



Improve your financial outcomes

Optum Advisory Services — Payer Actuarial



Health plans, employers and their advisors face a variety of challenges. Evaluating and estimating uncertain risks. Accurately predicting health spend and managing the portfolio. Reducing total cost of care. Improving health care delivery and plan operations. Anticipating customer needs. And the list goes on.

Addressing these challenges requires insight, innovation and collaboration. Optum® Payer Actuarial offers strategic consulting and solution sets for every financial aspect of your operation. We blend actuarial expertise with powerful analytics to arrive at solutions to help address your health care challenges.

Optum Payer Actuarial offers a breadth of services for employer, individual and specialty markets. Whether you are applying a single actuarial model to a commercial, Medicare or Medicaid offering or integrating a solution across your enterprise, we provide proven, time-tested products and resources.

More than 100 clients rely on our actuarial modeling for pricing and compliance.

Actuarial toolbox

Leveraging our subject matter expertise and comprehensive claims database, we have developed a robust suite of tools and actuarial models to help you optimize pricing and support customers with confidence.

- **Comprehensive Benefit Pricing Model (CompPricer)** — Develops allowed and net paid per-member-per-month (PMPM) claim costs by service category.
- **Rx Pricing Model 65plus** — Evaluates pharmacy costs and utilization based on underlying prescription drug plan design coverage for the 65+ demographic. Supports creditable coverage testing.
- **Minimum Value Tool** — Helps determine whether a given plan design satisfies the minimum value standards for employer-sponsored plans established under the Affordable Care Act.
- **Incurred But Not Reported (IBNR) Model** — Manages data and analyzes future expected claims liabilities.
- **Employer Stop-loss Model** — Projects specific and aggregate stop-loss premium rates tailored to the employer's risk profile.
- **Excess of Loss Rating Model** — Provides manual rating and benchmarking for specific excess-of-loss policies for risk-bearing facilities and physician practices.

Specialty benefit services

Optum subject matter experts work with dental, vision, work-site and Medicare supplement carriers to help with quality product, pricing, network and operational challenges. Support is available for commercial, Medicare and Medicaid markets.

- **Pricing** — Pricing specialists examine new business manuals, renewal rate targets, fee schedule modeling, margin assessment by market segment and rate filings.
- **Network expansion** — We help you analyze network options, including network swap arrangements, stacking and using predictive modeling to prioritize recruiting strategy.
- **M&A and Alliance Partner screening** — Our experts evaluate and support formal due diligence for partnerships, vendors and acquisition targets, including valuation assessments.
- **Underwriting reviews** — We provide new business and renewal workflow assessments on productivity/profitability, new business discount strategy, renewal block targets and performance evaluations.
- **Strategic consulting** — We help you eliminate fraud, waste and abuse, profile providers with the Dentist Compare and Dental Fee Profiling tool, study the impact of oral health on medical costs, integrate medical and dental data, and create report cards to track performance.

Commercial pricing and underwriting analytics

Our new suite of tools optimizes actuarial and clinical analytics to improve your bottom line while complementing existing Optum Analytics and StepWise® tools.

- **Risk predictors** — New models enhance the predictive power of risk scores within Impact Pro for underwriting and managing your book of business and improving the translation of a risk score to a predicted financial outcome.
- **Renewal underwriting** — We develop accurate member risk profiles using new sources of data, including social determinants of health such as income, health literacy, transportation and social isolation. Helps you close the data gap and drive higher impact in renewal underwriting, operational performance and member outcomes.
- **Underwriting best practices** — StepWise and other advanced analytic capabilities, including machine learning, to offer best practice, group-specific and block portfolio underwriting methods and tools.
- **New business underwriting analytics** — Provides a new business analytics service based on pharmacy claim histories and augmented by social determinants of health, lab data and electronic medical records.

Financial analytics and benchmarking

Optum pairs subject matter expertise with vast data stores to give you unparalleled analytics and benchmarking.

- **Total cost of care benchmarking** — Helps health plans understand how much they pay for services.
- **Accountable Care Organization (ACO) wraparound consulting with Impact Pro** — Allows subject matter experts to show ACOs how to get even more value out of Impact Pro.
- **Employer and Payer reporting** — Assesses existing reporting solutions and platforms to develop complementary reporting and services within StepWise.
- **Utilization and fee benchmarking** — Evaluates if health plan utilization patterns and fee structures are within expected ranges and identifies opportunities to improve them.
- **ACO reporting** — Provides reporting solutions targeted to the needs of ACO managers.
- **Book-of-business segmentation** — Assists plans in evaluating differences in the net present value of their enrolled and prospective groups, examining factors such as profitability, loyalty, willingness to pay and risk.

Actuarial Modeling and Payer services

Optum supports your business with actuarial reporting and projections, freeing up in-house resources to focus on other initiatives. We can also develop solutions or products to be used internally.

- **Mental Health Parity Testing** — Assists clients with compliance testing for mental health parity.
- **Part D Creditable Coverage determinations** — Provides an annual evaluation to determine if plans meet the creditable coverage requirement.
- **Retiree Drug Subsidy (RDS) reporting** — Offers Centers for Medicaid and Medicare Services reporting for plan sponsors that pursue RDS, including cost reporting, account management support, audits/re-openings, attestations and RDS alternative evaluations.
- **Regulatory reporting** — Includes a variety of services to assist with meeting corporate regulatory requirements such as National Association of Insurance Commissioners Market Conduct Annual Statement reporting.
- **Plan design pricing and financial projections** — Evaluates the impact of plan design changes on plan and member liability. Includes cost modeling for new/experimental drugs and treatments for plans offering supplemental employee benefits.
- **Incurred But Not Reported (IBNR)** — Assists clients with evaluating IBNR liabilities by business segment. Independent review services are also available.
- **Staff Augmentation** — Assists health plans with actuarial resources to fill in gaps in staffing.

Healthcare Technology Pipeline (HTP)

Healthcare Technology Pipeline (HTP) focuses on emerging medical device technologies and recent or pending FDA submissions that will impact patient care, resource utilization and health care expenditures. HTP provides unbiased estimates of the per-member-per-month (PMPM) costs of new technologies before they arrive in the market, for both commercial and Medicare populations.

HTP assists actuaries, health care economists, clinicians and pharmacists by providing clinical and operational context, financial modeling and customizable analytic tools. Applications of these insights and analyses include:

- Trend forecasting and pricing
- Medical technology assessment, medical policy and reimbursement strategies
- Management strategy and tier placement

Technologies reviewed by HTP include:

- New medications
- Brand-to-generic, brand-to-OTC and brand-to-biosimilar drug switches
- New medical devices
- New screening, diagnostic and companion tests

Leverage analytic depth and actuarial expertise

Call today to leverage the latest methods, tools, datasets and breadth of services provided by the experts within Optum Advisory Services' Payer Actuarial practice, and begin solving your toughest health care challenges.

Contact us at **1-800-765-6807** or **empower@optum.com**.



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