Agenda

- **Welcome**
  - **Claudia Ellison,** Director of Programs, eHealth Initiative
- **Discussion & Comments**
  - **Michael Sautebin,** Chief Actuary, Security Health Plan
  - **Meghan Fetherston**, Principal and Healthcare Analytics Consultant, Milliman
- **Q & A**

Housekeeping Issues

- All participants are muted
  - To ask a question or make a comment, please submit via the Q&A feature and we will address as many as possible after the presentations

- Technical difficulties:
  - Use the chat box and we will respond as soon as possible

- Questions:
  - Use Q&A feature

- Today's slides will be available for download on eHI's Resource page **www.ehidc.org/resources**

Our Mission

eHealth Initiative's mission is to serve as the industry leader convening executives from multi-stakeholder groups to identify best practices to transform healthcare through use of technology and innovation. eHI conducts, research, education and advocacy activities to support the transformation of healthcare.

Multi-stakeholder Leaders in Every Sector of Healthcare

Convening Healthcare Executives

Research & Identify Best Practices

| Best Practice Committees Identify & Disseminate Success Stories |

Value & Reimbursement

Technology & Analytics

Workflow for Providers and Patients

eHI
eHEALTH INITIATIVE

eHealth Resource Center Available With Best Practices & Findings

Best Practice Committees contribute to the eHealth Resource Center **www.ehidc.org/resources** which provides assistance, education and information to organizations transforming healthcare through the use of information, technology and innovation. The Resource Center is a compilation of reports, presentations, survey results, best practices and case studies from the last 16 years.

This webinar was made possible through the generosity and support of

Marshfield Clinic Health System

MedInsight®

eHI
eHEALTH INITIATIVE

Speakers

Michael Sautebin
Chief Actuary
Security Health Plan

Meghan Fetherston
Principal and Healthcare Analytics
Consultant, Milliman

Tools for Success with Value Based Care

A Partnership Approach to Analytics

Milliman **MedInsight**®

Context

Health Systems are migrating to **value-based care**

with reimbursement contracts that have **risk components.**

Learning Objectives

This webinar aims to:

❑ Promote the **partnership use** of Analytic Tools
   (tools traditionally used by Health Plans)

❑ Demonstrate how insight from Analytic Tools is applied to **drive action**

Introductions

SecurityHealth Plan℠
Promises kept, plain and simple.®

Marshfield Clinic Health System

Milliman **MedInsight**®

Marshfield Clinic Health System

Serving Wisconsin *since* **1916**

55 CLINICAL LOCATIONS *in* **34** WISCONSIN COMMUNITIES

Security Health Plan **6TH LARGEST HEALTH PLAN** *in* WISCONSIN

1,250 PROVIDERS

Exceptional Patient Experience

336,000 Unique Patients
3.5M Patient Encounters

$2 Billion in REVENUE · BETWEEN · delivery system and health plan

PHYSICAL PRESENCE

3 Hospitals
3 SNFs
4 ASCs
7 Urgent Cares

10 Dental Clinics
17 Pharmacies
33 Clinical Laboratories
& Veterinary Lab Services

ACADEMIC LOCATION *for the* **University of Wisconsin** School of Medicine & Public Health

Marshfield Clinic Health System

OUR MISSION

we enrich lives
...to create healthy communities through accessible, affordable, compassionate health care.

OUR VISION

we will innovate
...and define the future of health care for generations
and will be the consumer's first choice for health care.

OUR VALUES

PATIENT-CENTERED: We listen, serve and put the needs of the patient first.

TRUST: We earn trust through honesty, integrity, respect and compassion.

TEAMWORK: We work together, respecting each other and our professional roles.

**EXCELLENCE:** Through research, education and best practice, we deliver exceptional quality.

AFFORDABILITY: We are accountable as we manage resources and deliver value-based care.

Marshfield Clinic Health System

MedInsight **Ecosystem**

MedInsight **Solutions**

With our packaged solutions, we've done all the heavy lifting. Based on decades of industry-wide experience, we've tailor-made suites of products to find the perfect balance of technology, expertise, and support your business requires.

MI **Payer**	MI **Provider**	MI **Multi-Payer**	MI **Employer**	MI **Government**
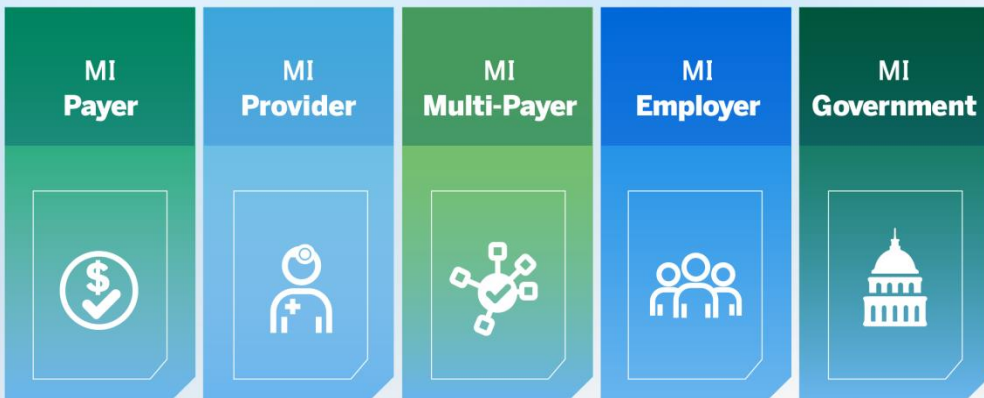
MedInsight **Products**

