



2019-20 ANNUAL VALUE REPORT



A PHYSICIAN-DRIVEN CLINICALLY INTEGRATED NETWORK | CREATING HEALTHIER COMMUNITIES



WELCOME MESSAGE



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PRESIDENT AND CEO

Arkansas Health Network (AHN) is pleased to present our fifth annual Value Report, which focuses on the 2019 and 2020 performance years. This report details AHN's financial and quality performances across our key contracts.

Please note that we combined two years' worth of data for this reporting period. Similar to most healthcare organizations, during the pandemic AHN focused much of our resources on combating the public health emergency, which delayed some reporting. We want to personally thank all of our network providers, partners and care management staff for their dedication to serving Arkansans during this unprecedented time. You answered the call, adapted to new modalities of work, and continued to provide care when it was needed.

During this health crisis, AHN staff were able to participate in outreach and education to the most vulnerable of our Medicare population, and our team members were able to administer some of the first vaccine shots to healthcare employees of some of our commercial clients. We are extremely proud of the work our team did to meet the needs of this extraordinary event while maintaining quality care for the lives we manage. To everyone who contributed, from frontline workers to those behind the scenes – thank you.

Despite the pandemic, AHN continued to show excellent results across multiple key contracts. AHN earned over \$15 million in shared savings through the MSSP during the last two years. Since our inception, AHN's seven-year MSSP total savings has surpassed \$50 million, earning \$26.7 million in shared savings. We continue to be recognized as a best practice in the CommonSpirit enterprise for our repeated success.

Additionally, AHN demonstrates value and quality for our commercial contracts through increases in their quality metrics and total savings across multiple cohorts. This includes achieving over \$1.3 million in total savings for a single large employer in central Arkansas through both earned savings and our at-risk fee arrangement.

These successes afford AHN to grow in network size and capabilities. We have a fully staffed, multidisciplinary care team dedicated to serving patients across the care continuum. Partnerships with Arkansas Children's Care Network (ACCN) and NextHealth allow our CINs to work together to improve health outcomes for our clients' employees and their dependents, across our state. This emphasis on providing services to the entire family is a differentiator in our market as we strive to maximize the health and well-being of Arkansans from birth through retirement.

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Staff Support Roles

RN Population Health Coach

Provides proactive care management to at-risk populations in order to maintain health and minimize illness. The RN Population Health Coach works with patients in collaboration with the patient, caregivers, providers and a social worker, the RN Population Health Coach creates a care plan for both short-term and long-term goals.

RN Transition Coach

Provides transitional support to support patients hospitalized. With the goal of reducing readmissions, the RN Transition Coach provides face-to-face bedside coaching and high touch telephone follow-up for 30 days post discharge.

RN Practice Coach

Works directly with providers and clinic staff to provide education and coaching to achieve improvement in quality and cost performance. The RN Practice Coach will provide clinic and provider-level dashboards on key metrics, education on evidence-based medicine guidelines, and collaborate on practice transformation efforts.

Pharmacist

Works with prescribers, patients, and AHN's care management and analytics teams to analyze prescription use patterns and provide education on best practices, medication reconciliation, medication therapy management, formulary management, and conversion of brand name to generic medications.

Social Worker

Works closely with the RN Population Health Coach to identify barriers to medical care and provide education and links to community resources to help address needs such as transportation, financial concerns, end of life planning, housing, food availability, access to medications, and behavioral health issues.

Data Analyst

The Data Analyst will leverage existing platforms, hospital and clinic electronic medical records, and payor data to develop reports and dashboards that identify cost and quality success opportunities.

Wellness Coordinator

Collaborates with key employer stakeholders to coordinate and implement a corporate wellness program including online platform, health risk assessments, annual biometrics and more.

