Strategic & Competitive Decision Support with the HealthWorksAI True Plan Value (TPV).

About HealthWorksAI™

HealthWorksAI™ is a comprehensive solution that mimics consumer choice in Medicare Advantage. By comparing plan features including benefits, MOOP, drug deductibles, star ratings and other attributes across Medicare Advantage-Prescription Drug plans, HealthWorksAI™ helps firms identify the top attributes that lead to plan competitiveness, simulate plan benefits and their costs to predict the Out of Pocket Cost (OOPC), placement on the CMS Medicare Plan Finder, and the predict the enrollment for each plan

HEALTHWORKS AI

INTRODUCTION

The Medicare Advantage (MA) program, which allows the Medicare eligible population to choose a private insurance plan to replace or supplement Original Medicare, provides services covered by original Medicare as well as additional supplemental benefits at a direct cost to the beneficiary. The program was developed to provide beneficiaries with more options, increase the quality of care, and control costs of the Medicare program. A main competitive attribute of Medicare Advantage plans are the supplemental benefits offered and the cost to the member. Today, with approximately 24 million people enrolled in an MA plan, and a growing number of private insurers offering MA coverage, it has become critical that these plans offer richer benefits at a lower cost and reduced premiums to Medicare beneficiaries. The result has been an increasingly competitive marketplace which in turn urges the plan designers to understand market requirements and find an objective view of their plans in comparison to others. Innovation and creative differentiation has reached a critical level.

What is the HealthWorksAI True Plan Value?

Medicare Advantage payors need to evaluate their plans among the competing plans, but with numerous parameters such as benefit design, cost shares, supplemental benefits, plan costs, and the member value all playing a critical role, it's difficult to truly provide comparison. Given the plan attributes are numerous, and not always in comparable form, the need for a quantitative estimate of the plan's true value provided to members is therefore needed and overdue.

In the following example you'll notice that the plans shown have varying benefit and cost structures. In standard table form one cannot analyze which plan is better or will perform well in comparison to other:

Plans	Inpatient	Vision	Primary	Hearing	Premium	MOOP	OOPC (PMPM)
Plan1	MC stay: $170 for days 1 through 8, $0 for days 9 through 90	Contact lenses: $125 Every two years, Eyeglass lenses: $58	$20	Medicare-covered Benefits: $30, Routine Hearing Exams: $0, Fitting/Evaluation for Hearing Aid: $0	$0	$6700	$127
Plan2	-	Contact lenses: $150 Every year, Eyeglass lenses: $150 Every	$0-$15	Medicare-covered Benefits: $30, Routine Hearing Exams: $30	$0	$5700	$89
Plan3	MC stay: $225 for days 1 through 6, $0 for days 7 through 90	MC: $200 for days 1 to 90	20%	Medicare-covered Benefits: $40, Routine Hearing Exams: $10, Fitting/Evaluation for Hearing Aid: $0	$15	$6200	$200
Plan4	MC stay: $250 for days 1 through 6, $0 for days 7 through 90	$300 for 1 to 6 and $10 for days 7 and through	No copay/coins	Medicare-covered Benefits: $40, Routine Hearing Exams: $10, Fitting/Evaluation for Hearing Aid: $0	$30	$4800	$150

Plans offering different benefits and costs, to compare them to identify the top performing plan

The HealthWorksAI True Plan Value (TPV), the value realized by the member, includes the cost of offering non-Medicare covered benefits, such as vision, dental, fitness, OTC. It also covers the cost of the buy down of member cost sharing that would have accrued to member under Original Medicare.

TPV scores provide a consistent score across all Medicare Advantage plans and comparison can be made at the market level and over a period of time. The results are expressed in dollars value, per member per month (PMPM), for both Part C and Part D along with the supplemental value add. The total score is the combination of Part C and Part D metrics where the higher the TPV, the more competitive and attractive the plan is in the marketplace. The TPV is provided through a comprehensive report which includes all Individual MA and MAPD plans offered in every US county for the current year as illustrated below:

	Premium	Deductible	OOPC (PMPM)	MOOP	Supplemental Benefits value	True Plan Value	Rank	Part C Value	PartD
Plan 1	$0	$0	$127	$6700	$13	$29	2	$10	$19
Plan 2	$0	$100	$89	$5700	$8	$28	3	$8	$20
Plan 3	$15	$0	$200	$6200	$9	$22	4	$12	$10
Plan 4	$30	$75	$150	$4800	$12	$32	1	$28	$4

Ranking of the plans based on TPV value which allows you to compare the plans in a quantitative way and find the better plan

How can this be used and by whom?

