

## HOW BANNER HEALTH IDENTIFIED 7% IN ADDITIONAL RAF REVENUE

BaseHealth's Predictive RAF Analytics prospectively pinpoints RAF score adjustment opportunity and revenue potential in Medicare Advantage (MA) populations and suspectively identifies the actual members who should be targeted for diagnostics and therapeutic intervention.

To be successful in MA it's essential to capture all of the revenue to which a plan is entitled based on risk of enrolled MA populations. While CMS allows for adjustment of RAF score and payments, most MA plans and health systems bearing downside risk rely largely on retrospective capture of diagnosis, missing out on opportunities for high-risk members yet to generate a claim.

### STUDY OVERVIEW

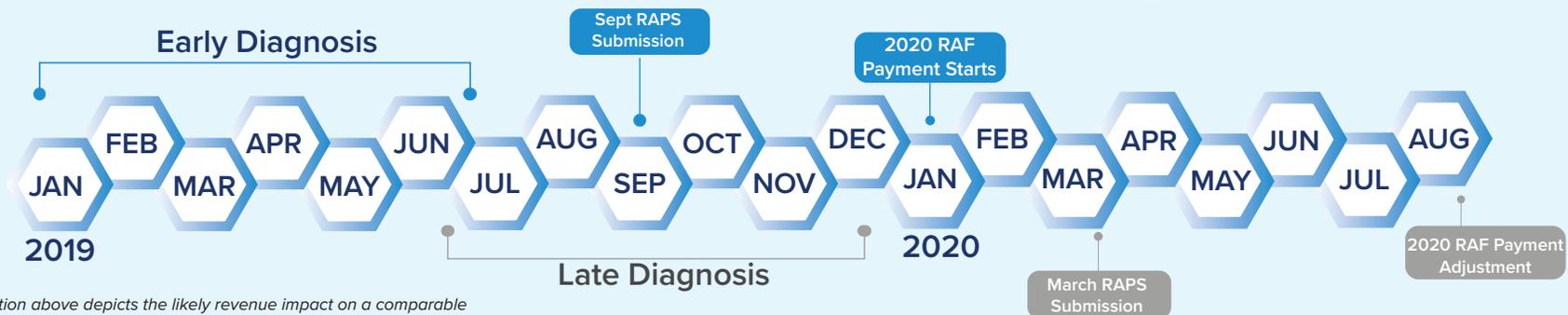
A recently conducted study in partnership with Banner Health of 25,000 MA members compared BaseHealth's science and evidence-based Predictive RAF and revenue analysis with the actual RAF score and actual revenue. The study, validated by the integrated health systems clinical performance analytics team, revealed nearly \$13 MILLION in missed revenue associated with high-risk members and more than \$5 MILLION in revenue that could have been appreciated seven months earlier.

