



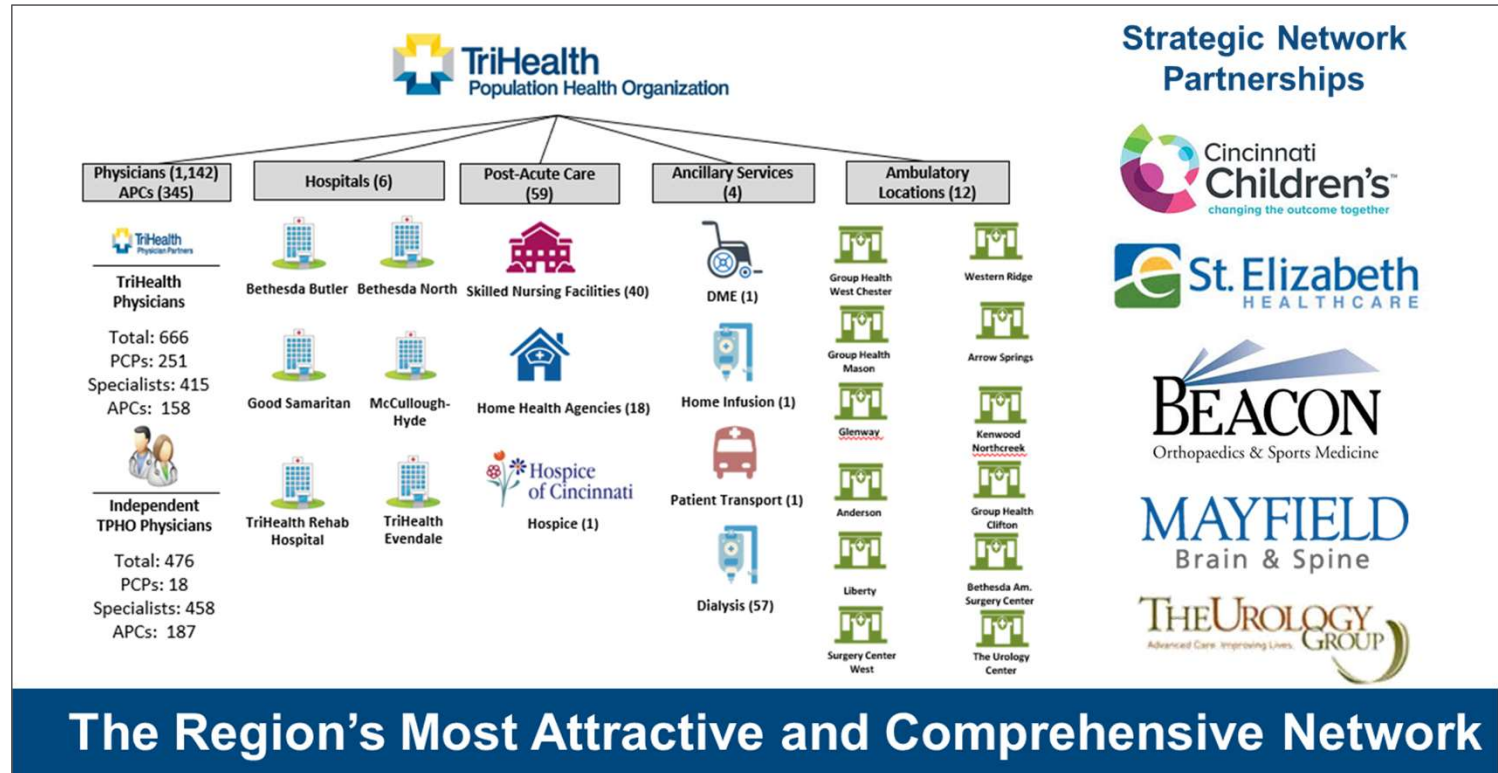
MSSP to ACO REACH: TriHealth's Medicare ACO Journey

November 1, 2022

Who is TriHealth

Vital Statistics

- >150 years of history
- Located in Cincinnati, OH
- JOA between Bethesda and Common Spirit
- \$2.5Bn Revenue IDN
- 6 Hospitals
- Serve ~600,000 annually
- ~300,000 lives in value based arrangements
- ~150,000 lives in significant downside risk
- >1,300 employed or affiliated providers
- ~70% of revenue comes from ambulatory sources

