The Value of Laboratory Data and Addressing Payer Challenges with Clinical Lab Results

Presented by Bob Maluso
Agenda

- Challenges Facing Health Plans
- The Power and Challenges of Clinical Lab Data
- How Clinical Insights Can Solve Problems of Payers
- Client Use Case in ACA Exchange Market
- Leveraging Lab Data for Quality Management
- Questions?
Challenges Facing Health Plans
Health Plans Face More Challenges Than Ever

Feeling the pain: Obamacare premiums soar
Big Data vs. Relevant Data

The Data Problem: Relevance & Volume

Available Data

- Not Relevant
- Relevant

Source: Chillmark Research
Critical Decisions Based on Untimely, Missing, Misleading or Incomplete Data

These limitations affect your ability to raise your scores and maximize your incentive reimbursements.

30-40% of health conditions are NOT disclosed in claims.
38% of diagnosed diabetic populations did not have diabetes diagnosis in their medical records and were only identified by the presence of diabetic medications.

- Related medications
- Symptoms and clinical findings
- Lab values and diagnostic procedures
- Risk factors and complications
- Other factors

Source: Canadian Medical Association Journal
Unique Challenges Health Plans Face in the ACA Exchange Market

- High turnover of members from year to year
- Lack of data on newly enrolled members
- Payments based on Risk Basis
- Platinum Plans on decrease
- Subsidies continue to be critical
- Most profitable - at least 1 HCC
- Extremely Complex cases may not be fully reimbursed by R/A
- Payers need to compete on cost, quality and efficiency.

1 Wakely Creating Stability in Undstable Times December 2017
# Clinical Visibility in Risk Adjustment

## Dramatic Improvements in Coding and Corresponding PMPY

<table>
<thead>
<tr>
<th>No Conditions Coded (Demographic data Only)</th>
<th>Some Conditions Coded (Claims Data Only)</th>
<th>All Conditions Coded (eg using Lab data)</th>
</tr>
</thead>
<tbody>
<tr>
<td>76 year old female</td>
<td>76 year old female</td>
<td>76 year old female</td>
</tr>
<tr>
<td>Medicaid eligible</td>
<td>Medicaid eligible</td>
<td>Medicaid eligible</td>
</tr>
<tr>
<td>DM not coded</td>
<td>DM no manifestations</td>
<td>DM w/ vascular manifestation</td>
</tr>
<tr>
<td>Vascular disease not coded</td>
<td>Vascular disease no complication</td>
<td>Vascular disease w/ complication</td>
</tr>
<tr>
<td>CHF not coded</td>
<td>CHF not coded</td>
<td>CHF coded</td>
</tr>
<tr>
<td>No interaction</td>
<td>No interaction</td>
<td>DM + CHF interaction</td>
</tr>
<tr>
<td>Patient total RAF</td>
<td>Patient total RAF</td>
<td>Patient total RAF</td>
</tr>
<tr>
<td>PMPM</td>
<td>PMPM</td>
<td>PMPM</td>
</tr>
<tr>
<td>$452</td>
<td>$743</td>
<td>$1,381</td>
</tr>
<tr>
<td>PMPY</td>
<td>PMPY</td>
<td>PMPY</td>
</tr>
<tr>
<td>$5,418</td>
<td>$8,921</td>
<td>$16,573</td>
</tr>
</tbody>
</table>

Data sourced from **lab providers** provide opportunities to identify conditions before claims are generated or charts are reviewed.

Source: Iora Health, RISE West, September 2016
Risk Adjustment Challenges

Operational Challenges
- Getting members to doctors for diagnosis
- Inefficiencies in chart chases
- Incorrect coding or Dx specificity
- Inaccessibility of provider data
- Potential RADV audits

Data Source Challenges
- No sources of data for new enrollees
- Lack of claims history
- Claims data time lag
- Lack of clinical specificity
- Second data source needed to pinpoint possible coding gaps
Medicare Star Ratings and HEDIS Quality Scores

Quality performance metrics such as HEDIS, CMS Star Ratings and standardized core quality measures (CMQs) give consumers objective indications of healthcare payer quality.

- Claims alone do not tell the full picture
- Lab Data Can be used as a supplemental data source to close HEDIS gaps.
- Lab data enhances more accurate identification of health state of Medicare members and can increase star ratings.
  - Increasing Star Rating from 3.5 to 4.5 equates to $16 PMPM in additional revenue.
  - For 100,000 member Medicaid Plan = $19.2M in additional revenue.
The Power and Challenges of Clinical Lab Data
We Identified the Value of Lab Data as a Historic and Real Time Solution to Understand Our Members Risk

**Diagnosis**
- Who are the patients at risk for disease?
- What intervention does he or she need?

**Monitoring**
- Is a patient responding to therapy?
- Is his or her disease state improving?

**Outcomes**
- Has the intervention effectively managed the disease?
- Has a patient reached a new steady state?

Approximately 70% of medical decisions are based on lab results
Clinical Lab Testing Influences over 70% of Physician Decisions, But Data Set Analysis Vastly Underutilized by Industry

