

ACO REACH Model & WAHOO RSO Sample Exhibits

PRESENTED BY:

Michael Forster, ASA, MAAA
michael.forster@wakely.com

Brad Heywood, ASA, MAAA
brad.heywood@wakely.com

Contents

ACO REACH MODEL

DCE Risk Adj. Exhibit

RISKSCORE_AD

Provider Level

WAHOO RSO

PY2023 Opportunity from Recapture and Association

Scenario

ACO REACH

DCE Risk Adj. Exhibit

Sample Direct Contracting RAF Calculation

	Ref.	DCE	DCE A	DCE B	DCE C	Total DCE Aligned	Comments
N o r m a l i z a t i o n	(1)	Ref Yr. (RY) 2019 DCE Mean Risk Score	1.137	1.092	1.194	1.141	General comments: the risk model for standard assigned members is the CMS-HHC prospective risk model. The experience period is the 12 months immediately before the start of the performance period. Assumed average risk scores for 3 DCEs. Assumptions: DCEs all the same size and represent the entire DCE population for aligned members National MA coding normalization factor developed by OACT to adjust aggregate risk score to 1.000 so that the HCC risk model does produce an average risk score of 1.000 and thus does not produce higher revenue Calculated as shown. Purpose is to adjust the risk scores using the national normalization factors to put the DCE risk scores on the same basis as the HCC risk model.
	(1b)	RY 2021 DCE Mean Risk Score	1.184	1.168	1.177	1.176	
	(2)	PY 2023 DCE Mean Risk Score	1.232	1.244	1.350	1.275	
	(3)	RY 2019 Norm Factor	1.137	1.137	1.137	1.137	
	(3b)	RY 2021 Norm Factor	1.099	1.099	1.099	1.099	
	(4)	PY 2023 Norm Factor	1.184	1.184	1.184	1.080	
C a p	(5)	RY 2019 DCE Mean Norm Risk Score (1) / (3)	1.000	0.960	1.050	1.004	The 3% cap is relative to the 2 year prior (or 2022 starting in 2024) normalized risk score; Demographic Risk Score can increase or lower the 3% cap under ACO REACH
	(5b)	RY 2021 DCE Mean Norm Risk Score (1b) / (3b)	1.078	1.063	1.071	1.070	
	(6)	PY 2023 DCE Mean Norm Risk Score (2) / (4)	1.040	1.051	1.140	1.077	
C I F	(7)	DCE Risk Growth Rate [(6)/(5b)] - 1	-3.46%	-1.15%	6.46%		The CIF is calculated in reference to RY 2019. It is a national aggregate DCE calculation designed to make sure there is no change in the normalized risk score for DCEs. Calculated as shown.
	(8)	PY DCE Capped Mean Risk Score	1.110	1.095	1.103	1.103	
	(8b)	PY DCE Risk Score after capping	1.045	1.051	1.103	1.066	
	(9)	Coding Intensity Factor Adjustment	1.063	1.063	1.063	1.063	
	(10)	Final Coding Adjusted Risk Score (8) / (9)	0.984	0.989	1.038	1.004	
	(11)	Risk Ratio (10) / (5b)	0.984	1.029	0.989	1.001	

RISKSCORE_AD

Direct Contracting Model | Benchmark Report

A&D Risk Score

		Baseline	Scenario 1	Scenario 2	Scenario 3
DXXX	Risk Score Inc >>	1.0000	1.0250	1.0550	0.9900
Perform CY2022	CIF >>	1.0000	1.0000	1.0000	1.0000
Referen RY2020	Final Risk Score >>	1.0601	1.0757	1.0757	1.0497
	Operational Cost >>	NA	\$5.00	\$10.00	(\$6.00)
	Benchmark >>	\$971.95	\$986.21	\$986.21	\$962.33
	Benchmark Change >>	NA	\$14.26	\$14.26	(\$9.62)
	Net Impact >>	NA	\$ 9.26	\$ 4.26	\$ (3.62)