AHN BY THE NUMBERS (2019-2020)

	2019 <i>NUMBERS CURRENT AS OF DEC. 31, 2019</i>	2020 <i>NUMBERS CURRENT AS OF DEC. 31, 2020</i>
UNIQUE PARTICIPATING PROVIDERS	2,161	2,634
% PRIMARY CARE PROVIDERS	31.5%	25.8%
% INDEPENDENT PROVIDERS	68.5%	74.2%
NETWORK FACILITIES	37	41
MANAGED PATIENT LIVES	82,295	122,688
% MEDICARE	47.8%	34.7%
% EMPLOYER HEALTH PLAN LIVES	11.0%	13.0%
% MEDICAID	4.5%	19.5%
% OTHER COMMERCIAL	36.8%	32.8%
EARNED SHARED SAVINGS	\$7.29M	\$8.68M

AHN'S NETWORK AND CONTRACT PORTFOLIO CONTINUES TO GROW EACH YEAR. AS OF FALL 2021, AHN IS CONTRACTED WITH OVER 3,000 PARTICIPATING PROVIDERS, 51 FACILITIES AND MANAGES OVER 120,000 PATIENT LIVES.

MEDICARE SHARED SAVINGS PROGRAM (MSSP) - ACCOUNTABLE CARE ORGANIZATION

MSSP OVERALL PERFORMANCE

	2019	2020*
Total ACO Savings:	\$12,879,954	\$14,318,907
Overall Quality Score:	92.17%	98.19%
ACO Savings Rate:	4.0%	5.3%
Earned Shared Savings:	\$7,122,728	\$8,435,625
Attributed Lives:	32,828	30,047

In 2019 and 2020, Arkansas Health Network continued its multi-year streak of success as a Track 2 ACO, each year achieving a new record high for overall ACO savings and earned shared savings. For the two years combined, AHN achieved \$27.1M in total savings for Medicare and in the process earned back \$15.5M to distribute to its 550+ participating providers and reinvest in its infrastructure, operations and financial reserves. These two most recent years bring **AHN's seven year savings total to \$50M with earned shared savings totaling \$26.7M in the same time period.**

Over the duration of the 2019 performance period, savings were driven by a notable decrease in per beneficiary costs for inpatient admissions (-4.9%) and skilled nursing facility costs (-12.4%). Such results are the byproduct of AHN's multidisciplinary, care management approach which seeks to proactively manage high risk and rising risk patients and prevent unnecessary hospitalizations, readmissions and emergency room visits.

Due to the impact of COVID-19, cost and utilization for the MSSP population dropped significantly across settings of care including (but not limited to) inpatient hospitals (-10%), skilled nursing facilities (-5%), emergency rooms (-17.1%) and ambulatory clinics (-14%). During this time, AHN also provided innovative outreach to its high risk MSSP patients to help reduce their risk of contracting COVID-19 (see page 10 for details and results).



*Due to COVID-19, a state of "Public Health Emergency" was in effect throughout the duration of the 2020 performance period. Therefore, all payments for services occurring in months associated with a COVID-19 episode are excluded from all expenditure calculations.

MEDICARE SHARED SAVINGS PROGRAM (MSSP) - ACCOUNTABLE CARE ORGANIZATION

2019 & 2020 QUALITY PERFORMANCE DETAIL:

OVERALL QUALITY SCORE

Measure Title	2019 AHN Performance	2020 AHN Performance
ACO Final Quality Score [2]	92.17%	98.19%

DOMAIN: PATIENT/CARE GIVER EXPERIENCE [1]

Measure Title	2019 AHN Performance	2020 AHN Performance
CAHPS: Getting Timely Care, Appointments, and Information	86.11	Waived for 2020
CAHPS: How Well Your Providers Communicate	94.26	Waived for 2020
CAHPS: Patients' Rating of Provider	92.41	Waived for 2020
CAHPS: Access to Specialists	79.10	Waived for 2020
CAHPS: Health Promotion and Education	52.16	Waived for 2020
CAHPS: Shared Decision Making	59.06	Waived for 2020
CAHPS: Health Status/Functional Status	69.56	Waived for 2020
CAHPS: Stewardship of Patient Resources	23.15	Waived for 2020

[1] CMS waived the CAHPS for ACOs reporting requirement for Performance Year 2020 and will assign all ACOs automatic credit for each of the CAHPS survey measures within the patient/caregiver experience domain (85 FR 84472).

[2] The extreme and uncontrollable circumstances policy was determined to apply to all counties in the United States during the quality reporting period for Performance Year 2020 (85 FR 84472). Accordingly, Shared Savings Program ACOs will receive the higher of the mean quality score across all ACOs or the ACO's own quality score for Performance Year 2020.

