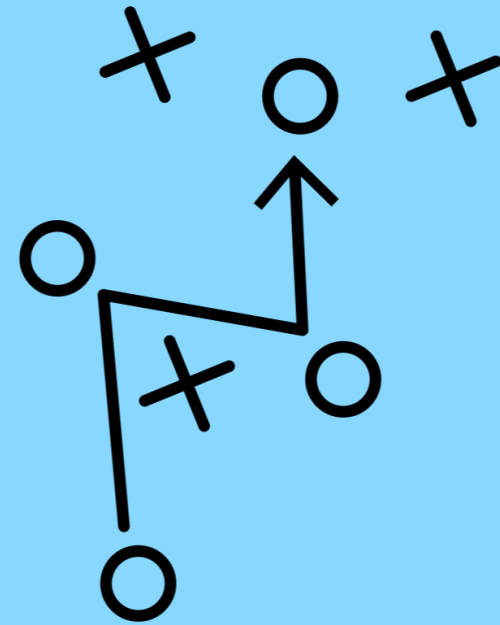


Clarify

Network Optimization Playbook

3 Plays to Optimize Provider Networks



The Field

The health insurance industry has created new provider network models aimed at reducing healthcare costs and improving quality, but there has been limited innovation in the network design process.

The status quo involves aggregating and cleaning disparate datasets and analyzing them manually. It is cumbersome and time-consuming. It is often a trial-and-error process, taking up to two years to gather enough data to assess a network's performance. This leads to wasted time, margin loss, and a poor experience for members.

And despite this effort, health plans are often left with an incomplete market view, imprecise provider performance benchmarks, holes in competitor

intelligence, and inconsistent market price data. These blind spots can impact network performance, marketability, adequacy, and affordability.

The traditional process for designing and optimizing provider networks is ripe for innovation. Robust patient journey data, combined with machine learning, can unlock insights that allow health plans to assess provider performance, referral patterns, competitor networks, and market prices from day one, on-demand.

In this playbook, you'll find three plays you can use to grow market share faster and manage claims spend better.

The Opposition

The most common barriers to optimizing network performance are the inability to:

- Predict or identify the utilization, efficiency, quality, and coding intensity of providers in the market
- Optimize for the right plan design or risk arrangement
- Negotiate rates based on price transparency data
- Predict patient and member needs
- Assess provider referral preferences and patterns

The reason is that health plans lack:




- Reliable, accessible, and timely insight into provider performance across the market
- An understanding of competitive networks and the performance of providers in competitor networks
- Access to enriched price transparency data that distills meaningful prices
- A deep understanding of patient and member disease burden and social determinants of health factors
- Analytics on referral patterns and the ability to assess the quality and appropriateness of a referral

The Score

High-performing provider networks help you grow market share faster and manage claims spend better




FINANCIAL IMPACT



-  Revenue
-  Medical Costs
-  Administrative Burden




QUALITY IMPACT



-  Readmissions
-  High-Value Referrals
-  Inappropriate Use of Post-Acute Services

MARKETABILITY



-  Enrollment
-  Increased Provider Accessibility
-  Member Retention

Three plays to build better provider networks, faster

Design

networks based on provider quality, efficiency, and referral patterns to boost overall performance.

Compare

competitor networks and provider market prices to improve marketability and affordability.

Predict

real-world network performance and adequacy before going to market to accelerate time to value.

Design

networks based on provider quality, efficiency, and referral patterns to boost overall performance.

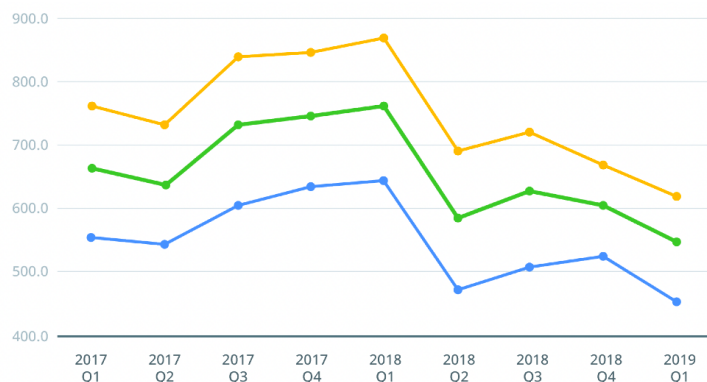
Whether you are designing a new network or optimizing an existing one, you want the right in-network providers for your members—those who consistently deliver high-value, efficient care and work with and refer to high-value specialists. Making network design decisions to boost overall performance will pay dividends, ensuring your members receive higher value care and that you can better manage claims spend.

