



2018 ANNUAL VALUE REPORT

A PHYSICIAN-DRIVEN CLINICALLY INTEGRATED NETWORK | CREATING HEALTHIER COMMUNITIES



WELCOME MESSAGE



DANIEL FELTON, MD
BOARD CHAIR



BOB SARKAR, MBA, FACHE
PRESIDENT

It is with great pleasure that all of us at Arkansas Health Network (AHN) present you with our fourth annual Value Report concerning the 2018 performance year. The goal of this report is to provide patients, providers, employers, and other future partners with insight into AHN's financial and quality performance across our key contracts.

AHN remains a market leader in population health management and Clinical Integration as evidenced by our growing network of providers and programmatic success. As of July 2020, our network has grown to include over 2,300 providers and 16 hospitals throughout the state of Arkansas. We partner with these providers to manage over 92,000 unique patient lives, including two populations where AHN took double-sided risk: the Medicare Shared Savings Program (MSSP) ACO and the CHI St. Vincent Employee Health Plan.

In 2018, AHN had several significant achievements. Most recently we were awarded \$6,280,269 in August 2019 for our 2018 MSSP ACO, giving us the distinction of receiving Shared Savings from the Center for Medicare and Medicaid Services (CMS) three times. AHN remains the only MSSP ACO based solely in Arkansas that has been rewarded Shared Savings by CMS. Additionally, we received \$997,638 in July 2019 from QualChoice Advantage for our pay-for-quality work for 2017-18. We successfully managed the CHI St. Vincent Employee Health Plan in 2018 and received \$644,937 in savings related to our performance. We have also successfully recruited of a full-time Chief Medical Officer (CMO) and a Network Pharmacist.

The upcoming year will bring new growth and expansion of AHN's capabilities. One of the most notable initiatives is our enhanced focus on direct-to-employer contracts in partnership with Arkansas Children's Care Network (ACCN). AHN will also be expanding its footprint in Medicare Advantage Value-Based agreements. Our population health analytic capabilities continue to be enhanced using Coreo® (Lightbeam). Other new areas of focus, led by our new CMO and clinical leadership, include an upgrade our post-acute Continuing Care Network (CCN), enhanced provider engagement, and implementation of evidence-based medicine guidelines through clinical subcommittees on Hypertension, Diabetes, and Post-Acute Care. To assist our patients with navigating our provider network, a new find-a-provider tool is available on our website and AHN's new mobile application.

Restating the obvious, we owe a great deal of our continued success to the ongoing support of our Board of Managers, Board Committee members, and participating providers of all specialties. Our future is promising as we continue to collaborate across the continuum of care to provide the patients/consumers with the highest-quality healthcare and enhanced experience while reducing healthcare costs. To stay up to date, please continue to visit our website www.ArkansasHealthNetwork.com and review our quarterly "Value Connection" newsletter.

MEET THE LEADERSHIP TEAM



BOB SARKAR, MBA, FACHE
PRESIDENT & CEO



SHAHID SHAFI, MD, MBA, MPH
CHIEF MEDICAL OFFICER



RACHEL LONGFELLOW, MHA
MARKET DIRECTOR
OPERATIONS



CAMILLE WILSON, MSN, RN
MARKET DIRECTOR
POPULATION HEALTH



HAFEEZAH BROOKS, RN
NURSE MANAGER, POPULATION HEALTH

AHN BY THE NUMBERS (2018)

NUMBERS CURRENT AS OF DECEMBER 31, 2018

1.5K+ UNIQUE PARTICIPATING PROVIDERS

24% PRIMARY CARE PROVIDERS

75% INDEPENDENT PROVIDERS

16 NETWORK FACILITIES

89K+ MANAGED PATIENT LIVES

55% MEDICARE

10% EMPLOYER HEALTH PLAN LIVES

20% MEDICAID

15% OTHER COMMERCIAL

\$6.8M EARNED SHARED SAVINGS

AHN'S NETWORK AND CONTRACT PORTFOLIO HAS CONTINUED TO GROW SIGNIFICANTLY SINCE 2018. AS OF JULY 2020, AHN IS CONTRACTED WITH OVER 2,300 PARTICIPATING PROVIDERS AND 40 FACILITIES AND MANAGES OVER 92,000 PATIENT LIVES.