*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

Measure Title	2019 AHN Performance	2020 AHN Performance
Risk Standardized, All Condition Readmission*	14.86	14.71
All-Cause Unplanned Admissions for Patients with Multiple Chronic Conditions*	55.72	45.01
Ambulatory Sensitive Condition Acute Composite* (AHRQ PQI #91)*	1.89	0.97
Falls: Screening for Future Fall Risk	77.81	81.23

DOMAIN: PREVENTATIVE HEALTH

Measure Title	2019 AHN Performance	2020 AHN Performance
Preventive Care and Screening: Influenza Immunization	65.74%	76.69%
Tobacco Use: Screening and Cessation Intervention	72.50%	64.10%
Screening for Clinical Depression and Follow-up Plan	57.77%	60.74%
Colorectal Cancer Screening	73.77%	73.17%
Breast Cancer Screening	75.66%	72.98%
Statin Therapy for the Prevention and Treatment of Cardiovascular Disease	78.44%	81.72%

*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

Measure Title	2019 AHN Performance	2020 AHN Performance
Depression Remission at Twelve Months	7.55%	14.29%
Diabetes Mellitus: Hemoglobin A1c Poor Control*	11.59%	12.02%
Hypertension (HTN): Controlling High Blood Pressure	68.44%	75.25%

AHN has achieved over

\$50M

In total MSSP ACO
savings to date!



*Indicates Inverse Measure = Lower score is better



Indicates AHN Performance exceeded Performance Rate of other MSSP ACOs

BRIGHT SPOT

SHARED SAVINGS DISTRIBUTIONS TO OUR PROVIDERS

For the 2019 and 2020 performance years, Arkansas Health Network has distributed a combined total of \$3.4M to the provider groups participating in the Medicare Shared Savings Program (MSSP). These payments were made in recognition of the high quality performance and financial successes driven by the contributions of each individual provider. Distributions were calculated using three criteria: Participation, Volume, and Value (i.e. Quality). President & CEO Bob Sarkar and Chief Medical Officer Dr. Lubna Maruf visited each provider group to deliver their distribution check and extend gratitude for their continued dedication to their patients. AHN's repeat success in MSSP relies on excellent, coordinated care being delivered across the continuum.



LAWRENCE FAMILY MEDICINE



**CARFAGNO
FAMILY MEDICINE**



CONWAY HEMATOLOGY



ARKANSAS UROLOGY



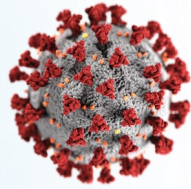
CONWAY REGIONAL HEALTH SYSTEM



TILLEY FAMILY MEDICINE

BRIGHT SPOT

A YEAR LIKE NO OTHER: RESPONDING TO COVID-19



Like many organizations around the world, Arkansas Health Network had to find new ways of meeting our goals while keeping employee, patient and partner safety at the forefront. AHN care management professionals continued our proven best practice model of care by emphasizing preventative care, longitudinal care management of chronic patients, and implementation of evidence-based guidelines while shifting to a totally remote workforce.

In this time of crisis, though AHN could not operate in its usual capacity, the clinically integrated network realized it was in a unique position to make a positive impact in the community. First, AHN manages over 30,000 elderly Medicare patients, many with chronic conditions, through the Medicare Shared Savings Program (MSSP), an age group that statistically was highly vulnerable to COVID-19. Additionally, our Arkansas population continued to see an increase in positive cases and COVID-19 related deaths.

In late March 2020, AHN's clinical team shifted from its usual work to proactive outreach to the top 20% highest risk MSSP patients with the goal of providing them with education to stay safe during the COVID-19 pandemic. Over the course of six weeks, the team reached nearly 6,000 patients on the phone and covered multiple topics including:

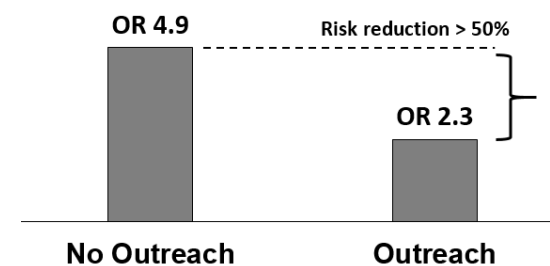
- ◆ General virus and screening information
- ◆ Medications
- ◆ Safely acquiring food
- ◆ Access to mental health resources
- ◆ Handling in-person and virtual doctors visits
- ◆ Protection against scammers

What was the impact of AHN's COVID-19 outreach?