Our standalone products give you the power and flexibility to customize a MedInsight solution that scales to your needs.

|			
MedInsight Benchmarks **BNCH**		Health Cost Guidelines Grouper **HCG**	
Milliman Advanced Risk Adjusters **MARA**		Health Waste Calculator **HWC**	
MedInsight Machine Learning **ML**		GlobalRVUs **GRVU**	
Guideline Analytics **GA**		Chronic Conditions Hierarchical Groups **CCHG**	

MedInsight **Consulting**

We're here to help you get the most out of your data. From basic implementation and training to fully customized solutions, we're committed to your success.

MedInsight **Platform**

MedInsight **Platform**
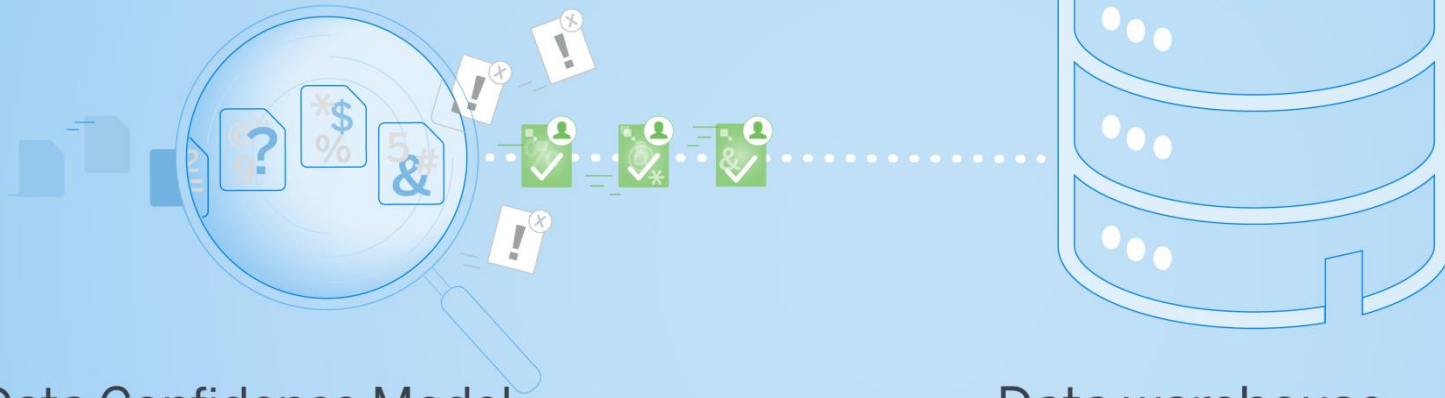
Data Confidence Model

→ 100+ AUTOMATED AUDITS   → HIGHEST QUALITY DATA

→ 60+ STRINGENT DATA TESTS   → MILLIMAN PEER REVIEW

→ 10 DAY DATA REFRESH SLAs   → TIES TO FINANCIALS

Data warehouse

Our flexible, open architecture allows you to:

→ CUSTOM-DEFINE FIELDS & DIMENSIONS

→ INCLUDE & STORE UP TO 600 DATA ELEMENTS

→ DIRECT QUERY YOUR DATA

MedInsight Mission

We will be the most trusted source for healthcare analytics and benchmarking.

We will assist health plans, employers, state governments and ACOs in improving business performance and overall patient health for the purpose of enhancing national healthcare cost and quality.

We will maintain steady growth rate in current markets, become the leader in state all payer claims database programs, and work closely with current clients to achive maximum value from their MedInsight investment.

MedInsight Vision

To enable affordable quality healthcare for everyone.

MedInsight Core Values

Quality
- Superior quality and services
- Fact driven practical solutions
- Leading edge innovation and continuous improvement

Integrity
- Independent advice
- Do the right thing
- Build and maintain trust

Opportunity
- Committed and resourceful
- Encourage individual and team growth
- Respect each other
- Share in success

