A dynamic challenge for health plan leaders

Organizations across the health care ecosystem are facing unprecedented challenges and unknowns as a result of COVID-19. Data and projections are changing by the hour every day. Members are falling off their health plans after losing employer-sponsored coverage. Simultaneously, health plans are managing an influx of new members due to COVID-19, working to better understand their needs and risk.

As membership and utilization change daily, payer analytics and modeling capabilities must be accurate, agile, and near real-time. Health plan leaders must feel confident in their projections in order to make the best business decisions for their organizations and avoid blind spots. They must be able to evaluate and manage the surge of today while preparing for the “new normal” of tomorrow. If forecasts, formulas and assumptions are even the least bit off now, health plan membership growth estimates will be wrong, member risk adjustment will be captured inaccurately, and claim payment projections will be incorrect when the crisis subsides.

Furthermore, key considerations, including the chronic and sporadic nature of the virus, must be accounted for to accurately capture downstream impact. The margin for error now could be substantial, yielding significant negative financial outcomes for payers of all types in the months to come.

Operating in a “new normal”

Like many other industries, entities across the health care industry thrive in times of economic strength and regulatory stability. With the unexpected and exceptional impact of COVID-19, health plans can no longer rely on traditional approaches for forecasting the patterns of utilization, member needs and enrollment, and claim volumes that have driven financial, organizational, and performance planning and operations historically.

For continued success, health plans must respond quickly to membership surges and shifts, potentially unstable provider networks, evolving regulatory mandates and changes in care delivery. Optum Advisory Services can help health plan leaders drive action quickly with increased confidence and adaptability through accurate and interconnected analytics and modeling, while also helping anticipate a “new normal” in the months ahead.

Key questions leaders are asking themselves amid the COVID-19 pandemic

1. What is the COVID-related utilization outlook by market – peak daily infected cases, peak mortality, etc.?
2. Will we have decreased utilization in elective surgeries, wellness visits and ER visits? If so, when do we estimate the net impact to begin? How long/ deep will the projected utilization changes last?
3. What can I do to forecast business activity and related staffing needs?
4. What are key policy changes I need to implement in response to COVID-19?
5. How can I simplify processes and leverage technology to remove administrative burdens and improve access to care?
6. How do I enable and manage a remote workforce?
7. What system configuration and other technology changes do I need to implement to support rapid and ongoing changes to policies and business processes?
8. How do I encourage and support the use of telehealth and alternative care delivery mechanisms?
9. How do I balance client economic considerations with uncertain future claims patterns in my pricing strategy?
How Optum Advisory Services can help

Assess the surge

Understand and evaluate the surge in your market

Determine the timing
- Track initial cases
- Consider public policy implementation

Gauge the magnitude
- Weigh rigor of public policies
- Track membership mobility and population density changes
- Account for testing variability and change in R-naught over time
- Implement network sustainability strategies (provider network liquidity/sustainability/leakage)

Manage utilization changes and services disruption

Evaluate postponed services
- Specific elective surgeries
- Wellness visits
- Specific screenings and diagnostics

Realize/refine new services needed
- COVID-19 testing and office visits
- Virtual visits
- COVID-19 ER visits
- COVID-19 hospitalizations and ICU/ventilator usage

Rebound post-surge

Transition to a “new normal”

Anticipate membership impact
- Characterize impact on movement between LOBs due to lay-offs/furloughs
- Use SDOH metrics to gauge member amenability to outreach activities
- Address workforce changes

Quantify financial impact
- Identify gaps in risk scores and data
- Calculate impact of renegotiation of risk-sharing arrangements
- Determine effects of telehealth transition and reduction in in-person PCP visits on medical costs, value-based contracts and PCP management

Measure risk adjustment impact
- Evaluate RAF impact from deferred elective services
- Estimate chart review decreases

Prepare for the next surge

Track member shifts
- Stratify high-risk members and identify susceptible populations
- Plan care coordination activities

Forecast projections
- Predict virtual visit utilization
- Implement lessons learned for improved partnerships/collaboration and network optimization
- Estimate endemic level and seasonal infection rates of COVID-19 and associated costs and pricing impact

Our overarching framework

INFECTION RATE MODELING
Cost/utilization estimates using data customized for your population.

IMPACT MODELING
Revenue and administrative expense implication estimates using data customized for your population.

SCENARIO MODELING
Scenario modeling customized for your market and your needs, such as:
- Plan membership distribution by county, age/gender
- Sensitivity testing on 2nd surge implications based on 1st wave R-naughts and potential 2nd wave scenarios
- Utilization sensitivities
- Operational sensitivities

Our multi-dimensional approach enables you to make swift, data-enabled decisions to address the COVID-19 impact on your health plan.
What makes our approach unique

Building on our deep knowledge of and experience with health plan operations and technology, Optum Advisory Services is here to support you through this challenging time. Our COVID-19 analytics and modeling capabilities allow you to address current business needs and identify future gaps and implications to set your organization up for success and sustainability in a post-crisis future state. Our differentiated analytics and modeling capabilities are:

- Based on localized, market-level data analyzed by county
- Tailored to your members’ distribution across the entire country
- Integrated into your current models
- Updated frequently (daily) to reflect the latest plan enrollment of county-level data on reported cases and mortality

Meet our experts

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To learn how Optum® Advisory Services can help you determine and reach your organization’s goals:

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