MEDICARE SHARED SAVINGS PROGRAM (MSSP) - ACCOUNTABLE CARE ORGANIZATION

2018 MSSP OVERALL PERFORMANCE

Total ACO Savings: \$12,348,880

Overall Quality Score: 86.5%

ACO Savings Rate: 4.99%

Earned Shared Savings: \$6,280,269

In 2018, Arkansas Health Network entered a new era of the Medicare Shared Savings Program (MSSP) as it transitioned from a Track 1 ACO to a Track 2 ACO. As a Track 2 ACO, AHN had downside risk for the first time in its history, meaning that the organization was accountable to pay a portion of the losses in the case that overall cost exceeded projections by over 2%. This journey alone demonstrates true commitment to advancement in value-based contracts. In the 2018 performance year, less than 20% of all ACOs across the country were taking downside risk.

Arkansas Health Network's Track 2 ACO is comprised of 616 providers across 31 participating Tax IDs. The participants are primarily based in the greater Little Rock, Hot Springs, and Conway regions of the state. Overall, the ACO managed a total of 26,434 representing over \$235 million in annual healthcare spend.

AHN achieved over **\$12.3 million** of total savings and was awarded with \$6.2 million in Shared Savings. This marks the third time that AHN has received Shared Savings including back-to-back successes in 2017 and 2018. In addition to these significant 2018 savings, other noteworthy highlights include:

- Overall quality score of 89.5%
- Reduction of hospitalization per 1,000 person years by 3.6%
- Increase in post-discharge provider visits per 1,000 discharges by 2.5%
- Reduction in skilled nursing facility expenditures by 23%

\$862K of the Shared Savings were distributed to participating providers in Spring of 2020 in recognition of their contributions to the overall ACO success. Distributions were calculated using three criteria: Participation, Volume, and Value (i.e. Quality).

ACO PARTICIPANTS

Arkansas Neurology
Arkansas Urology
B. Brooks Lawrence, MD
Brock K. King MD, PA
Carroll Family Practice
Central AR Hematology-Oncology
Central Arkansas Sleep Health, LLC
CHI St. Vincent Infirmary
CHI St. Vincent Medical Group
CHI St. Vincent Medical Group Hot Springs
CHI St. Vincent Physician Clinics
Conway Counseling & Psych Services, PLLC
Conway Digestive Health Center
Conway Heart Clinic
Conway Hematology-Oncology
Conway Ortho & Sports Medicine
Conway Regional Medical Center
Conway Regional Rehab Hospital
Conway Urology
Family First Primary Care
Hilman Family Clinic
Homer Fleisher, MD
Intensivist Group, LLC
Jack Stephens Heart Institute
Jeff Carfagno, MD, PA
Radiology Associates, PA
Robert Rook, MD
Roy Denton, MD
T. Michael Stanton MD PA
Tilley Family Medicine, PA
William L. McColgan III MD, PA



MEDICARE SHARED SAVINGS PROGRAM (MSSP) - ACCOUNTABLE CARE ORGANIZATION

2018 QUALITY PERFORMANCE DETAIL: 86.50% OVERALL SCORE

DOMAIN: PATIENT/CARE GIVER EXPERIENCE

Domain Improvement Score: 0.0%

Measure Title	2018 AHN Performance	Mean Performance Rate (all MSSP ACOs)
CAHPS: Getting Timely Care, Appointments, and Information	85.14	86.14
CAHPS: How Well Your Providers Communicate	93.97	93.93
CAHPS: Patients' Rating of Provider	92.72	92.45
CAHPS: Access to Specialists	81.18	81.50
CAHPS: Health Promotion and Education	49.21	59.26
CAHPS: Shared Decision Making	55.06	61.94
CAHPS: Health Status/Functional Status	72.64	73.35
CAHPS: Stewardship of Patient Resources	25.45	26.26

