



NAACOS Summer Bootcamp

Risk Scores for Risk Taking Providers

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Introductions

Michael Forster, ASA, MAAA



Joined Wakely
Consulting Group in
2015

Senior Consulting
Actuary

Expertise

- Medicare Advantage
- Provider Alternative Payment Models
- Risk Adjustment

6+ Years of Health
Experience

Introductions

Brad Heywood, ASA, MAAA



Joined Wakely
Consulting Group in
2016

Consulting Actuary

Expertise

- CMMI Models
- Medicare Advantage
- Medicaid Value-Base payment Arrangements

5+ Years of Health
Experience

Agenda

What is a risk score?

Timeline

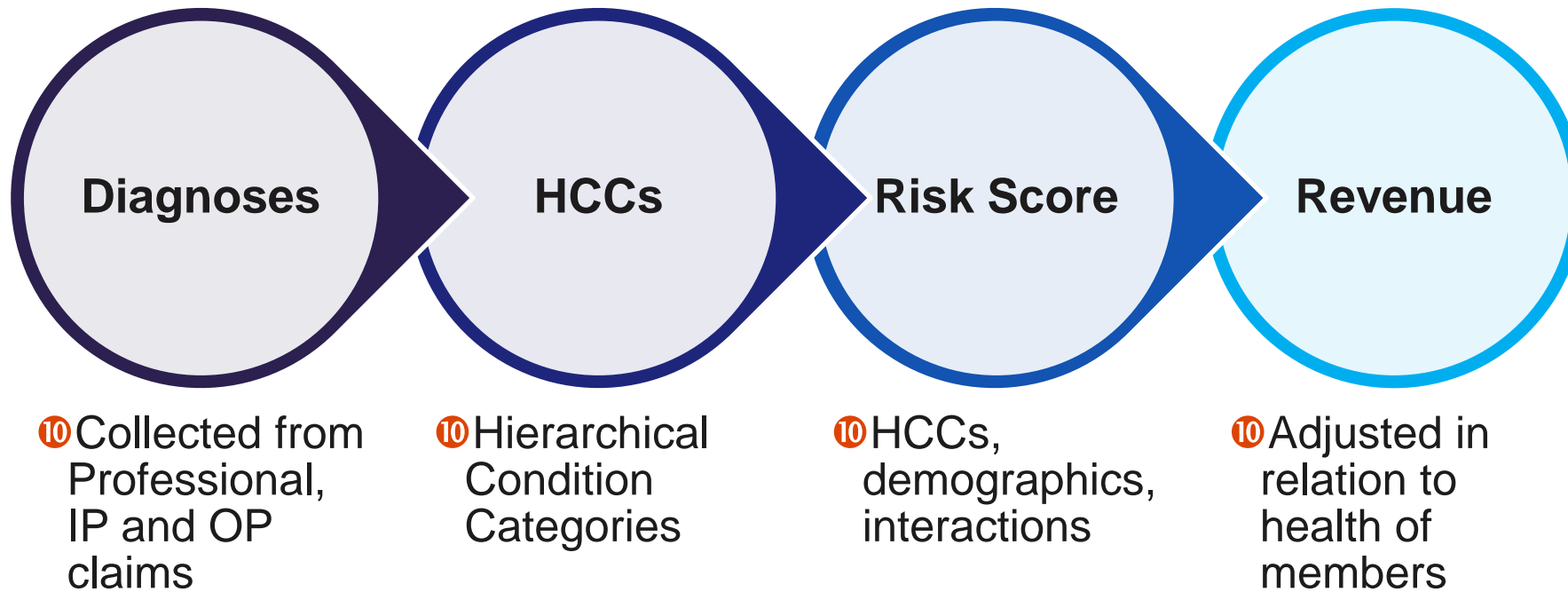
Examples

- ⑩ Risk score calculation
- ⑩ Application
- ⑩ Reporting

Importance of member retention

Connecting Operations to Financials

What Is a Risk Score?



What Is a Risk Score?

