QUALITY IMPROVEMENT AND MEDICAL POLICY

HEALTHCARE SERVICES CLINICAL CRITERIA VENDOR SELECTION

Conducted a side-by-side evaluation of leading clinical criteria vendors to facilitate alignment across program and P&L leadership

Client situation

- Oliver Wyman was engaged by a multi-state payer to support a vendor selection effort to support core medical management functions including Utilization Management, Care Management, and Medical Policy,
- The client was looking for a qualitative and quantitative framework to evaluate the relative tradeoff of EBM (Evidence-Based Medicine) clinical guidelines, focusing on InterQual and MCG (Milliman Care Guidelines)

Oliver Wyman approach

- Facilitated stakeholder working session to understand key variables to optimize for across the medical management areas
- Codified key criteria to optimize within the vendor selection including future savings potential, degree of automation, and ease of staff use
- Gathered perspectives across the industry from both payer and provider executives using the vendors in consideration
- Synthesized recommendations aligned to a framework that directly compared the two vendors

Key impacts achieved

- Oliver Wyman's work with the client enabled them to:
  - Understand the macro and subtle differences between vendors in terms of offerings, vision/roadmap, and off the shelf capabilities
  - Align executives around a preliminary preferred partners based on priority internal criteria
  - Prepare the next-level of questions needed to diligence the vendors during formal RFP process

MEDICARE ADVANTAGE STARS PROGRAM 3-YEAR STRATEGY

Supported a Blue plan with a Medicare Advantage Stars program assessment, 3-year strategy development, and execution support

Client situation

- A single state Blue plan heavily invested in its nascent Medicare Advantage program to improve its competitive position. While their Stars performance has improved at a rate of twice the national average, they fell short of the 4.0 Star benchmark, failing to qualify for the payment bonus of 5% of all MA revenue
- Senior management was concerned about MA's ability to achieve 4 Stars, and sought the expertise of OW to:
  - Assess the Stars program and activities, provide the Board with a path forward for success in Stars
  - Support execution of care delivery and data aggregation initiatives required to achieve 4 Stars in current year
  - Develop a 3-year strategy for Stars success

Oliver Wyman approach

- Over 5 months, we worked with the Stars team to:
  - Analyze the program strategy and current performance, including a Stars scorecard and threshold projections
  - Support execution of targeted interventions to ensure 4 Stars
  - Create a 3-year strategy across the 3 key pillars for Stars program success – member & provider engagement, and data and analytics
  - Develop a retrospective intervention impact analysis and Optimizer model to create a quantifiable intervention strategy targeting a projected Star score and program cost profile

Key impacts achieved

- Developed analytic tools and rigor to quantitatively assess program used to develop future year intervention strategy with performance estimated to achieve 4 Stars
- Developed an Intervention Portfolio Optimizer model to allow intervention program scenario development to estimate and balance Stars measure impact/lift with overall program costs (medical and admin)
- Revised the Stars team org model to better align resources and roles with key factors for Stars success
- Detailed revised member engagement approach to shift from generic marketing approach to personalized member engagement
- Developed provider segmentation and engagement playbooks to deliver improved provider education, reports, and support services to improve quality outcomes
- Defined required data and analytics capabilities necessary to support current and future programs
- Developed comprehensive roadmap and investment requirements necessary to achieve improved Stars performance

MEDICARE STARS PERFORMANCE IMPROVEMENT FOR A MANAGED MEDICAID DUALS PLAN

Analysis identified key, low-hanging fruit measures to improve home state's Stars performance to 4 Stars for Plan Year 3, which would result in $35 M in bonus payments

Client situation

- Client was a regional health plan focused on the Medicaid and Medicare Advantage lines, with a multi-state DSNP (Dual Eligible Special Needs Plan) MA plan
- The plan's Stars rating had been consistently at 3.5 Stars in their home state and 2.5 Stars in their expansion states
- Client engaged Oliver Wyman on a risk-basis to develop the strategy and plan to drive Stars performance

Oliver Wyman approach

- In the first phase, Oliver Wyman analyzed the plan's historical and current state performance at the measure-level, county-level, and provider-level to identify key opportunities for improvement
- In the second phase, Oliver Wyman developed the strategy and supporting building blocks to address identified areas for improvement, including
  - A full top-down Stars program featuring a dedicated Stars team and defined roles and a structured planning approach
  - Measure-level incentive and intervention design and implementation plans
  - Performance monitoring processes and dashboards to proactively identify lagging measures and anticipated impact on performance
- Oliver Wyman also developed the short-term tactical roadmap, identified key process-focused actions and resource needs to support the path towards Stars performance improvement

