

Are you going far enough and fast enough toward risk?

If you aren't moving forward, you may be left behind



Provider organizations are increasingly moving to value-based models

The reasons underlying the shift are as diverse as the value paths organizations can take.

Today's health system leaders are asking themselves important questions, such as:

- What can my organization do to remain essential in highly competitive markets?
- How can I diversify my revenue streams and engage new partners?
- How can we provide appropriate care for aging, polychronic populations while still operating profitably?
- How do we lower the total cost of care while improving clinical quality?
- Which populations should we take on risk for?
- How can we finance the activities that create value?

As many organizations continue to deliberate,



health care in the U.S. is undergoing a paradigm shift



34% of total U.S. health care payments were tied to alternative payment models (APMs) in 2017.1



As of Q1 2018, there are 1,011 ACOs representing 1,477 distinct active accountable care payment contracts with public and private payers, a 129 percent increase in just the past 5 years.³



Pure fee-for-service is fading faster than predicted in past studies, now accounting for only 37.2% of reimbursement, and projected to dip below 26% by 2021.²



90 announced M&A deals in 2018, with focus on strategic partnership. Growth of mega-mergers and converging strategies of for-profit and not-for-profit systems are reshaping health care.4

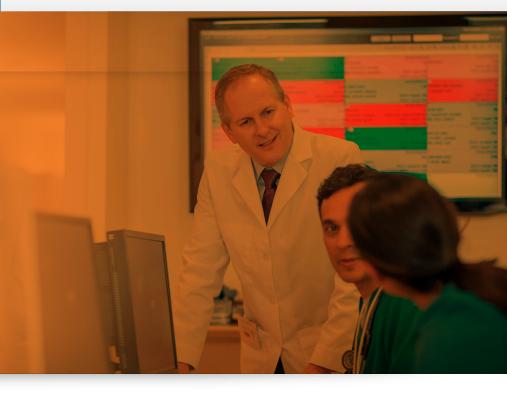
The benefits to moving to value

- Almost half of providers believe value-based contracts significantly improve quality of care.⁵
- 48 percent of providers believe providers and payers can collaborate to improve health care through value-based contracts.6

Mastering the transition

care is delivered, measured and financed. Among the varied challenges, 42 percent of providers cite infrastructure requirements, including information technology as a barrier to value-based care.⁷

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Organizations that successfully make the transition to value must manage networks, populations and data; engage consumers; and enable technology. But most critical are the following aspects.



Value-based care strategy

A blueprint to achieve value-based objectives and ensure alignment to an organization's overall goals. We can help:

- Engage payer, provider and downstream stakeholders early
- Develop value definitions, financial models, care paths, contracts and performance measurements using shared data and expertise

Enterprise risk and financial management

Actuarial, analytics and performance support to identify actionable improvement opportunities and strategies for reimbursement, quality, utilization, efficiency and cost. We can help:

Provide more transparency to develop win-win value-based contracts, results and refinement opportunities



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Organizational change and talent acceleration

Resources and development programs equipping leaders to embrace change and thrive in shifting business, payment and risk models environments. We can help:

- Develop change management programs together and identify champions across functional areas
- Leverage talent between organizations to fill expertise gaps
- Reward flexible, creative and collaborative team members

Optum Advisory Services

Expertise in all aspects of risk from a payer and a provider perspective, including risk assessment, performance improvement, strategy and implementation.



OUR PEOPLE

170 actuaries, including the only provider-focused actuary practice in the U.S. for the past nine years, as well as management consultants, clinicians and health care strategists



OUR CLIENTS

- 15 percent of all CINs in the U.S. were built by our seasoned, multidisciplinary team
- 50+ partnerships with clients on value-based care strategies initiated from 2017 to 2018
- 100+ ACO clients including MSSP, Next Generation, and Pioneer



OUR DATA

Unparalleled data assets, including 260M+ consumers, 188M+ claims, 100M+ clinical, 12M+ clinical and claims

Learn how you can partner with Optum Advisory Services to uncover opportunities and implement solutions to help you achieve your strategic and financial goals.

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^{1.} Health Care Payment Learning & Action Network. 2018 APM measurement effort. hcp-lan.org/2018-apm-measurement/. Published October 22, 2018. February 15, 2019

^{2.} Joszt L; AJMC Managed Markets Network. Report: Value-based care strategies effective, but payers struggle to roll them out quickly. ajmc.com/newsroom/report-valuebased-care-strategies-effective-but-payers-struggle-to-roll-them-out-quickly. Published June 23, 2018. February 15, 2019. 3. Muhlestein D, Saunders R, Richards R, McClellan M. Recent progress in the value journey: Growth of ACOs and value-based payment models in 2018. Health Affairs Blog. healthaffairs.org/do/10.1377/hblog20180810.481968/full/. Published August 14. 2018. February 15. 2019.

^{4.} KaufmanHall. 2018 M&A in review. A new healthcare landscape takes shape. mnareview.kaufmanhall.com/the-year-in-numbers?_ga=2.181952807.1803385474.1547482075-1258334907.1547482075. February 15, 2019.

^{5.} Feeley TW, Mohta NS. NEJM Catalyst Insights Report. New Marketplace Survey: Transitioning payment models: Fee-for-service to value-based care. catalyst.nejm.org/transitioning-fee-for-service-value-based-care/. Published November 8, 2018. February 15, 2019.

^{6.} Modern Healthcare. Shared challenges and shared opportunities: 2019 top payer-provider opportunities. modernhealthcare.com/assets/pdf/CH118754212.PDF. Published February 2019. February 15, 2019.

^{7.} NEJM Catalyst Insights Report. November 2018. cdn2.hubspot.net/hubfs/558940/Insights%20Council%20Monthly%20-%20Files/Transitioning%20Payment%20Models%20-%20Fiee-for-Service%20to%20Value-Based%20Care.pdf?__httc=23193637.

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