

Contract Management Mastery

What you need to succeed in value-based care contracting

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Educational Webinar Series

**Milliman
MedInsight**

Introductions



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Agenda

- Contract negotiations
- Performance tracking throughout the year
- How we can help

Poll Question #1

Who is in the audience today? *(choose all that apply)*

- Health Plan
- ACO
- Provider Group/Healthcare System
- Government
- Other

Poll Question #2

How many Risk Sharing arrangements is your organization currently participating in?
(MSSP, REACH, etc.) *(choose one)*

- 0
- 1-2
- 3-4
- 5+

Contract Negotiations

Considerations

What questions should you be ready to answer before going into contract negotiations?



What types of patients are you focused on?

- Total cost of care (i.e. all members), LOB based subpopulations, condition based subpopulations (e.g. Diabetes, MSK, etc.)
- Each comes with their own pros and cons



How are you planning on driving down costs?

- What interventions are you planning?
- What are the potential savings from these interventions?
- What does it cost to generate these savings?



What is your risk appetite?

- Are you willing to take downside risk? How much?
- With more downside risk comes more upside potential, finding a balance is key

Key Players

Who needs to be involved during the contract negotiations process?

CEO/CFO



- Define risk appetite
- Ultimate execution of contract

CMO/Physicians



- Help identify areas of opportunity with analytics
- Create interventions that can help drive down healthcare cost leading to savings

Actuarial / Analytics



- Perform analysis to identify if opportunities exist
 - Comparing to benchmarks, look at historical claims trends
- Relay information to CMO/Physicians to identify if opportunities are areas in which interventions are possible

Legal



- Write up contracts
- Ensure that what was negotiated makes its way to the final term sheet

Key Contract Terms

What needs to be negotiated during the creation of a value-based care arrangement?



Length/Term

- What is the length of the performance period?
- How often do reconciliations occur?
- What is the process for renewals?



Assignment/Attribution

- How are the lives at-risk assigned/attribution to the provider group?
- Is there historical claims/membership information for patients that can be used to help in analysis?
- Can new patients enter throughout the year? What happens if a patient leaves the plan in the middle of the year?



Risk Sharing Arrangement

- If there are savings, what % of the savings are kept by the providers, what % is kept by the payers?
- Is there a maximum payment to providers? Is there a maximum loss for the providers?
- Are there minimum savings/loss rates?
- Are there quality requirements in order to share in savings?



Target Creation

- What types of medical expenditures are at-risk?
- How does the target get created?
 - Trended from previous years?
 - Comparison cohort?
 - Is there a risk-adjustment component to the final target?
- Can there be retrospective adjustments to the target at reconciliation?



Data

- What type of data will be made available to providers throughout the performance period?
 - Standardized reporting?
 - Detailed claims/membership extracts?
 - ADT Feeds?

Tracking Performance

VBC Relationships Produce Winners and Losers

Winners use data to optimize their choices for participation

- From 21-23, roughly 65% of MSSP ACOs achieved savings
- ACOs that did achieve savings generated on average \$400-\$500 in per capita savings (~6% of benchmark)
- Successful VBC organizations often share key characteristics
 - Curated participant lists to ensure an adequate benchmark
 - Knowledge of how program methodology impacts their performance year over year
 - Awareness of how their expenditures and risk trends compare to others within the region and nation in baseline and performance periods

