



Generating Value Through Provider Partnerships



Medica's Health Care Value Story

In 2012, we partnered with a leading health care system to develop our first Accountable Care Organization (ACO) product. That was a big step toward changing how we work with providers and support care delivery. Today we have ACO relationships with 25 care systems across nine states, and ACO enrollment makes up a growing percentage of our total membership.

ACOs and their value-based care approach have put more focus on the consumer experience and delivery of cost-effective, high-quality care. We and our ACO partners share clinical data, collaborate on advancements, and share financial accountability.



JOHN R. MACH, JR., M.D.
Medica's Chief Medical Officer



A successful value-based care arrangement requires collaboration and trust between health plan and health care provider.

Value-Based Care

Value-based care is built on a commitment to quality and using care system incentives to reward health outcomes. The approach drives improvements in how payers and care providers work together to support patient care. We provide effective care for ACO members by sharing data and working with care system partners to increase use of evidence-based best practices, reduce variation, close care gaps, and pursue improvement opportunities.



At a glance, ACO care providers increase value for patients by:



Improving prescribing and patient referrals



Closing gaps in care



Reducing ER visits and hospital admissions



Enhancing efforts aimed at high-risk patients



Coordinating care transitions



Expanding access to care

These activities help lead to higher-quality and lower-cost care, along with an improved consumer experience.



Achieving Clinical Value

Our care delivery models leverage each ACO's and care system partner's unique strengths. We use these tools to implement value-based care:

- 1 Predictive analytic tools.** Data and analytics help cut avoidable medical costs. And medical claim data helps identify emerging health risks and prioritizes the programs and resources most likely to help patients.
- 2 Early action reporting.** Regular reporting shows which members have underlying health conditions and potential care gaps. It also helps us identify the clinical interventions and care management programs that benefit them.
- 3 Coordinated care management.** We partner with health care systems on evidence-based guidelines. Our interdisciplinary teams work together to effectively manage medical, psychosocial and behavioral health needs.
- 4 Continuous assessment.** Projects and metrics align with targeted clinical interventions to improve member care and product performance. And we always look for and apply ways to get better.



CONSUMER EXPERIENCE

This emphasis on health care value has been successful for everyone involved – from ACO care providers and health plans to employers and ACO plan members. And we have the results to show for it. But first, let’s look at what ACO members experience and how they have responded, as well as how we work with providers to set up ACO plans.

Personalized service and product design

Our commercial ACO members have access to a dedicated call center team. This team handles more than 18,000 calls per year, helping members with questions on claims, benefits and coverage. The ACO team can even help members schedule appointments and pay bills.

Innovation in product design and consumer experience with ACO partners also makes a tangible difference for our customers and members. One key to that: We develop ACO health plan products **with our ACO partners**. That means together we develop risk-sharing models aligned around clinical value; establish common governance; cooperate on member service models; and regularly review operational, service, clinical and financial results.

Each ACO arrangement is unique, but all partnerships allow us to collaborate on health care delivery, quality initiatives and consumer experience.

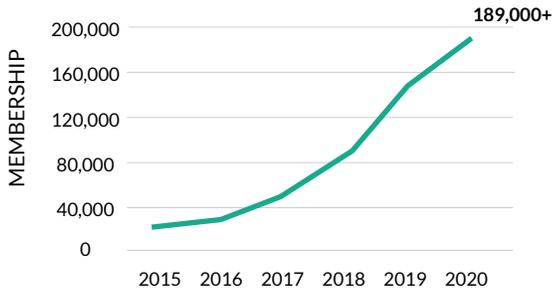
Here are other ways our ACOs are unique >

Standard Care System Arrangement	Medica ACO Partnership
Networks defined by health plan	Network defined by ACO
No clinical integration with health plan	Shared clinical model through an integrated team
Limited data shared on provider-specific quality measures	Collaboration on provider-specific quality metrics
Limited opportunity to collaborate on member-specific data and health outcomes	Collaboration on member-specific data and health outcomes to drive improvements in care delivery and patient management
No opportunity to participate in financial risk-sharing	Shared financial risk opportunities calibrated to ACO risk tolerance
No input on governance	Combined governance to advance shared strategies
Excluded from sales and marketing strategies	Active participation in sales and marketing strategies that drive patient growth and retention
Must adhere to health plan member service modules	Collaboration on an integrated, member-focused service experience

Membership growth

We've seen ACO plans grow in popularity every year. More than 90 percent of members renew with their ACO plan, which shows high levels of satisfaction.

Medica's Total ACO Membership



These membership totals include commercial ACO plans offered to employer groups, as well as Individual and Family Business (IFB) ACO plans.

Enrollment in our ACO plans grew by 22 percent in 2020. One reason why: There is typically a lower premium for ACO plans due to a more focused provider network, which helps keep costs down.

YEAR-OVER-YEAR ACO ENROLLMENT GROWTH

All ACO Plans



22%

Cost savings

In a recent cost comparison*, overall costs were 6 percent lower across all our ACO plans compared to an open access plan benchmark.

