

Optum Advisory Services

Enhance your competitive position with Medicare Advantage Performance Solutions



IMPROVE CARE QUALITY

MANAGE RISK

REDUCE COST

ADVANCE INFRASTRUCTURE

GROW MARKET SHARE

Market pressures on Medicare Advantage plans demand improved performance to achieve sustained success

Increased enrollment and revenue potential have driven competition to new heights among commercial payers in the Medicare Advantage (MA) market. In this increasingly competitive market, margins have declined substantially over the past five years. With most MA plans now achieving a Star rating of 4.0 or better, the ability to create differentiation has been significantly reduced.

Meanwhile, pressures on plan performance continue to grow, with retirees pursuing increasingly lower premiums, reduced out-of-pocket expenses and expanded access to individualized, high-quality care.

The Medicare Advantage market presents growing complexities and increased challenges, including:

- Growing consumer demand for enhanced experiences and care quality
- Increased uncertainties and risks due to value-based care requirements
- Diminishing return on investment in Star rating differentiation
- Evolving payer and provider relationships and their impact on your market

Key questions Medicare Advantage leaders face:

- Where should I set my profit and target growth rates in order to sustain healthy margins and market leadership?
- Where should I make changes to my plan geography, benefits and pricing in order to drive growth?
- How do I improve financial performance while reducing my overall risk exposure?
- Which Star rating and clinical quality program investments are most beneficial in the long term?
- What is the optimal investment balance between value-based care and traditional fee for service arrangements?
- What are best practices for enhancing my membership experiences?

Balancing priorities is key to responding to market complexities

In order to enhance competitive position, Medicare Advantage (MA) plans must achieve improvements across the full array of product features and plan attributes. In this increasingly constrained environment, leaders need to be able to balance competing priorities and define the improvements that best enhance performance.

Although commercial payers have experience responding to market trends, many lack access to advanced data and analytics that can help to clearly prioritize improvement opportunities on a cost-benefit basis.

We work with leaders to help them enhance their MA plan capabilities, understand emerging experiences in real time, and forecast impacts. With deeper insights, leaders can better evaluate the available alternatives and define the enhancements that optimize results.

Enhanced insights and analytics help you chart the path to improved performance

Every organization is different—yet, the desire to improve data and analytical capabilities is shared by all. Access to new data and advanced analytic models can help MA plan leaders benchmark performance and address conflicts when balancing priorities to close gaps in care, create efficiencies and drive margin growth.

We help leaders gain insights from clinical and operational data that helps create strategic alignment between payers and providers, design benefits to drive member growth, lower medical and administrative costs, increase revenue accuracy and improve care quality and member satisfaction.

Which initiatives should you prioritize for highest performance results?

Your MA plan's marketplace leadership depends on your ability to effectively prioritize investments and achieve meaningful performance improvements on a sustained basis. Leadership priorities that often compete for investment include:

- ⦿ **Margin pressure:** Competitive bids for products that attract and retain membership are complicated by shifting reimbursement models and declining Medicare Advantage rates.
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- ⦿ **Quality:** Investments made through silo approaches to enhance Star ratings and achieve accurate risk adjustment scores can create adverse clinical impacts while inflating medical and administrative costs.
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- ⦿ **Risk sharing:** Supporting networks that are too broad may lead to inefficient member care and lower quality.
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- ⦿ **Consumerism:** Advancing member experience and engagement exclusively can increase costs and squeeze margins.
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- ⦿ **Competition:** Lowering premiums to expand markets can lead to lower benefits, reputation risks and declining Star ratings.
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- ⦿ **Geography:** Growing only suboptimal markets can outweigh benefits of low growth in high performing markets.
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- ⦿ **Compliance:** Taking a reactive approach to growing compliance requirements rather than proactively integrating better compliance capabilities across programs can increase long-term operational costs and risks.

Success demands a comprehensive approach

Today's market demands a comprehensive approach and modified capabilities to capture performance improvement opportunities.

Leaders turn to the Optum expertise and suite of services for an end-to-end perspective that uncovers performance gaps and margin growth opportunities that otherwise could not be identified. Optum actuaries, data scientists, health management and operations experts will help you analyze performance, predict trends and compare strategic scenarios that grow revenue, increase margin and manage risk exposure, while improving quality of care.