Milliman **MedInsight**

Agenda

5 Tools for Success

- Low Value Services

- Utilization Benchmarks

- Population Health Grouper

- Predictive Risk Algorithm

- Episode Analytics

1 - Tools for Success:
Low Value Services

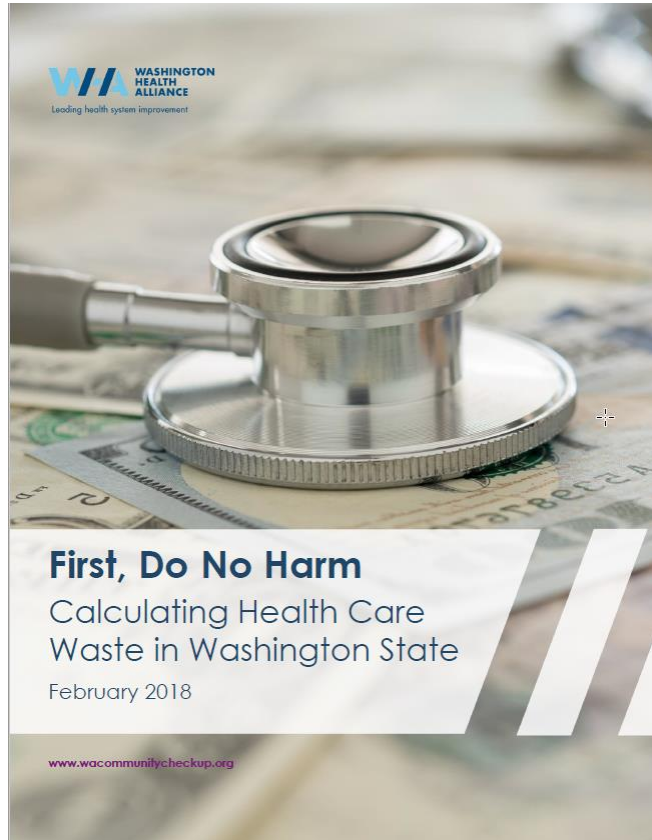(Milliman MedInsight Health Waste Calculator)

Health Waste Calculator

IDENTIFY AND QUANTIFY WASTEFUL SERVICES AS DEFINED BY NATIONAL INITIATIVES SUCH AS CHOOSING WISELY.

- Collaborative effort between Milliman and V-Bid Health referencing Choosing Wisely
- Measure potentially **unnecessary services** that occur in your network
- Analyze cost savings potential of waste
- Discover ways to improve quality and patient safety
- Generate actionable reports and summaries for use across your organization

MedInsight **Products**

BNCH MedInsight Benchmarks	**HCG** Health Cost Guidelines Grouper
MARA Milliman Advanced Risk Adjusters	**HWC** Health Waste Calculator
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Milliman **MedInsight**

Community Coalition Reporting – WHA

First, Do No Harm
Calculating Health Care Waste in Washington State
February 2018

www.wacommunitycheckup.org

- The Washington Health Alliance used the Health Waste Calculator to produce a groundbreaking analysis of waste in Washington State

- Approximately 1.3 MM individuals received one of the 47 services, and almost half (47.9%) of them received a wasteful service

- 36% of spending went to waste, amounting to an estimated $282 MM in wasteful spending

Milliman **MedInsight**

MedInsight – Health Waste Calculator

		Wasteful Index[1]		Annual Wasteful Services / 1,000[2]	
Health Plan		**Comm.**	**Medicare**	**Comm.**	**Medicare**
Health Plan 1		84%	72%	57	147
Health Plan 2		90%	84%	55	128
Health Plan 3		88%	80%	78	197
Health Plan 4		86%	78%	70	167
Security		89%	85%	90	212
Total		**88%**	**83%**	**70**	**167**
Benchmark		**66%**		**60**	

Preoperative Baseline Lab Studies Results: July 2016 - June 2017

1 Average
2 Median

This measure identifies baseline lab studies in individuals not having evidence of significant systemic disease performed 30 days or less prior to undergoing an elective low-risk surgery as wasteful.

Waste calculator is an analytic tool to identify and quantify potentially wasteful services.

The WC measures are based on the following sources:
- Choosing Wisely
- US Preventative Task Force Grade D Recommendations
- The American Medical Association's Physician Consortium for Performance Improvement.
- The United Kingdom's National Institute for Health and Care Excellence
- Medical Specialty Society Guidelines

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2 - Tools for Success: Utilization Benchmarks

(Milliman Health Cost Guidelines and Benchmark Engine)

Health Cost Guidelines Grouper

PROCESS YOUR OWN CLAIM EXPERIENCE THROUGH
MILLIMAN'S HEALTH COST GUIDELINES METHODOLOGY.

