State of the State Market Update

February 11, 2022

Jim Hammond
Publisher/CEO The Hertel Report
Managing Consultant,
Professional Healthcare Solutions

THE HERTEL REPORT

HOST & MODERATOR

Jim Hammond

- Publisher & CEO of The Hertel Report
- Managing Consultant, Professional Healthcare Solutions
- Market Strategy, Delivering Value and Improved Relations
- Conference Speaker & Resource to:
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  Former AZ HFMA President, still active – Spring Conference is March 20-22 www.azhfma.org

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The Hertel Report

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- Weekly News
- Monthly Newsletter
- Quarterly Data
- Networking & Conferences

ARIZONA MANAGED CARE©

olume I, No. 1/May 12, 1997

Publisher: James R. Hertel

WHY A NEWSLETTER?

The Arizona managed care environment is well established, yet dynamic. As publishers of the Directory of Arizona Managed Care©, we have been given the opportunity to interview nearly every managed care organization and major provider in the state. While our interviews have identified serious efforts on the part of the business press to track health care and managed care efforts in both Phoenix and Tucson, a publication focusing on Arizona managed care will fill an

difficulties being experienced by its parent, **Regional Healthcare Services.** These financial problems stem from a contractual misunderstanding with **Intergroup** over capitation compensation to Regional for serving Intergroup members in Pinal County.

Regional served approximately 10,000 members in Pinal County. Its members are being transferred to the **Phoenix Health Plan** (PHP) which is expanding into Pinal County. PHP is owned by **PMH Health Resources, Inc.** now serving nearly 22,000 AHCCCS

Jim Hertel

In addition to their contract with the **Maricopa Medical Center**, Nashville-based **Quorum** has picked up a second Arizona system to manage. The **Board of**

GLOBAL MOURNING: 5.8 Million Deaths

WE REMEMBER LIVES LOST to COVID-19

- 908,000 United States
- 115,000 Healthcare Workers
- 27,000 Arizona

Please take a minute to remember and honor those lost during the Global Pandemic

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A Better State of Care
Abrazo Community Health Network
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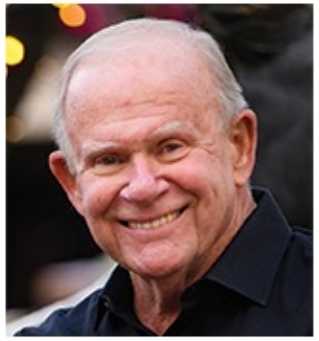
2022 Winter
STATE OF THE STATE
Guest Speakers

Jami Snyder
Director
AHCCCS



Dan Vincent
Founder
Med-Care Senior
Insurance Solutions

Melissa Kotrys
CEO
HealthCurrent
Contexture

Gail Zahtz
CEO
WiseCare

AGENDA

Breakfast & Networking
7am to 7:55

8am

OPENING COMMENTS
Paula Blankenship & Jim Hammond

2022 TOP STORIES
Jim Hammond & Gail Zahtz

AHCCCS UPDATE
Jami Snyder

HEALTH INFORMATION UPDATE
Melissa Kotrys

MEDICARE & MEDICARE ADVANTAGE
Dan Vincent

HEALTHCARE: Value & Equity
Gail Zahtz

Gail Zahtz

CEO

WiseCare

wisecare
HEALTHCARE MADE WELL

TOP NEWS STORIES

- No Surprises
- Payment Updates
- Executive Order
- Infrastructure Bill
- Telehealth
- The Pandemic & Value-Based Models
- 2022 ACOs – A New Start

December 2021

"Primary care visits conducted via telemedicine do not lead to higher health care utilization, according to a study published online Nov. 16 in *JAMA Network Open*."

Medicare Telehealth Use Grew by 6000% During Pandemic

DECEMBER 8TH, 2021 JESSICA REINHART NATIONAL NEWS, NEWS

Medicare saw telehealth surge over the course of the pandemic, making care more accessible for millions of Americans.

A new ***report*** from the U.S. Department of Health and Human Services indicates increased accessibility of telehealth during the pandemic led to a ***63-fold increase*** in telehealth utilization — from approximately 840,000 visits in 2019 to 52.7 million in 2020, with behavioral health providers seeing the highest increase in utilization. The report is now being used to evaluate which services should be permanently added to the Medicare telehealth services list.

According to data from ***the U.S. Centers for Disease Control and Prevention***, telehealth visits were 154% higher in the last week of March 2020 compared to the previous year.

Despite such high utilization rates, policyholders are starting to tighten up rules and regulations previously relaxed to make telehealth more accessible. The concern that patients might overuse the service is the primary argument against keeping telehealth services in place long-term.

However, these concerns seem to be largely unfounded according to a new study published in JAMA Network Open, ***Physicians Weekly*** reports. The study did not find evidence of over-ordering or over-prescribing among telehealth patients.

DECEMBER 2021

"The monthly reimbursement that organizations receive from more advanced **APM** contracts offers a steady, dependable revenue stream that evens out revenue cycle ups and downs."

Home / News / National News

Pivoting to Value-Based Care Models During the COVID-19 Pandemic

DECEMBER 22ND, 2021 MELANIE MACEACHERN NATIONAL NEWS, NEWS

The COVID-19 pandemic has revealed the necessity for immediate changes to the healthcare system at large and placed value-based care, the model that rewards providers for better patient outcomes, at the center of that discussion. This week, the discussion extends to population health, interoperability, and preventative care.

Traditional fee-for-service arrangements "fall short in a crisis," according to Dr. Rohit Kashyap, MD, in ***Managed Healthcare Executive***. According to Kashyap, value-based care arrangements have led to greater flexibility for providers who have embraced alternative payment models in ways that have been apparent throughout the pandemic. These include patient experience, preventative care, and adaptability.

JANUARY 2022

"With one in every five healthcare dollars paid by Medicare, we can strengthen and transform our healthcare system. **Accountable Care Organizations** present an invaluable opportunity to move Medicare toward person-centered care."

