

## BaseHealth's Predictive Risk Adjustment Factor

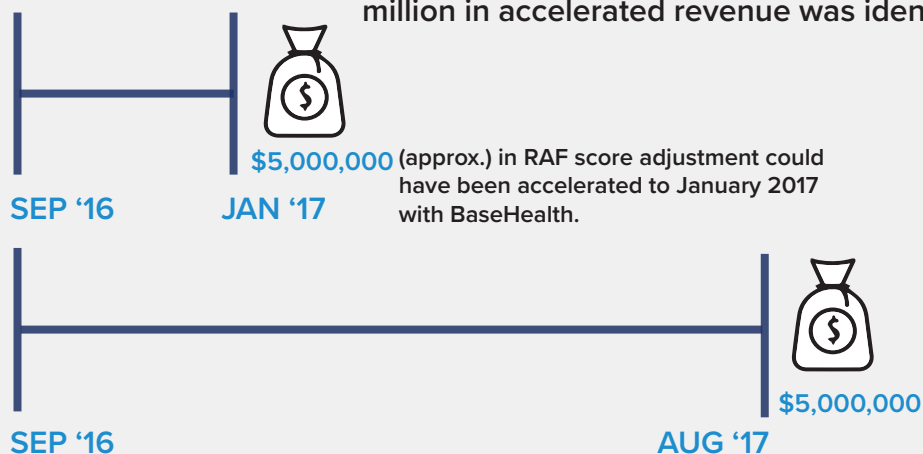
*A case study with Banner Health Systems*

BaseHealth's Predictive RAF Analytics prospectively anticipates RAF score adjustment opportunity and revenue potential in MA populations for the upcoming year, and speculatively identifies the actual members who should be targeted for diagnostics and therapeutic intervention.

To be successful in Medicare Advantage (MA) claims revenue recovery, it's essential for healthcare providers to capture all of the revenue owed based on the risk of enrolled MA populations. While CMS allows for adjustment of RAF score and payments, most MA plans and health systems rely largely on retrospective capture of diagnosis, potentially missing out on claims for high-risk members that would warrant increased payments.

A recently conducted a study of 25,000 MA members\* compared BaseHealth's science and evidence-based Predictive RAF and revenue analysis with the actual RAF score and payment reconciliation files for those members. The study, validated by the Health Systems Clinical Performance Analytics team, revealed nearly **\$13 MILLION** in missed revenue claims associated with high risk members and more than **\$5 MILLION** in revenue that could have been accelerated through mid-year CMS submissions and received six months in advance of retrospective claims.

(Figure 1)



## CASE STUDY RESULTS

Nearly **\$13 MILLION** in MISSED REVENUE

Of the 25,000 Medicare Advantage members analyzed, 2,048 were predicted prospectively with high-risk where full RAF potential was not captured.

These unrealized payments for these members resulted in a revenue gap or **MISSED REVENUE opportunity of \$12.69 MILLION**

41% of full RAF potential was **NOT CAPTURED** in the Top 20% of members with high predicted RAF

