

Value-Based Contracting Actuarial Support

Do the technical descriptions for member attribution models, incurred and paid claims, risk adjustment, and quality of care measurements make your eyes roll? You are not alone. There are portions of value-based contracts that only an actuary can love.

Dr. Sawhney, however, is really into these topics. She is a Fellow of the Society of Actuaries (FSA), Member of the Academy of Actuaries (MAAA), and qualified to issue actuarial opinions related to health insurance.

We will work with providers to assure that your proposed value-based contract contains specific, clearly-defined technical descriptions for attribution and the financial elements of the settlement calculation and that the settlement calculation itself is clearly described, including via examples. We will help you understand the contractual risks. Finally, we will be your actuary for discussions with the plan's actuaries.

We will then set up the processes to monitor contract performance using attribution and claims data provided by the plan. You will no longer need to assume that the plan's settlement calculations are correct.

Case Study: Providers never win with open terms

Dr. Sawhney has reviewed value-based contracts that lack specific, clearly-defined technical descriptions and settlement terms. Unfortunately, the lack of clarity has often been in the context of a conflict between the provider and the health plan as to payment of shared gains or losses – when it is too late to tighten the language. The conflicts last for years and providers who thought they should receive a big shared savings payment ultimately receive little or nothing.