	Claims Aligned	2020	2022 YTD	2022 YTD	2022 YTD	2022 YTD
1.	Raw Risk Score	1.203	1.254	1.285	1.323	1.241
2.	Normalization Factor	1.153	1.184	1.184	1.184	1.184
3.	Normalized Risk Score	1.043	1.059	1.086	1.117	1.048
4.	PY to RY Capped Beneficiary Ratio		1.000	1.000	1.000	1.000
5.	PY Risk Score Floor (0.97 X RY normalized risk score)		1.012	1.012	1.012	1.012
6.	PY Risk Score Ceiling (1.03 X RY normalized risk score)		1.075	1.075	1.075	1.075
7.	PY Capped Risk Score for Claims Aligned		1.059	1.075	1.075	1.048
8.	CIF		1.000	1.000	1.000	1.000
9.	PY Benchmark Risk Score for Claims Aligned		1.059	1.075	1.075	1.048
	Voluntary Aligned					
	Newly Voluntarily-Aligned					
10.	PY Raw Risk Score		1.346	1.346	1.346	1.346
11.	PY Normalization Factor		1.184	1.184	1.184	1.184
12.	PY Normalized Risk Score		1.171	1.171	1.171	1.171
	Continuously Voluntarily-Aligned					
13.	PY Raw Risk Score		0.000	0.000	0.000	0.000
14.	PY Normalization Factor		1.184	1.184	1.184	1.184
15.	PY Normalized Risk Score		0.000	0.000	0.000	0.000
16.	PY to RY Capped Beneficiary Ratio		1.000	1.000	1.000	1.000
17.	PY Risk Score Floor (0.97 X RY normalized risk score)		1.012	1.012	1.012	1.012
18.	PY Risk Score Ceiling (1.03 X RY normalized risk score)		1.075	1.075	1.075	1.075
19.	PY Capped Risk Score for Continuously Voluntarily-Aligned		0.000	0.000	0.000	0.000
20.	CIF		1.000	1.000	1.000	1.000
21.	PY Benchmark Risk Score for Continuously Voluntarily-Aligned		0.000	0.000	0.000	0.000
	Total PY Benchmark Risk Score					
22.	Claims-Aligned Eligible Months		189,206	189,206	189,206	189,206
23.	Newly Voluntarily-Aligned Eligible Months		1,844	1,844	1,844	1,844
24.	Continuously Voluntarily-Aligned Eligible Months		0	0	0	0
25.	Claims Aligned Risk Score		1.059	1.075	1.075	1.048
26.	Weighted Average Voluntary Aligned Risk Score		1.171	1.171	1.171	1.171
27.	Weighted Average PY Benchmark Risk Score		1.060	1.076	1.076	1.050

Provider Level

Provider Scorecard

- Below outlines the provider level benchmarking details
- Targets are set at the overall DCE reported values as found in the quarterly benchmark reports from CMS
- PY = Performance Year

wakely An HMA Company		Performance Year - 2022															Expenditures			Shared Savings Reconciliation		
		Benchmarking																				
Provider Group	PCP vs Specialist	PBPM Benchmark - PY	Historical Expenditures / Ratebook Adj	Adj Baseline Expenditures (2017 - 2019)	Avg County Rate - Baseline Years (2017 - 2019)	Avg Risk Adjusted Rate - PY	Raw Risk Score - PY	Normalization Factor - PY	Normalized / Capped Risk Score - PY	Normalized Risk Score - Reference Year	Risk Score Cap Factor	Member Months (Annualized) - PY	Member Months - BY 2019	A&D / ESRD Split	Claims Aligned / Regional Only Split	Quality Score	PY Estimated FFS Expenditures	PY Estimated Capitation Expenditures	FFS Expenditures + Capitation	Benchmark	Expenditures (FFS + Capitation)	Estimated Shared Savings
Provider A	PCP	\$1,195	1,095	\$1,259	\$1,115	\$1,305	1.361	1.118	1.040	1.010	1.125	3,693	1,066	97.1%	98.0%	N/A	\$860	\$12	\$860	\$1,171	\$860	\$311
Provider B	Specialist	\$1,254	0.904	\$1,059	\$1,199	\$1,370	1.439	1.118	1.215	1.246	1.018	28,439	8,562	97.3%	98.0%	N/A	\$1,058	\$12	\$1,058	\$1,229	\$1,058	\$172
Provider C	PCP	\$1,031	0.941	\$1,103	\$1,147	\$1,124	1.115	1.118	1.008	1.039	0.950	20,782	13,209	96.9%	98.0%	N/A	\$882	\$10	\$882	\$1,010	\$882	\$128
Provider D	PCP	\$1,058	0.976	\$1,101	\$1,106	\$1,156	1.219	1.118	1.030	1.003	1.017	39,024	12,635	97.5%	98.0%	N/A	\$853	\$10	\$853	\$1,037	\$853	\$185
Provider E	PCP	\$960	0.967	\$987	\$1,004	\$1,048	1.077	1.118	1.032	1.065	0.897	56,524	45,434	97.2%	97.9%	N/A	\$903	\$9	\$903	\$941	\$903	\$38
Provider F	PCP	\$956	0.908	\$884	\$939	\$1,045	1.240	1.118	1.111	1.121	0.959	< 10	< 10	97.5%	97.9%	N/A	\$951	\$9	\$951	\$937	\$951	(\$13)
Provider G	PCP	\$839	0.934	\$851	\$919	\$917	1.158	1.118	1.030	1.062	0.966	63,727	73,548	97.6%	97.9%	N/A	\$900	\$9	\$900	\$822	\$900	(\$78)
Provider H	Specialist	\$2,387	0.848	\$1,048	\$1,261	\$2,609	2.811	1.118	2.387	2.462	1.012	6,316	3,031	97.3%	96.1%	N/A	\$2,090	\$23	\$2,090	\$2,340	\$2,090	\$250
Provider I	PCP	\$956	0.908	\$884	\$939	\$1,045	1.240	1.118	1.111	1.121	0.959	< 10	< 10	97.5%	97.9%	N/A	\$951	\$9	\$951	\$937	\$951	(\$13)
Provider J	PCP	\$1,374	0.982	\$1,254	\$1,251	\$1,502	1.330	1.118	1.179	1.216	0.969	10,691	9,986	98.0%	97.8%	N/A	\$1,034	\$13	\$1,034	\$1,346	\$1,034	\$312
Provider K	PCP	\$1,211	0.902	\$1,100	\$1,251	\$1,324	1.119	1.118	1.136	1.178	0.847	2,141	5,078	98.0%	96.9%	N/A	\$1,000	\$12	\$1,000	\$1,187	\$1,000	\$186
Provider L	PCP	\$870	0.746	\$748	\$1,040	\$950	1.325	1.118	1.168	1.204	0.975	15,101	19,943	97.4%	98.0%	N/A	\$1,019	\$9	\$1,019	\$853	\$1,019	(\$166)
Provider M	Specialist	\$1,181	0.666	\$844	\$1,284	\$1,290	1.633	1.118	1.435	1.480	0.962	52,514	58,401	97.3%	98.0%	N/A	\$1,254	\$12	\$1,254	\$1,158	\$1,254	(\$96)
ACD/DCE Overall	N/A	\$980	0.908	\$884	\$993	\$1,045	1.240	1.118	1.111	1.121	0.959	1,978,598	522,554	97.5%	97.9%	N/A	\$941	\$10	\$941	\$961	\$941	\$20
Target Set At:		ACD/DCE Overall	ACD/DCE Overall	ACD/DCE Overall	ACD/DCE Overall	ACD/DCE Overall	ACD/DCE Overall	N/A	ACD/DCE Overall	ACD/DCE Overall	1.000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	ACD/DCE Overall	N/A	N/A	N/A