However, relying on static third-party data to understand provider performance makes it hard to decide on the providers to include in-network. To get a fair, accurate, and granular assessment of each provider's quality and efficiency you need precise, case-mix adjusted performance benchmarks that account for the clinical and social factors of each member. You also need to capture natural referral patterns to design an integrated network that optimizes performance and outcomes.



When managing a network, it's critical to have precise, case-mix adjusted provider performance benchmarks at your fingertips. Save money on expensive data and consulting fees by leveraging precise, predictive analytics that can deliver robust performance benchmarks for providers across the entire market, on demand. This can be a game-changer for optimizing network performance.

Run this play to boost network performance and reduce claims spend



BENCHMARK PERFORMANCE

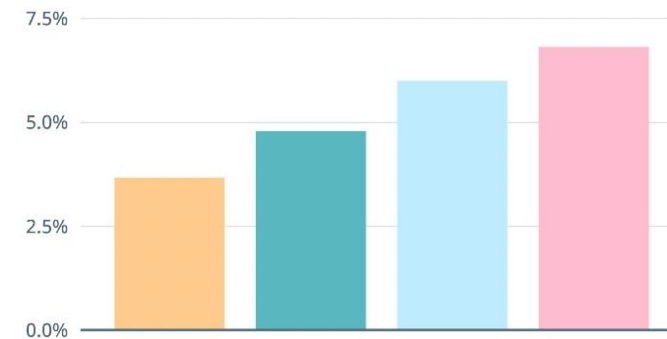
Use precise, case-mix adjusted provider performance benchmarks to assess quality, efficiency, and utilization.



Distribution of 6,504 Referrals by 383 PCPs

UNDERSTAND REFERRAL PATTERNS

Measure the quality of referrals, referral patterns, and how well-integrated the network is.