We can help you prioritize plan improvements and develop your roadmap with tactical steps for success. Optum experts can help you lead, supplement or coordinate MA capabilities. Our integrated approach will help ensure that your improvements are fully realized.

Medicare Advantage Performance Solutions include:

- **Discovery analytics and advanced modeling** to support your strategic decision-making, risk management and resource prioritization
- **Risk adjustment and integrated quality** capabilities to help you optimize return on investments in compliance and quality improvements
- **Coordinated clinical care and member engagement** experts help you minimize risk, increase care effectiveness and improve member satisfaction
- **Provider network strategies** align plan and provider incentives to improve relationships, care delivery and quality
- **Integrated infrastructure and operational** solutions help you optimize information and technology assets and drive new efficiencies

▶ Target growth and mitigate risk

▶ Improve care quality

▶ Integrate solutions and infrastructure

Optum delivers comprehensive capabilities in a uniquely integrated multi-disciplinary approach



Create a sustainable competitive advantage

Optum helps to define strategic priorities, coordinate initiatives and supplement resources to:

- Drive member acquisition and retention, while optimizing revenue
- Lower costs and improve member engagement with enhanced benefit design
- Improve quality of care and member satisfaction with multi-channel population health programs
- Build high performing networks with value-based provider partnerships
- Achieve efficiencies with advanced analytics and integrated services

Advanced analytics enable Medicare Advantage plans to identify gaps, improve performance and achieve measurable results



Provider Case Study: Responding to margin and quality pressures

Client gap:

Discovery analysis identified high-risk member-care gaps were negatively impacting member health, Star ratings and risk adjustment.

MA Performance Solution:

Optum provided nursing staff, process improvements, physician mentoring, technology and analytics to measure provider engagement, identify high-priority patients and improve quality of care.

Conducted patient outreach, improved documentation and coding processes, developed patient quality-of-care alerts for physicians and embedded nurse practitioners in 21 clinics.

Results:

◎ QUALITY

Increased annual face-to-face visits from **3,418** to **8,368**

◎ CONSUMERISM

Increased Star rating from **3.4** to **3.73**

◎ RISK SHARING

Improved Risk Adjustment Factor (RAF) accuracy by **0.086**



Member/Patient case study: Responding to high risk of member hospitalization

Client gap:

Through discovery, a health plan identified 8 percent of its members with diabetes were at high risk for hospitalization within the next six months.

MA Performance Solution:

To ensure at-risk members were receiving preventive care and avoiding unnecessary emergency or hospital visits, Optum developed and implemented patient outreach, scheduled visits for two thirds of at-risk members with SMA care team, and completed necessary screenings and clinical/lifestyle counseling.

Results:

◎ RISK SHARING

Achieved **24%** lower ER utilization

◎ RISK SHARING

Reduced cost of care by **21%**

◎ QUALITY

Improved quality by reducing A1c levels by **15%** LDL and BMI by **8%** and **7%**

Customized solutions that drive Medicare Advantage plan success

Each client relationship is unique, and our solutions are customized to meet your needs. Our flexible approach configures individual solutions from our full suite of service offerings, or offers you end-to-end, fully integrated capabilities in a collaborative relationship that enables your strategic vision.

Optum is unique in its ability to offer you integrated actuarial, quality and care management, operations and technology solutions. Our integrated capabilities across the full Optum organization can bring you competitive advantages and drive long-term MA plan performance improvements. We are so committed to improving your bottom line, we are prepared to deploy infrastructure and supplemental resources on a shared risk basis — to drive measurable results in your business.

Getting started with Optum Medicare Advantage Performance Solutions:

We recommend beginning with a rapid diagnostic assessment to help you benchmark performance and competitive market position, followed by a prioritization of opportunities to optimize your strategy and approach.



- **Discover and diagnose to assess performance across competitors and markets** by learning from your own data, insights derived from the largest U.S. data set and advanced analytics.



- **Optimize strategy and approach before investing in change initiatives** through the identification of gaps in your current performance and the ability to measure alternative strategic approaches.



- **Design and build improvements to accelerate goal achievement** by aligning strategic plans and priorities and assigning the necessary expertise and knowledge.



- **Enable and supplement resources to optimize Medicare Advantage results** by leveraging advanced infrastructure and specialized resources.