Key Levers to Support Success



Improve risk coding accuracy



Meet quality outcome requirements



Contract management



Procure high performing providers



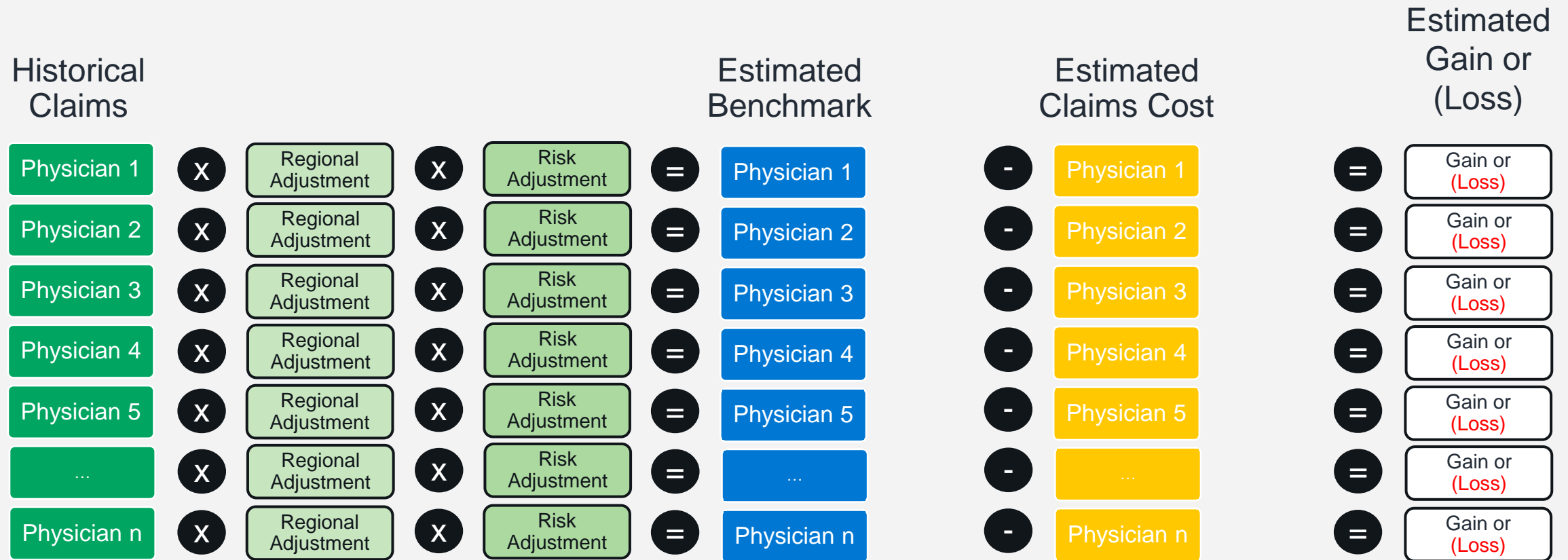
Manage inefficient utilization of medical services