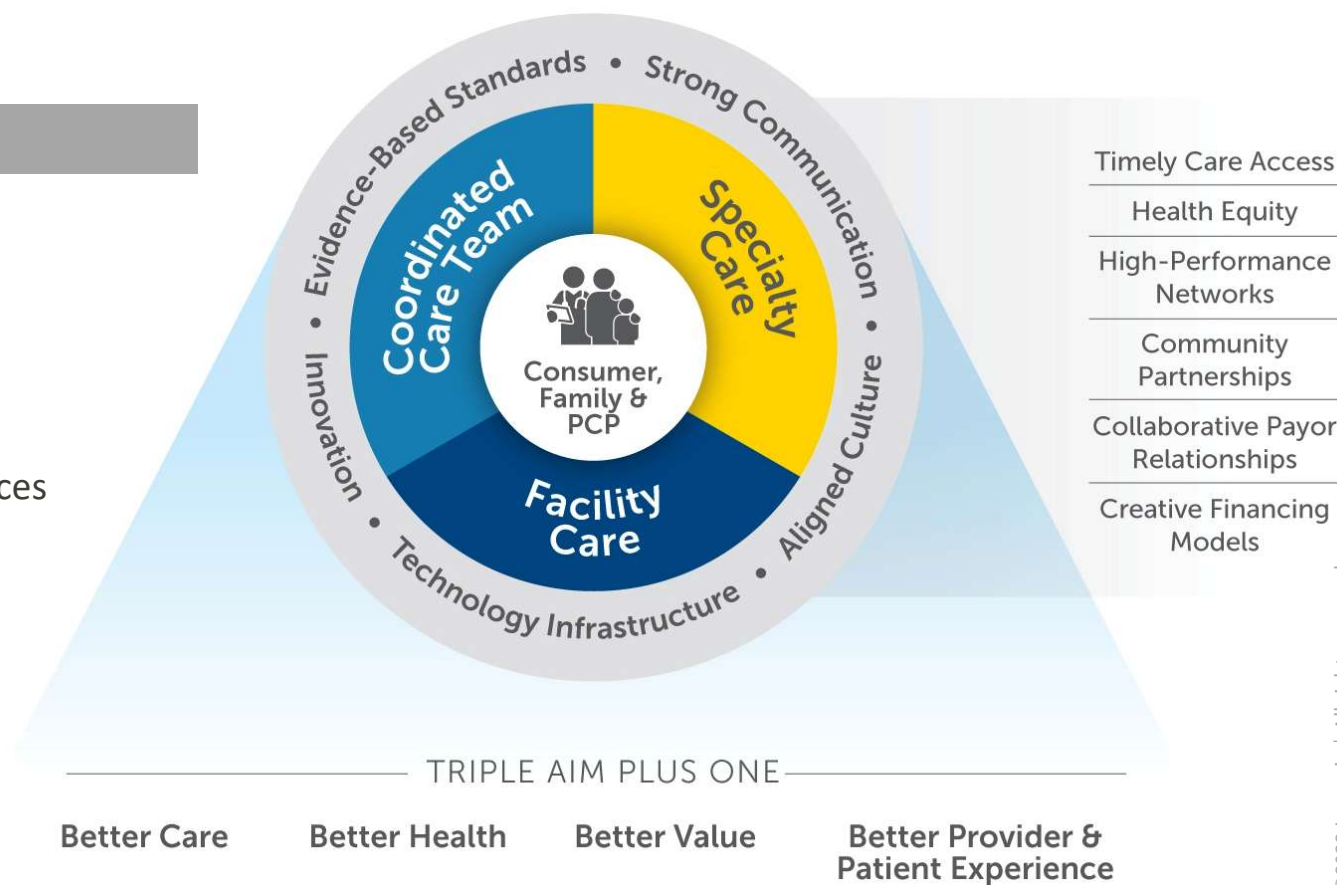


TriHealth's Integrated Health-Delivery Model

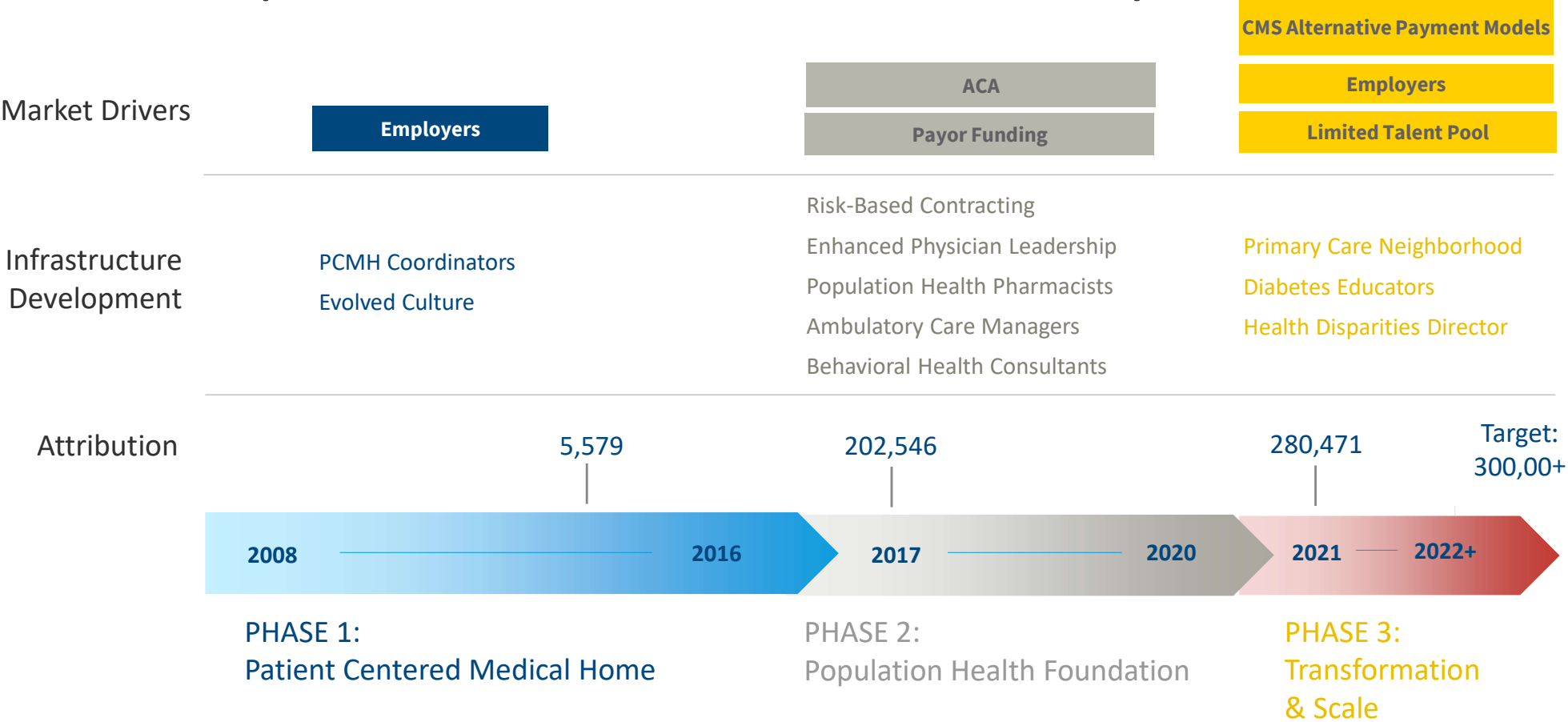