CMS Administrator
Chiquita Brooks-LaSure

CMS.gov
Centers for Medicare & Medicaid Services

2022 MSSP Numbers: 483 ACOs Now Serving 11 Million Medicare Beneficiaries – 13 Arizona ACOs Including 2 Newcomers

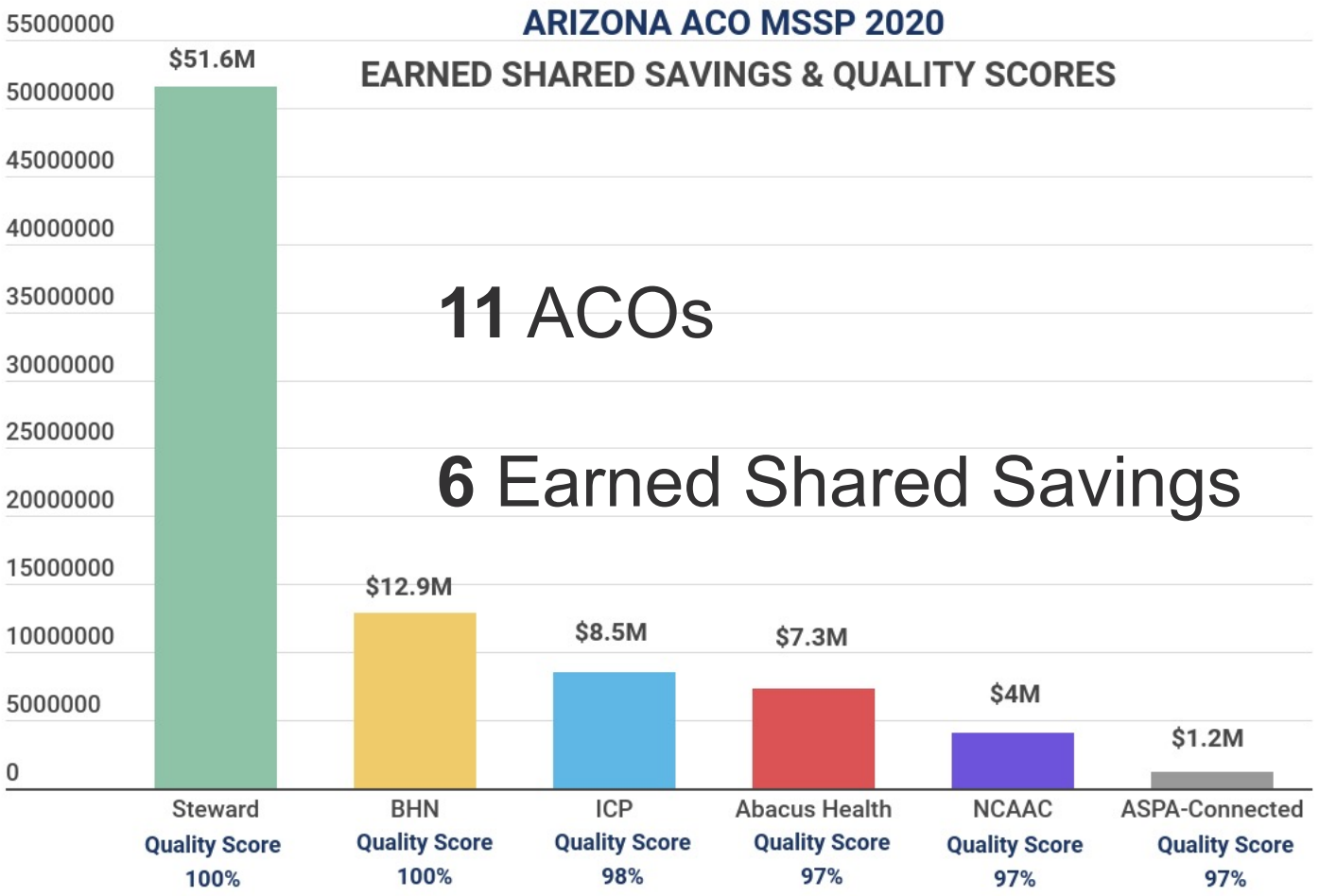
JANUARY 26TH, 2022 PAULA BLANKENSHIP ARIZONA NEWS, NEWS, TOP OF THE DAY

Today, the Centers for Medicare & Medicaid Services (CMS) released data showing that Accountable Care Organizations (ACOs) are serving a growing patient population as accountable care advocates wait to see what participation is like in the new Direct Contracting Model.

According to CMS, 13 Accountable Care Organizations (ACOs) are operating in Arizona for 2022:

1. Abacus Health LLC
2. Arizona Connected Care, LLC
3. Banner Health Network
4. Caravan Collaborative Pathways
5. Community Clinic Contracting Network ACO
6. CHSPSC ACO 8, LLC dba Imperial Health
7. Commonwealth Primary Care ACO
8. Innovation Care Partners MSSP
9. North Central Arizona Accountable Care
10. Optum Accountable Care, Arizona
11. Prime Accountable Care Arizona
12. Steward National Care Network
13. TX AZ AR CO UT MSSP dba Aledade Accountable Care

Note: ACOs appear in counties where greater than 1% of assigned beneficiaries reside