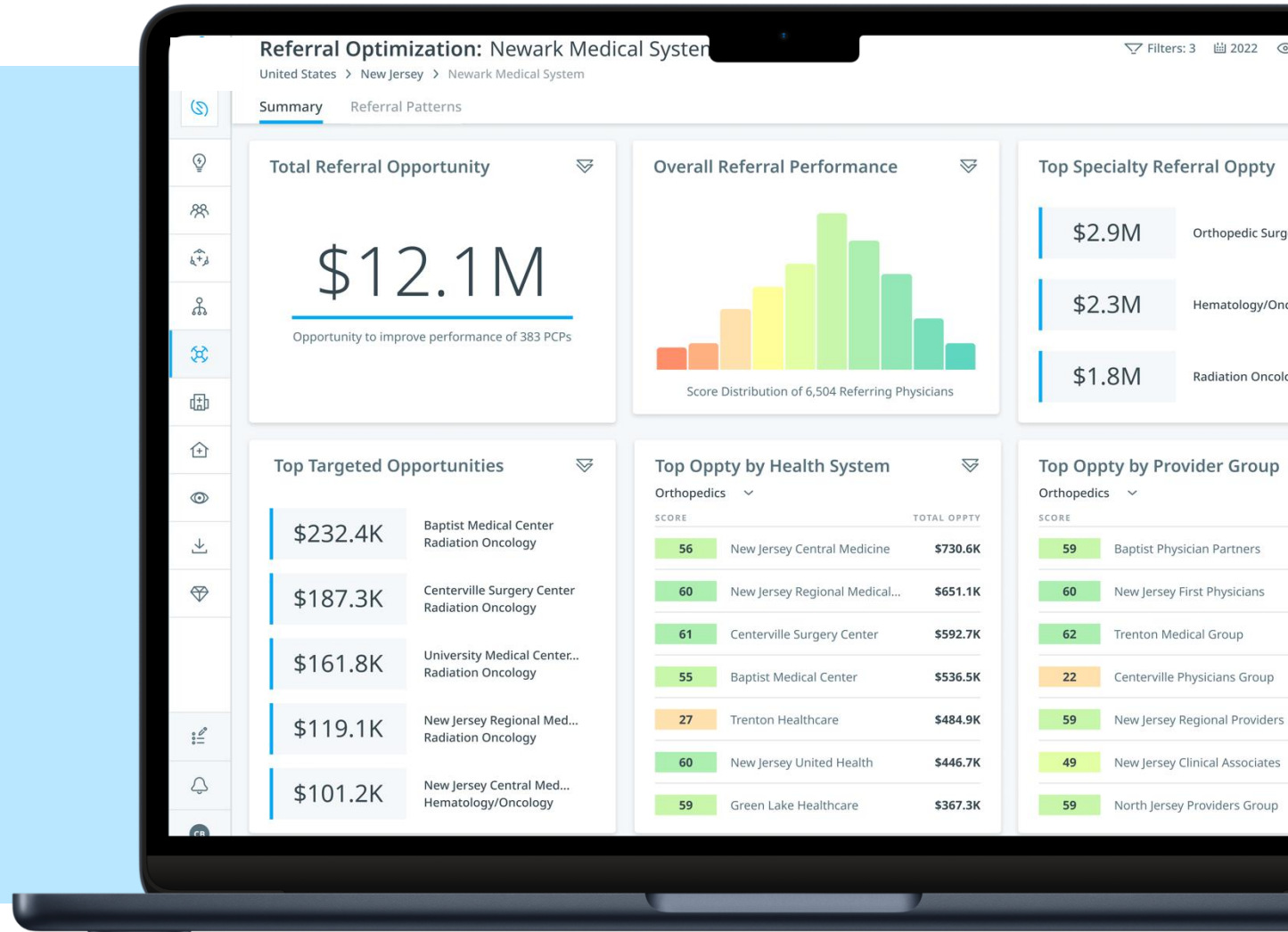
MODEL PERFORMANCE

Model “what-if” scenarios across multiple variables to assess impact of network decisions on cost and quality.

Run this play to measure how well a network is integrated

Using claims data to identify every referral in the market, network teams can:

- Capture natural referral patterns when building networks.
- Direct PCPs and specialists to make referrals to high-value physicians.
- Exclude providers making a high number of unnecessary referrals or engage them to improve referral behavior.



Watch the replay: A health plan designed and launched higher performing networks 8x faster

Summary

A national health plan identified Medicare Advantage (MA) as a key growth platform for their business. They were looking for ways to launch high-performing provider networks more efficiently and needed to quickly assess provider performance in 12 new markets.

Challenges

With limited data on new markets, disparate data split between spreadsheets, clunky CMS datasets, and various analytical tools, they knew it would be cumbersome to design new networks on their own.

Results & Highlights

12 new markets entered 8x faster

Using Clarify's network analytics capabilities, the plan was ready to enter all 12 new markets in just three months. The health plan designed and launched high-performing MA networks in 12 new markets in just three months, compared to their prior 24-month timeframe. With the efficiency of software, they saved their analyst teams over 1,000 hours.

190K

NPIs added

With on demand, precise case-mix adjusted provider performance benchmarks the team added 190,000+ NPIs to their networks to boost coverage and performance.

>1K

Analyst hours saved

The ability to optimize network designs in software and predict the real-world performance, the analyst team saved >1K hours.

21

Months faster

Instead of waiting the usual 24 months to gather enough data on their new networks to understand performance, the team entered 12 new markets in three months.

Compare

competitor networks and provider
market prices to improve
marketability and affordability.

Whether you are entering a new market or trying to grab market share in an existing one, competing and winning requires attracting new members, and attracting them fast. To be more competitive you can improve marketability and affordability by:

- Boosting competitive overlap with up-to-date and accurate competitive intelligence down to the NPI-level
- Focusing on price-competitive providers using transparency data that is enriched to show meaningful market rates



When modeling networks, look for an analytics partner that lets you explore your competitors' networks and model your network after their biggest strengths. See your competitors' contracted providers, ratings, efficiency and quality metrics, and referral patterns. Don't stop there—improve affordability by including providers based on market prices. Find an analytics partner that lets you access price transparency data with the click of a button.

Run this play with competitive intel to boost competitive overlap

Assess the efficiency, quality, and referral patterns of your competitor's network.

Compare NPI-level overlap between your networks and your competitors' highest performing networks.

Become more competitive by copying what you like from one of your competitor's networks and seeing how it changes the expected performance of your model network.

