



BACKGROUND

Optima Health, based in Virginia, provides health insurance coverage to more than 510,000 members. With more than 30 years of experience, Optima Health offers a suite of commercial products including consumer-directed, employee-owned and employer-sponsored plans, individual health plans, employee assistance programs and plans serving Medicare and Medicaid enrollees. Its provider network features more than 26,000 providers including specialists, primary care physicians and hospitals across Virginia. Optima Health also offers programs to support members with chronic illnesses, customized wellness programs and integrated clinical and behavioral health services, as well as pharmacy management—all to help members improve their health every day. The company's goals are to provide better health, be easy to use and offer services that are a great value. Optima Health is a service of Sentara Healthcare.

Payer Achieves Higher ACA Risk Score Accuracy with Lab Data

Case Study | Optima Health 2019

CHALLENGE

How to get a better clinical understanding of members

Optima Health has risk-adjusted members who are Medicare Advantage, Medicaid, and ACA Exchange. The actuarial team was seeking best practices and complementary analytical partners to optimally manage their risk adjustment efforts. Optima Health chose an analytics partner for risk adjustment analytics that leveraged the insight from medical and pharmacy claims to identify members for retrospective review. In addition, the team recognized the value of looking at members further upstream in the process. Dean Ratzlaff, Actuarial Director at Optima Health, states, "We chose Prognos because their lab data solutions deliver timely insight, is often used to diagnose medical conditions, and can add significant value for ongoing risk adjustment efforts. We wanted accurate HCC suspects for the optimal impact and lab data is an important component."

When evaluating Prognos and its capabilities, the lead actuaries identified that the Prognos team:

- Understood all risk adjustment models, including CMS, HHS, and Medicaid
- Accessed nationwide, cross-payer clinical data, which is important for new members
- Proved its machine learning expertise, proven processes, and tested algorithms

Optima Health moved forward with an agreement to work with Prognos on improving its view of the ACA plan members with lab data.

THE SOLUTION

Integration of Lab Data into Risk Adjustment Models

The typical process for exchanging data with an analytics vendor involves weeks of set up. In contrast, Optima appreciated the less onerous process to operationalize. Prognos can receive a secure email with the following member fields:

- First name
- Middle name
- Last name
- Birth date
- Sex
- Address
- City
- State
- Zip code
- Member id
- Social security number (optional)

Optima Health selected 50,000 small group members from its ACA membership who generated claims from the 2018 dates of service. With a simple, secure email, Optima Health was able to quickly send the member roster to Prognos.

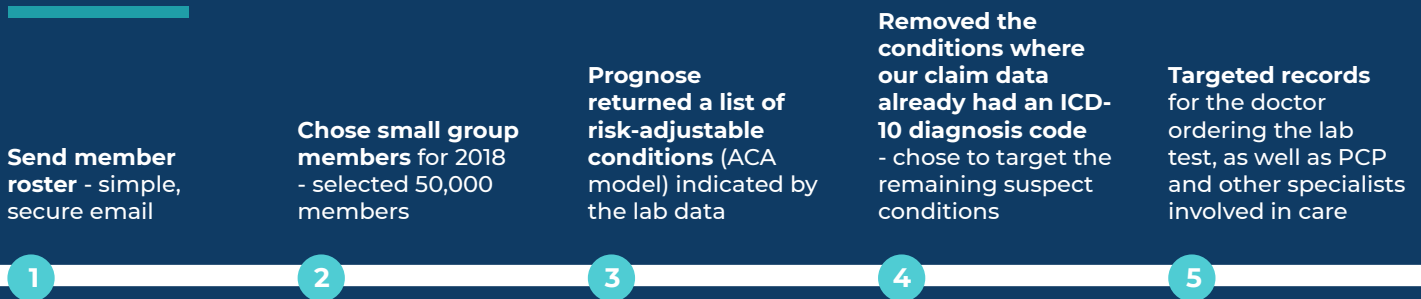
Prognos conducted analysis on the member list and matched 16,240 members to lab data available for the 2018 dates of service. After applying clinical algorithms, Prognos created a list of members with HCC codes for the ACA model.

With the data, the Optima Health team removed the members who had conditions already identified with medical claims, leaving members who had suspect conditions. With the National Provider Identifier (NPI) information that Prognos provided, Optima Health's chart retrieval team targeted the physicians who ordered the lab test and used claims data to identify primary care physicians and specialists involved in the member's care.

Optima Health retrieved the charts for the 62% of the members Prognos identified. Ratzlaff explains, "During future projects, our team will have more time to achieve industry benchmarks for chart retrievals. This project had significant time limitations."

EVEN THOUGH ONLY MORE THAN HALF OF THE CHARTS WERE PULLED, THE CERTIFIED CODERS IDENTIFIED A 12% IMPROVEMENT IN CONFIRMED HCCS, OVER AND ABOVE WHAT WAS IDENTIFIED FROM MEDICAL CLAIMS.

OPERATIONAL PROCESS



Results of Using Lab Data in Risk Adjustment

The Prognos Risk Alerts solution provided incremental improvement to Optima Health's risk adjustment results. With the 12 percent improvement in HCC identification and an average net revenue per HCC of \$8,807 – the health plan gained reimbursement that would not have been identified without lab data.

The ROI was 3.7 to 1, which satisfied Optima Health and a higher ROI is anticipated in the future as there will be more time to pull more charts.

Optima Health is the trade name of Optima Health Plan, Optima Health Insurance Company, Optima Health Group, Inc., and Sentara Health Plans, Inc. Optima Health Maintenance Organization (HMO) products, and Point-of-Service (POS) products, are issued and underwritten by Optima Health Plan. Optima Preferred Provider Organization (PPO) products are issued and underwritten by Optima Health Insurance Company. Sentara Health Plans, Inc. provides administrative services to group and individual health plans but does not underwrite benefits.

Plans for Future Impact

The Prognos Risk Alerts solution delivered actionable, high-impact insight to the Optimal Health team. As the Optima Health team prepares its future risk adjustment projects and expands into prospective risk adjustment, the processes established with Prognos are easily scalable and able to deliver the results needed.