Patients reached by AHN were half as likely to be diagnosed with COVID-19 during the next six months than those we were unable to reach. See the graph to the right. These results are based upon a comparison of the high risk MSSP patients who received outreach compared to low risk patients.

AHN is very proud to have made a difference for these vulnerable patients by preventing illness and potentially saving lives.

Odds Ratio (OR) of COVID-19 Diagnosis*



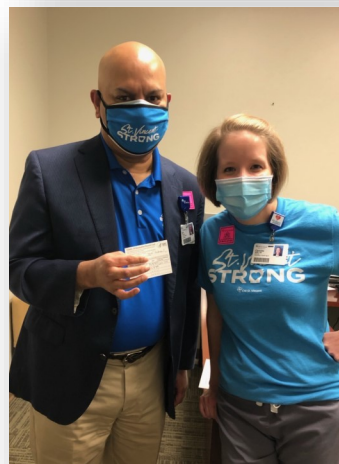
*OR adjusted for both age and risk score

BRIGHT SPOT

A YEAR LIKE NO OTHER: RESPONDING TO COVID-19 CONT.

In addition to education and outreach, AHN supported our commercial contracts with “boots on the ground” as vaccinations for health care workers were approved. Beginning in late 2020, AHN clinical team members worked with our hospital clients to administer some of the first vaccines in Arkansas to health care employees. AHN was proud to support the health and safety of our frontline workers.

As vaccination approvals expanded to the general public 2021, so too did AHN’s contributions to community care as both clinical and non-clinical staff continued to participate in vaccination efforts at community vaccination sites across central Arkansas.



AR NetPartners



NextHealth

In 2018, AHN began researching a collaborative value based model of care to cover whole families in Arkansas. After an independent study to find similar U.S. models yielded no examples, AHN decided to establish a new model in Arkansas. Instead of competing with CINs within the state, AHN initiated a collaborative approach with Arkansas Children's Care Network (ACCN), and later, NextHealth CIN (NH) to broaden the scope and geographical reach of services to jointly and better care for Arkansans.

In 2021 this collaborative was formally branded AR NetPartners. AR NetPartners improves the quality of care to employees and their families by going above and beyond standard insurance benefits to reduce utilization and costs through proactive engagement with a variety of care management and provider network services. Moving forward, this collaborative is actively engaging with employers in Arkansas to offer a new option of care. Through a willingness to take on higher levels of risk, with appropriate guardrails, AHN shows commercial clients its belief in this value care model which is unprecedented in Arkansas.



Results include improvements in both financial and quality metrics for two major central Arkansas employer contracts in 2020 with preliminary data showing significant savings for 2021. To learn more, visit arkansashealthnetwork.com/employers.

DIRECT-TO-EMPLOYER: EMPLOYEES & DEPENDENTS

In addition to our Medicare members, AHN provided population health and case management services to a mid-sized central Arkansas (Company A) health plan for the fifth and sixth years in a row.