Compare Networks: Northeast Competitors

Filters: 3 2022

Networks Provider Groups Providers

Provider Overlap

	Primary: Middletown Network	New Haven Network	Mystic Network	Central Connecticut Network	New Rock Network	Harbor Network	Rockford Network	Crystal Springs Network	Covered Bridge Network
Overlapping NPIs	907	404	321	234	431	523	99	125	355
Unique Network NPIs	11	17	231	47	56	143	45	186	265
Unique Primary NPIs	0	42	25	41	123	64	21	56	162
Total Unique Network NPIs	918	463	577	327	610	730	165	367	802
Primary Overlap Percent	100.0%	65.3%	37.9%	65.8%	67.4%	84.6%	82.4%	83.4%	29.7%

Network Scores

	Primary: Middletown Network	New Haven Network	Mystic Network	Central Connecticut Network	New Rock Network	Harbor Network	Rockford Network	Crystal Springs Network
Total Score	76	59	66	82	67	48	55	78
Efficiency Score	73	48	69	91	49	32	58	68
Quality Score	81	82	62	77	71	28	39	82
Referral Score	68	36	71	89	83	67	64	75
RAF Score	1.12	1.02	1.32	1.04	1.11	1.09	1.16	1.14

Specialty Count

	Primary: Middletown Network	New Haven Network	Mystic Network	Central Connecticut Network	New Rock Network	Harbor Network	Rockford Network	Crystal Springs Network	Covered Bridge Network
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Run this play with price transparency data to improve affordability

- Set fair and competitive reference rates in new geographies
- Decrease overall negotiated amount by provider contract
- Find opportunity to increase margin and reduce MLR
- Identify where you are paying above market rates & take action

To run this play, you'll need rate data (sourced from payer and provider machine readable files (MRFs) that has been aggregated, cleaned and enriched to deliver meaningful market prices.



Clear

RATE INPUTS

PAYER DATA SOURCE
BCBS

NEGOTIATED TYPE(S)
2 items selected

PROVIDER STATE(S)
Florida

PAYER FILTERS

PAYER CLASS(ES)
Commercial

PAYER NAME(S)
2 items selected

PRODUCT TYPE(S) Optional
PPO

PLAN GROUP(S) Optional
Select Plan Group(s)

PROVIDER FILTERS

HEALTH SYSTEM(S) Optional
South Atlantic Health

PROVIDER(S) Optional
2 selected items

NPI(S) Optional
Select NPI(s)

SERVICE FILTERS

CLASSIFICATION(S)
Inpatient

SERVICE LINE(S) Optional
Cardiac Services

CODE TYPE
MS-DRG

SERVICE CODE(S) Optional
Select Service Code(s)

OUTPUT SET UP

GROUP-BY CATEGORY(S)
4 items selected

METRIC(S)
4 items selected

BREAKOUT METRICS BY
4 items selected

FILTER METRICS
2 items selected

Payer Rates Comparison

COLUMN GROUPS: Providers Metrics Ex

FLORIDA										FLORIDA ORANGE PAR	
DRG	Service Line	Payer	Avg Rate	% of Medicare Rate	Min Rate	Max Rate	Prices	Volume	Avg Rate	Me	
241	Cardiac Services	Blue Plus	\$28,189	311.3%	\$21,588	\$34,298	120	1,234	\$57,954		
303	Cardiac Services	Blue Plus	\$17,015	449.9%	\$15,642	\$21,538	140	1,126	\$16,118		
271	Cardiac Services	Blue Plus	\$63,218	311.5%	\$59,254	\$65,727	110	1,334	\$75,728		
240	Cardiac Services	Blue Plus	\$50,403	316.5%	\$45,173	\$55,777	220	1,444	\$0		
300	Cardiac Services	Blue Plus	\$15,719	261.7%	\$12,298	\$21,222	123	1,874	\$18,867		
269	Cardiac Services	Blue Plus	\$72,748	301.4%	\$68,327	\$80,345	156	975	\$56,134		
216	Cardiac Services	Blue Plus	\$187,920	328.3%	\$181,298	\$193,178	179	547	\$0		
216	Cardiac Services	Blue Cross Blue Shield	\$163,028	279.7%	\$160,698	\$171,294	121	672	\$0		
217	Cardiac Services	Blue Plus	\$116,099	311.1%	\$112,342	\$122,536	231	865	\$0		
217	Cardiac Services	Blue Cross Blue Shield	\$123,446	328.0%	\$120,193	\$130,754	260	732	\$0		
218	Cardiac Services	Blue Cross Blue Shield	\$129,114	360.5%	\$123,292	\$134,698	198	487	\$0		
218	Cardiac Services	Blue Plus	\$125,313	358.4%	\$120,456	\$132,243	114	1,182	\$0		
219	Cardiac Services	Blue Plus	\$173,557	381.5%	\$164,451	\$183,398	150	926	\$0		

Watch the replay: health plan improves network competitiveness, contributing to \$50M net new revenue in one year due to network analytics

Summary

A health plan was looking to quickly expand their Medicare Advantage (MA) business into new markets. However, the data they were utilizing to optimize their networks was incomplete and siloed, making it difficult and time-consuming to get actionable insights. With Clarify’s network design capabilities, precise provider performance benchmarks, and competitive intelligence, they were able to move faster and at scale.