- Understand the key drivers of healthcare cost and utilization

- Benchmark your own claim data against 2 billion claim records and 65 million members

- Group data into meaningful categories such as place of service

- Produce reports and summaries for use across your organization

MedInsight **Products**

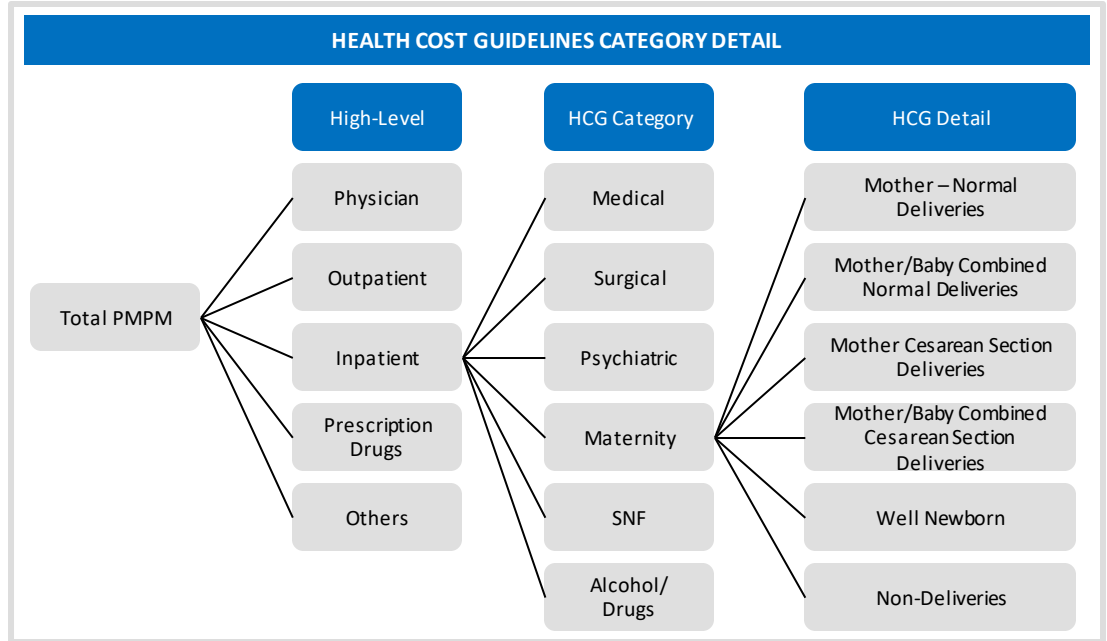|	
MedInsight Benchmarks (BNCH)	**Health Cost Guidelines Grouper** (HCG)
Milliman Advanced Risk Adjusters (MARA)	**Health Waste Calculator** (HWC)
MedInsight Machine Learning (ML)	**GlobalRVUs** (GRVU)
Guideline Analytics (GA)	**Chronic Conditions Hierarchical Groups** (CCHG)

Milliman MedInsight

Health Cost Guidelines Grouper

THE ABILITY TO CATEGORIZE HEALTHCARE CLAIM DATA INTO THESE GROUPS WILL HELP YOU WITH:

- Benchmarking
- Utilization tracking
- Analyzing the claim cost dollar

USE CASES:

- Performance measurement
- Cost management
- Trend analysis

HEALTH COST GUIDELINES CATEGORY DETAIL

High-Level	HCG Category	HCG Detail
Physician	Medical	Mother – Normal Deliveries
Outpatient	Surgical	Mother/Baby Combined Normal Deliveries
Inpatient	Psychiatric	Mother Cesarean Section Deliveries
Prescription Drugs	Maternity	Mother/Baby Combined Cesarean Section Deliveries
Others	SNF	Well Newborn
	Alcohol/Drugs	Non-Deliveries