WAHOO RSO

PY2023 Opportunity from Recapture and Association

MemID	High_Level_DCG	Reason	Potential_HCC	Description	HCC_in_Antecedent	Antecedents	Confidence	Last_Dx	Current_HCC_in_DCG	EDS_Weight	Value	Opportunity_Annualized_MMs	Include
552	Cancer	Recapture + Assn	HCC8	Metastatic Cancer and Acute Leukemia	1	ANALGESICS - OPIOID (00406012301), HCC8 (2020 inc)	74.1%	C7931		2.659	1.970	\$17,163.80	1.00
415	Cancer	Recapture + Assn	HCC8	Metastatic Cancer and Acute Leukemia	1	ANTIANSXIETY AGENTS (00591024005), HCC8 (2020 inc)	72.9%	C799		2.659	1.939	\$16,801.22	1.00
462	Liver	Recapture + Assn	HCC27	End-Stage Liver Disease	1	HCC27 (2020 inc), HCC48 (2020 inc)	72.8%	K766		1.101	0.801	\$6,984.11	1.00
122	Cancer	Recapture + Assn	HCC9	Lung and Other Severe Cancers	1	HCC9 (2020 inc), HCC111 (2020 inc)	71.3%	C159		1.024	0.730	\$6,359.18	1.00
356	Cancer	Recapture + Assn	HCC9	Lung and Other Severe Cancers	1	HCC9 (2020 inc), HCC111 (2020 inc)	71.3%	C23		1.024	0.730	\$6,322.10	1.00
669	Cancer	Recapture + Assn	HCC9	Lung and Other Severe Cancers	1	HCC9 (2020 inc), HCC108 (2020 inc)	69.8%	C220		1.024	0.715	\$6,230.63	1.00
684	Cancer	Recapture + Assn	HCC9	Lung and Other Severe Cancers	1	HCC9 (2020 inc), HCC108 (2020 inc), HCC111 (2020 inc)	73.5%	C3411		1.024	0.753	\$6,228.42	1.00

Scenario

Panel Size	5,000
Risk Score	1.10

Closed Gap	547
Closed Gap Risk Score Increase	174.0

Updated Risk Score	1.13
Increase in Risk Score	3.2%

Confidence
80%

For more information, please contact us:

Michael Forster, ASA, MAAA michael.forster@wakely.com

Brad Heywood, ASA, MAAA brad.heywood@wakely.com