Making the Connection

Getting Health Care Right

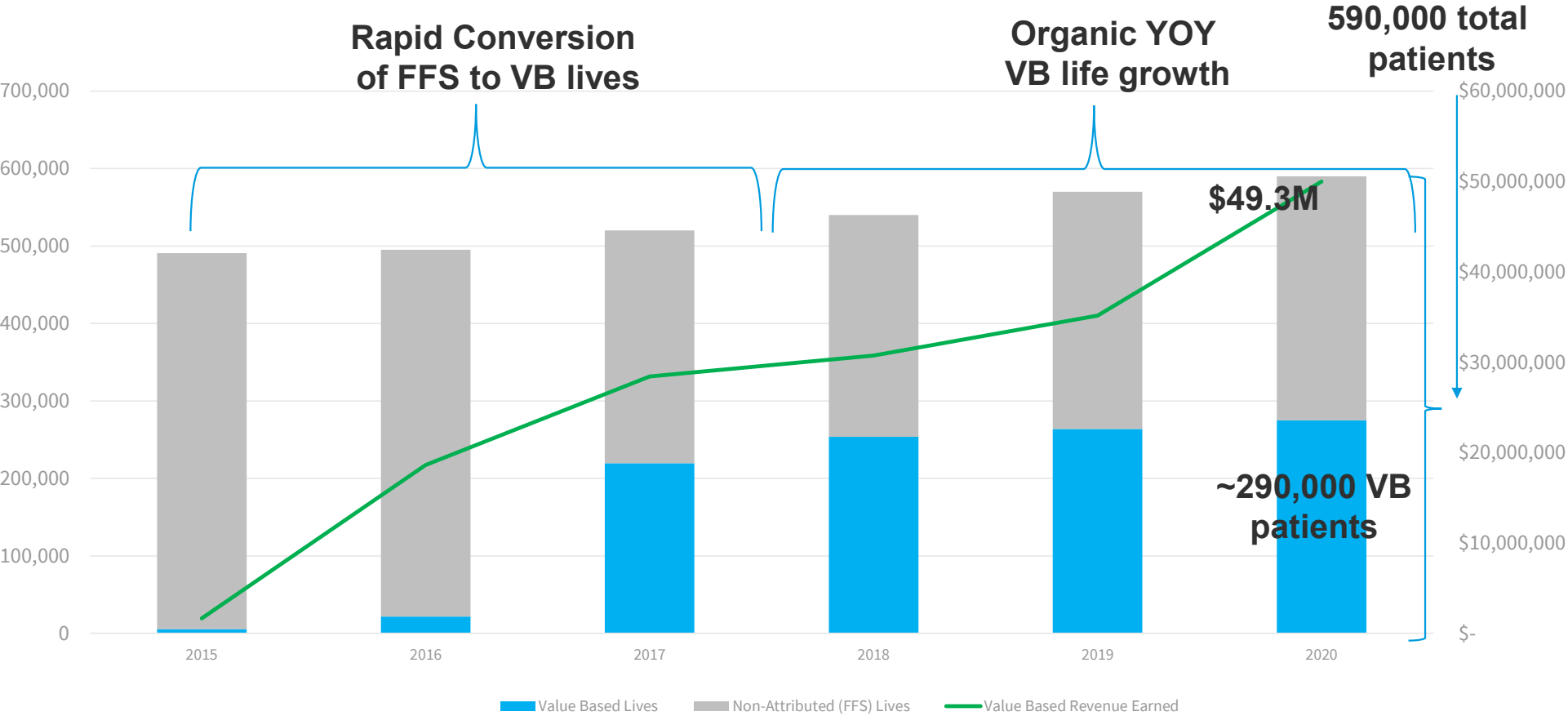
- Accelerating Our Journey to Value
- Building a World-Class Physician Enterprise
- Developing Distinctive Clinical Services



