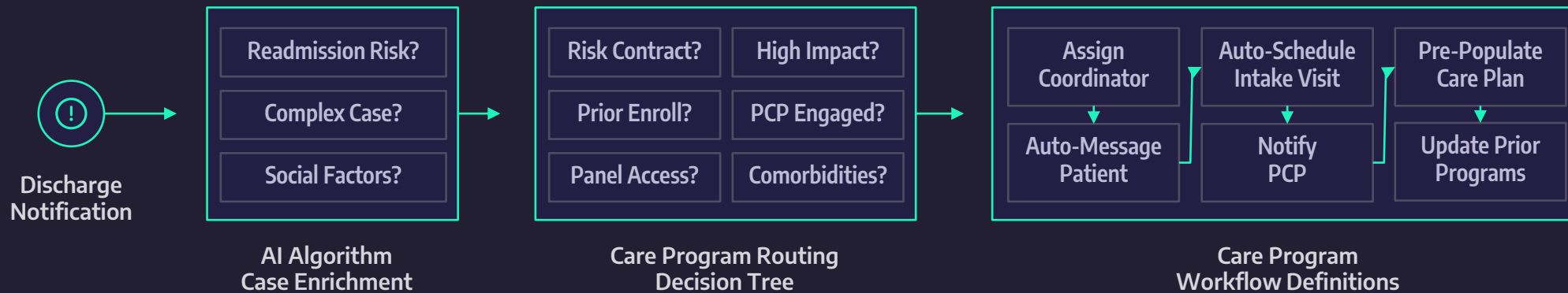
Actionable, trusted scorecards for PCPs facilitate performance



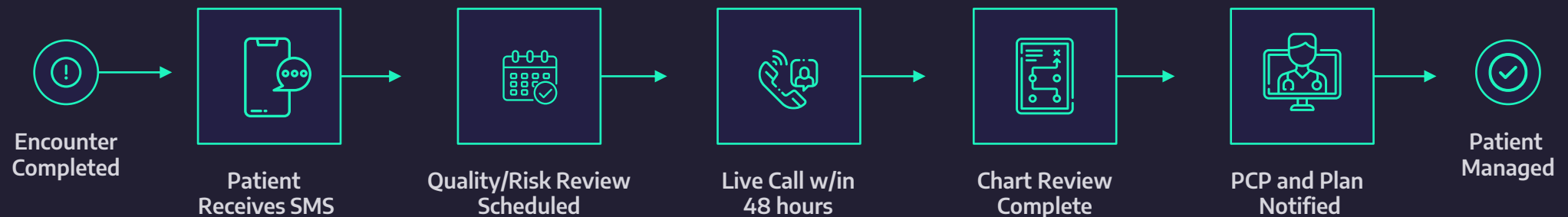
ARCADIA AI ENGINE

The machine-learning suggestive engine and workflow programming interface for clinical and operational process automation.

What the engine is doing. Real-time decision making, program routing, and process automation.



What you are seeing. Seamless patient routing and task management across apps.



Q&A



RESULTS

A DECADE OF PARTNERSHIP AND VALUE-BASED CARE SUCCESS

ARCADIA

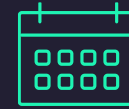
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USE DATA & INSIGHTS TO IMPROVE CONTRACTING



How can you apply learnings from your current performance year to improve your next contracting activity?



WHAT COMES NEXT?

Claims data changes require **continued investment**



CMS Beneficiary Claims Data API (BCDA)

- ▶ FHIR-based API for MSSP ACOs to retrieve bulk Medicare claims data related to their beneficiaries as an alternative to CCLFs



Direct Contracting

- ▶ Infrastructure is primed and proven to support direct contracting, however deferred start until after 2021 performance year.



THANK YOU

QUESTIONS? PLEASE REACH OUT TO HELLO@ARCADIA.IO

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