With CMS redefining the product landscape through legislative and regulatory policy changes focused more on member value, product and actuary teams must understand the true impact of plan cost share and benefit design for both Medicare covered and supplemental benefits on the value to members. TPV provides a reliable metric to support strategic decision evaluation, especially when combined with historical plan performance analytics.

01

Value added to the member

Comparison of the value added to the member across plans in each market

02

Sales and marketing teams

A simple way for sales and marketing teams to view overall competitiveness, their Right-to-Win, for each market.

03

Identify membership growth strategy

Insights into a competitors' strategic intent:

Example: Identify membership growth strategy Vs profit growth strategy by analyzing the value over time relative to that of other plans in service area.

04

Top performing plans key benefits and cost variance

Identification of top performing plans as well as the outliers which allows users to identify the key benefits and cost variance that make one plan more or less profitable than others.

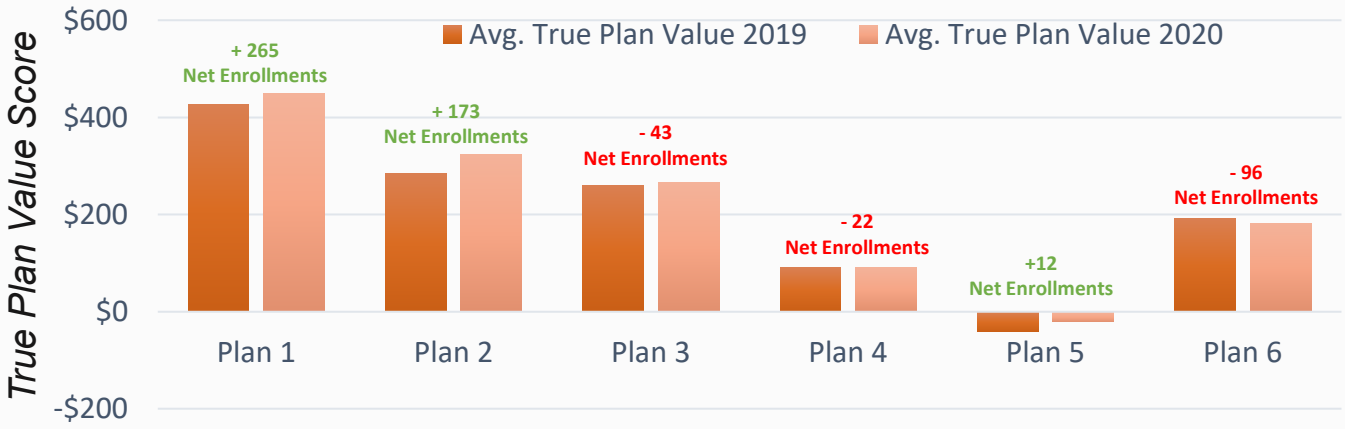
05

Analysis for the change in memberships with respect to change in the TPV

Analysis for the change in memberships with respect to change in the TPV, recognizing the effect plan value may have on a specific beneficiary segment.

Year over Year trends of HealthWorksAI True Plan Value and the net enrollment, Florida markets