OVERALL COSTS, ACO VS. OPEN ACCESS PLANS

All ACO Plans



6%

ACOs generate the most value through better outcomes for moderate- to high-risk members with chronic conditions. For example, among diabetes patients:

- ACO costs* were 12 percent lower than non-ACOs
- ACO costs* grew at a lower rate (3.2 percent vs. 4.7 percent) than non-ACOs.

ACOs serving our IFB members with diabetes drove costs that were 18 percent lower* than non-ACOs. What's more, overall costs grew at a rate less than **one-fourth** that of the open access plan benchmark (1.9 percent vs. 7.8 percent).

DIABETES CARE COSTS, ACO VS. OPEN ACCESS PLANS

All ACO Plans



12%

Rate of Increase



32%

DIABETES CARE COSTS, IFB ACO VS. OPEN ACCESS PLANS

IFB ACO Plans



18%

Rate of Increase



76%

Our ACO plan members experience better health at a lower cost*. With their emphasis on coordinated care, ACO plans achieved cost savings that have exceeded expectations (based on cost modeling of the patient population), demonstrated by members avoiding costly health care options such as:

For employer ACO plans:

- Inpatient stays: 11 percent less than expected
- Outpatient surgery: 19 percent less
- ER visits: 29 percent less

For IFB ACO plans:

- Inpatient stays: 26 percent less than expected
- Outpatient surgery: 17 percent less
- ER visits: 14 percent less

ACO COSTS, ACTUAL VS. EXPECTED

Service: IP Hospital

Employer ACO Plans



11%

IFB ACO Plans



26%

Service: OP Surgery

Employer ACO Plans



19%

IFB ACO Plans



17%

Service: ER Visits

Employer ACO Plans



29%

IFB ACO Plans



14%

Quality of care

Our ACO members avoided hospital readmission more often than members who got care in an open access plan. We recently measured the number of acute inpatient stays followed by an unplanned acute readmission within 30 days. The findings:

- Employer ACO inpatient readmissions were **14 percent lower** than open access plans' inpatient readmissions.
- IFB ACO inpatient readmissions were **6 percent lower** than open access plans' inpatient readmissions.

HOSPITAL READMISSION, ACO VS. OPEN ACCESS PLANS



Both employer and IFB ACOs also provided improvements in care and overall health than open access plans, as shown on key Healthcare Effectiveness Data and Information Set (HEDIS®) measures, including:



Breast cancer screening



Colorectal screening



ER usage



Child wellness visits

* Risk-adjusted

Our ACO Partners

We collaborate with 25 leading provider partners. All are integral in our ACO product offerings for employer groups and IFB members throughout our service area.

In Minnesota:

- Altru Health System (for employer groups and IFB)
- Essentia Health (for employer groups)
- Hennepin Healthcare (for employer groups)
- M Health Fairview — including Fairview, University of Minnesota and University of Minnesota Physicians (for employer groups and IFB)
- Mayo Clinic (for employer groups and IFB)
- North Memorial Health (for employer groups and IFB)
- Park Nicollet Health Services (for employer groups)
- Ridgeview Medical Center (for employer groups and IFB)

In North Dakota:

- Altru Health System (for employer groups and IFB)
- Essentia Health (for employer groups)

In Nebraska:

- CHI Health (for employer groups and IFB)
- Nebraska Health Network — including Methodist Health System and Nebraska Medicine (for IFB)

In Iowa:

- CHI Health (for employer groups and IFB)
- UnityPoint Health (for IFB)
- University of Iowa (UI) Health Care (for IFB)

In Kansas:

- Ascension Via Christi (for IFB)
- Stormont Vail Health (for IFB)
- Saint Luke's Health System (for IFB)

In Missouri:

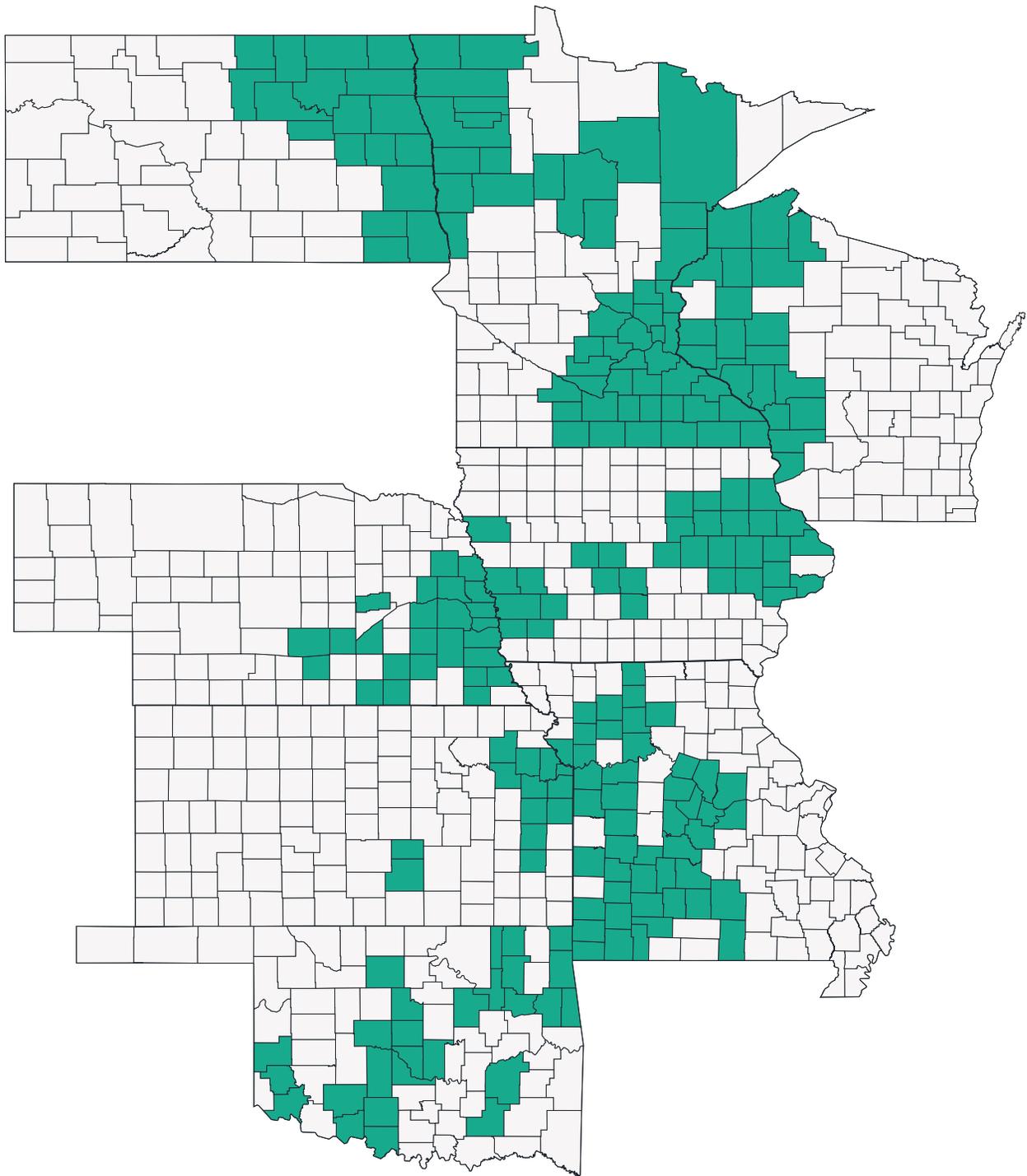
- Mercy Health (for IFB)
- Saint Luke's Health System (for IFB)
- University of Missouri (MU) Health Care (for IFB)

In Oklahoma:

- Ascension St. John (for IFB)
- LifeCare Health Services — including INTEGRIS and Norman Regional Health System (for IFB)
- Mercy Health (for IFB)

In Wisconsin:

- Essentia Health (for employer groups)
- Mayo Clinic (for employer groups and IFB)



 **ACO Coverage Area**

PARTNERSHIP

Collaborating to Succeed

Successful ACO partnerships depend on regular assessments of each ACO's performance. We work with our ACO partners to evaluate their capabilities and look for health care gaps. We also plan and collaborate on specific goals, using data to identify care opportunities and leverage each organization's strengths. Finally, we hold quarterly benchmarking and joint clinical operations meetings, which help build mutual trust.



We have found Medica to be a tremendously collaborative ACO partner. In the last year, we have enhanced our care coordination programs, improved how we manage our provider network and enriched employer-sponsored reporting. With Medica, we are improving engagement with our patients and delivering cost-effective, high-quality health care.

SCOTT PTACNIK

President of CHI Health Partners

We also host an annual ACO Clinical Engagement Summit that brings together clinical and operational expertise from health care systems in our service area. Working together as partners, not competitors, Summit participants share best practices, discuss care delivery challenges, and explore how improvements can advance health care outcomes and drive greater member engagement and satisfaction.



Dr. John Mach, Medica CMO, presents at the 2019 ACO Summit.

We will continue working with care providers and looking for ways to add health care value. Based on feedback, we'll continue to focus on these areas:

- 1 Strengthen the patient-provider relationship.** Consumers need to form stronger relationships with their clinicians. And more transparent data will help providers maximize patient relationships. Sharing information for providers to conduct outreach, onboard patients and engage patients is mutually beneficial, leading to improved quality of care.
- 2 Share actionable data and analytics.** Data needs to be translated into usable solutions. We provide information through easy-to-understand, actionable reports that summarize areas of opportunity. We also continue to refine our data reporting to provide real-time information for our ACO provider partners.
- 3 Create a structure for improved physician and executive engagement.** Executive leadership helps drive change within provider organizations, and physician champions are critical to clinical success. In our ACO provider-plan partnerships, we identify key individuals and develop a governance structure to support ongoing engagement and success.
- 4 Build on the clinical value successes noted above.** We continue to identify targeted clinical initiatives with each ACO provider system. These include improving patient care management and managing “whole-person care” even better, which includes behavioral health care as well as clinical care.



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