Key impacts achieved

- Analysis identified key, low-hanging fruit measures to improve home state's Stars performance to 4 Stars for Plan Year 3, which would result in $35 M in bonus payments
- Developed some of the foundational building blocks needed to begin improving and maintaining Stars performance
  - Interim tools enabled organization to monitor and track on-going performance in a more regular, streamlined fashion
  - Detailed playbook outlined a set of step-by-step activities and other needs/ commitments to guide plan's approach for Year 1, which can be adapted for subsequent years

PROVIDER INCENTIVE REDESIGN FOR A REGIONAL HEALTH INSURER

Developed 8 recommendations that increased quality focus and dollars by ~$70 M with minimal P&L impact

Client situation

- Client is a regional health plan and the market leader in the state. Client products and incentives span individual and group, Commercial and MA, and PPO and HMO

- Client objective was to improve near-term quality performance as measured by Stars/QRS metrics. There was an overall lack of alignment and current state understanding among executives that slowed efforts to address the corporation's quality goals

- Oliver Wyman was engaged help client teams redesign current incentives to increase dollars/focus on quality performance and achieve alignment among the executives and teams across the enterprise

Oliver Wyman approach

- The Oliver Wyman team worked with the Commercial professional, Medicare Advantage, and Hospital segments to:
  - Assess, structure, quantify current incentives and market benchmarks to educate and drive alignment
  - Develop incentive redesign recommendations, including executive design principles, detailed program design documentation/support, and P&L impact quantification
  - Detail implementation and communication plans to roll out and socialize recommendations

Key impacts achieved

- Educated and aligned executive audience with differing viewpoints on design and rationale for current programs and achieved agreement on near-term recommendations

- Developed 8 recommendations that increased quality focus and dollars by ~$70 M with minimal P&L impact

- Support client working teams to translate executive guidance into detailed implementation and communication plans

STARS IMPROVEMENT ANALYSIS AND ADVOCACY FOR A REGIONAL HEALTH INSURER

Assessed client's likelihood of receiving an improved Stars score and provided support for their advocacy efforts with CMS to adopt a different approach in light of the COVID-19 pandemic

Client situation

- The client was a regional multi-line health insurance carrier with a sizeable Medicare Advantage population. The client had made significant investment and improvements to their Stars activities and were expecting to see an increase in their Stars score for the current measurement year

- Due to the COVID-19 pandemic, CMS announced that they would hold ratings steady for the core measure domains, for the upcoming year

- The client was looking for third-party validation of their activities, an assessment of the likelihood that they would have seen an increased score, and support for their advocacy efforts with CMS

Oliver Wyman approach

- Oliver Wyman applied our core Stars models to evaluate their performance relative to the competition at the county and measure levels

- We reviewed their Stars program and activities to assess their strength, and combined with the quantitative analysis of their interim Stars performance, assessed the likelihood that would have achieved a half-point increase in their Stars score under the usual measurement methodology

- We then prepared a letter to the CMS administrators to advocate for a hybrid approach to this year's measurements, to avoid penalizing plans that had made materials improvements in their programs

Key impacts achieved

- The actual impact will not be known for some time, as CMS continues to assess their approach to the COVID-19 pandemic where both Stars and risk adjustment are concerned

- The client received robust third-party validation of their efforts, to make the case to CMS more strongly with both quantitative and qualitative support for their program

MEDICARE STARS OPTIMIZATION FOR A REGIONAL HEALTH INSURER

Developed a roadmap and blueprint with the potential to help ensure a consistently high star rating for the client with potential gain of $200 M+ in net profit

Client situation

- The client is a large regional Blue plan. Oliver Wyman was engaged by the VP, Government Stars Program to help his organization shift from a start-up like structure to a more mature program. The program had been set up in haste following the company losing substantial revenue due to receiving a below-expectations star rating on a key Medicare Advantage product

- Over the past year, the program successfully improved its star rating through an all-hands on deck approach. Now, the program needed to create processes and structure to be more sustainable long term. To facilitate this transition, Oliver Wyman was brought-in to partner with the client to help develop the long-term blueprint and roadmap

Oliver Wyman approach

- The project involved three main phases of work:
  - Internal assessment relative to best practices, based on internal and external interviews
  - Blueprint development
  - Road map build

Key impacts achieved

- The road map and blueprint have the potential to help ensure a consistently high star rating for the client by restructuring their approach to stars in a more systematic and less ad-hoc manner

- The program stands to gain $200 M+ in net profit for the organization