The health plan’s perspective



In the past, it took us months to contract with separate data vendors in every state and extract competitive insights. With Clarify’s on-demand network design and competitive intelligence software, we achieved 70% competitive overlap....This generated \$50M of net new MA revenue—a 25x ROI."

VP, MARKET EXPANSION

Results & Highlights

\$50M in MA revenue growth in one year

The health plan designed and optimized MA networks in under a year, achieving 70% competitive overlap. This contributed to growing MA revenue by \$50M in the following 12-months as a direct result of Clarify’s technology.

600K

New enrollees

The health plan was able to optimize MA networks in new and existing markets, which resulted in 600K+ new members enrolling since the launch of new designs

70%

Overlap achieved

The health plan increased network competitiveness by achieving an average of 70% competitive overlap using NPI-level intel for competitor networks in every market.

100K+

Providers added

The health plan used precise, case-mix adjusted provider performance benchmarks to add 100K+ high-value providers to their networks to improve quality, efficiency, and referral patterns.

Predict

real-world network performance
and adequacy before going to
market to accelerate time to
value.

When it comes to grabbing market share, time is of the essence. Long gone are the days of manually designing a network using disparate data sources and waiting 24 months to have enough real-world data to analyze a network's performance. Today's network teams need to get to market faster and optimize network performance faster.

If you want to shave months off your timeline, find a network design software that can do both by modeling the real-world performance of hundreds of networks on-demand. It is possible to launch faster and improve performance and market competitiveness at scale, with speed, if you have a solution that lets you predict the real-world impact of design decisions as you make them. You will need to be able to model network quality, efficiency, and referral patterns as you modify geographic parameters and add and remove providers (PCPs, specialists, and facilities).



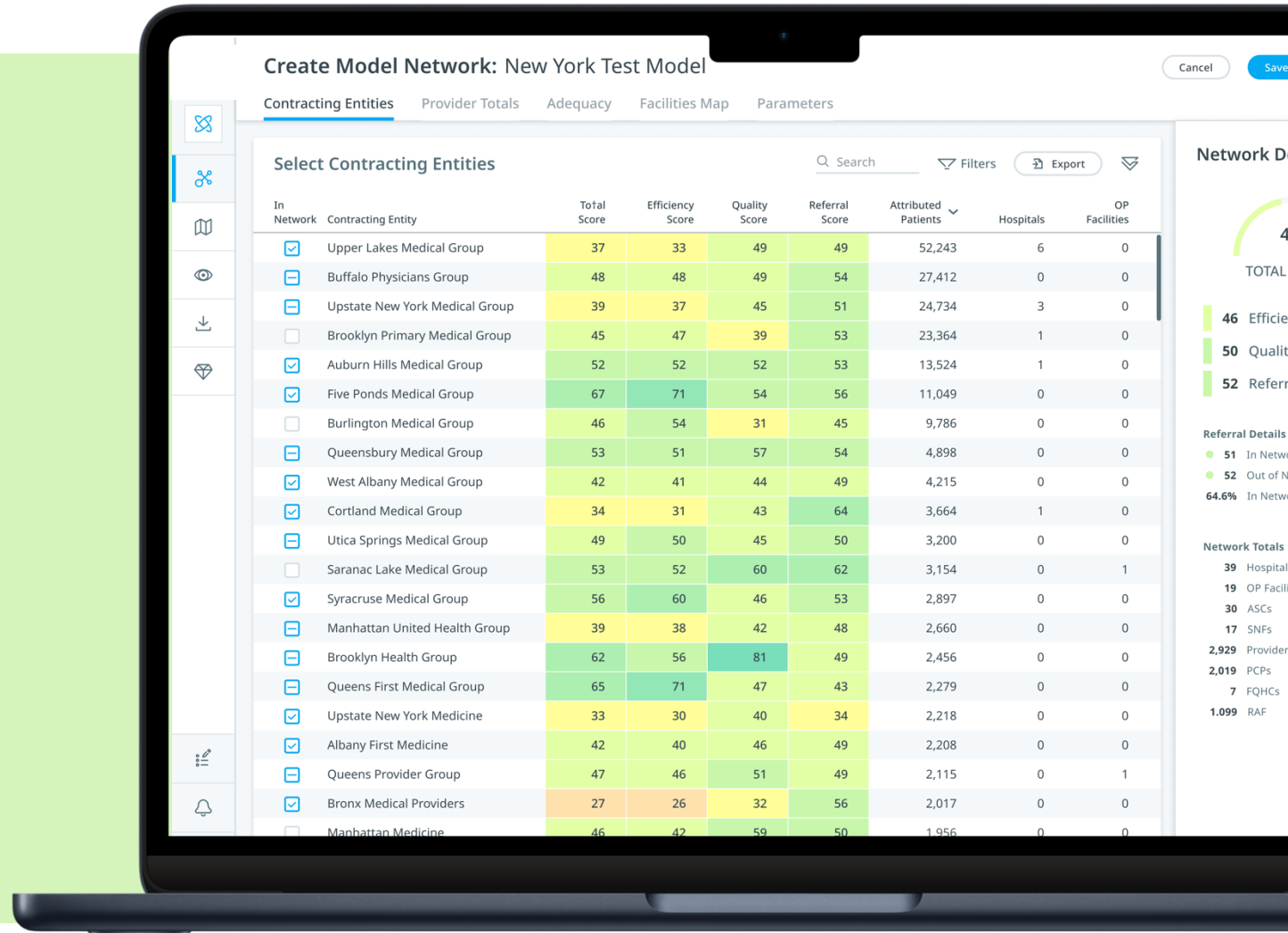
Accelerate time to value and achieve your network optimization goals faster by precisely predicting real-world network performance before deploying modifications to the market.

