

SCALE Case Study

# Value Based Care

## Client Profile

**Size**

20k+ members

**Location**

Florida

**Specialty**

Primary Care

## Services Deployed



**Consulting**



**Value Based Care**

## Overview

- + The Client is a Medicare-focused population health company
- + The client was an early participant in the Direct Contracting Entity (DCE) Program since 2021
- + The client membership increased by 570% from 2021 to June 2022. Client membership is expected to increase by 390% from 2022 to 2023.
- + The client has been approved for the ACO Reach Program in 2023
- + The client is on a growth trajectory and is seeking new capital to support anticipated exponential growth over next 18-24 months
- + Increased reserves are needed to support increased Medicare membership

## Needs & objectives for engagement

Lender engaged SCALE to complete an evaluation of the client with focus on:

- + Historical and projected performance
- + Growth & Development
- + Operational Execution
- + Market Research

## Execution

SCALE deployed a team consisting of individuals from the Consulting & Payer Strategy business divisions, as well as external subject matter expertise.

SCALE conducted an assessment using the following methodology:

- + Interviews / meetings with the client & sponsor group leadership
- + Review of diligence materials provided (network overview, financials, growth & development competitive landscape, organizational charts, structure between the client & affiliated practices, DCE & ACO REACH materials, operations program, pipeline)
- + Data analysis

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Unique aspects of SCALE execution approach:

- + Cross-department collaboration resulted in a comprehensive and effective final report
- + Utilized external SME expert to assist with CMS Quality Measures & Risk Score Assessment

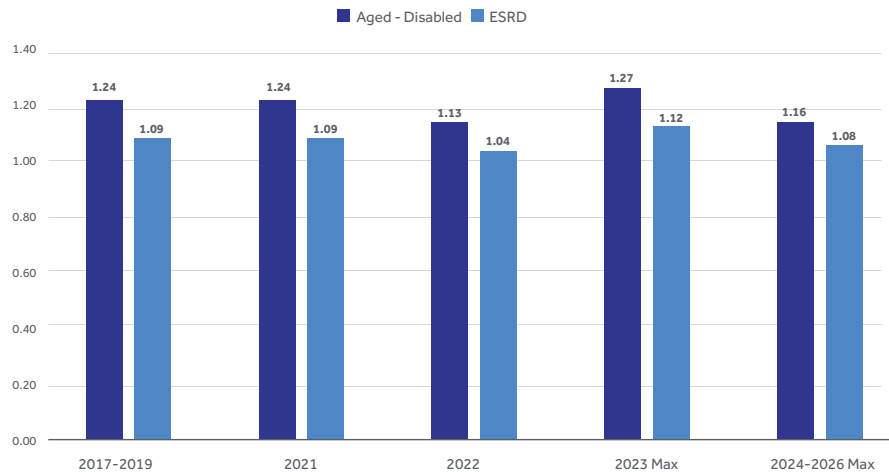
Execution timeline:

- + 5-week execution timeline

## Results

- + First 6 months of 2022 data indicate MLR (Medical Loss Ratio) between 80 – 100+ percent, with shared shavings. Given limited performance, the current MLR is found to be consistent with similar CMS programs.
- + The client performed in 2 out of 3 quality measures in early 2022.
- + The client's managed care structure appears operationally sound with best practices in care coordination, disease management, and quality performance. Improvements are recommended in the areas of clinical documentation & coding tied to their risk structure.
- + The client has a strong and experienced management team with specialties in managing capitation and population health.

### Aged Disabled Risk Score & Growth Cap



KPI	Target	Percentage of Practices Meeting Target
MLR	< 85%*	35%
PCP Visits	≥ 4	6%
PCP Visits (6 month result)	≥ 2	41%
90 Days Not Seen Rate	< 10%	0%
Post-Acute 72 Hours Follow-up	85%	0%
Case Management	6%	12%
Admits/1000	< 240	88%
Readmission Rate	< 12%	12%
Avg. Length of Stay	< 5	29%
SNF/1000	< 112	71%

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