**Figure 1. 2013 Estimated U.S. Healthcare Spend $2.9 Trillion**

- **INFLUENTIAL**
  - 70% or more of medical decisions are based on lab testing

- **TIMELY**
  - Diagnostic data can be delivered within a few days of testing, well before treatment decisions have been made

- **ACCURATE**
  - Diagnostic testing is conducted using rigorous statistical analysis that includes extensive quality control

- **TARGETED**
  - Diagnostic data is the only way to find patients based on result ranges

Source: Cain Brothers: “STRATEGIES FOR HEALTHCARE LEADERS, Volume 78, Summer 2015"
The lab data ecosystem is inherently complex

**Fragmented**

- Hospital: 54%
- LabCorp: 8%
- Quest: 11%
- Rest of Indep.: 15%
- Other: 5%
- POL: 7%

5,000+ Hospital Labs
1,000+ Independent Labs

**Unstandardized**

Thousands of labs with different standards and multiple servers within each lab

**Inconsistent**

No universal federal or financial requirement to identify ordering physicians

Lab data sourcing, harmonizing, and analytics requires expertise
Lab data processing inefficient

20-30% Lab Coverage
Regional
Hospital
National

Payer
Harmonized

15-20% Unused Data

Clinically Interpreted
How Lab Data Can Provide Clinical Insights to Solve Payer Challenges
Augmenting Claim Based Risk-Adjustment With Timely Clinical Insights

Clinical lab insights improves both operational and data related challenges

<table>
<thead>
<tr>
<th>MORE EFFICIENT</th>
<th>MORE COMPREHENSIVE</th>
<th>MORE ACCURATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allows for more efficient use of payer operational resources</td>
<td>Additional health complexity and co-morbidities drives RAF scores</td>
<td>Clinical accuracy</td>
</tr>
<tr>
<td>• Take action on lab data vs. performing expensive and inefficient chart pulls</td>
<td>• 30-40% of health conditions not disclosed in claim</td>
<td>• Sidestep errors in billing / claims codes with lab data / clinical truth</td>
</tr>
<tr>
<td>• Gain insights months in advance of claims data</td>
<td>• Gain historical insights on members where claims are unavailable</td>
<td>• Sidestep data entry errors in EMR / EHRs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Map results to HCCs</td>
</tr>
</tbody>
</table>
There are Many Steps in the Data Processes and Advanced Analytics are Required to Pull the Value From This Data

**Connectivity**

- Aggregation: Raw lab data (PHI) aggregated across relevant lab providers

**Data Harmonization**

- Refinement: Initial data cleaned up to enable downstream manipulations
- Standardization: Units / terminology standardized across labs for an “apples to apples” view
- Enrichment (Non-Clinical): Holes in the data filled in to maximize the amount of usable data

**Data Interpretation**

- Enrichment (Clinical): Target patients flagged based on clinical interpretation of multiple lab tests
- Analytics & Visualizations: Reports and dashboards to access, visualize and communicate data insights

**HIPAA Compliant Infrastructure & Processes • Audit Tracking Across Data Manipulations**

Prognos manages connectivity directly or via third parties based on existing access

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19
Prognos DxCloud enables access to lab data and analytics

Prognos Products:
- Risk Alerts
- Care Alerts
- Care Gaps

*Delivery via SFTP, API, Web Services, or integration into payer or 3rd party systems

Data Harmonization
- Aggregation
- Standardization
- Enrichment
- Clinical Interpretation
- Advanced Analytics

Prognos DxC

HITRUST and HIPAA Compliant Infrastructure & Processes • Audit Tracking
Prognos products address key challenges in risk adjustment, disease management, and quality reporting

<table>
<thead>
<tr>
<th>Risk Alerts</th>
<th>Care Alerts</th>
<th>Care Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key challenge:</strong> health plans need to identify health risks to optimize risk adjustment. Medical claims extracts and chart chases lack insight and are inefficient</td>
<td><strong>Key challenge:</strong> health plans lack the ability to detect disease early and do so with clinical specificity to support provider-payer collaborations</td>
<td><strong>Key challenge:</strong> health plans require documentation to close high value HEDIS / Stars gaps, however this documentation is often missing or inaccessible</td>
</tr>
<tr>
<td><strong>Prognos Risk Alerts</strong> identify historic HCC’s to support risk adjustment and improved reimbursement</td>
<td><strong>Prognos Care Alerts</strong> identify and monitor overall population health to flag critical care conditions</td>
<td><strong>Prognos Care Gaps</strong> reports provide lab data extracts on members required to close gaps and drive quality ratings</td>
</tr>
</tbody>
</table>
Analytics provide historic and going forward visibility

<table>
<thead>
<tr>
<th>Features</th>
<th>Historic Insights</th>
<th>Going Forward Insights</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24-month lookback on newly enrolled members or current members requiring clinical visibility</td>
<td>Weekly alerts on at-risk members as clinical intel (e.g. HbA1c values) is generated</td>
</tr>
</tbody>
</table>
| Impact   | • Stratify and target high-risk members from day one  
• Begin care management and risk adjustment operations well before the first claim is generated | • Manage members and providers in real-time to drive clinical programs and close gaps in care  
• Minimize member and provider abrasion via highly targeted outreach and communications |
Breadth and depth of disease characterization