Manage leakage/referrals

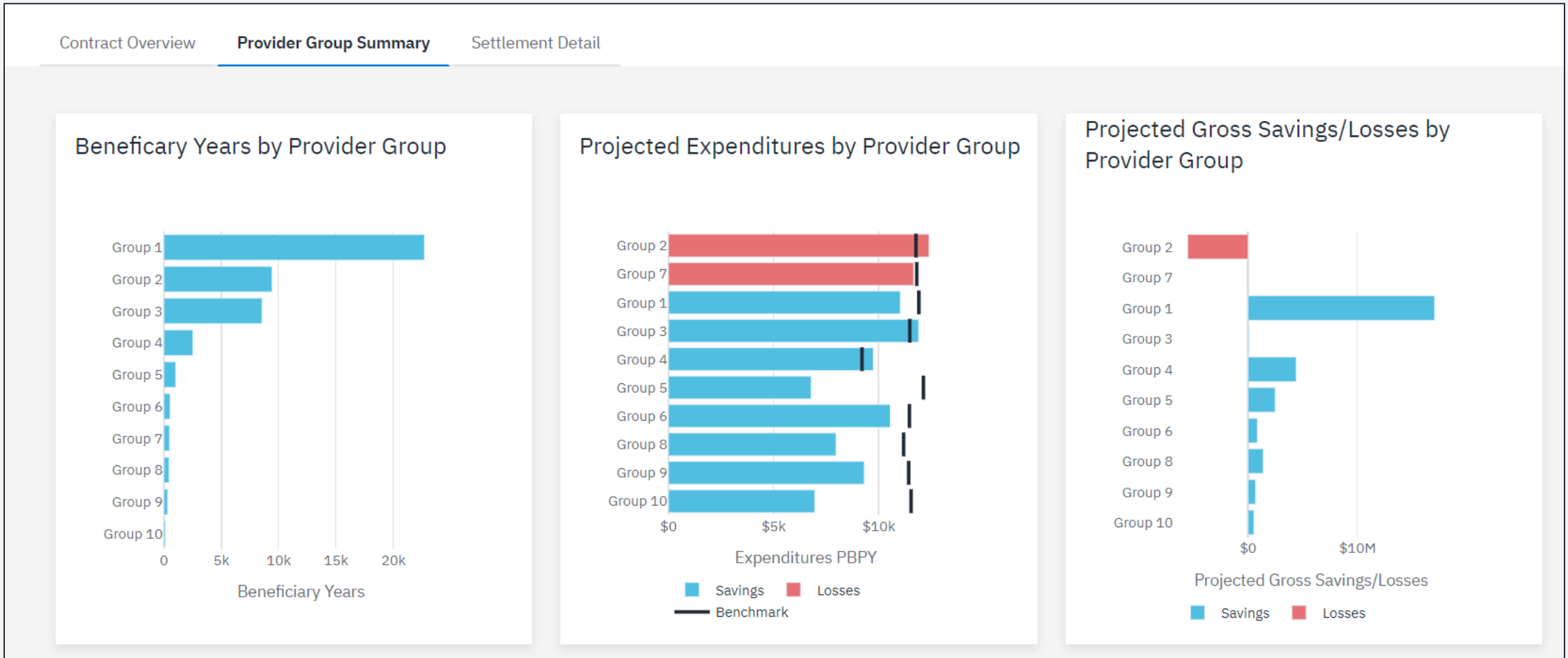
Assessing Financial Performance

Individual participants have a unique impact on both the benchmark and performance year



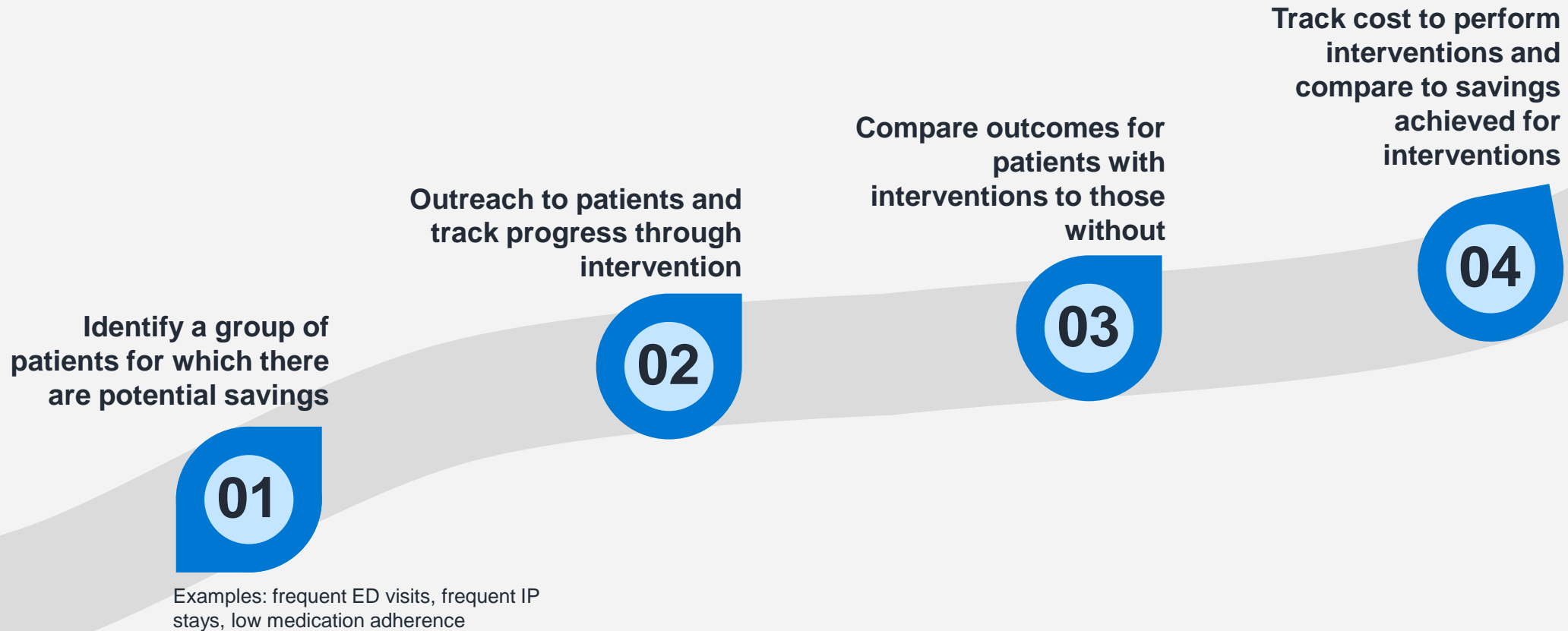
Financial Performance by ACO Participant