Total PMPM

Milliman MedInsight

Benchmarks

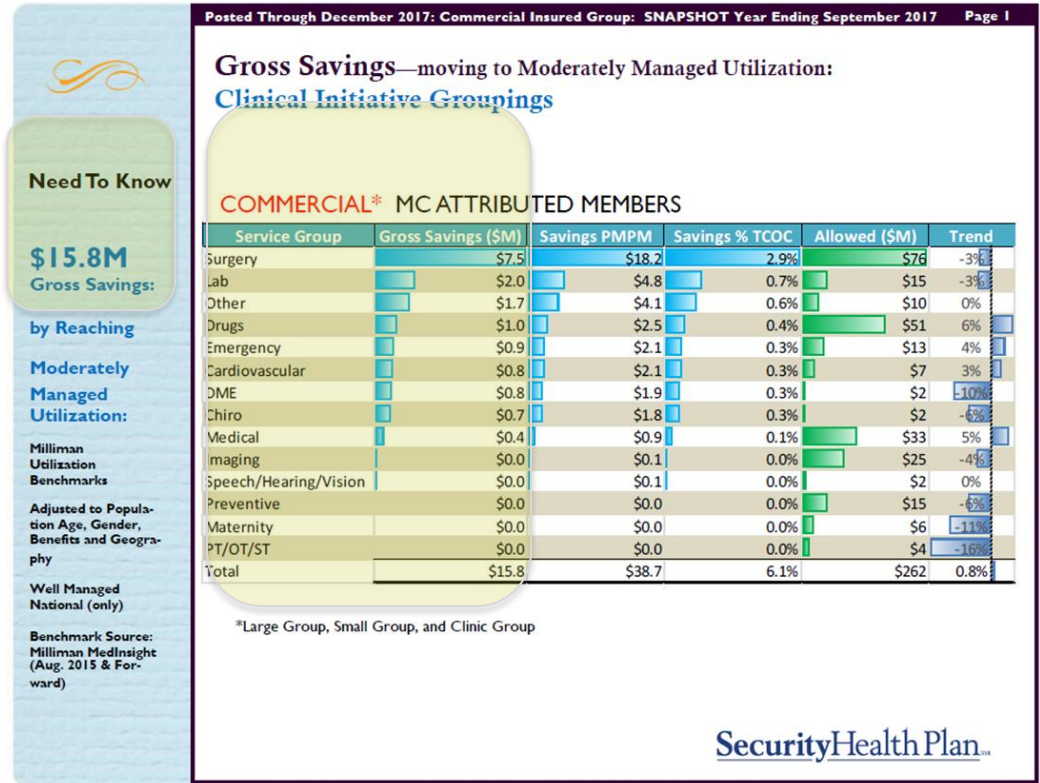**CREATE CUSTOMIZED BENCHMARKS BASED ON MILLIMAN'S HEALTH RESEARCH DATABASE.**

- Based upon experience of 65 million individuals and over 2 billion claim lines annually
- Benchmarks align with Milliman's Health Cost Guidelines
- Available for commercial, Medicare, and Medicaid
- Produce reports and summaries for use across your organization

MedInsight **Products**

MedInsight Benchmarks (BNCH)	Health Cost Guidelines Grouper (HCG)
Milliman Advanced Risk Adjusters (MARA)	Health Waste Calculator (HWC)
MedInsight Machine Learning (ML)	GlobalRVUs (GRVU)
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MedInsight – Utilization vs. Benchmarks

BENCHMARKS - HIGH LEVEL LOOK AT PRACTICE PATTERN UTILIZATION

- Complimentary with other tools, offering directional guidance.

Gross Savings—moving to Moderately Managed Utilization:
Clinical Initiative Groupings

Need To Know

$15.8M
Gross Savings:

by Reaching

Moderately
Managed
Utilization:

Milliman
Utilization
Benchmarks

Adjusted to Popula-
tion Age, Gender,
Benefits and Geogra-
phy

Well Managed
National (only)

Benchmark Source:
Milliman MedInsight
(Aug. 2015 & For-
ward)

COMMERCIAL* MC ATTRIBUTED MEMBERS

Service Group	Gross Savings ($M)	Savings PMPM	Savings % TCOC	Allowed ($M)	Trend
Surgery	$7.5	$18.2	2.9%	$76	-3%
Lab	$2.0	$4.8	0.7%	$15	-3%
Other	$1.7	$4.1	0.6%	$10	0%
Drugs	$1.0	$2.5	0.4%	$51	6%
Emergency	$0.9	$2.1	0.3%	$13	4%
Cardiovascular	$0.8	$2.1	0.3%	$7	3%
DME	$0.8	$1.9	0.3%	$2	-10%
Chiro	$0.7	$1.8	0.3%	$2	-6%
Medical	$0.4	$0.9	0.1%	$33	5%
Imaging	$0.0	$0.1	0.0%	$25	-4%
Speech/Hearing/Vision	$0.0	$0.1	0.0%	$2	0%
Preventive	$0.0	$0.0	0.0%	$15	-6%
Maternity	$0.0	$0.0	0.0%	$6	-11%
PT/OT/ST	$0.0	$0.0	0.0%	$4	-16%
Total	$15.8	$38.7	6.1%	$262	0.8%

*Large Group, Small Group, and Clinic Group

SecurityHealth Plan.

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3 - Tools for Success: Population Health Grouper

(Milliman MedInsight Chronic Condition Hierarchical Groupings)

Chronic Conditions Hierarchical Groups

PATIENT CENTRIC ANALYTICS

- Bring a new perspective to traditional methods for evaluating trend and identifying impactable and non-impactable drivers.

- Can improve care management effectiveness by identifying patients who need better management.

- Can reduce administrative cost by focusing management efforts on areas that can be impacted.

- Bring care management down to the patient level – and at the end of the day – this is about treating patients, not diseases or radiology utilization.

MedInsight **Products**

BNCH MedInsight Benchmarks	**HCG** Health Cost Guidelines Grouper
MARA Milliman Advanced Risk Adjusters	**HWC** Health Waste Calculator
ML MedInsight Machine Learning	**GRVU** GlobalRVUs
GA Guideline Analytics	**CCHG** Chronic Conditions Hierarchical Groups

Milliman **MedInsight**

MedInsight Chronic Condition Hierarchical Grouping

- A key to population health management is knowing your population.
- CCHGs provide insights into the prevalence and associated spend of chronic conditions.

4 - Tools for Success: Predictive Risk Algorithms

(Milliman Advanced Risk Adjuster)

Milliman Advanced Risk Adjuster

Intelligent Scoring

Risk scores by service categories mean greater insight for inpatient, outpatient, ER, physician, drugs, & other resources

Clinical Risk Drivers

MARA reveals how each clinical problem contributes to an individual's clinical risk. More than 1,000 condition groups.

Superior Performance

MARA models have the highest R2, lowest MAPE, and is a better predictor for high cost cases.

