



Market Tower  
10 West Market Street  
Suite 1600  
Indianapolis, IN 46204-2966  
USA

Tel +1 317 639 1000

milliman.com

May 18, 2020

Mr. Gene Farber  
Chief Operating Officer  
Reliance ACO  
23900 Orchard Lake Rd, Suite 200  
Farmington Hills, Michigan 48336

**RE: PROPOSAL FOR CODING IMPROVEMENT ANALYTICS**

Dear Gene:

Milliman, Inc. (Milliman) has been requested by Reliance ACO (Reliance) to provide a proposal for risk score coding improvement analytics related to Reliance's Medicare Accountable Care Organization (ACO) populations. This letter provides the terms of the proposal, including the scope of services, cost, and key professionals. Thank you for the opportunity to provide the proposal and your consideration of Milliman to assist Reliance with this important work.

**BACKGROUND**

Reliance participated in the Medicare Shared Savings Program (MSSP) from 2014-2017 before forming a separate ACO that entered the Next Generation ACO program (NextGen) starting in 2018. Reliance has separate ACOs participating in MSSP and NextGen in 2020. If NextGen is extended for an additional year, Reliance will remain in that program; if not, Reliance will transition its NextGen ACO physicians into the MSSP ACO.

In fall 2017, Milliman provided analytic support to identify opportunities for risk score coding improvement related to the CMS-HCC risk score algorithm. Reliance noticed a favorable risk adjustment in 2018, which may be related to coding improvement activities in late 2017. Reliance has requested similar analytic support in 2020 using the data available for its current NextGen and MSSP populations. Reliance has approximately 26,000 assigned beneficiaries between the two populations.

**SCOPE OF SERVICES**

The scope of services can be summarized into three components:

1. Data onboarding and enrichment
2. Coding improvement analytics
3. Development of reporting for physicians

***Data onboarding and enrichment***

We will begin the engagement by onboarding data into our analytics platform. Onboarding the data will include the addition of Milliman proprietary analytics and standardize it into a format that can be readily used for the coding improvement analytics.



Reliance will provide several data elements to Milliman:

- Historical CCLF data sets for both ACO populations;
- List of ACO providers participating in each ACO in 2020;
- Monthly NextGen beneficiary exclusion files (filename includes "MNGREB");
- Quarterly MSSP beneficiary assignment files (filename includes "QASSGN"); and
- Any available NextGen and MSSP summary reports (for reconciliation of CCLF data).

### ***Coding improvement analytics***

After onboarding, we will leverage the Conditions to Consider™ algorithm developed by Milliman MedInsight. The Conditions to Consider algorithm identifies chronic conditions which have been coded in the prior year but have not been in the current performance year. Additionally, it identifies potentially uncoded conditions based on other conditions the patient has. The algorithm also outputs the potential CMS-HCC risk score gain if these uncoded conditions were added.

Our analysis will include all beneficiaries currently assigned to each ACO. Additionally, based on Reliance's list of participating providers in 2021 and CCLF data for claims incurred November 2019 through April 2020, we will identify beneficiaries who have seen Reliance ACO providers in the past 6 months and are therefore most likely to be assigned to a Reliance ACO in 2021. These beneficiaries will likely be prioritized first in any coding improvement efforts. Due to limitations of the CCLF data sets, we do not have access to data for all beneficiaries who may be assigned to Reliance in 2021.

### ***Development of reporting for physicians***

Results from the Conditions to Consider algorithm will be provided to Reliance at the patient level, and we will also aggregate the results in a separate summary file to quantify the potential financial impact to Reliance in the context of the NextGen ACO and MSSP programs. For the patient level reporting, there are two options:

1. **Conditions to Consider™ Point of Care Dashboard.** This dashboard is presented in an online interface that can be accessed from a web browser. This interface allows the entire patient population to be filtered and searched by name, date of birth, gender, or patient ID. If needed, we can create a version that can be accessed offline. After selecting an individual patient, the Dashboard generates a single-page PDF that is formatted to print. A sample PDF and screenshot are included as enclosures to this proposal.
2. **Excel-based reports.** These reports would be consistent with the reports delivered to Reliance in 2017. Separate reports would be created for each physician that includes patient-level information. Users select an individual patient from a list of the physician's assigned patients, and the conditions to be considered are displayed along with the potential risk score change associated with each condition.