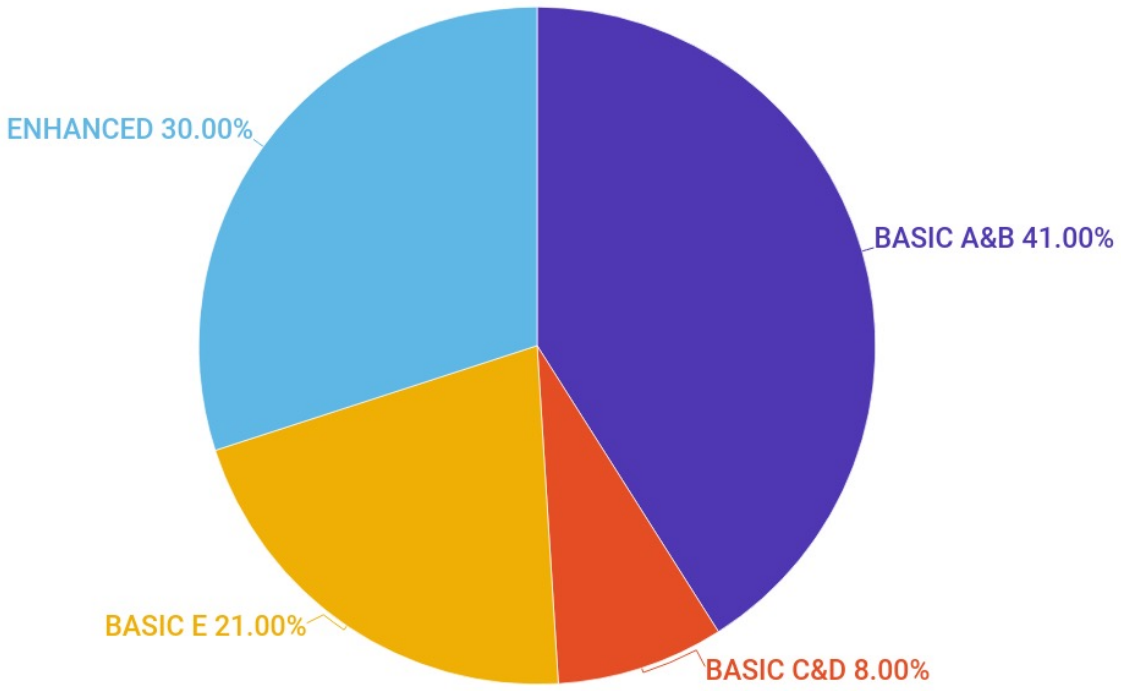
2020 ARIZONA ACOs

Reference Slide

1. Abacus Health
2. ASPA – Connected
3. Banner Health Network
4. Innovation Care Partners
5. North Central Arizona Accountable Care
6. Steward National Care Network

381,000 MEDICARE Beneficiaries

2022 MSSP RISK TRACKS



483 Serving 11M MEDICARE Beneficiaries

13

2022 Arizona's Medicare ACOs

1. Abacus Health LLC
2. Arizona Connected Care, LLC
3. Banner Health Network
4. Caravan Collaborative Pathways
5. Community Clinic Contracting Network ACO
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mercy care

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Medicaid Expansion 2022

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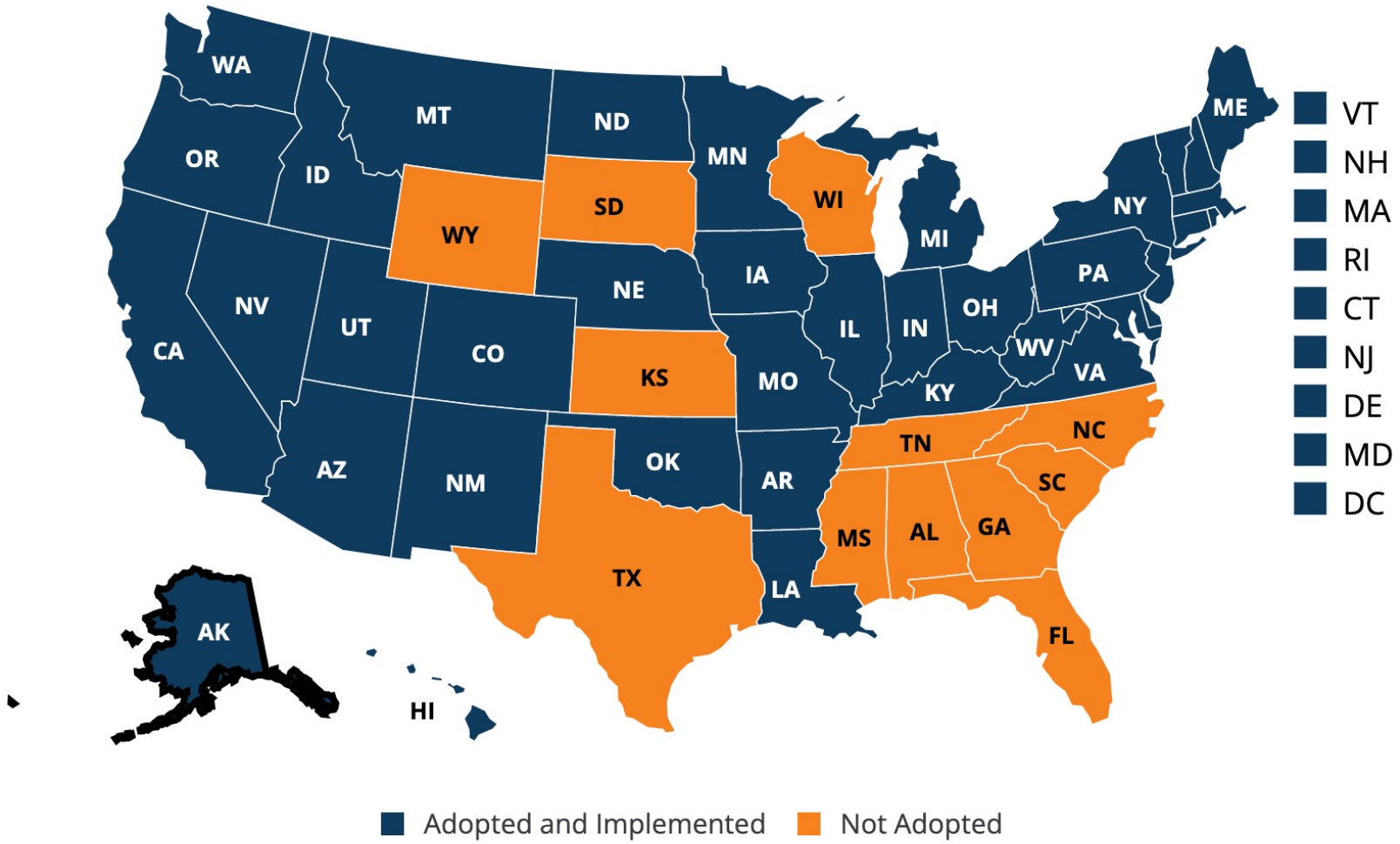