Advanced Design

MARA was designed by Milliman experts using large, longitudinal data assets and advanced statistical algorithms.

Milliman **MedInsight**

4Cs

2017 Individual and Family Plans (IFP)

Members	PMPY	4Cs
270	$250,370	Catastrophic
2,470	$36,800	Complex
5,480	$8,940	Chronic
19,180	$1,340	Cracks

27,400	$8,510
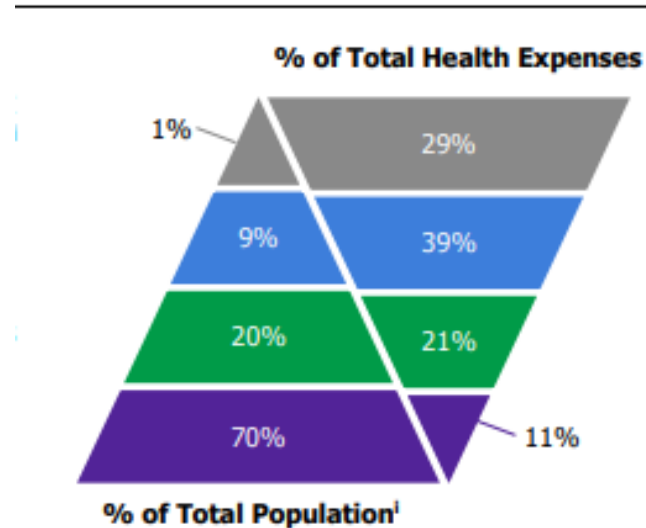
% of Total Health Expenses

1% — 29%

9% — 39%

20% — 21%

70% — 11%

% of Total Population[i]

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5 - Tools for Success: Episode Analytics
(Truven Medical Episode Groupings)

Medical Episode Grouper

What is an Episode of Care?

- A summary of the care related to a given occurrence of a condition for a particular patient
- A combination of inpatient, outpatient, and prescription drug treatment for that condition
- Triggered by the first face to face encounter with a healthcare provider

