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# Oracle Health Insurance Solution Overview



# Safe Harbor Statement

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.

# What are Prospective bundled payments?

- **Prospective Bundled payment**: reimbursement of healthcare providers on the basis of expected costs for clinically-defined episodes of care.
- Middle ground between fee-for-service and capitation
- Provide incentives for healthcare providers to improve continuity and coordination of care resulting in:
  - Better outcomes
  - Lower costs
  - Higher Patient Satisfaction

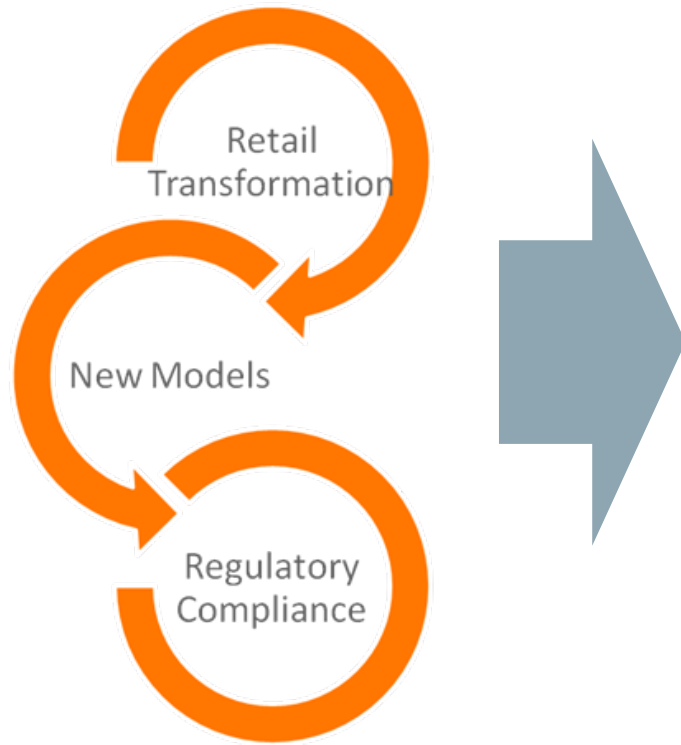
# How are bundled payments different from other value-based payments?

- **Providers assume financial risk** for the cost of services as well as costs associated with preventable complications during a defined time period.
- Payments are made to the provider on the **basis of expected costs** for clinically defined episodes that may involve several practitioners, settings, and services over time.
- Bundled payments include **clear quality metrics** focused on desired clinical outcomes that providers must achieve to maximize their payment.

# Prospective vs Retrospective Payments

- Today, most bundled payment models are “**retrospective**,” meaning payors pay traditional fee-for-service payments **after delivery of care**.
- Retrospective bundled payments are “reconciled” when the episode is over (up to 12 months later). This means that the inflationary incentives inherent in fee-for-service are part of the mix.
- **Benefit Management, LLC** will pay providers bundled payments “**prospectively**,” paying agreed upon costs in advance, regardless of how many services are provided.

# US Health Insurance – Business Imperatives Drive Technology Transformation



## Top-3 Technical Imperatives

- 1.Support New & Emerging Business Needs
- 2.Preserve Existing IT Investments
- 3.Improve Speed of Delivery of IT Projects

## Oracle Health Insurance Solution

Best in Class components enable new health business imperatives that can be deployed alongside current core systems or as a comprehensive suite

# Oracle Health Insurance Solution

- Comprehensive health Insurance core processing solution
  - Full support for Health Insurance Policy & Claims Lifecycle
- Built as purpose-built components that can be consumed independently
  - Membership | Authorizations | Pricing | Claims Adjudication | Value-based Payments | Analytics
- Modern technology architecture that delivers flexibility & performance
  - Extensible object model | Dynamic business logic | Real-time processing

