

CASE STUDY



ACO Success Through Better Performance and Operational Intelligence

Entering CMS Shared Savings with unprecedented transparency and an insights-driven strategy

Ranked among the top healthcare providers in the nation, this California-based health system with multiple hospitals and aligned medical groups has increasingly taken risk in caring for their population over the past years. They have launched their own health plan, participated in several commercial ACO tracks, and engaged in several managed care programs. Now, they plan to become the among the largest shared savings ACOs in the nation.

Overview:

CLIENT
California-based, large integrated not-for-profit health system

Includes 500+ PCPs, 12 Medical Groups, 10+ Inpatient Facilities

PRODUCT
Clarify Care, for providers

MODULE
ACO Design

DATA PERIOD
2016-2018

CHALLENGE

As they prepared to enter **Medicare ACO Pathways Track E** in 2021, the system did not know how they would fare. With 12 Independent and affiliated groups, the system wanted transparency on their projected performance before committing. They needed insight into their optimal participation structure, to select the groups that would position them for success. In particular, they needed help answering the following questions:

- Should we include all our provider groups or just a subset?
- If we did not make any changes to our performance, how would we fare in future years?
- Where are our highest-value opportunities within Pathways Track E?

SOLUTION

The system selected Clarify Health to help them answer these questions because of Clarify's depth of data and power of analytics. The partnership progressed in two initial phases:

Phase 1: Clarify guided the customer towards the optimal participation structure by applying CMS methodologies for patient attribution, risk adjustment and CMS Pathways PMPY benchmark to accurately model and trend ACO performance at the provider-level. By allowing the customer to toggle provider groups in and out, the health system was able to better understand the impact of decisions around provider inclusion and exclusion.

Phase 2: Clarify carried out a robust analysis to characterize clinical variation amongst providers, pinpoint areas of excellence, identify and size key opportunities, and analyze utilization both in and out of the ACO's network facilities.

RESULTS

The analysis showed that, from 2016 to 2018, the ACO would have out-performed the CMS qualified average each year. However, the performance along almost all quality and utilization measures was shown to decline year after year, clearly exposing a risk to future performance. In particular, one medical group was found to account for the largest portion of the margin decrease.

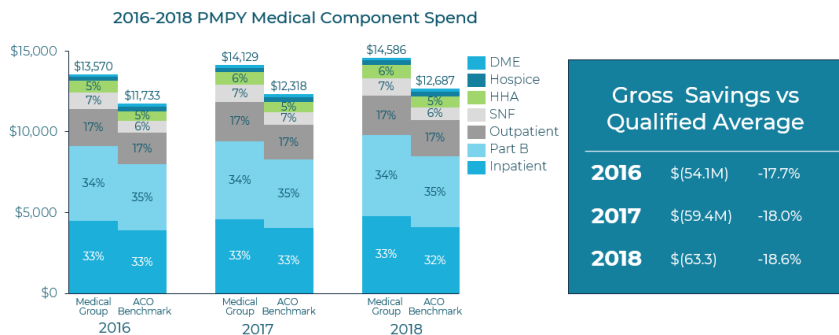
Phase 1

Model and Trend Provider-Level Performance to Determine Optimal Participation Structure

Phase 2

Thoroughly Analyze Providers to Identify Highest Performers and Opportunities

Figure 1 shows the total cost performance of this medical group:



All values risk-adjusted, 99% patient spend cap not applied

The analysis further demonstrated that excluding this medical group from the ACO would avoid sinking the performance of the remaining 11 medical groups. Trended results for the ACO with the higher-performing 11 medical groups showed a performance increase from 2016 to 2018 as total medical expenditures grew at a slower rate (2.3%) than qualified average (2.9%).

Medical Group	Attributed Patients	Total Savings / (Losses)	PMPY Savings / (Losses)	3-year Performance Trend*
Medical Group A	29,717	\$43.5M	\$1,463	↑
Medical Group B	4,506	\$(25.8M)	\$(5,732)	↓
Medical Group C	3,316	\$(3.1M)	\$(932)	↓
Medical Group D	3,551	\$(1.7M)	\$(480)	↑
Medical Group E	525	\$1.1	\$2,061	↑
Medical Group F	5,695	\$3.2M	\$557	↑
Medical Group G	17,793	\$(7.9M)	\$(445)	↑
Medical Group H	10,138	\$(6.2M)	\$(615)	↓
Medical Group I	3,509	\$(2.1M)	\$(596)	↓
Medical Group J	13,838	\$6.3M	\$459	↑
Medical Group K	5,767	\$(3.0M)	\$(527)	↓
Total	98,351	\$4.2M	\$43	↑

Additionally, Clarify identified and sized specific areas for strategic focus, including coding, post-acute network curation, and use of in-network inpatient facilities.

NEXT STEPS

As next steps, the ACO is continuing their work Clarify to characterize their highest-yield opportunities to impact outcomes and spend in Pathways Track E. Clarify is providing insights in specific areas for strategic focus, including coding, post-acute network curation, and use of in-network inpatient facilities.

\$60M+ in total potential overspend avoided

by recommending provider groups best suited for participation

Interactive financial model with dynamic adjustment

to financial levers such as provider inclusion and CMS benchmarks

About Clarify Health Solutions

Clarify Health empowers customers to deliver better care and therapies through more actionable insights from all the world's patient-level data.

With an integrated enterprise analytics platform, Clarify helps customers select the best providers, map and predict how individuals' journeys through their health care, and understand the use and impact of therapy on patients.