Aggregate ACO is comprised of individual risk units with varying performance



Tracking Savings Opportunities

What interventions are you making, and what are the impacts?



Tracking Performance for Reconciliation

While tracking direct impact is important, you will also need to know how all lives are performing

Identify patients that are at-risk from detailed membership data

- Which time periods were the patients active?
- Are they ineligible for any reason (added mid-year, attributed incorrectly)

Identify claims that are at-risk from detailed claims data

- Perform any cleansing of the data required to remove carved out services
- Perform any repricing of claims for non-standard fee schedules

Project claims to EOY

- Actuarial projections using completion, seasonality, and trend

Project benchmark to EOY

- Track and risk score changes
- Each member may have a different base benchmark

Poll Question #3

How are you tracking your performance in risk arrangements throughout the year?
(choose all that apply)

- Payer reporting
- Internal analytics
- External analytics (e.g. vendor, consulting)
- Not tracking
- Other

How we can help

Common Challenges with Effectively Managing Value-Based Care Contracts

Value-Based Care Contracts are becoming a greater portion of overall provider revenue. These contracts can be complex and vary greatly by payer and line of business. MedInsight has expertise in helping providers navigate the intricacies of these programs to provide opportunities for greater savings.

Standardization

- For providers in multiple contracts, they are likely receiving data from multiple sources.
- Reporting comes in different forms, requiring a large lift from data teams before becoming usable

Detail

- Reporting may only provide a view at the highest level (e.g. the ACO level).
- The default reporting may not provide any actionable items or ways to improve performance throughout the year

Timeliness

- Reporting can be inconsistent in delivery
- Providers need the ability to forecast potential cash inflows and outflows and are unable to without additional information from payers

Audit

- Final settlement calculations that come from partners need to be validated and confirmed
- Modeling the exact contract parameters can be difficult due to the uniqueness of each contract

Aims of MedInsight's VBC Contracts Application

The MedInsight® Value-Based Care Contracts (VBCC) application provides ACOs, health systems, and independent physician associations (IPAs) with a full view of their financial performance across different types of VBC agreements. VBCC estimates and projects year-end savings using robust actuarial methodologies. We have leveraged what has made Milliman successful in our product: our actuarial expertise.

VBCC was built organically over a decade working with providers and payers. The reporting empowers users to view data in an easy to digest and actionable manner.

Standardization

- MedInsight VBCC can ingest all unique payer data feeds and standardizes reporting across all contracts
- We have built a repository over time many national and regional payers to customize projections and settlement calculations

Timeliness

- Providers can view estimates of value-based payments as early as a few months into the performance year
- This reduces unknowns and allows providers time to identify problems and apply interventions before it is too late