**BREAK FREE FROM LEGACY**





# Oracle Health Insurance Solution – Key Architectural Principles

- **Service Orientation (SOA)**  
Way of organizing software so that companies can respond quickly to changing market requirements.
  - **Straight through processing (STP)**  
Processing in OHI Components is highly automated: meet a business objective utilizing essential human labor only
  - **Continuous processing (trickle feeding)**  
Processing in OHI Components is largely event-driven (e.g., a claim is processed as soon as it is entered into the system and when processing capacity is available)
  - **Fit for purpose**  
The right tools or techniques for specific parts of the system (e.g., use n-tier architecture, which separates data management from business applications/business process support/UI)
- **Flexibility concepts**  
Extended meta modeling, Dynamic logic via configuration screens, Advanced UI flexibility
  - **Rules driven configuration**  
Flexible and simple business rule configuration, empowering end-users, transparency of all applied rules
  - **Seamless Integration**  
With OHI Components and any other applications (Oracle & non-Oracle)
  - **Scalability**  
Architected to scale, parallel processing of transactions

# Oracle Health Insurance Value-Based Payment Solution

- Single platform for automating many different payment arrangements
  - Supports complete payment process
  - Stand-alone component that works alongside existing claims systems
- Payment Examples
    - **Prospective Bundled Payments**
    - Service-based Capitation payments (such as radiology)
    - Enrollment-based payments (such as PCP)
    - Claims-based payments (such as ACO care coordination fees)
    - Claims-based compliance payments (Surcharge such as NY HCRA)
    - Member-based periodic payments (such as long term care)

# Oracle Health Insurance Value Based Payment Solution

Supports models with any combination of characteristics

## Payment Purpose

Medical Services, Care Coordination, Incentive, Government Surcharge, Share of Savings

## Payment Trigger

Automatic Recurring, Invoice, Event Notification

## Contracting Entity

Provider, Care Coordination, or Accountable Care Organization, Government Entity

## Payment Amount

Rate Sheet Look-Up (optionally with Percentage or Formula adjustment or breakdown), Fixed Amount, Sent-in amount (e.g. Premium)

## Payment Frequency

Recurring, One-Off

## Payment Level

Member, Contract

## Member Selection Criteria

Explicit from enrollment choices or implicit alignment from claim analysis in combination with member attributes

## Shadow / Encounter Claims / Invoices

Are claims or invoices required for administrative purposes even though they are not the direct basis of payment?

# Oracle & Benefit Management, LLC

**A Partnership to quickly move you from “volume to value” based reimbursement**

- Payors and providers are trying to master the complexity of bundled payment models - specifically the shift to prospective payments
- **Benefit Management** will harness the power of the Oracle cloud service to help payors & providers:
  - **automate** the administration and payment of prospective and retrospective bundled payments
  - seamlessly maneuver and scale complex bundled payment contracts
  - ensure timely and accurate payments to providers
  - administer Quality and other provider incentive criteria tied to bundled episode

# Oracle & Benefit Management, LLC

**A Partnership to quickly move you from “volume to value” based reimbursement**

“The transition to value-based payments is one of the biggest challenges facing payors and providers today. It is imperative that all aspects of value-based payments be considered before making this change.

Never before has combining the clinical outcomes with payment been so important.

Oracle Health Insurance Value Based Payment Cloud Service will allow us to revolutionize bundled payments by processing payment at the time service is rendered instead of months later.”

**Chad Somers, CEO of Benefit Management, LLC**

# Oracle & Benefit Management, LLC

**A Partnership to quickly move you from “volume to value” based reimbursement**

- Combining **Benefit Management’s** services, backed by 20 years of success, and **Oracle’s** offering will guide **self-funded employers** through:
- **Easily** navigating the transition to **prospective** bundled payments and other **value** based reimbursement models
- **Reducing** the provider risk making it **easier** for providers to participate
- **Decreasing** the **total cost** of bundled procedures while improving **quality** and increasing **patient satisfaction**
- **Accurately** and **timely** administering **prospective** bundled and **value-based** payments

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