Prognos has an extensive catalog with over 900 patient algorithms in 50+ conditions. Chart is illustrative, not comprehensive.
Prognos harmonizes multiple tests across multiple labs to create longitudinal patient profiles.
Conditions with Prognos Care Alerts

- Breast Cancer
- Colorectal Cancer
- Prostate Cancer
- ALL
- AML
- Bladder Cancer
- CLL
- CML
- Hepatocellular Carcinoma
- MDS
- mMelanoma
- Multiple Myeloma
- Myelofibrosis
- Neuroendocrine Tumor
- NSCLC
- Pancreatic Cancer
- Thyroid Cancer
- HIV
- HCV
- Rheumatoid Arthritis
- Chronic Kidney Disease (CKD)
- Multiple Sclerosis
- Diabetes (Type I)
- Diabetes (Type II)
- Asthma
- Ankylosing Spondylitis
- Allergy
- Afib
- Hyperlipidemia
- Hyperuricemia/Gout
- Hyperkalemia
- IBD
Client Use Case in ACA Exchange Market
Limited visibility into new ACA enrollees resulted in losses

Client Challenge
• Large national health plan with over 300,000 ACA lives across 9 states
• High degree of churn (30%) = no visibility on health status on a third of the exchange population each year
• Missed diagnoses and disease complexity, particularly comorbidities, resulted in inability to manage members and forgone risk adjustment revenue

Prognos Approach
• New enrollment historic risk alerts identified hard to detect conditions and complexities not flagged in claims
• Utilized early identification of risk to direct member home visits & provider interventions
• Identified new HCC’s in 10% members increasing R/A scores 3x-5x
### Risk Alerts: Provide Member Health Insights

Prognos’ Risk Alerts provide historical and ongoing views into member’s health history by identifying risks (mapped to HCCs) & enabling early detection of chronic disease.

<table>
<thead>
<tr>
<th>Summary Level</th>
<th>Detail Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Patient Information</td>
<td>▪ Patient Information</td>
</tr>
<tr>
<td>▪ All HCCs Identified from detail below</td>
<td>▪ HCC code(s)</td>
</tr>
<tr>
<td>▪ HCC Descriptions</td>
<td>▪ Diagnosis code(s)</td>
</tr>
<tr>
<td></td>
<td>▪ Loinc Code</td>
</tr>
<tr>
<td></td>
<td>▪ Test Name</td>
</tr>
<tr>
<td></td>
<td>▪ Test Result</td>
</tr>
<tr>
<td></td>
<td>▪ Units</td>
</tr>
<tr>
<td></td>
<td>▪ Test Date</td>
</tr>
<tr>
<td></td>
<td>▪ Ordering Physician Information (NPI)</td>
</tr>
<tr>
<td></td>
<td>▪ Physician Specialization</td>
</tr>
</tbody>
</table>

Risk Alerts map harmonized lab test results to applicable HCCs using Prognos algorithms that identify severity from lab results.

Leveraging lab data across payers and across clinical conditions, applicable comorbidities are also identified and reported.

Risk Alerts can go back 24 months to retrieve member lab results.

Map to top conditions and HCCs for ACA & Medicare Advantage.
Expansive National Lab Coverage including health systems that reference to national labs

- For newly enrolled members, Prognos found historic risk in **20% of members that did not show in subsequent claims** - first 9 months
- Even longer term members, Prognos found new **risk or additional complexity in 10% of members** that did not show in claims
- National client used risk alerts for early disease management and stratification of its new enrolled ACA members
- National Client increased their risk adjustment in certain disease areas 3x-5x

Prognos applies algorithms to find hard to detect risk

- **37.5% of members** with any lab data
- **21%**
- **27%**
- **5.3% of members** with any lab data

- HCC 020 (Diab w/ comp)
- HCC 021 (Diab w/o comp)
- HCC 056 (RA)
- HCC 161 (Asthma)
- HCC 030 (Adrenal)
- HCC 01 (HIV/AIDS)
- HCC 057 (Lupus)
- HCC 088 (Depr.)
- HCC 037 (Hep)
- Other
What does the Prognos Care Gaps product do?

Care Gaps accelerate steady improvement of a Payer’s HEDIS scores through streamlined generation of supplemental data qualifier feeds.

We target & locate hard to find member Lab Test Results and Test Dates for use as Supplemental Data to fulfill HEDIS Care Gap reporting requirements.

Prognos has demonstrated the ability to close 10-12% of HEDIS/Star gaps utilizing retrospective lab data resources.
CARE GAPS uses directed search functions against lab data to improve HEDIS numerators and close gaps

Payer specifies HEDIS Reporting Gaps for particular members in a special CARE GAPS roster sent to Prognos.

Prognos searches Lab results for that member in multiple Lab Repositories to identify Lab Results that match the Gap criteria.

The results are provided as Supplemental Data to close specific HEDIS gaps for that specific member.
Thank You

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