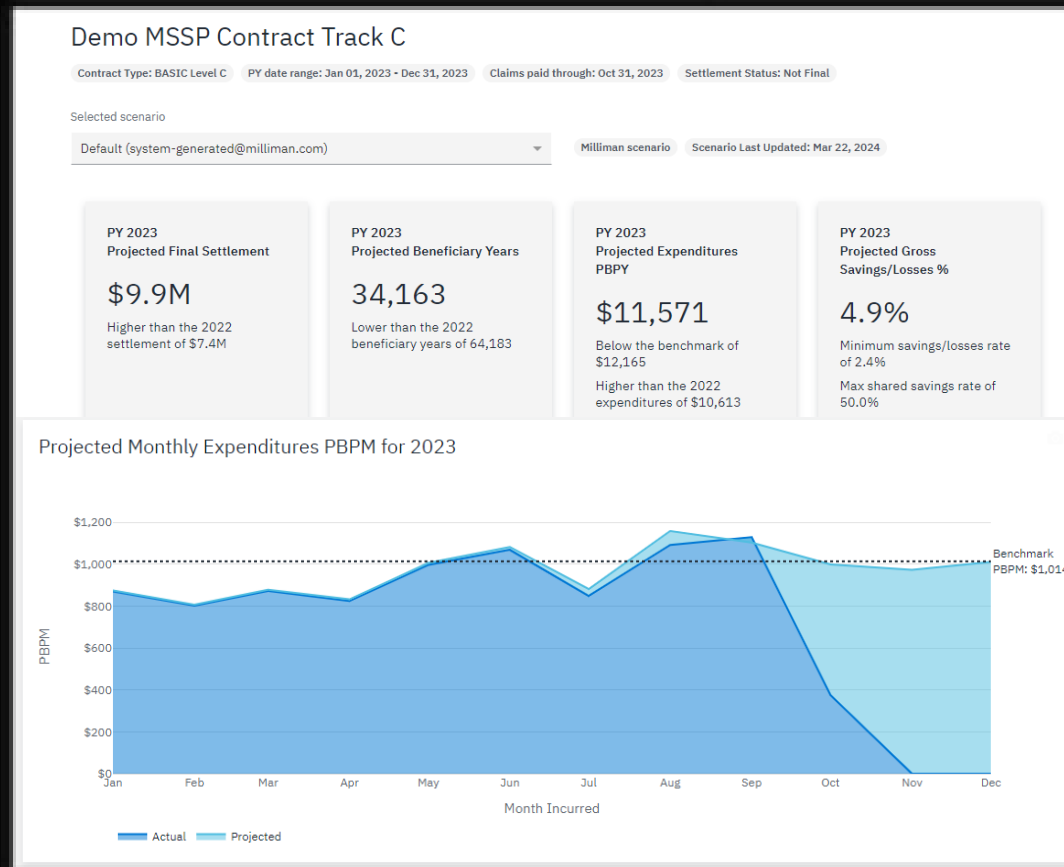
Detail

- Allows users to view performance at a user defined level (e.g. NPI, TIN, Clinic, etc.)
- Understand drivers of performance of the ACO and fairly distribute funds between groups

Audit

- VBCC implicitly has an auditing feature. Ongoing and year-end settlements should to payer results
- If not, VBCC allows providers to take evidence to payers where the data does not tie

Additional Details on MedInsight's VBC Contracts Application



VBC Contracts supports:

- Current year projections with comparisons to previous years
- MSSP contracts for all tracks
- REACH contracts
- Customized commercial, Medicare Advantage, and Medicaid contracts
- User based scenarios
 - create a range of potential scenarios that anyone on your team can access
- Settlement detail
 - Transparent build up of all assumptions and projections
- Risk unit level detail
 - See performance by provider subgroup (e.g. TIN)
- Easily exportable to Excel for additional ad hoc modelling

Settlement

	Aged Dual	Aged Non-Dual	Disabled	ESRD	Total
Projected gross savings/losses					
Total PY beneficiary years	360	25,280	1,847	114	27,601
Projected expenditures PBPY	\$20,583	\$11,913	\$10,032	\$101,931	\$12,272
Projected PY benchmark PBPY	\$24,264	\$11,971	\$10,783	\$87,177	\$12,363
Projected gross savings/losses	\$3,681	\$58	\$751	-\$14,754	\$91
Projected gross savings/losses %	15.17%	0.49%	6.96%	-16.92%	0.73%
Minimum savings/losses rate (MSR/MLR) %					2.42%
Minimum savings/losses rate (MSR/MLR) PBPY					\$300
Projected gross savings/losses PBPY after MSR/MLR					\$0
Projected shared savings/losses rate					
Maximum shared savings/losses rate					50.00%
Does ACO meet minimum quality requirements					Yes
Projected shared savings/losses rate					50.00%
Projected shared savings/losses					
Shared savings/losses PBPY					\$0
Sequestration adjustment					n/a
Sequestration Adjusted shared savings/losses PBPY					\$0
Shared savings/losses cap PBPY					\$1,236
Cap adjusted shared savings/losses PBPY					\$0
Projected shared savings/losses					\$0.0M