DOMAIN: CARE COORDINATION/PATIENT SAFETY

Domain Improvement Score: 36.4%

Measure Title	2018 AHN Performance	Mean Performance Rate (all MSSP ACOs)
Risk Standardized, All Condition Readmission*	15.28	14.98
Skilled Nursing Facility 30-day All-Cause Readmission measure (SNFRM)*	20.50	18.59
All-Cause Unplanned Admissions for Patients with Diabetes*	35.83	37.01
All-Cause Unplanned Admissions for Patients with Heart Failure*	68.67	76.75
All-Cause Unplanned Admissions for Patients with Multiple Chronic Conditions*	53.84	59.00

*Indicates Inverse Measure = Lower score is better

 Indicates AHN Performance exceeded Performance Rate of other MSSP ACOs

MEDICARE SHARED SAVINGS PROGRAM (MSSP) - ACCOUNTABLE CARE ORGANIZATION

DOMAIN: CARE COORDINATION/PATIENT SAFETY CONTINUED

Domain Improvement Score: 36.4%

Measure Title	2018 AHN Performance	Mean Performance Rate (all MSSP ACOs)
Ambulatory Sensitive Condition Acute Composite (AHRQ PQI #91)*	2.11	1.98
Use of Certified EHR Technology	96.52%	97.66%
Medication Reconciliation	93.64%	85.91%
Falls: Screening for Future Fall Risk	79.04%	79.73%
Imaging Studies for Low Back Pain	63.79%	64.36%

DOMAIN: PREVENTATIVE HEALTH

Domain Improvement Score: 28.6%

Measure Title	2018 AHN Performance	Mean Performance Rate (all MSSP ACOs)
Preventive Care and Screening: Influenza Immunization	71.65%	72.71%
Pneumonia Vaccination Status for Older Adults	83.47%	75.97%
Body Mass Index (BMI) Screening and Follow-Up	70.96%	76.83%
Tobacco Use: Screening and Cessation Intervention	81.33%	72.81%
Screening for Clinical Depression and Follow-up Plan	68.02%	66.74%
Colorectal Cancer Screening	71.23%	68.27%
Breast Cancer Screening	73.23%	71.96%
Statin Therapy for the Prevention and Treatment of Cardiovascular Disease	81.77%	81.47%

*Indicates Inverse Measure = Lower score is better



Indicates AHN Performance exceeded Performance Rate of other MSSP ACOs

MEDICARE SHARED SAVINGS PROGRAM (MSSP) - ACCOUNTABLE CARE ORGANIZATION

DOMAIN: AT-RISK POPULATION

Domain Improvement Score: 50%

Measure Title	2018 AHN Performance	Mean Performance Rate (all MSSP ACOs)
Depression Remission at Twelve Months	9.76%	8.76%
Diabetes Composite (All or Nothing Scoring)	47.38%	46.80%
Diabetes Mellitus: Hemoglobin A1c Poor Control*	11.90%	15.51%
Diabetes: Eye Exam	51.67%	52.42%
Hypertension (HTN): Controlling High Blood Pressure	70.78%	73.10%
Ischemic Vascular Disease (IVD): Use of Aspirin or Another Antithrombotic	87.24%	88.92%



*Indicates Inverse Measure = Lower score is better



Indicates AHN Performance exceeded Performance Rate of other MSSP ACOs

BRIGHT SPOT



ADVANCED CARE MANAGEMENT

In order to achieve its cost and quality improvement in value-based contracts, Arkansas Health Network has built an entire team dedicated to engaging directly with patients. In partnership with patients' providers, these capable individuals help patients navigate the challenging healthcare system and achieve their personal health goals.

Core Principles:

- **Proactive** - Rather than reactive, episodic care, AHN's team focuses on being proactive and aims to reach patients before they become high cost
- **Multidisciplinary** - AHN's Care Management is made of three distinct patient-facing roles (RN Population Health Coach, RN Transition Coach, and Social Workers). As a team, they provide comprehensive support to patients across the continuum of care, addressing both medical and social needs to improve health outcomes.
- **Data-Driven** - Leveraging advanced analytics tools (see page 12), AHN's clinical team identify high risk and rising risk patients to drive their outreach priorities.
- **Collaborative** - Using motivational interviewing techniques, the Care Management team work with patients to develop customized health goals and the necessary steps to achieve them. They emphasize education and self-management to ensure sustained change.