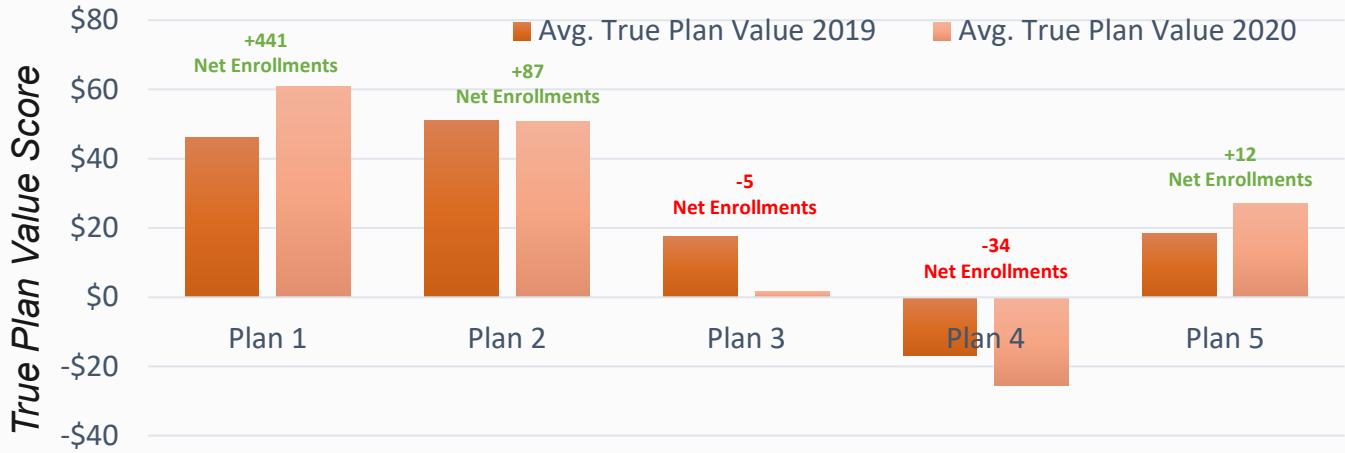
Example 1: Year over Year trends of HealthWorksAI True Plan Value (Part C) and YoY net enrollment.



Note:

- *Plan 1 gained the highest memberships in the Florida market for 2020. It also has high TPV indicating a richer plan with added value to members.*
- *Plan 6 observed the highest drop in TPV YoY and had the highest decrease in enrollments as well.*
- *Plan 3 and Plan 4 seemed to have a consistent TPV scores YoY yet failed to keep pace with the increase shown by other plans in the market.*
- *Plan 5 had a negative TPV each year but improved in year 2, correlating to a boost to enrollment.*

Example 2: Year over Year trends of HealthWorksAI True Plan Value (Part C) and YoY net enrollment.



Note:

- *Plan 1 gained the highest memberships in the Florida market for 2020 along with the highest increase in TPV.*
- *Plans 3 & 4 experienced a drop in TPV YoY and had a decrease in enrollments as well. While Plan 3 still has a positive TPV, Plan 4 continued decreasing their negative score and performed the lowest.*
- *Plan 2 seemed to have a consistent TPV YoY with a small gain in net enrollments.*

Methodology

TPV metrics are provided in a comprehensive report which includes every individual MA/ MAPD plan offered. Values are available at the state and county level, allowing for the analysis at the individual geographical region. The TPV leverages basic identifiers, such as plan id, plan type, parent company, state, county as well as CMS Plan Benefit Package (PBP) data on premiums, benefit cost sharing, supplemental benefit coverage offered, enrollments for plans, Part B giveback amount, formulary information, etc.