Settlement Detail:

- View calculations on expenditure and target build up and assumptions
- Trace calculation of gross savings / losses to shared savings losses

MSSP

New Scenario +

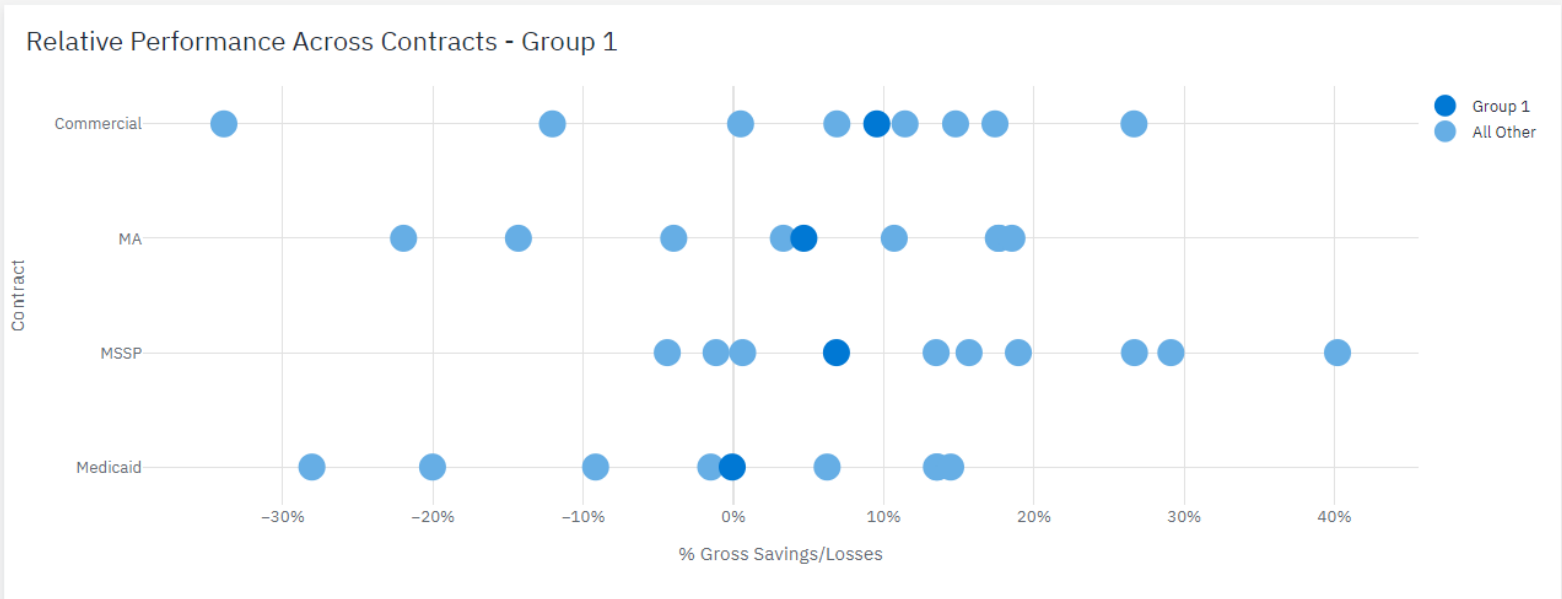
Scenario Name	Last Modified	Claims Adj	Benchmark Adj	Claims Projection PBPY	Benchmark Projection PBPY	Gross Savings/Losses %		
<input checked="" type="radio"/> Default ⓘ	2024-07-10 14:10	1.000	1.000	\$11,201	\$11,821	5.25%	✎	🗑️
<input type="radio"/> Conservative	2024-12-05 19:53	1.020	0.900	\$11,258	\$10,639	-5.82%	✎	🗑️
<input type="radio"/> Optimistic	2025-01-09 19:49	1.000	1.020	\$11,201	\$12,058	7.11%	✎	🗑️

User Based Scenarios:

- Work with your Milliman consultant to create a range of potential scenarios that anyone on your team can access
- View impacts on both claims and revenue
- Download data tables to build custom reports