Prospective

- ⑩ Prior year diagnosis impact current year risk scores

Additive

- ⑩ Comorbidities create a higher risk score

Normalization

- ⑩ Raw risk scores are normalized for coding
- ⑩ Nationwide FFS risk score is 1.0

Diagnosis base

- ⑩ ICD10 codes on rendered claims across all place of service

“Simplified” Risk Score Example

<i>Member scored according to the Continuing Enrollee, Non-Dual, Aged HCC Model</i>			Relative Value	Formula
Demographics				
Gender, Age		Female, 75	0.448	A
Disabled Status		Not Disabled	0.000	B
Original Reason for Entitlement		Originally insured due to age	0.000	C
<i>Total Demographic Component</i>			0.448	D = A + B + C
Diagnosis Codes Associated with Member				
C33	Malignant Neoplasm of Trachea	HCC9	0.970	E
C75.1	Malignant Neoplasm of Pituitary Gland	HCC10 (trumped by HCC 9)	0.000	F
D84.9	Immunodeficiency, Unspecified	HCC47	0.625	G
E20.9	Hypoparathyroidism, Unspecified	HCC23	0.228	H
G30.9	Alzheimer's Disease, Unspecified	Not associated with an HCC	N/A	I
M41.9	Scoliosis, Unspecified	Not associated with an HCC	N/A	J
<i>Total Diagnostic Component</i>			1.823	K = E + F + G + H + I + J
Interactions				
Cancer + Immune Disorders		Cancer (8-12), Immune (47)	0.893	L
<i>Total Interaction Component</i>			0.893	M = L
Total Raw Risk Score			3.164	N = D + K + M
Adjustments				
FFS Normalization			1.075	O
Coding Pattern Adjustment			0.941	P
Final Risk Score			2.770	Q = N / O * P

Our risk score is 1.5!!! Isn't that great?

Questions to ask...

- Is this a mature group?
- Is this a raw risk score or has it been adjusted for FFS normalization and coding pattern?
- What basis is it on?
- How many month of diagnosis data?
- How do the claims relate to this risk score?



Risk Scores and Patient Retention

Providers have no control over a member's 1st year risk score

Starting in 1st year, significant efforts can be made to optimize a patient's year 2+ risk scores

Prior year coding efforts for a patient are lost if the provider group does not retain the patient in its panel