AHCCCS MCO MOVEMENT

YOY +9%

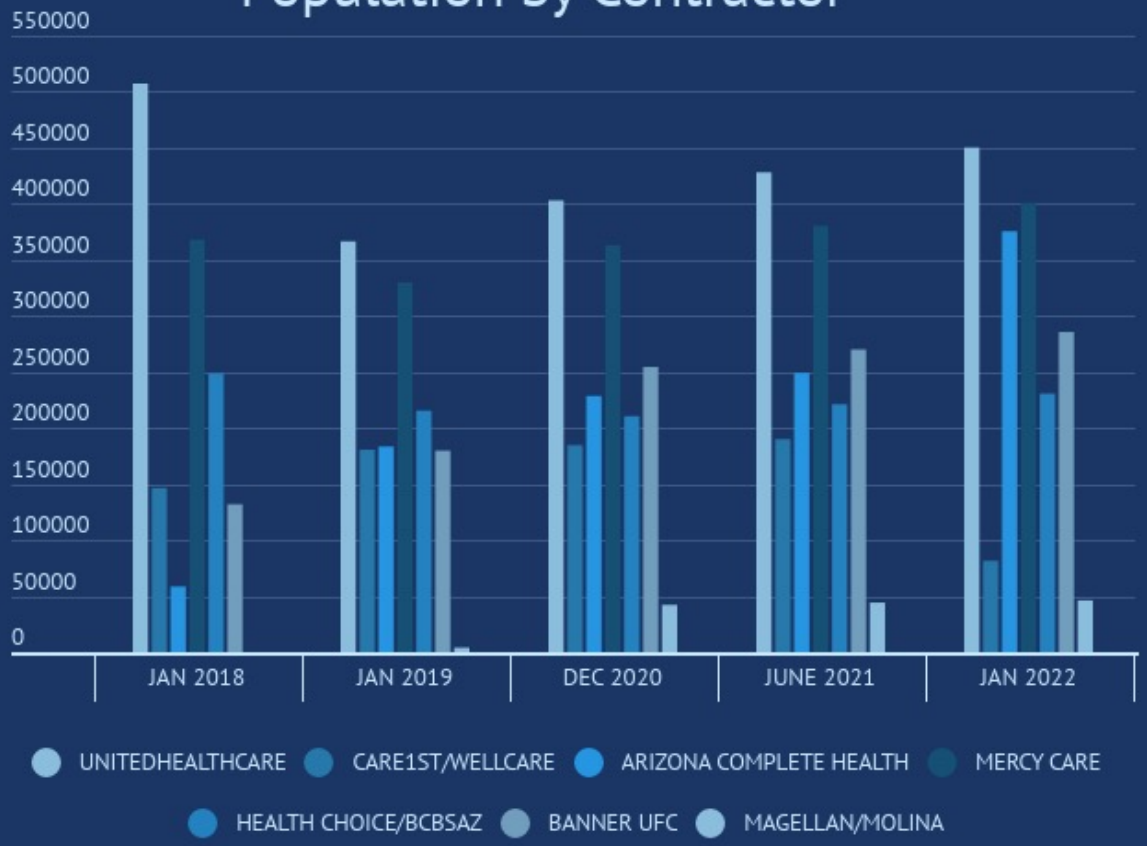
+ 190,868

Reference Slide

AHCCCS Enrollment

2.3M JANUARY 202

Population by Contractor



Maricopa

1 394,698 Mercy Health Plan

2 315,487 UnitedHealthcare Plan

3 213,536 Arizona Complete Health - Complete Care Plan

Coconino

1 14,439 Health Choice Arizona

2 10,769 Care 1st Health Plan

3 787 Health Choice Arizona SMI

Pinal

1 27,282 Banner University Family Care

2 25,962 Health Choice Arizona

3 7,910 Arizona Complete Health - Complete Care Plan

Pima

1 125,45 UnitedHealthc Plan

2 90,148 Banner Univer Family Care

3 70,787 Arizona Compl Health - Comp Care Plan

AHCCCS COMPLETE CARE MCO MOVEMENT

THE HERTEL REPORT

Reference Slide

ACC

	JAN 2019		JAN 2020		JAN 2021		JAN 2022	
UNITEDHEALTHCARE	366,401		354,459		402,887		450,457	2
CARE1ST/WELLCARE	180,562		168,487	M & A	184,544	CENTENE	81,588	1
ARIZONA COMPLETE HEALTH	183,378		200,330		228,823		375,558	
MERCY CARE	330,120		322,705		363,338		400,922	3
HEALTH CHOICE/BCBSAZ	215,552	A	193,854		210,626		230,796	5
BANNER UFC	179,730		206,092		254,276		285,550	4
MAGELLAN/MOLINA	4,023		17,723		42,203	A	46,208	6