### NEARLY \$13 MILLION IN MISSED REVENUE



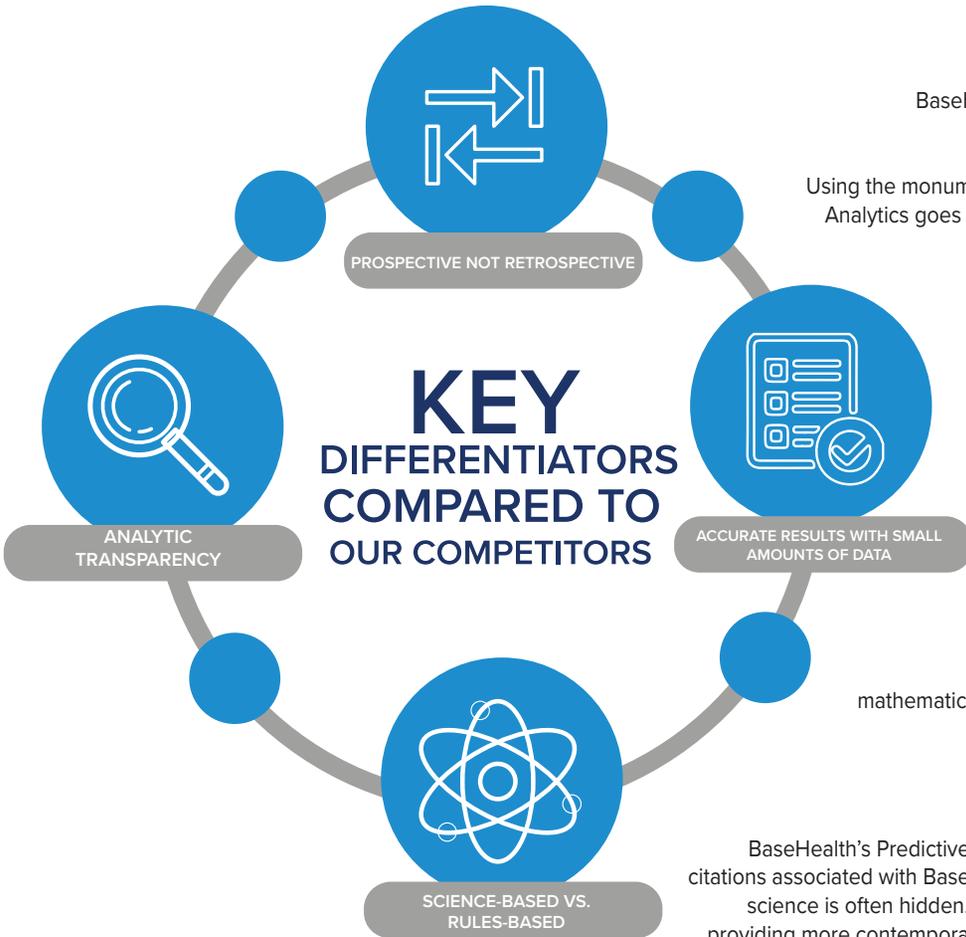
### ADDITIONAL OPPORTUNITY FOR ACCELERATED REVENUE IN 2020

In addition to using BaseHealth Predictive RAF Analytics for finding members that can have the greatest impact on 2019 RAF revenue that can still be identified in 2018, BaseHealth can provide a head start on 2020 RAF revenue. By identifying high-risk candidates for RAF adjustment, there is a greater chance of a new diagnosis in early 2019, accelerating 2019 RAF adjustment payment to January 2020. Banner Health recognized \$5 MILLION in RAF revenue that could have been accelerated and paid in January 2017 as a result of a September 2016 RAPS submission, but didn't realize the revenue until August 2017.



The illustration above depicts the likely revenue impact on a comparable population for the 2020 plan year RAF adjusted payments.

## WHY BASEHEALTH'S PREDICTIVE RAF ANALYTICS IS THE MOST PRECISE



### PROSPECTIVE NOT RETROSPECTIVE

BaseHealth is a Holistic Computational platform that analyzes all known avenues of a risk at an individual member level and predicts the course that risk is likely to take in the next 12 months.

Using the monumental amount of science-based data and every known evidence-based computation, BaseHealth's Predictive RAF Analytics goes beyond analyzing known risk to identify unknown risk. These analytics provide a prospective population level and susceptible member-level understanding of members at high-risk with ICD clinical guidance, diagnostic intervention and RAF score adjustment.

Essentially, BaseHealth helps direct a health plan to the individual members with the best opportunity for a RAF correction.

### ACCURATE RESULTS WITH SMALL AMOUNTS OF DATA

These strong predictive models, upon which BaseHealth's Predictive RAF Analytics are based, have been independently validated by experts, delivering C-stat accuracy of .85 - .95, far exceeding the industry average of average .68 - .73\*

*\*A C-stat value by itself does not give the full picture when using it to compare models. It should be paired with a precise definition of what is being predicted when using it to compare models/approaches to a problem.*

### SCIENCE-BASED > RULES-BASED

Unlike most predictive analytics vendors that rely on rules-based methodologies using simplistic associative mathematical models, BaseHealth applies causal & associative analytics using science and evidence-based models built from more than 150 million pages of research literature from upwards of 33,000 curated medical publications on studies of nearly 70 million people worldwide.

### ANALYTICAL TRANSPARENCY

BaseHealth's Predictive RAF and interventional analytics are extremely transparent giving clinicians direct access to research studies and citations associated with BaseHealth science. Many other analytical practices operate within a proprietary "black box," meaning their underlying science is often hidden. Plus, majority are entirely claims-based and use very little clinical data. BaseHealth's analytics are clinically based providing more contemporary and accurate visibility for rising condition risk while minimizing biased, outdated and otherwise inaccurate data.

## WHY PREDICTIVE RAF ANALYTICS MATTER

### PREPARE PRACTITIONERS TODAY FOR WHAT COULD HAPPEN TOMORROW

In summary, BaseHealth's data shows early prediction of high-risk Medicare Advantage members helps payers and health systems to INCREASE REVENUE and IMPROVE QUALITY OF CARE. While our study showed the potential for nearly \$13 million in missed revenue and \$5 million in accelerated revenue in a population size of 25,000, the risk will be much greater when scaled to larger MA populations, therefore increasing realizable revenue.

The clinical guidance BaseHealth's analytics provides healthcare practitioners helps to more proactively diagnose and treat patients today for high-risk conditions, and in turn, avoid missed or late RAF adjustment and revenue opportunity. Ultimately, the members benefit as much as the healthcare providers.