## **PROFESSIONAL STAFF**

The services under this engagement will be provided by Jill Herbold, FSA, MAAA and Anders Larson, FSA, MAAA of the Indianapolis office of Milliman. Anders will provide the day to day management of the engagement and will be assisted by staff members in the Indianapolis office. Jill will provide senior review.

## **PROJECT TIMING**

After receipt of all necessary data, we anticipate delivering the initial results within approximately 3-4 weeks. If Reliance chooses to update the analytics on a recurring basis, each subsequent run will require approximately 1-2 weeks after receipt of the necessary data.

## **BUDGET**

We will bill on a time and actual out-of-pocket expense basis for our work. We bill our actual time (to the quarter hour) for services rendered. We expect our out-of-pocket expenses to be limited to travel expenses related to meetings outside our offices. Additionally, from time to time Milliman may need to use certain tools, computer models, or information to complete your projects. Certain tools, computer models, and information are the result of research and development time previously incurred by Milliman for which you have not directly been charged. In such circumstances, Milliman may include a research transfer charge in the invoice to compensate Milliman to reflect a transfer of a portion of the initial research and development costs incurred by Milliman.

Based on our current understanding of the scope of services as outlined in this proposal, we estimate the budget will be as follows:

- **Reports provide on a one-time basis: \$50,000 to \$60,000**
  - The reports will either be delivered in Excel or via the Conditions to Consider™ online tool (not both formats). If Reliance selects the Excel-based reports, the budget is likely to be closer to the high end of the range.
  - The Conditions to Consider™ license fee of approximately \$23,500 will be billed at the start of the project. If the actual number of lives differ materially from the estimated 26,000, the license fee may vary. The license fee is related to the underlying analytics and is required regardless of whether reports are delivered in Excel or through the online dashboard.
  - The remaining project budget will be billed after the reports are delivered.
- **Reports provided in subsequent months: \$20,000 to \$25,000 total**
  - Reliance is not required to request additional reports. If reports are requested, the budget will cover all additional reports during 2020. The budget will be \$20,000 if Reliance selects the Conditions to Consider™ online tool or \$25,000 if Reliance selects the Excel-based reports.
  - Any reports during 2021 would be subject to a new engagement.

We will communicate frequently with Reliance throughout the course of the engagement to assist with managing the budget and will advise Reliance at any time that we believe or determine that our fees and expenses will likely exceed this budget.



Projects may span more than one month or cross over invoice cycles. In such cases, invoices represent work performed through the end of the invoice period and are interim payments due. Invoices generally are sent near the end of each month and are for services and expenses generated in the prior month.

It is not uncommon for project engagements of this nature to require expansions or adjustments to the scope of services as circumstances change during the engagement. We will work collaboratively with Reliance to redefine the scope of services and budget as needed.

#### **CONSULTING SERVICES AND BUSINESS ASSOCIATES AGREEMENTS**

The services provided for this engagement will be performed under the signed Consulting Services Agreement and Business Associates Agreement between Milliman and Reliance dated July 20, 2017.

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If you wish to proceed with this arrangement, please sign this engagement letter and return it to us. Electronic versions with scanned signatures are acceptable to us.

Gene, thank you again for the opportunity to provide this proposal. We look forward to working with you on this important project. If you have any questions, please feel free to call me at (317) 524-3519.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anders Larson', with the word 'Signature' written in small text below it.

Anders Larson, FSA, MAAA  
Consulting Actuary

RAL/lrb

#### **ACKNOWLEDGMENT**

If the terms of this engagement are acceptable, please acknowledge such with a signature of a representative with authorization to engage Milliman with this assignment.

A handwritten signature in purple ink, appearing to read 'Gene Farber'.

A handwritten date in purple ink, reading '5/22/20'.

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Signature  
Reliance ACO

\_\_\_\_\_  
Date