By consistently applying this approach, patients experience positive results including strong relationships with providers, comprehensive preventative care, improved health literacy, and better health and well-being. This ultimately drives lower total healthcare utilization and cost.



MAKING A DIFFERENCE: STORIES OF PATIENT SUCCESS

A 76 YEAR-OLD FEMALE PATIENT WAS REFERRED TO POPULATION HEALTH FOR OBESITY AND DIABETES MANAGEMENT. SHE AND HER RN POPULATION HEALTH COACH WORKED TOGETHER TO DEVELOP A CARE PLAN WHICH INCLUDED ATTENDING DIABETES EDUCATION CLASSES, MEETING WITH A NUTRITIONIST, AND MAKING FOOD CHOICES. WITHIN 3 MONTHS, HER A1C LEVELS DROPPED FROM 8.2 TO 5.8.

AN RN TRANSITION COACH MADE A 14 DAY POST DISCHARGE FOLLOW-UP CALL TO A PATIENT WITH HEART FAILURE WHO HAD RECENTLY BEEN ADMITTED TO THE HOSPITAL. THIS CALL REVEALED WEIGHT GAIN AND SHORTNESS OF BREATH. THE RN TRANSITION COACH EXPEDITED A FOLLOW-UP APPOINTMENT WHERE THE PATIENT RECEIVED NECESSARY MEDICATION CHANGES AND LIKELY AVOIDED A HOSPITAL READMISSION.

DIRECT-TO-EMPLOYER: CHI ST. VINCENT EMPLOYEES & DEPENDENTS

In 2018, Arkansas Health Network (AHN) provided population health management services to the CHI St. Vincent health plan for the fourth year. In this performance year, AHN progressed to taking downside risk for increases of health plan costs 2% or more above actuarial projections.

AHN experienced tremendous success in 2018 by achieving **\$1.4 million** in total savings compared to projected health plan spend. For it's performance, AHN was awarded \$644K which was reinvested in infrastructure. Ultimately, these savings translated into a premium increase less than 2%, demonstrating how AHN directly reduces costs to employers and employees alike.

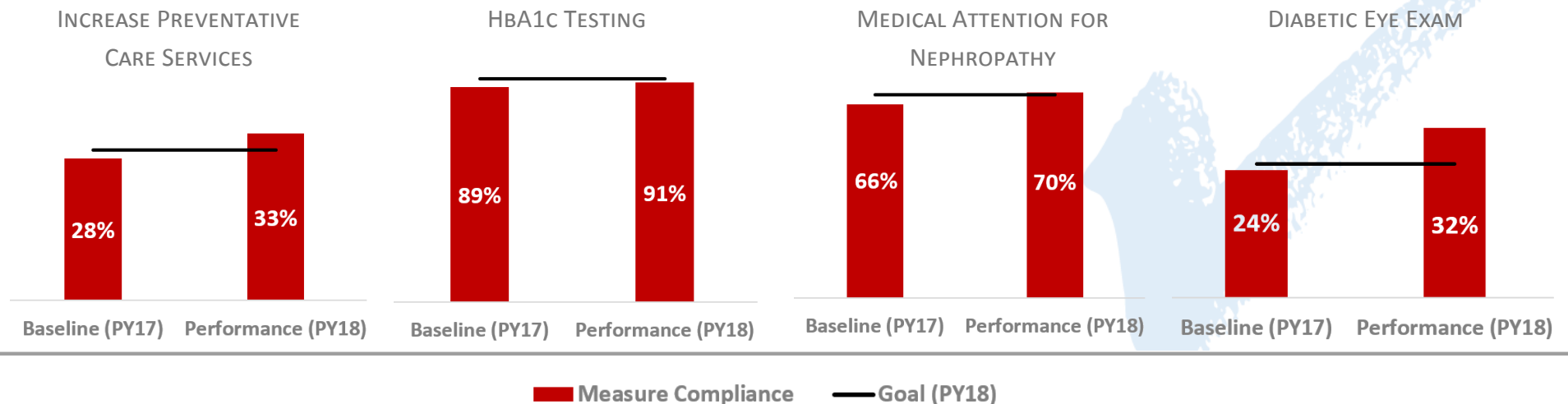
Each year, AHN continues to innovate in the ways that it delivers high-value care to CHI St. Vincent coworkers and dependents. Some of the innovations implemented in the 2018 Performance year include:

- Focus on readmission reduction through Project RED
- Care Management outreach to newly diagnosed diabetic patients
- "Rescue Pack" pilot for COPD Patients
- Creation of "Well-Being Wednesdays" with local Wellness team

2018 CHI ST. VINCENT OVERALL PERFORMANCE

Total Claims PMPM:	\$369.94
PMPM Growth Compared to Prior Year:	1.4% Savings
Actual Claims vs. Projected Claims:	4.07% Savings
Total Savings:	\$1,407,805
Overall Quality Score:	91.65%
Earned Shared Savings:	\$644,937

2018 QUALITY MEASURE PERFORMANCE



BRIGHT SPOT



POPULATION HEALTH PARTNERSHIP FOR LOCAL EMPLOYERS



In June 2018, Arkansas Health Network (AHN) announced a new partnership with Arkansas Children's Care Network, a local pediatric Clinically Integrated Network, to offer a new and innovative healthcare delivery model for self-insured employers and their participating employees and dependents. This industry unique partnership is intended to address the compounding industry and workforce challenges for self-funded employers which have led to consistently year-over-year health plan cost and premium increases experienced by self-insured employers.

What makes this partnership unique?

Together, AHN and ACCN's model of care offers employers all the necessary mechanisms to improve cost, quality, and experience for the members on the health plan. First, AHN and ACCN bring a high performing network of providers and top regional facilities. As **physician-led** organizations, AHN and ACCN can promote a more active link between the employer and healthcare providers, which payors cannot achieve. Second, AHN and ACCN bring combined multidisciplinary care management expertise for both adults and children. They collaborate together to maximize health and well-being

from **birth to retirement**. By applying their **population health driven approach**, AHN and ACCN promote improved health outcomes and appropriate utilization, which will result in more **sustainable savings** for the employer. Logistically, AHN and ACCN are **TPA and PBM agnostic**. They also offer employers proprietorial and **competitive fee schedules**.

Both AHN and ACCN bring extensive experience and a track record of success managing both governmental and commercial populations. In total, they manage a portfolio of over 160,000 patients for payors including Medicare, Medicaid, Arkansas Blue Cross Blue Shield, Cigna, Wellcare, Humana, QualChoice, CoreSource and Ambetter.

What's next?

Following the announcement of their partnership, AHN and ACCN successfully contracted with three employer clients for 2019. That portfolio has expanded to five employer clients in 2020, covering over 16,000 employee and dependent lives.

To learn more, visit the following website: www.arkansashealthnetwork.com/employers.

ARKANSAS BLUE CROSS AND BLUE SHIELD COLLABORATIVE HEALTH INITIATIVE

In 2018, AHN signed an agreement for its providers to participate in a Collaborative Health Initiative with Arkansas Blue Cross and Blue Shield (ABCBS). The contract was for a partial performance year from June 1, 2018—December 31, 2018. This new contracts represents 21,623 patient lives seen by AHN providers in ABCBS's fully insured and Arkansas Works (i.e. expanded Medicaid) books of business.

With the launch of the Collaborative Health Initiative (CHI), AHN established a governance structure with ABCBS including a Management Committee, Medical Management Committee, Finance Committee, and Marketing Committee.

During the performance period, AHN leveraged standard reports from ABCBS on gaps in care, high utilization of inpatient admissions and ER visits, and opportunities for conversion from brand name drugs to generic alternatives.

For quality, AHN was evaluated on compliance for three measures relative to the statewide average.

2018 COLLABORATIVE HEALTH INITIATIVE (CHI) PERFORMANCE

Total Claims PMPM:	\$385.39
Adjusted PMPM Target:	\$366.86
Earned Shared Savings:	\$0
Overall Quality Score:	100%
HbA1c Testing	92.6% (AR Avg = 90.3%)
Breast Cancer Screening	69.5% (AR Avg = 68.7%)
Hypertension Serum Creatinine	85.4% (AR Avg = 82.8%)

QUALCHOICE ADVANTAGE

QualChoice, an Arkansas based insurance company, launched a Medicare Advantage product on January 1, 2017 called QualChoice Advantage. The product was available to patients until December 31, 2018.