NO SMI/ALTCS/Other

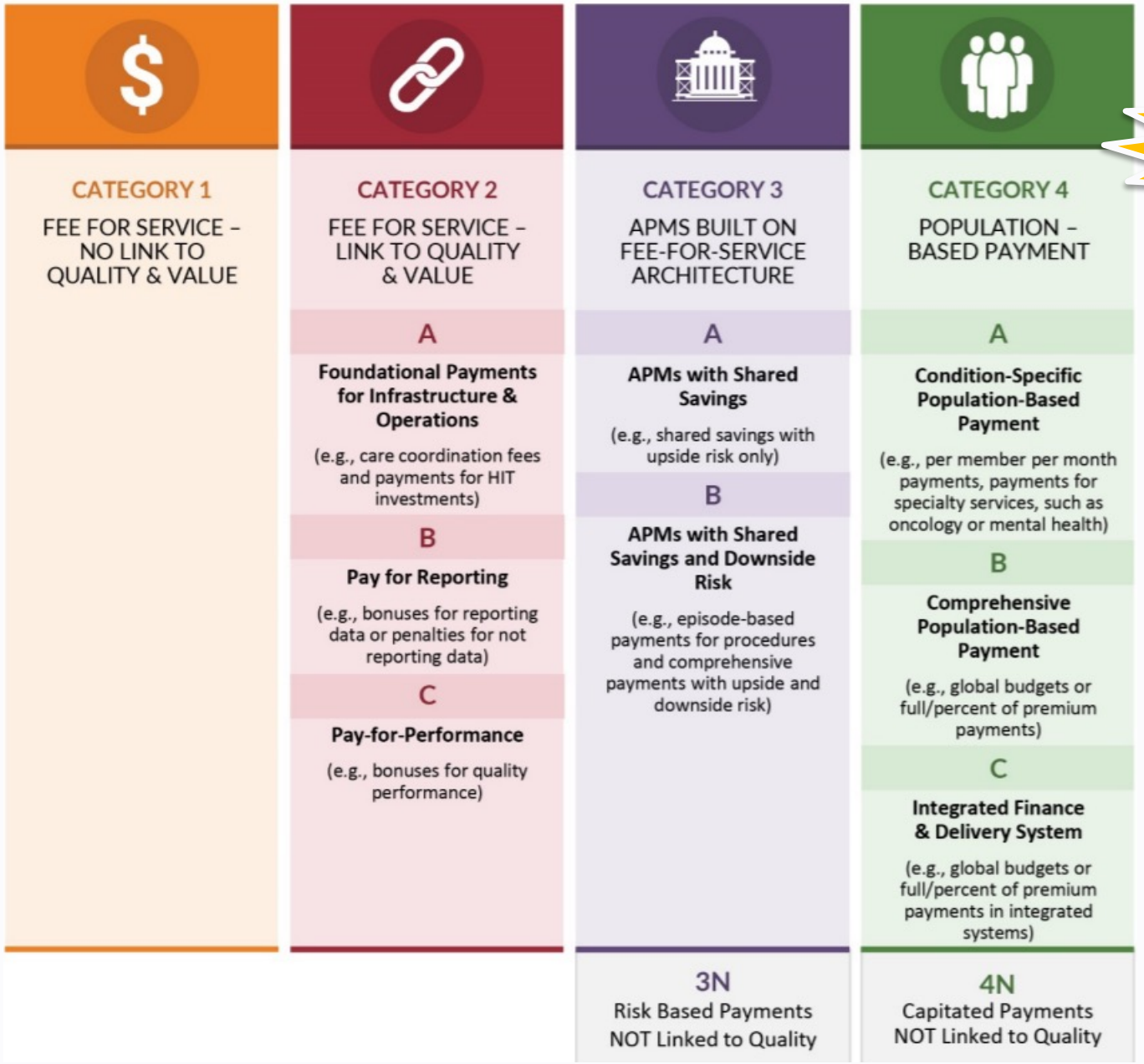
DUPLICATION WITHOUT WRITTEN AUTHORIZATION VIOLATES FEDERAL LAW

Jami Snyder

Director

Healthcare Payment Learning & Action Network *Payment Reform Framework*

https://hcp-lan.org/



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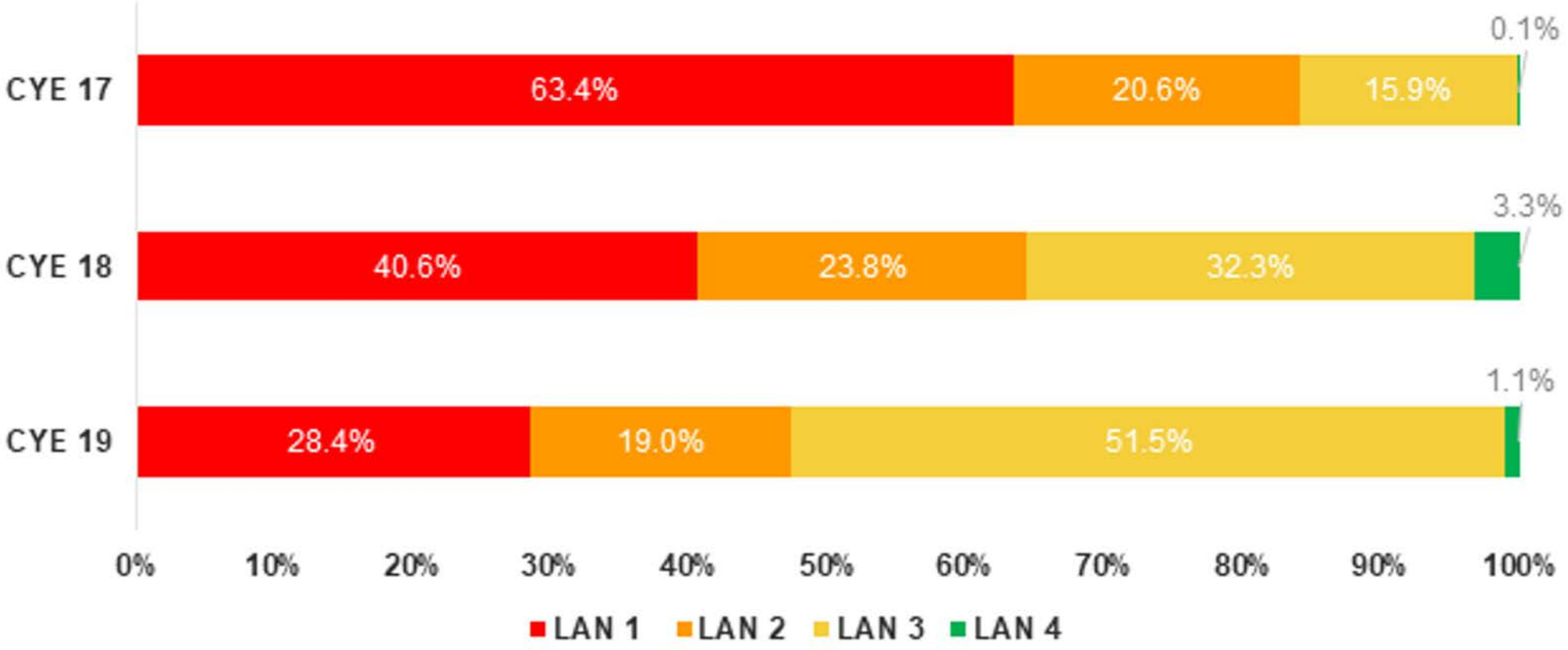
Progress Along the LAN-APM Continuum