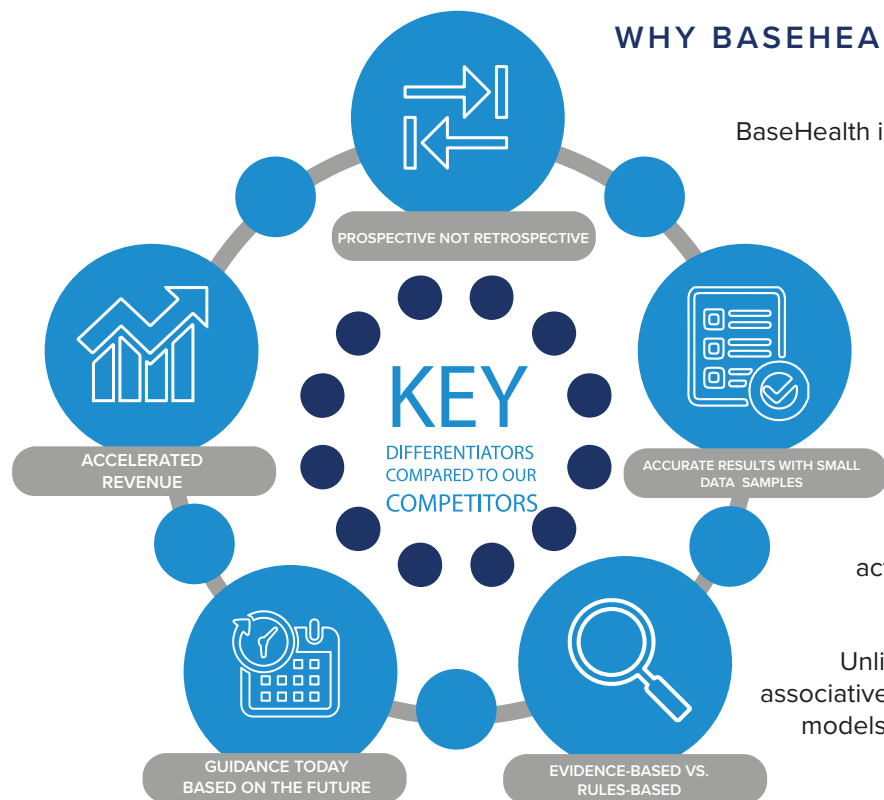
## Opportunity for \$5 MILLION in ACCELERATED REVENUE

An MA member's RAF score can be adjusted during the course of the year if that patient is diagnosed with condition that would ultimately affect a healthcare provider's reimbursement. These diagnoses and RAF score adjustments are captured retrospectively through a semi-annual submission to CMS.

BaseHealth's early prediction of RAF scores allow opportunity to service high-risk RAF members in the first half of the year, resulting in earlier claim submissions and adjustments, and can be received in installments starting in January rather than an aggregate amount in August.

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## WHY BASEHEALTH'S PREDICTIVE RAF ANALYTICS ARE THE MOST PRECISE



### PROSPECTIVE NOT RETROSPECTIVE

BaseHealth is a Holistic Computational platform that analyzes all known avenues of a risk at an individual patient level and predicts how that risk will affect their health journey in the next 12 months.

Using the monumental amount of science-based data and every known evidence-based computation, BaseHealth's Predictive RAF Analytics goes beyond analyzing risk to identify unknown risk. This data provides a prospective population-level and **susceptible** member-level understanding of condition risk, risk factors and ICD clinical guidance to increase and accelerate RAF revenue opportunity.

Essentially, BaseHealth can accurately determine the future needs of a patient, allowing for prospective RAF score adjustment, claims submission and recuperation.

### ACCURATE RESULTS WITH SMALL AMOUNTS OF DATA

These strong predictive models, which have been independently validated by clinical and actuarial experts, deliver C-stat accuracy of .85 - .95, far exceeding the industry average of **XX**.

### EVIDENCE-BASED > RULES-BASED

Unlike most predictive analytics vendors that rely on rules-based methodologies using simplistic associative mathematical models, BaseHealth applies causative, science and evidence-based analytics models built from more than **150 million pages of research literature** from upwards **33,000 curated medical publications** on the studies of nearly **70 million people worldwide**.

## WHY PREDICTIVE RAF ANALYTICS MATTER

### PREPARE PRACTITIONERS TODAY FOR WHAT COULD HAPPEN TOMORROW

In summary, BaseHealth's data shows early prediction of Medicare Advantage members at risk of high RAF scores will help health systems to **INCREASE REVENUE** and **IMPROVE QUALITY OF CARE**. While our study showed the potential of reclaiming **\$13 million in missed revenue** and **\$5 million in accelerated revenue** in population a sample size of 25,000, the results would of course be much higher when scaled to larger MA populations.

The clinical guidance BaseHealth's analytics provides healthcare practitioners helps them to prepare today for what is likely to happen in the future, allowing for better anticipation of patient needs and treatment plans. Ultimately the patients benefit as much as the healthcare providers.