- **Monitor and manage performance** on an ongoing and integrated basis, with Optum technology, analytics and expertise.

Improve your competitive advantage

Bring knowledge and expertise through the experience of our Medicare Advantage Performance Solutions team.



Jim Dolstad
Payer Actuarial



Herschel Reich
Payer Actuarial



Mary Larson
Risk Adjustment



Mallory Van Horn
Integrated Quality



Andrew Schneider
Population Health



Elena White
Network Management

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Optum helps leaders make the right changes at the right time

Optum Advisory Services specializes in helping health care leaders address their biggest challenges with guidance, insights and precise strategies to help organizations assert control of their future.

Guide your organization with precise and strategic insights

We'll help you realize your vision by tapping into a team with real-world experience. We start by assessing your organization's position in the marketplace, using the industry's largest health care data asset. We then chart strategic courses with actuarial precision for your organization's greatest sustainable successes.

Hardwire meaningful and sustainable results with proven expertise

We are more than consultants. We are also operators with real-world health care expertise who can help you hardwire meaningful and sustainable results. Whether it's growing your organization's top line or defending the bottom line, we work alongside you to implement lasting change by drawing upon a unique breadth of financial, IT, operations, analytics and clinical capabilities.

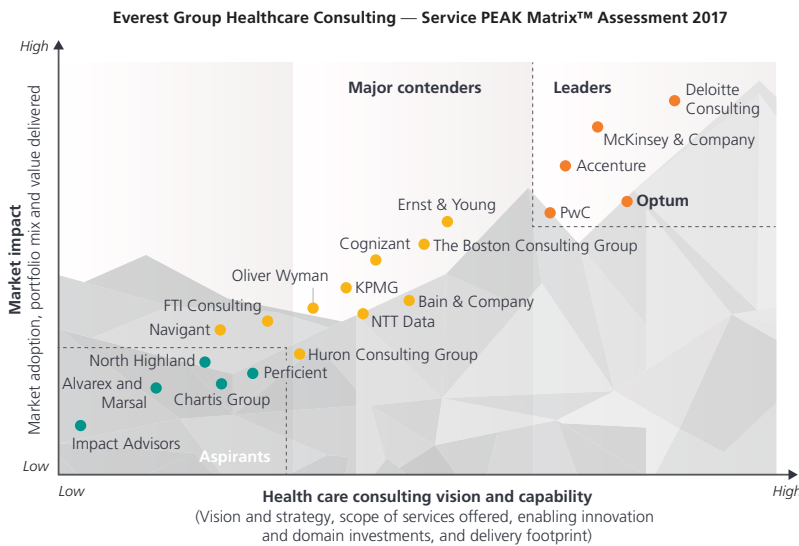
Collaborate and disrupt with unique relationships

We are here to help your organization thrive. We can help you to create new relationships across the health care spectrum to create new opportunities for value in the financing and delivery of health care. Developing new relationships and cutting-edge business and clinical models can help you to deliver cutting-edge results.

What others say about Optum Advisory Services

Everest Group Healthcare Consulting—Service PEAK Matrix™ Assessment 2017

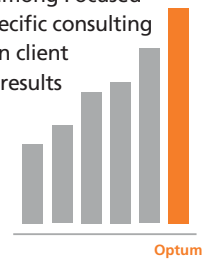
Everest Group ranks Optum Advisory Services as a leader among 20 competitors for its diverse capabilities, spanning the entire consulting value chain that caters to payers, care providers and PBMs across the globe.



- Unrivaled breadth and granularity of clinical and claims data, including 98 million lives of clinical data and 188 million lives of claims data
- A team of more than 1,400 experts in health care
- Serves more than 300 health plans

TOP RATED

for expertise among Focused Healthcare-Specific consulting firms, based on client feedback and results



*Source: 2018 KLAS Healthcare Management Report

Work with a trusted partner

Clients rated Optum Advisory Services the highest for expertise among Focused Healthcare-Specific consulting firms in the 2018 KLAS Healthcare Management Report. KLAS reported that clients often view Optum Advisory Services experts as "trusted partners" who help to guide organizational vision and strategy, and solve problems.



"Optum, with its deep domain strengths, strong data assets, and differentiated consulting pedigree, is positioned well to help health care organizations navigate these winds of change and embrace the digital-first normal."

— Jimit Arora, partner, Everest Group



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