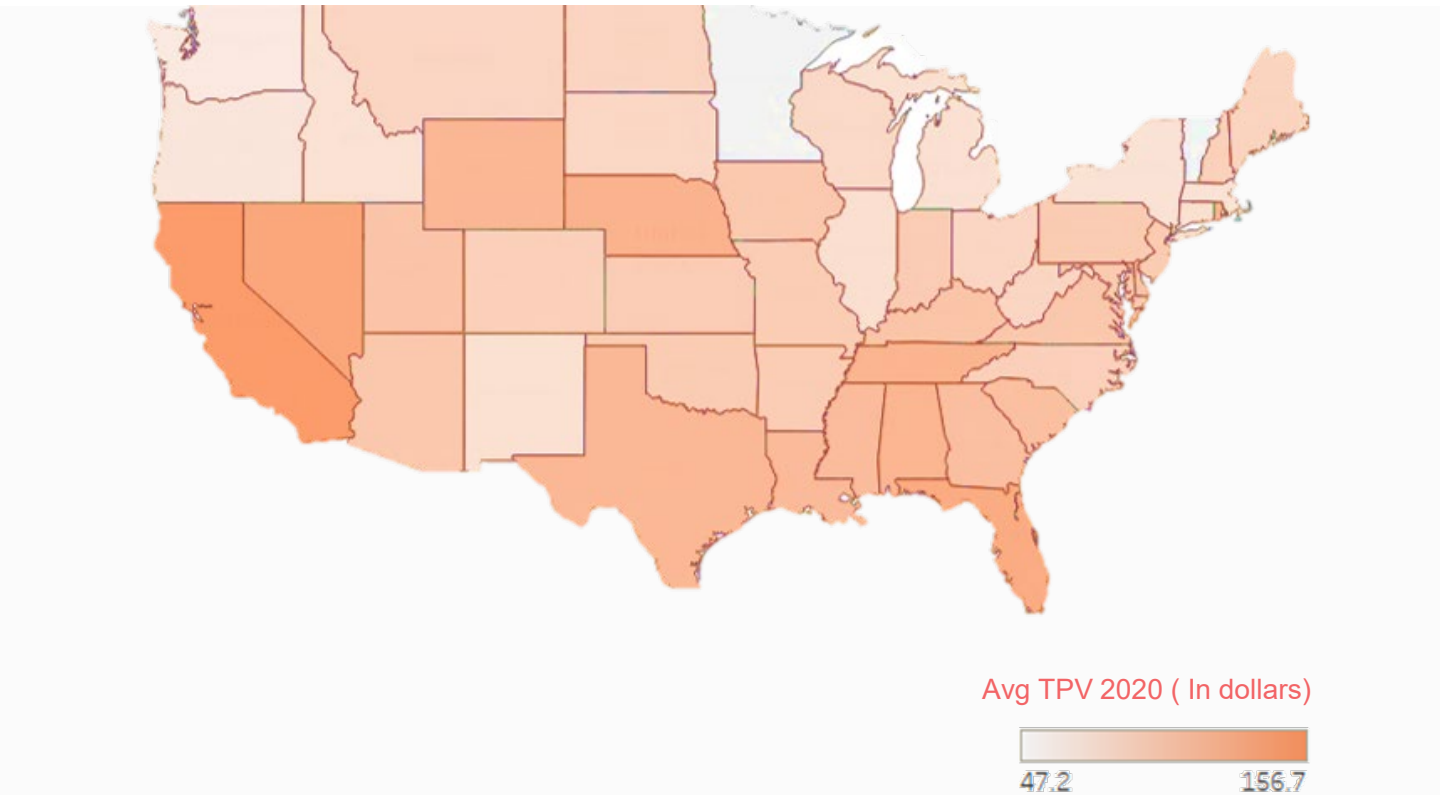
Part C

TPV to member is a function of Original Medicare cost share buydown, cost of non-Medicare covered benefits also known as supplemental benefits and the member premium (part C only). Each component in the calculation involves a degree of data gathering and statistical modeling from various nationwide datasets. To assess the Original Medicare cost share buy down, we leverage fee-for-service (FFS) costs at the county level and the respective cost for each MA/MAPD plan. The Values are then adjusted, using each plan's risk scores, to reflect the morbidity and the geographical factor.
Additionally, using the CMS PBP files, we then derive the value of the non-Medicare covered benefits such as Dental, Vision, Hearing, etc. that are offered by plans using our proprietary benefit specific pricing models. Our models have been developed and validated by multiple industry actuaries with extensive experience in benefit pricing.