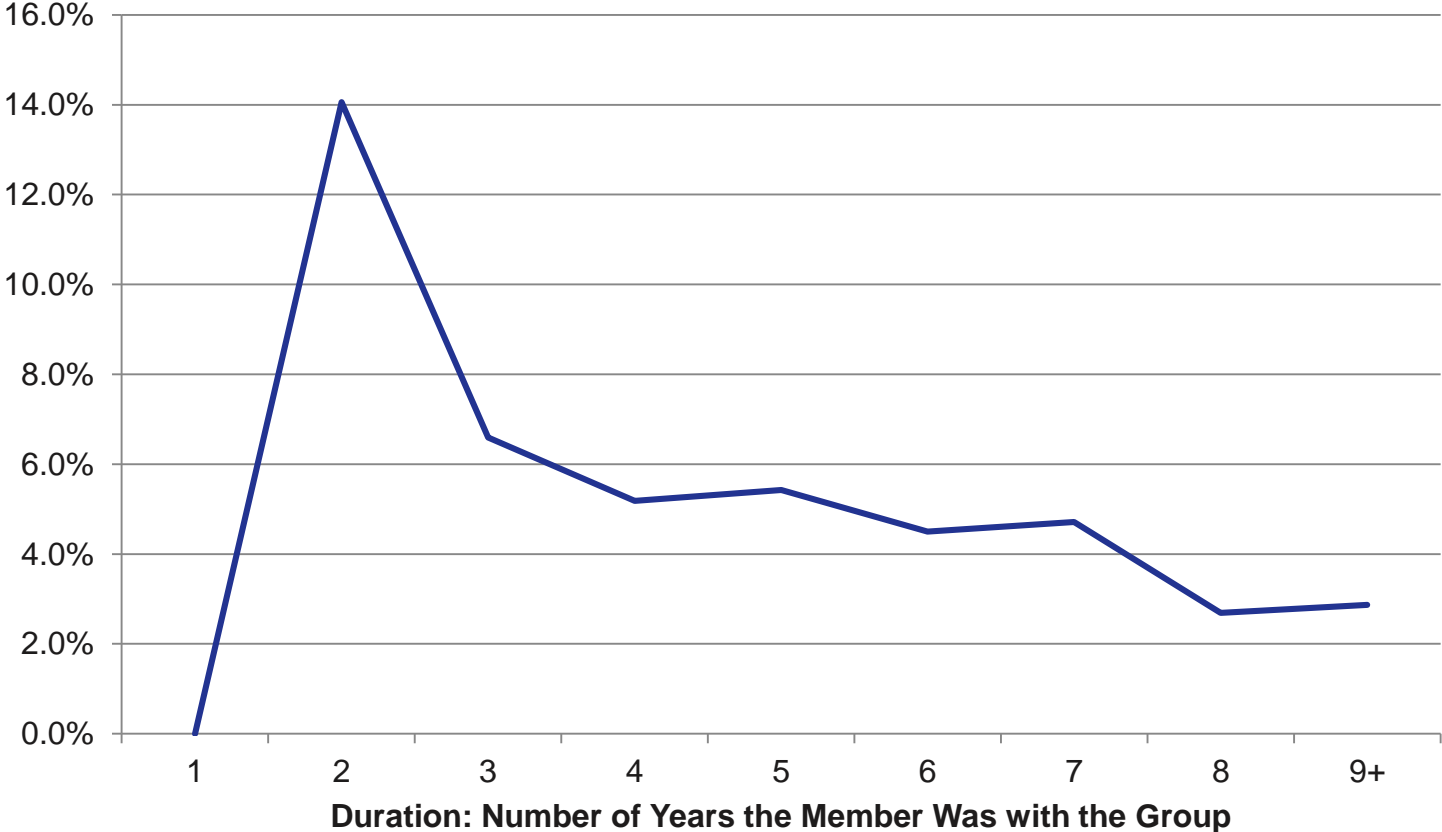
Patients with optimized risk scores increase your average risk score

Since the group has boosted their risk score in early durations

Losing members with optimized risk scores to other provider groups may hurt your competitive standpoint