Types of Episodes

- Acute Episodes
- Chronic Episodes
- Well Care

Milliman **MedInsight**

Macular Degeneration: Episode of Care

Episode Cost

System B — $2,500

System A — $5,400
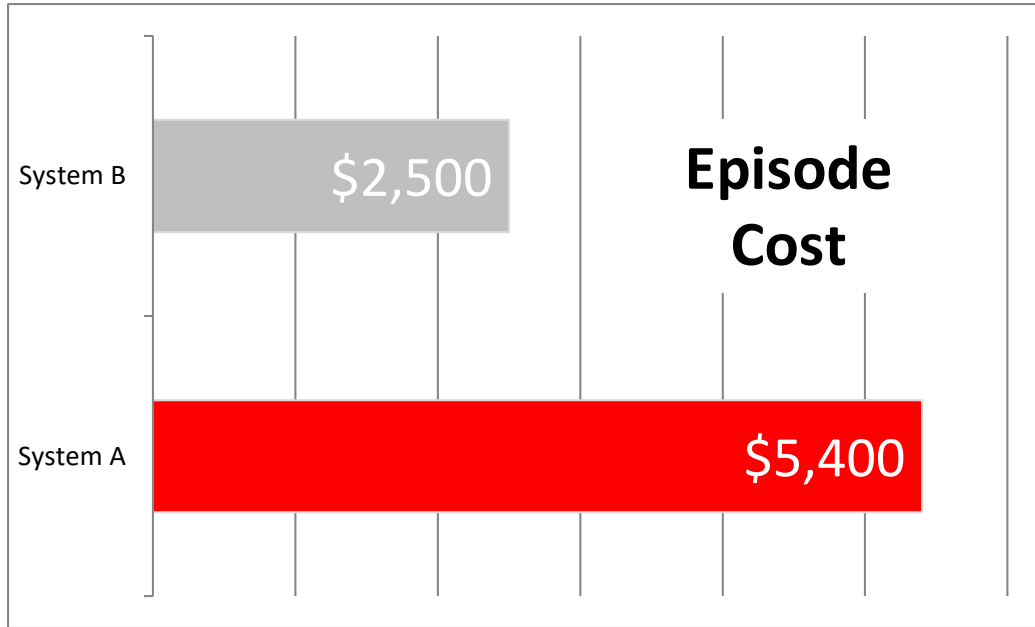
System A

~ 2.2x higher than

System B

Partnership
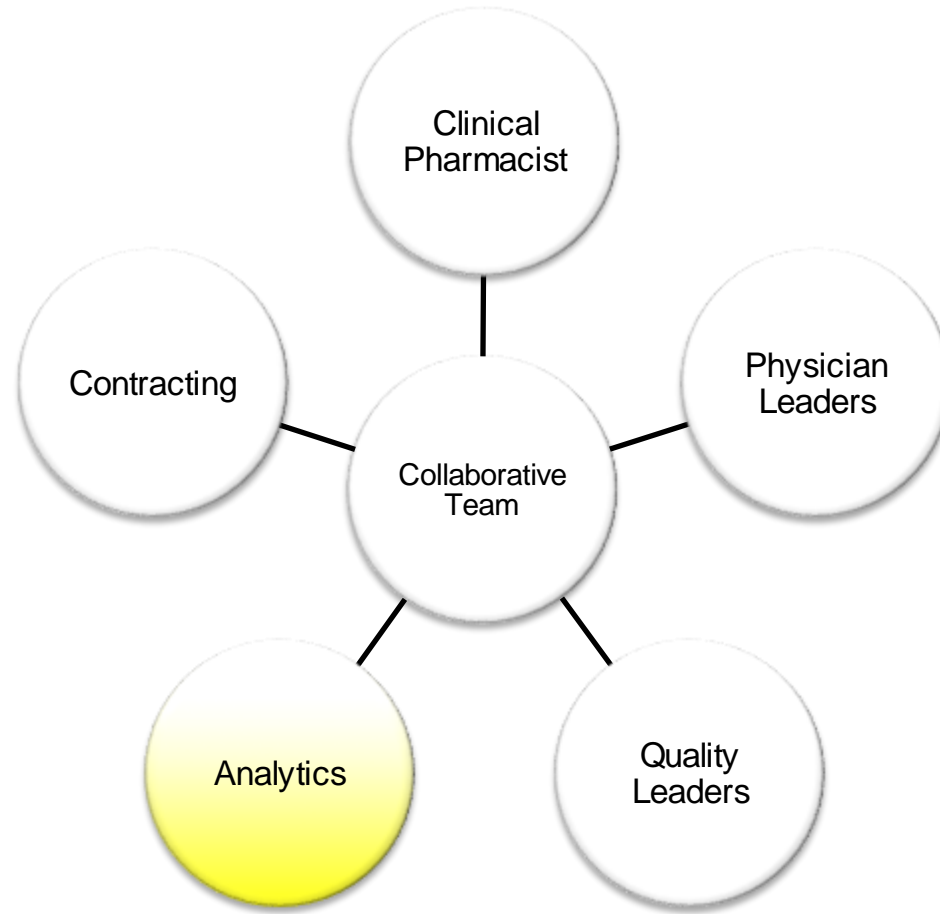
Change

Preferred Treatment for Age Related Macular Degeneration

Current = 62%

2016 Start = 16%
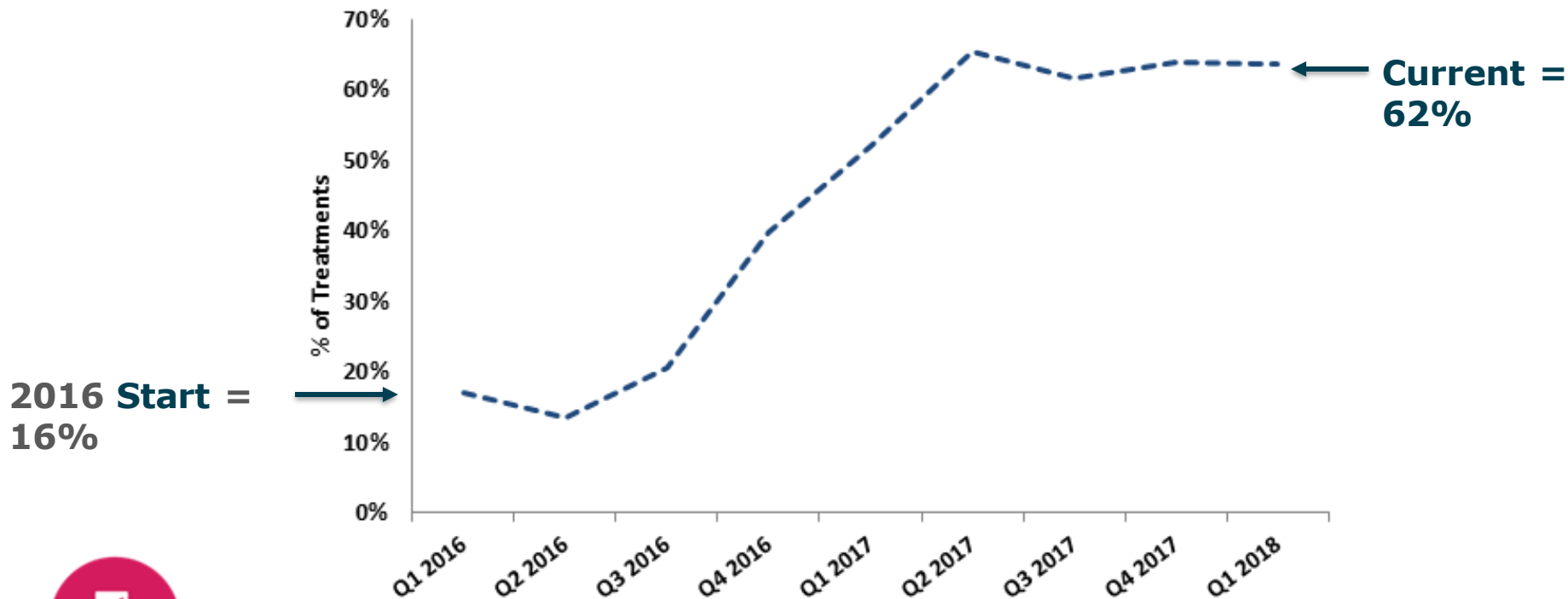
Our Path

Change starts with a **conversation** and sustains with **engagement**

Yes, I did it!
I WILL DO IT