Run this play to simulate potential network structures for faster time to value

Use modeling software to instantly predict real-world network performance as design changes are made.

CONSIDERATIONS

- What happens to the overall performance of my network if I add this group?
- Which are the highest quality provider groups in this market?
- What are the referral patterns of the providers in this network?



Run this play to assess adequacy earlier in the design process

Be proactive about network adequacy to accelerate time to market. Early in the design phase, optimize your network to meet the CMS requirements for minimum number of providers and provider coverage.

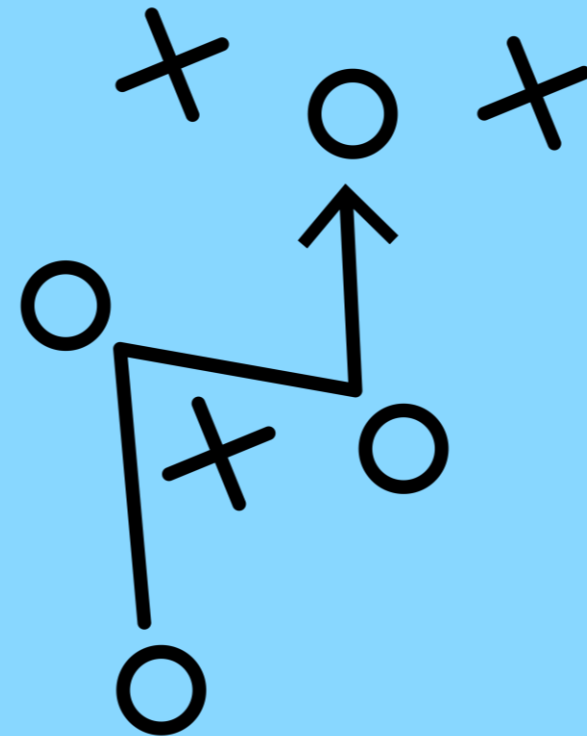
To run this play, calculate an adequacy score that is weighted equally for both CMS requirements by:

1. Counting providers serving in each county by assessing if they are within max distance of the midpoint of any of the zip codes in a county.
2. Assessing whether each zip code in each county has a provider of a given specialty within max distance of the midpoint.



By running these 3 plays,

you'll reap the benefits of designing the most optimized networks, making more informed management decisions, and boosting competitive overlap. Score points and win big by improving quality and outcomes while increasing member satisfaction.



About Clarify

Clarify Health unlocks valuable healthcare insights making complex decisions easier.

The foundation is the Clarify Atlas Platform®, leveraging the industry's largest and most robust dataset, to map over 300 million lives to deliver more than 20 billion AI-powered predictions, delivering actionable insights with unparalleled speed and precision. Clarify employs stackable building blocks architected to streamline the complexity of care decisions in five key areas: topline growth, cost containment, care guidance, data leverage, and expertise.

To learn more about Clarify Health and the benefits of its high-performing healthcare insights, please visit www.clarifyhealth.com.