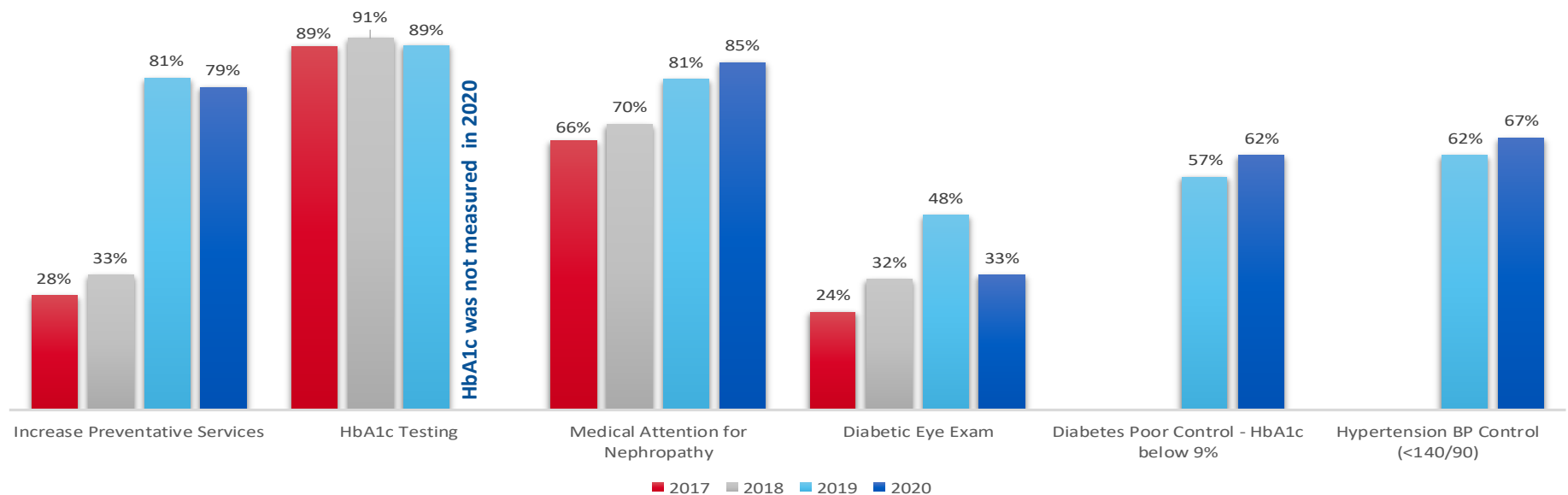
During these two years, AHN achieved **\$1.3 million** in total savings compared to the projected health plan spend. For its performance, AHN was awarded \$384K in additional shared savings which were reinvested in infrastructure.

In 2020 AHN shifted into a case management fee “at risk” arrangement where 60% of the care management fee was paid upfront and 40% was based on quality measure performance. Based on final quality scores, AHN earned 81% of the “at risk” bonus. This score was the highest of all CINs in CommonSpiritHealth. Ultimately, these savings translated into a premium increase of less than 2%, demonstrating how AHN directly reduces costs to employers and employees alike.

2019 & 2020 OVERALL PERFORMANCE—COMPANY A

	2019	2020
Total Claims PMPM:	\$360.41	\$397.52
Actual Claims vs. Projected Claims:	2.36% Savings	1.95% Savings
Total Savings:	\$738,541	\$593,345
Overall Quality Score:	72.0%	81.0%
Final Shared Savings:	\$177,249	\$201,254

2017-2020 QUALITY MEASURE PERFORMANCE



ADDITIONAL DIRECT-TO-EMPLOYER CONTRACTS

Through AR NetPartners, our unique partnership with Arkansas Children's Care Network (ACCN) and NextHealth (NH), AHN began new Direct-to-Employer contracts with two large healthcare providers in Arkansas in 2020. Together, AHN and ACCN provided multidisciplinary care management expertise to 6,720 employee and dependent lives.

Despite COVID-19 challenges, AHN and ACCN actively identified and engaged a "high risk" cohort of plan members at each organization to provide proactive, preventative case management services that addressed gaps in care, safe care transitions and wellness.

2021 quality measures will include access to preventative/ambulatory health services, hypertension care, comprehensive diabetes control and testing, and breast cancer screening for adults.

Additionally, AHN/ACCN tracked childhood and adolescent immunization status and access to primary care practitioners in 2021. This emphasis on improving pediatric outcomes reinforces AHN's commitment to improving the health of not just employees, but their dependents as well. The ability to provide important services for the entire family is a differentiator in the industry as AHN strives to maximize the health and well-

Company B - 2020

Medical Spend PMPM

Prior Year	2020
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\$259	\$258
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ER Visits per 1,000 Lives:

175	164.5
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% Avoidable ER Visits

32.0%	28.3%
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% of Total Admits Readmitted (30

15.9%	10.5%
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Average Length of Stay (in days)

4.0	3.8
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Company C - 2020

Medical Spend PMPM

Prior Year (Baseline Average)	2020
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Not Available	\$115
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ER Visits per 1,000 Lives:

Not Available	166.5
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% Avoidable ER Visits

Not Available	34.3%
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% of Total Admits Readmitted (30 days):

Not Available	13.5%
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Average Length of Stay (in days)

Not Available	3.2
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