TriHealth Population Health: A Phased Journey



Total FFS and Value Based Lives and Value Based Revenue



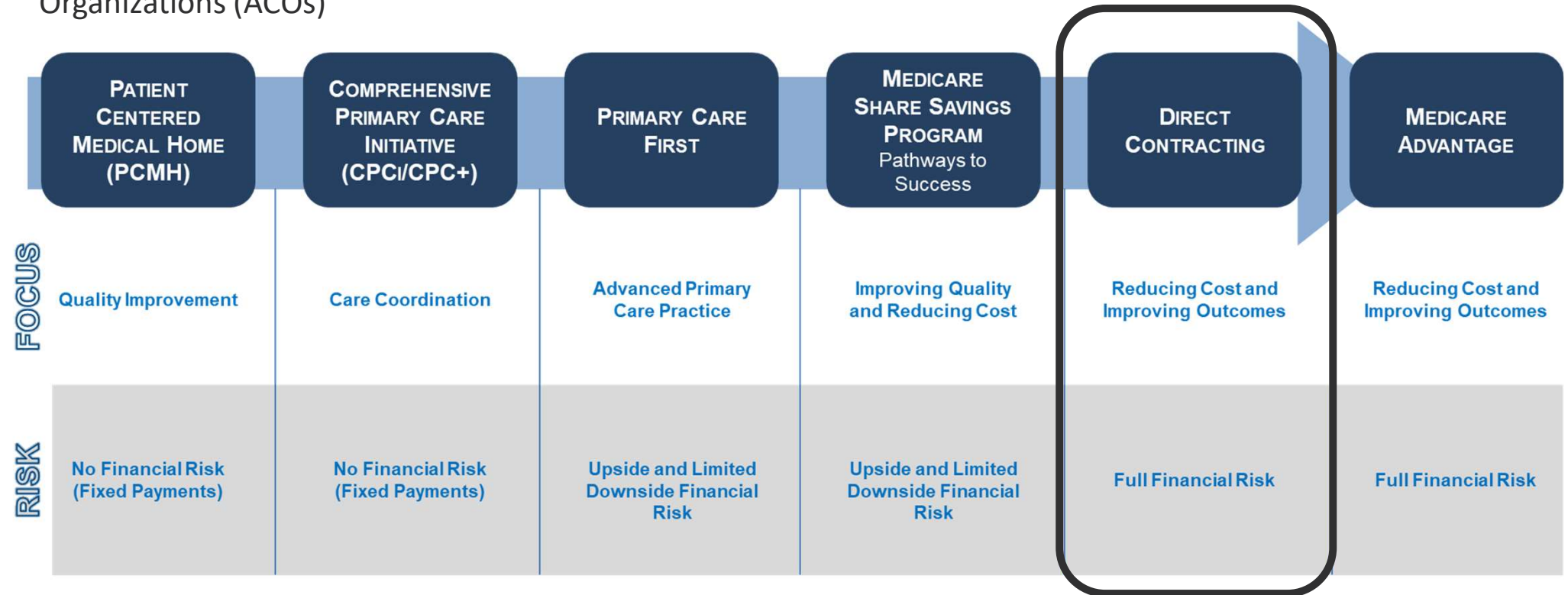
FFS: Fee for Service; VB: Value Based ; YOY: Year over Year



Why Direct Contracting?

Medicare Program Evolution

CMS has been evolving toward delegating **both clinical AND financial responsibilities** to Accountable Care Organizations (ACOs)



The **Direct Contracting** program brings Medicare **FFS economics** closer to **Medicare Advantage** economics, in a meaningful way, with a focus on delivering optimal health outcomes that lead to health consumer retention.



Why TriHealth was interested in Direct Contracting?



NEW OR IMPROVED PROGRAM ELEMENTS THAT SUGGEST VIABLE ECONOMICS AND SUSTAINABILITY SIMILAR TO MEDICARE ADVANTAGE

- **Benchmarking methodology that moves closer to the Medicare Advantage** methodology – historic spend blend with MA Rate book, risk adjusted (**3% annual coding intensity limit**)
- **100% up and downside risk** for the Global model on first 25% of benchmark (within corridors)
- The **ability to create contracted networks** (participant and preferred providers)
- **Material prospective capitation payment** potential (subject to withholds)
- The addition of **voluntary attribution** (ability to “enroll” beneficiaries)
- Rules waivers, enhanced benefits and allowed **alignment incentives**
- The program is available to “**New Entrants**” – organizations that have historically not served Original Medicare lives



MEDICARE FFS-BASED OFFERING THAT ATTEMPTS TO CREATE NETWORK INTEGRITY LEVERS TO SUPPORT MEDICAL COST MANAGEMENT



HOW MANY WILL EMERGE IN THE CINCINNATI MARKET?



What TriHealth did to optimally prepare for Direct Contracting (and other FFS Medicare Business)

- Transitioned Employed Primary Care in its own TIN
 - Enables Capitation payments to primary care only for qualified services
 - Transforms to a “low revenue ACO” for remaining providers still in MSSP
 - Enhances ability for unique primary care financing arrangements with other payers (e.g. primary care capitation)
- Identify top performers to participate in Direct Contracting vs. MSSP
 - Top performing primary care providers went into the PCP tin
 - Offered high performing independent providers the ability to participate in Direct Contracting
- Focus on risk stratification and prioritization
 - Access to care
 - Documentation of disease
 - Optimization of Quality, Cost, Utilization



Transitioning from Direct Contracting to ACO REACH

- Evaluating Benefit Enhancements and Benefit Engagement Incentives for 2023
- Key programmatic focus areas on quality measures
- Focus on Health Equity pathways and programs
- Incorporating REAL and SOGI data into analytics stack



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