I CAN DO IT
I'LL TRY TO DO IT
HOW DO I DO IT?
I WANT TO DO IT
I CAN'T DO IT
I WON'T DO IT
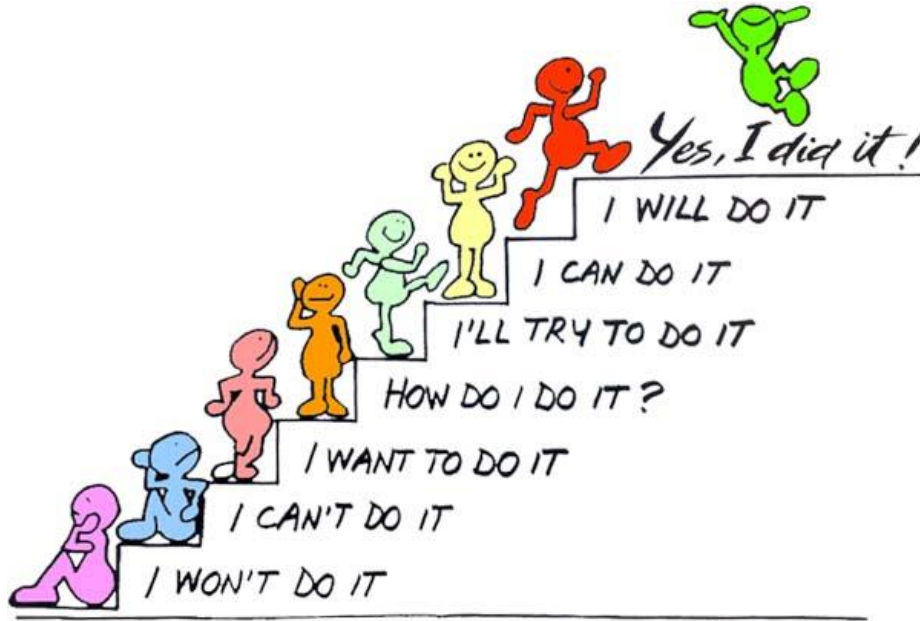
Our Partnership

SECURITY HEALTH PLAN AND MILLIMAN MEDINSIGHT

- Implemented MedInsight
- Ongoing support
- Monthly refreshes
- Education
- Training
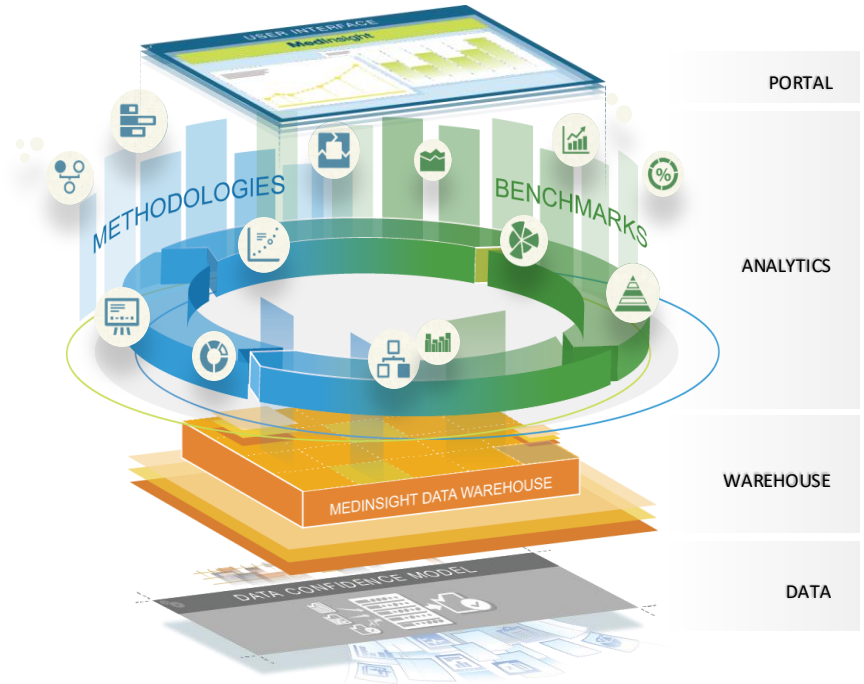
Thank you!

Michael Sautebin

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Meghan Fetherston

Healthcare Analytics Consultant

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Q & A

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