During that time, QualChoice contracted with AHN to use it's high performing network as the primary narrow network for the product. Furthermore, AHN was given the opportunity to participate in gainsharing for any reductions in total cost of care for participating members.

AHN achieved its results by leveraging its multidisciplinary care management team, including RN Health Coaches, Social Workers, and RN Transition Coaches. The team focused on high risk and rising risk patients.

Furthermore, patients were encouraged to access AHN's network of high-value providers nearly exclusively. This drove improvements in health outcomes and cost reductions.

2017 - 2018 QUALCHOICE ADVANTAGE SETTLEMENT

	2017	2018
Members:	1,483	1,053
Total Medical Costs:	\$7,711,615	\$7,372,557
Medical Cost Target:	\$8,709,253	\$6,634,305
Gainshare Amount:	\$997,638	\$0

BRIGHT SPOT

COREO[®] ANALYTICS PLATFORM IMPLEMENTATION

For a Clinically Integrated Network such as AHN, data and analytics are key to understanding the risk and utilization of our value-based populations in order to take meaningful action. Data is also used to measure AHN's ability to positively impact health, quality, and cost outcomes. For this reason, in 2018 AHN chose to invest in an advanced population health data and analytics platform called COREO[®] (a product of Lightbeam Health). COREO[®] is equipped with tools designed for multiple key stakeholders on AHN's team including network providers, care management nurses and social workers, and population health data analysts. The COREO[®] infrastructure offers insight and information that cannot be achieved by a standalone electronic medical record including (but not limited to):

Aggregate View of Claims and Clinical Data

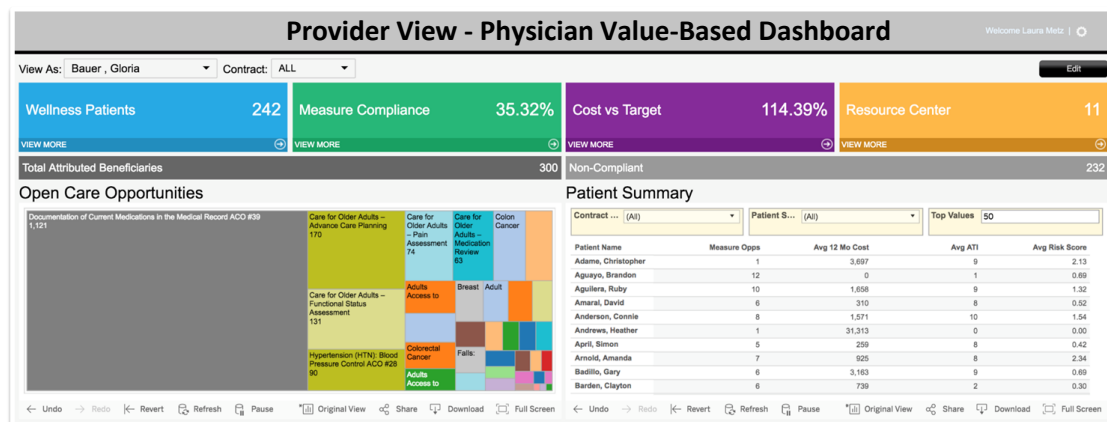
COREO[®] combines data from diverse data sources (payors, hospitals, ambulatory clinics, post acute facilities etc.) to create one comprehensive patient profile. This data is crucial to accurate patient risk adjustment and population management across the continuum.

Dynamic Analytical Tools

COREO[®] is equipped with a variety with dashboards for provider and analytical users. These dashboards show performance across AHN's full network but are also drillable down to practice, provider, and patient levels. See example of a Provider Dashboard below.

Integrated Care Management Functions

COREO[®] offers AHN the ability to build dynamic patient cohorts (also known as registries) focused on specific patient risk or utilization criteria. This is a driving force of the Care Management team's outreach priorities. Furthermore, COREO[®] allows the Care Management team to track engagement with patients.



The first phase of the platform went live in June 2018 with Medicare Shared Savings Program claims data. AHN's analytics team is continuously adding new claims and clinical data sources.