THE HERTEL REPORT

AHCCCS Data Edition October 2021
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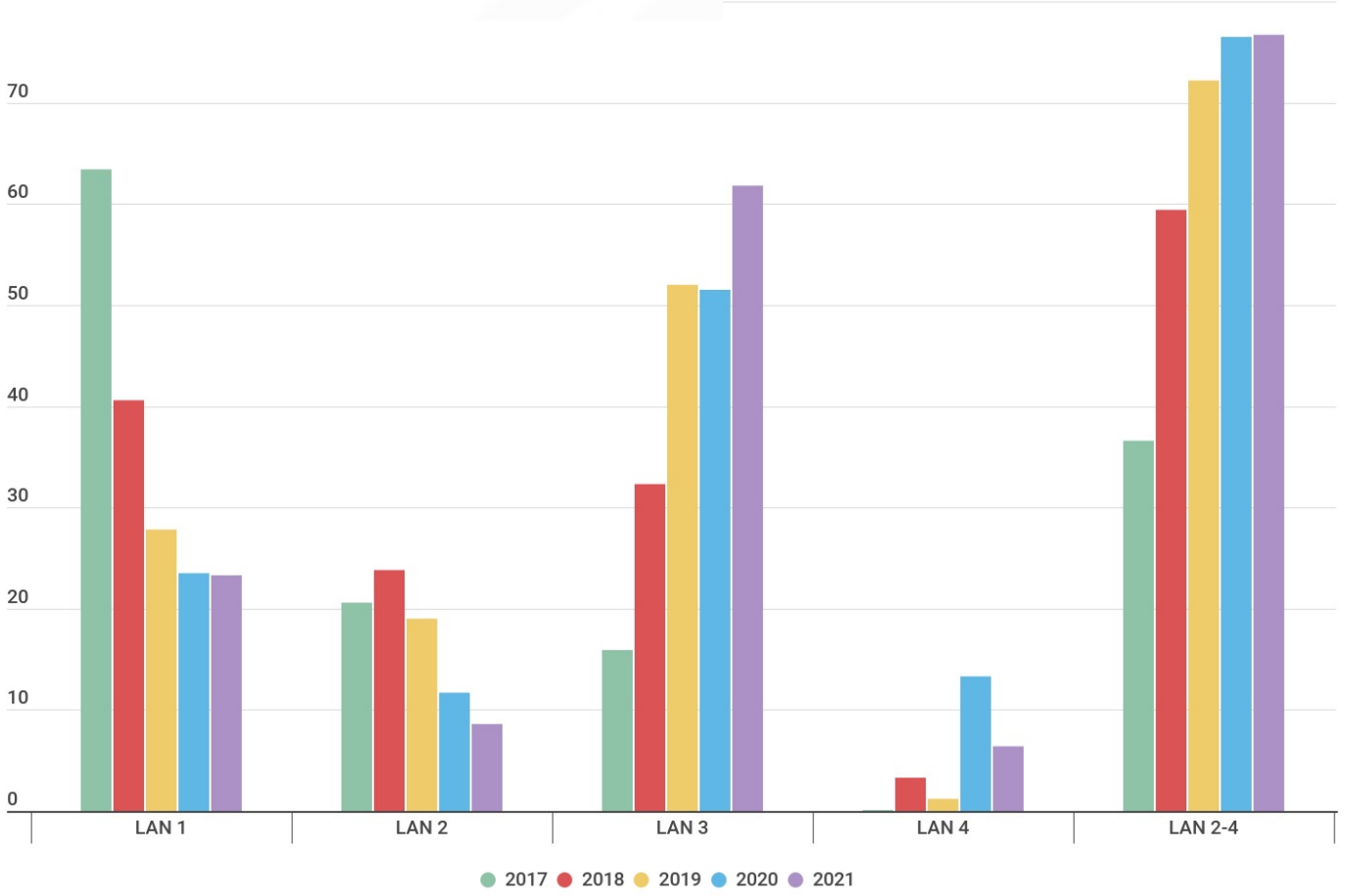
"Now nearly 77% of AHCCCS contracts are identified as featuring one of three value-based payment arrangements."

- Fee-for service with a link to quality and value
- APM built on FFS architecture or population based."



Medicaid Managed Care: Strategies to Address SDOH & Health Equity

www.togetherforbettermedicaid.org

"Some states are also requiring MCOs to leverage technology in their SDOH screening efforts. For example, in **Arizona**, MCOs are required to utilize a Statewide Closed-Loop Referral System (CLRS) to refer enrollees to community-based organizations (CBOs) addressing SDOH."

Prepared by HMA

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Imagine fully informed health

How To Get Health Data Infrastructure Right For This Moment Of Medicaid Transformation

"As states implement bold strategies for Medicaid, they need believable and pragmatic options to build this essential data infrastructure. They certainly won't have time or resources to build it from scratch or fund every provider and plan to create it themselves. Instead, many states are creating this shared '**health data utility**' infrastructure in partnership with their scaled and capable health information exchange partners."