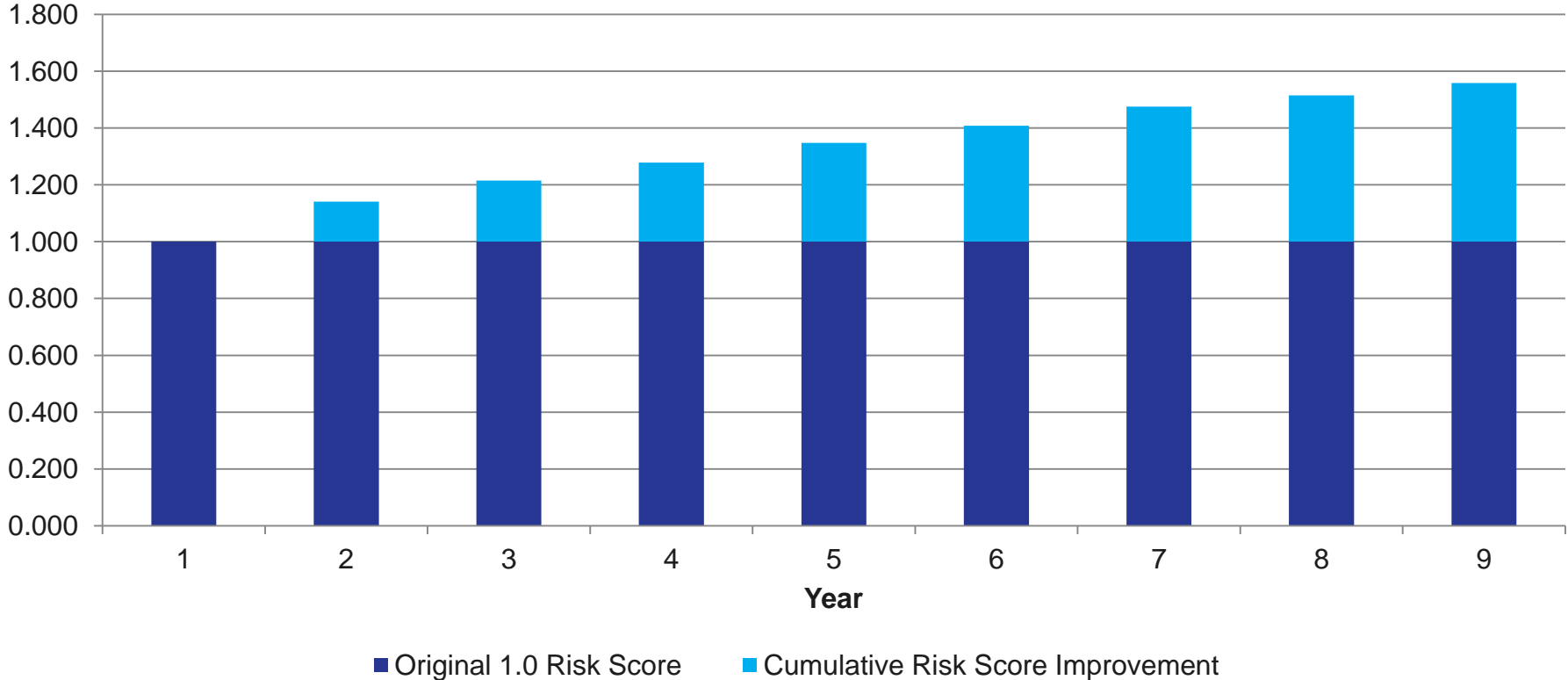
Risk Scores and Member Retention

**Risk Score Coding Trend by Duration
(Excluding Aging)**



Risk Scores and Member Retention

**Cumulative Risk Score Improvement by Year
for an Average Retained Patient w/ a 1.0 Starting RS
(Excluding Aging)**



Risk Score Operations

Physician Documentation

- ⑩ Documenting appropriately at point of care
- ⑩ Provider education

Analyzing missing conditions

- ⑩ Recapture
- ⑩ Associations
- ⑩ Chase List

Financial Projections

- ⑩ Reconciliation
- ⑩ Benchmarks

Physician Risk Score Analytics



Cohort Driven Analytics

Cohort driven Analytics

Member	Attributed Clinic	Attributed Provider	Duration	Disease Registry	Income Level
Member 1	Clinic 1	NPI 1	4 years	[COPD, Diabetes]	<100 FPL
Member 2	Clinic 5	NPI 2	2 years	[Cancer]	>400 FPL
Member 3	Clinic 2	NPI 3	New	[Cancer, COPD]	100<FPL<133
Member 4	Clinic 1	NPI 4	1 year	[Renal]	< 100 FPL
Member 5	Clinic 2	NPI 3	6 years	[Hemo, Skin]	> 400 FPL
Member 6	Clinic 1	NPI 8	2 year	[Lung]	200<FPL<400

Cohort driven Analytics

Attributed Provider Type	Disease Registry	Prevalence	Risk Score	TCOC – Risk Adjusted	Professional Services Leakage	IP Readmission Rate
PCP	[, Diabetes,]	10%	1.1	\$850	10%	15%
Specialists	[, Diabetes,]	10%	1.4	\$790	15%	5%
PCP	[, Cancer,]	5%	1.25	\$880	15%	15%
Specialists	[, Cancer,]	1%	1.25	\$960	30%	15%

Cohort driven Analytics Summary



Organize the data

- Develop a list of characteristics that can be assigned at the member level



Match cohorts

- Analyzing across matched cohorts provides more meaningful actions



Be cognizant of credibility

- Small sample sizes can create unpredictable fluctuation



Understand limitations

- Data limitations like disease registry based on claims



Tell the story

- Understand the various drivers of performance across varying provider types to help identify where operational changes could be made

Thank You

Questions?