OPTUM®

Medicare Part D actuarial reporting

The Optum Medicare Part D actuarial reporting tool supports health plans in the financial and operational management of their Medicare Part D plans. It combines actuarial consulting expertise with a robust analytic reporting tool that gives health plans access to meaningful data to assist in understanding the key drivers of the financial performance of Medicare Part D plans.

The analytic reporting tool combines eligibility, revenue and medical expense data specifically for financial and product analytics relevant to Part D. The data is put through a rigorous validation process and is supplemented with forecasting and additional inputs developed by a team of experienced actuaries and analysts. The platform is scalable to the largest national Part D organizations.

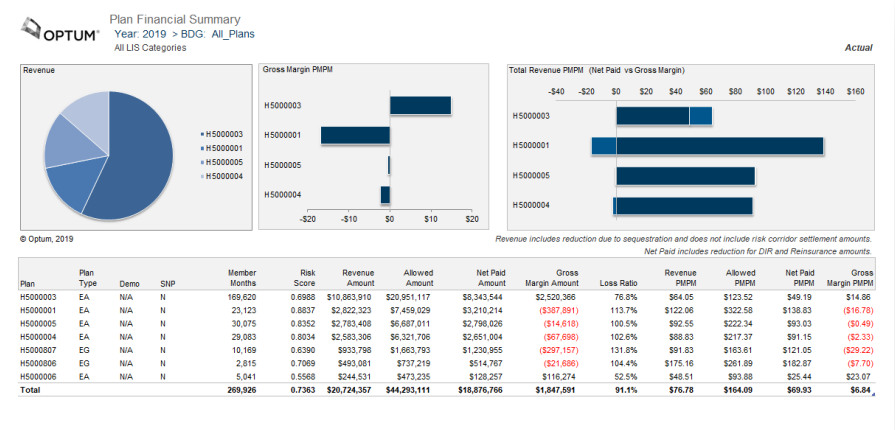
Expertise and proven methodologies

Value-added methodologies and expertise from our team of Medicare actuaries are incorporated into the Medicare Part D Actuarial analytic reporting tool, and include:

- Forecasting. Projects monthly revenues, expenses and cash flows through the end of the year based on seasonality patterns or continuance table expansion.
- Settlement monitoring. Provides ongoing month-end monitoring of settlement expectations for reinsurance, low-income cost share subsidy (LICS), risk corridors and coverage gap discount program amounts.
- Financial performance tracking. Monitors financial performance, before and after the impact of settlements, at the population type level or in total, to provide early identification of areas for future planning improvements.
- Bid process integration. Integrates with the Part D bid pricing model used by Optum for ease in developing assumptions for the bid pricing process, including trend studies and late enrollment adjustments.
- Part D bid audit support. Provides an additional layer of detail beyond a bid pricing model that is useful for both financial and bid audits related to base period financial results reported on Worksheet 1 of the CMS bid pricing tool.
- Top 100 drug utilization review. Provides cost and utilization details of your organization's top 100 utilized medications in addition to the number of utilizers.
- Market feasibility assessment. Quickly reaggregate data at the member level and examine impact of service area expansion or reduction on future pricing and performance.

Medicare Part D actuarial reporting tool provides valuable insights that help health plans address these strategic challenges:

- Full-year forecasting
- Monitoring revenues and settlement expectations
- Managing pharmacy expenses
- Modeling network and pricing strategies
- Developing formulary design and clinical strategy



Plan	Plan Type	Demo	SNP	Member Months	Risk Score	Revenue Amount	Allowed Amount	Net Paid Amount	Gross Margin Amount	Loss Ratio	Revenue PMPM	Allowed PMPM	Net Paid PMPM	Gross Margin PMPM
H5000003	EA	N/A	N	169,620	0.6988	$10,863,910	$20,951,117	$8,343,544	$2,520,366	76.8%	$64.05	$123.52	$49.19	$14.86
H5000001	EA	N/A	N	23,123	0.8837	$2,822,323	$7,459,029	$3,210,214	($387,891)	113.7%	$122.06	$322.58	$138.83	($16.78)
H5000005	EA	N/A	N	30,075	0.8352	$2,783,408	$6,687,011	$2,798,026	($14,618)	100.5%	$92.55	$222.34	$93.03	($0.49)
H5000004	EA	N/A	N	29,083	0.8034	$2,583,306	$6,321,706	$2,651,004	($67,698)	102.6%	$88.83	$217.37	$91.15	($2.33)
H5000807	EG	N/A	N	10,169	0.6390	$933,798	$1,663,793	$1,230,955	($297,157)	131.8%	$91.83	$163.61	$121.05	($29.22)
H5000806	EG	N/A	N	2,815	0.7069	$493,081	$737,219	$514,767	($21,686)	104.4%	$175.16	$261.89	$182.87	($7.70)
H5000006	EA	N/A	N	5,041	0.5568	$244,531	$473,235	$128,257	$116,274	52.5%	$48.51	$93.88	$25.44	$23.07
Total				**269,926**	**0.7363**	**$20,724,357**	**$44,293,111**	**$18,876,766**	**$1,847,591**	**91.1%**	**$76.78**	**$164.09**	**$69.93**	**$6.84**

Easy to use for actuaries and the C-suite

The Medicare Part D actuarial reporting tool contains 21 standard report layouts that provide analytics and metrics used by actuaries to monitor and understand financial performance. The tool offers filtering and subsetting options to slice and dice data, while the standard report layouts assure it is presented accurately and in a meaningful format that's easily understood. As a standard Microsoft Excel file with a simple point-and-click user interface, the tool is easy to use for all levels of the organization, including the C-suite.

Some examples of the standard reports included in the model are:

- Membership summary. Illustrates monthly plan membership and risk scores to isolate membership subsets that may require targeted attention.
- Revenue and claims summary. Provides a detailed accounting of revenue and claim expense by month, reflecting actual and forecast amounts.
- Claims detail by cost share tier and drug type. Provides a review of effective cost sharing by tier, phase of coverage and drug type to ensure claims are adjudicated as expected, or to set a reference on future cost sharing percentages.
- Top drug utilization and cost summary. Provides a review of specific drug information by brand name based on total utilization, allowed cost or allowed cost per prescription.
- Cohort summaries. Provides the ability to review profitability by age/gender or RxHCC risk cohort as well as by various low-income subsidy categories.

Optum Medicare Part D actuarial reporting is a valuable tool for monitoring full-year product performance both historically and looking forward. Additionally, it can help health plans discover operational issues such as cost sharing configuration errors.

To learn more about Optum Advisory Service's Part D Actuarial Reporting tool or to schedule a demo, please contact us at:

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