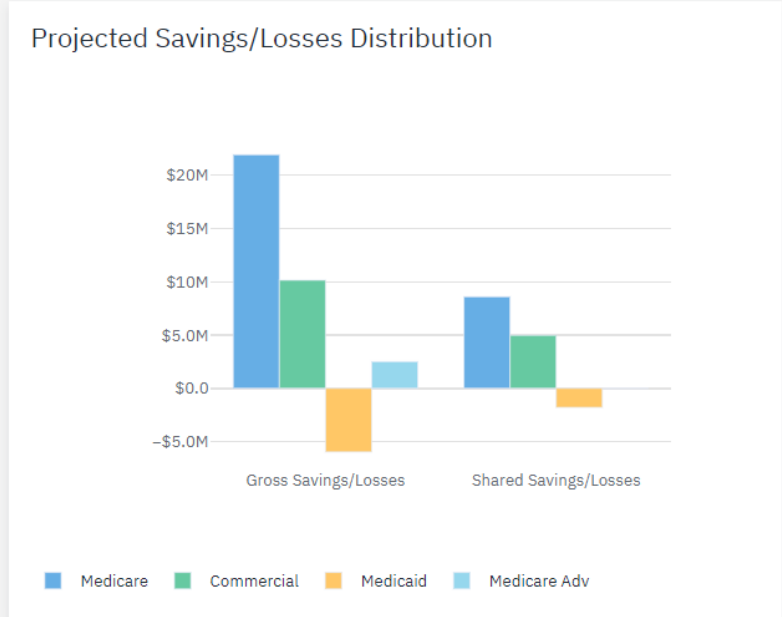
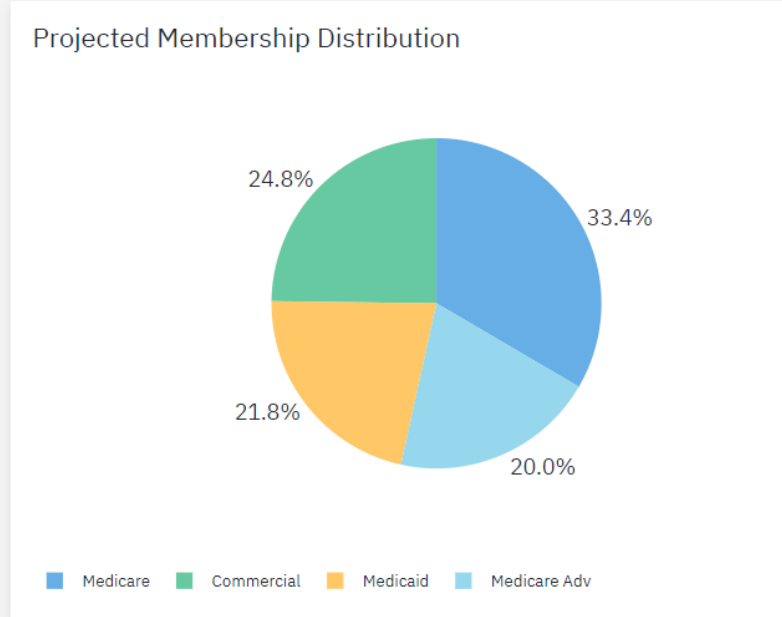
Provider Group Performance:

- Identify high performing groups across contracts
- Compare savings / losses generated by provider groups (as defined by the user)



Performance Across Contracts:

- See where each of your contracts is performing across line of business or payer partner
- Identify contracts to focus and areas of opportunity



Q&A

If you have a question,
please add it to the chat.



[Visit our VBCExhibitHall.com Virtual Booth](http://VBCExhibitHall.com)



Milliman MedInsight

REQUEST INFO

Learn about the MedInsight Value-Based Care Platform

Milliman MedInsight combines data confidence with prescriptive insights, and best-in-class analytics, to drive actionable results.

RESOURCES

Milliman MedInsight
Confidence in every decision

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Director, Marketing | Milliman MedInsight
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Download the eBook

Leading the way in value-based care: Best practices for mitigating risk

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Milliman MedInsight

Thank you

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Next Webinar:

When: February 26, 11 am – 12 pm (PST)

Topic: Accurate risk adjustment solutions: Enhancing reimbursement and patient care

Link in chat

Milliman MedInsight