HealthAffairs

THANK YOU

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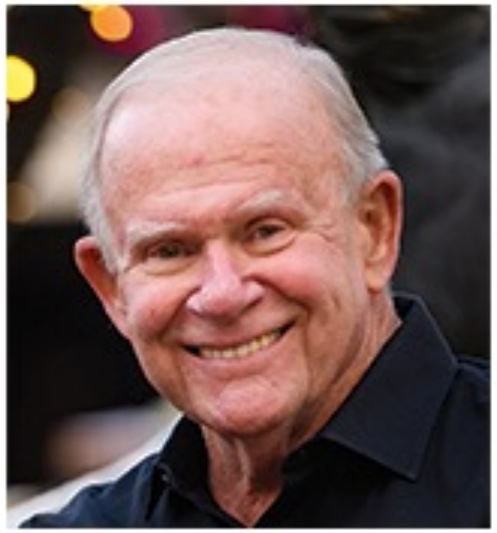
Humana



Dan Vincent

Founder
Med-Care Senior
Insurance Solutions

Med Care
senior
insurance
solutions

Figure 1

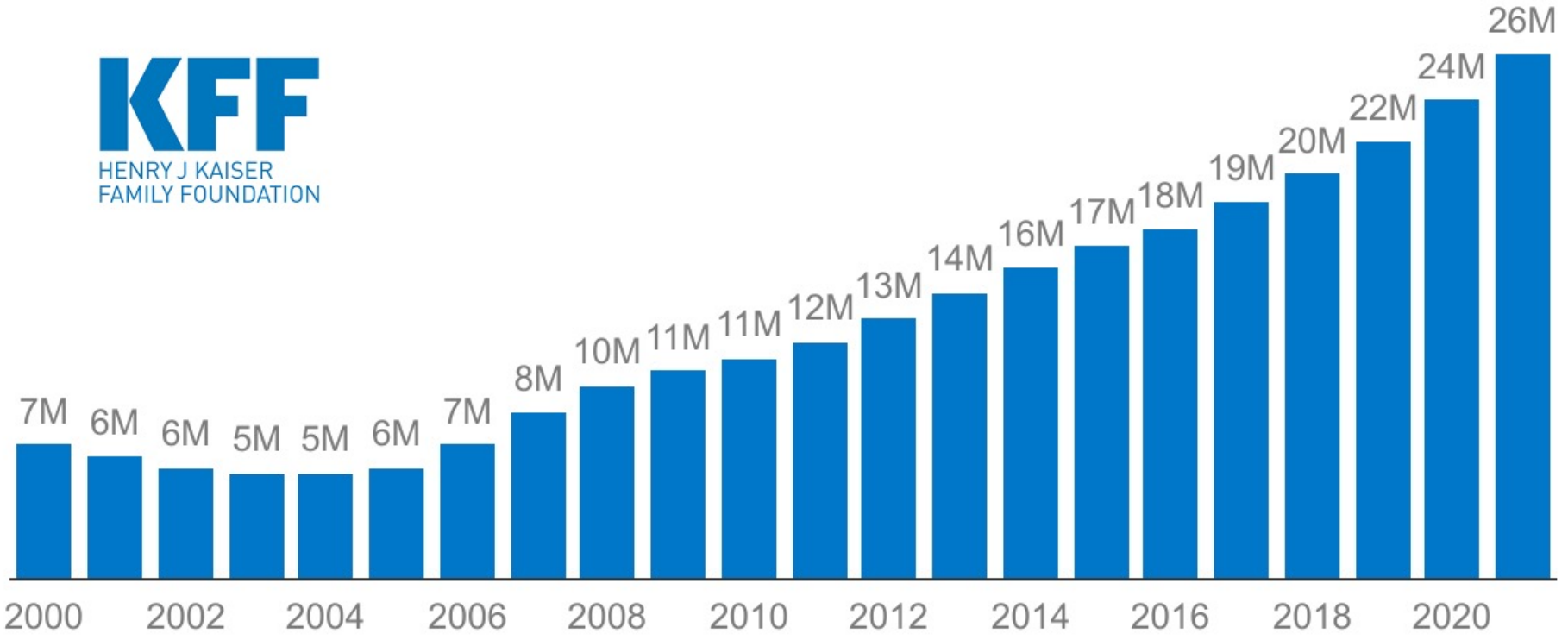
Total Medicare Advantage Enrollment, 2000-2021

Reference Slide

Medicare Advantage Enrollment

2022

9% YOY INCREASE



28.5M Enrolled
JAN. 2022

45% Penetration
JAN. 2022

Reference Slide

YOY GROWTH

Arizona County MA Penetration Rates

2022

national average: 45%

COUNTY	2020	2021	YOY
Apache	9%	14%	56%
Cochise	32%	36%	11%
Coconino	17%	22%	33%
Gila	21%	27%	24%
Graham	41%	46%	11%
Greenlee	18%	31%	72%
La Paz	23%	30%	29%
Maricopa	46%	47%	4%
Mohave	35%	39%	12%
Navajo	21%	20%	-3%
Pima	51%	53%	4%
Pinal	43%	45%	5%
Santa Cruz	55%	58%	4%
Yavapai	32%	34%	9%
Yuma	29%	34%	20%