Part D

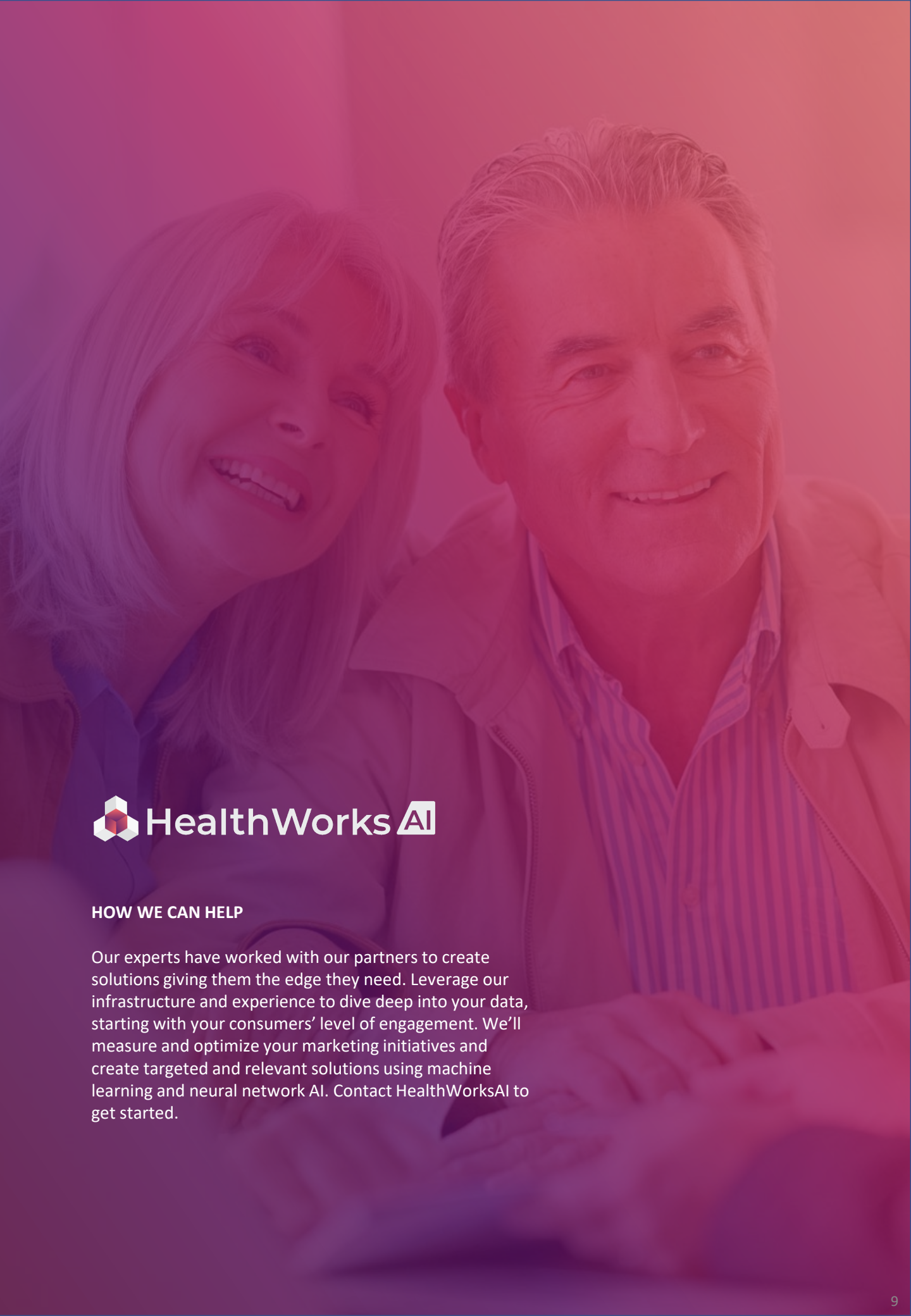
In determining the Part D plan value to the member, benefit structure and formulary play the biggest part. The benefit structure includes the Initial Coverage Limit (ICL), tier level cost information and the other supplemental benefits while the formulary provides information on the drugs covered and excluded, determining formulary richness. Richer formularies are an indication of higher value to the member.

Average PMPM HealthWorksAI True Plan Value for Part C and Part D combined, 2020



Conclusion

In conclusion, the evaluation of a plan's value to the member is an objective score which allows you measure a plan's competitiveness in the market and includes multiple variables such as cost share, service offerings in the form of supplemental benefits, and drug benefits. Geographical factors and history of each plan are considered any necessary adjustments to reflect more accurate values are made, providing a more meaningful assessment.



HealthWorks AI

HOW WE CAN HELP

Our experts have worked with our partners to create solutions giving them the edge they need. Leverage our infrastructure and experience to dive deep into your data, starting with your consumers' level of engagement. We'll measure and optimize your marketing initiatives and create targeted and relevant solutions using machine learning and neural network AI. Contact HealthWorksAI to get started.