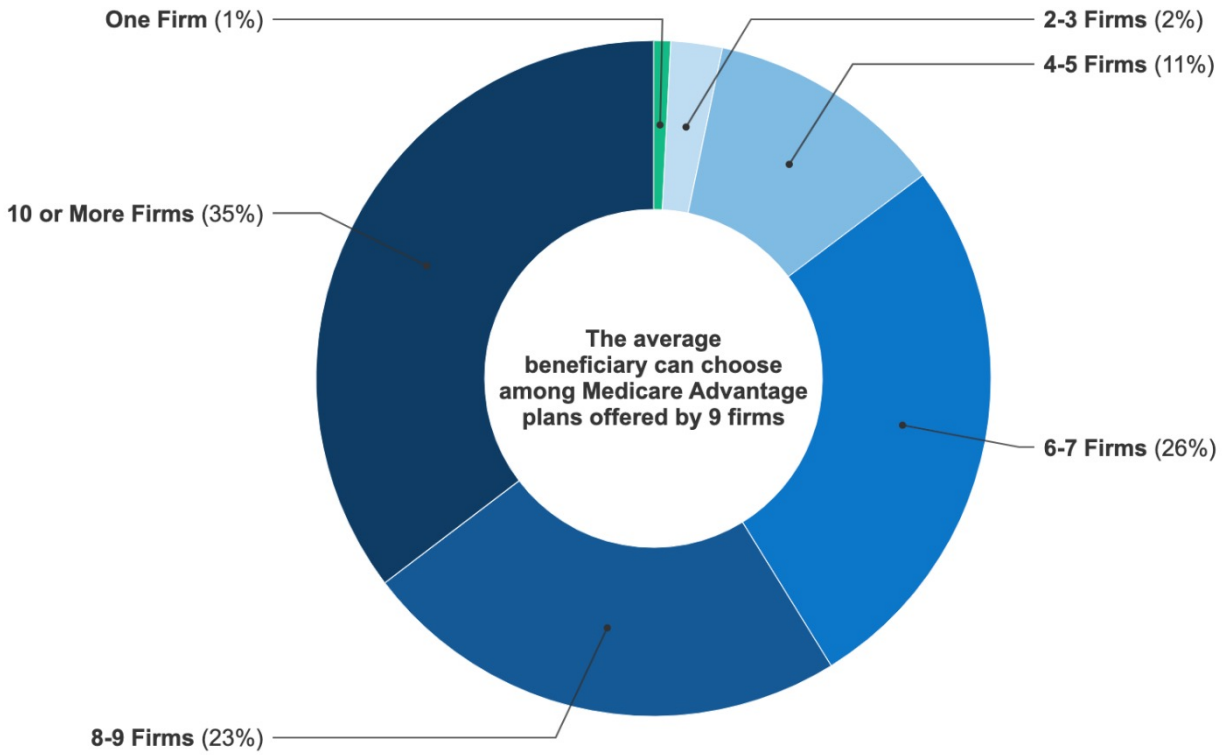
COUNTY	2021	2022	YOY
Apache	14%	23%	67%
Cochise	36%	40%	13%
Coconino	22%	27%	19%
Gila	27%	33%	23%
Graham	46%	50%	10%
Greenlee	31%	40%	28%
La Paz	30%	35%	18%
Maricopa	47%	49%	3%
Mohave	39%	43%	10%
Navajo	20%	27%	31%
Pima	53%	55%	3%
Pinal	45%	47%	5%
Santa Cruz	58%	60%	3%
Yavapai	34%	37%	7%
Yuma	34%	40%	17%

2022 MA LEADERS BY COUNTY & TOTAL ENROLLMENT

Reference Slide

INSURER	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz	Maricopa	Mohave	Navajo	Pima	Pinal	Santa Cruz	Yavapai	Yuma
Anthem		50	45	31			21	1989	364	32	10,545	154		413	33
Banner Health		1697		292	205	42	206	3227			4750	1752	1128	11	3983
BCBSAZ	321	11	473	291				26,501	2743		2808	2433	102	943	
Bright Health								1369			101				
Centene	117	6189	171	62	237	44	174	15,044	1224	222	7529	4724	1510	3730	4047
Cigna		11	16	29				46,437		47	2940	2509		64	
Clover Health			300								114				
CVS /Aetna	27	1076		987	163		43	24,038	2812	84	5235	3533	89	3200	438
Devoted Health								4506				347		501	
Humana	1670	2590	1783	558	360	155	1123	56,511	17,105	3028	13,991	8227	329	6911	3398
Imperial Health			23					462			87	121		126	
Magellan								76							
Mercy Care				37				14,363			902	376			
UHC Community	66	151	271	605	17	11	13	37,998	541	169	15106	2875	68	637	154
UnitedHealthcare	624	1859	2784	2772	2006	259	467	124,309	4672	2183	63,984	16,341	3019	15,493	3572
Other	68	64	15	18			19	2602	380	84	758			268	83
TOTAL	3018	13,698	5881	5682	2988	511	2066	359,432	29,841	6,800	128,850	43,759	6,245	32,297	15,708

DUPLICATION WITHOUT WRITTEN AUTHORIZATION VIOLATES FEDERAL LAW



"The average Medicare beneficiary is able to choose from plans offered by 9 firms in 2022, one more than in 2021. Despite most beneficiaries having access to plans operated by several different firms, **enrollment is concentrated** in plans operated by UnitedHealthcare, Humana, and Blue Cross Blue Shield affiliates. Together, UnitedHealthcare and Humana account for 45 percent of MA enrollment in 2021"

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Dignity Health

Phoenix Children's Care Network

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02.11.2022

Current Trends in Healthcare

Gail Zahtz, CEO

2022 MARKETPLACE ENROLLMENT

14.5M

23% Lower Premiums YOY

ARIZONA

1. Banner/Aetna CVS Health
2. Medica Community Health Plan
3. Blue Cross Blue Shield of Arizona
4. Ambetter (from Arizona Complete Health)
5. Cigna
6. Oscar
7. Bright Health
8. UnitedHealthcare

Reference Slide

40 Years Old
Earns $25,000

FPL 196%

Monthly Premium
$38 Silver = $4,227 Subsidy
$0 Bronze = $3,874 Subsidy

40 Years Old
Earns $60,000

FPL 470%

Monthly Premium

$391 Silver = $4,687 Subsidy
$323 Bronze = $3,876 Subsidy

MARICOPA COUNTY

40 Years Old
Family of 4
Earns $36,000

FPL 137%

Monthly Premium
$0 Silver = $14,985 Subsidy
$0 Bronze = $12,386 Subsidy

40 Years Old
Family of 4
Earns $160,000

FPL 611%

Monthly Premium
$1,133 Silver = $1,385 Subsidy
$917 Bronze = $1,385 Subsidy

40 Years Old

Earns $25,000

FPL 194%

Monthly Premium

$37 Silver = $6,367 Subsidy

$0 Bronze = $3,874 Subsidy

40 Years Old

Earns $60,000

FPL 466%

Monthly Premium

$425 Silver = $1,707 Subsidy

$326 Bronze = $1,707 Subsidy

COCONINO COUNTY

40 Years Old Family of 4

Earns $36,000

FPL 136%

Monthly Premium

$0 Silver = $21,763 Subsidy

$0 Bronze = $17,974 Subsidy

40 Years Old Family of 4

Earns $160,000

FPL 604%

Monthly Premium

$1,133 Silver = $8,163 Subsidy

$818 Bronze = $8,163 Subsidy

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