Special Webcast

Leveraging Data Analytics to Improve Network Utilization

August 18, 2021

THE CONFERENCE BOARD

IBM Watson Health™

Some of the critical questions and issues we will be addressing today

- Understanding the concept of “domestic leakage” for health system employers
- Determining how to use health care claims and data visualization to enable efficient forensic analytics
- Identifying strategies for improving employee access to preferred providers of health services

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Today's Speakers

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Tenet mission, vision and values

MISSION

To provide quality, compassionate care in the communities we serve.

VISION

To consistently deliver the right care, in the right place, at the right time and to be a premier organization to work, where patient care and saving lives remain our focus.

VALUES

At Tenet Healthcare, our actions and behaviors define who we are, what we stand for and what we CARE about:

- → Compassion and respect for others and each other, supporting our communities and advocating for our patients
- → Acting with integrity and the highest ethical standards — always
- → Results delivered through accountability and transparency
- → Embracing inclusiveness for all people in our workplace and in the communities we serve

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Tenet Healthcare at-a-glance

Basic Info:

Headquarters:
Dallas, TX

Business Units –
Tenet, USPI and Conifer

142,155
total covered members

Union and Non-Union employees

23 Markets

Specific info about Tenet benefit plan offerings:

Medical / Rx carriers – Aetna, BCBSTX, BCBSAL, HPI, Fallon, OptumRx

Health management programs through carriers and Conifer Disease Management

Plan types offered – HDHP with Health Savings Account, Health Reimbursement Account, PPO, EPO

→ Plan offerings vary across the markets

3-tier network structure

Tenet Healthcare 3-tier network structure

Tier 1 – Domestic

- Includes all Tenet-owned facilities and Tenet-affiliated professional providers

Tier 2 – Non-Domestic, In-Network

- All other in-network facilities and professional providers

Tier 3 – Out-of-Network

- Any other providers not reflected in Tiers 1 and 2

Employee cost sharing varies based on tier – example for Gold plan w HRA:

Category	Tier 1 – Domestic	Tier 2 – Non-Domestic, In-Network	Tier 3 – Out-of-Network
Annual Deductible	$0	$1,600 (ind) / $3,200 (fam)	$3,200 (ind) / $6,400 (fam)
Inpatient Admission	10% after deductible	20% after deductible	75% after deductible

Business case and context for analysis

Business Case:

→ Tenet has various “market footprints” across several geographic regions – e.g., San Antonio, El Paso, Detroit, etc.

→ Executive leadership focus areas:

- Which markets currently have higher-than-expected (or desired) “domestic leakage”– i.e., employees / family members who seek care outside of Tenet’s health system?
- Do certain geographic markets present an opportunity for creating an EPO-type plan for employees?

Context:

→ Leverage IBM Watson Health data warehouse, reporting tools and analytic consultative support to understand how members are utilizing domestic facilities and physician health care services vs. seeking care outside of Tenet’s health system

→ Primary questions to answer:

- Are there tangible differences in domestic utilization for facility vs. professional services?
  - — Does the nature of facility visit (inpatient vs. outpatient) influence utilization patterns?
- Are there barriers to access in certain markets, such as distance between work and home, or lack of availability of domestic services close to employees’ place of residence?

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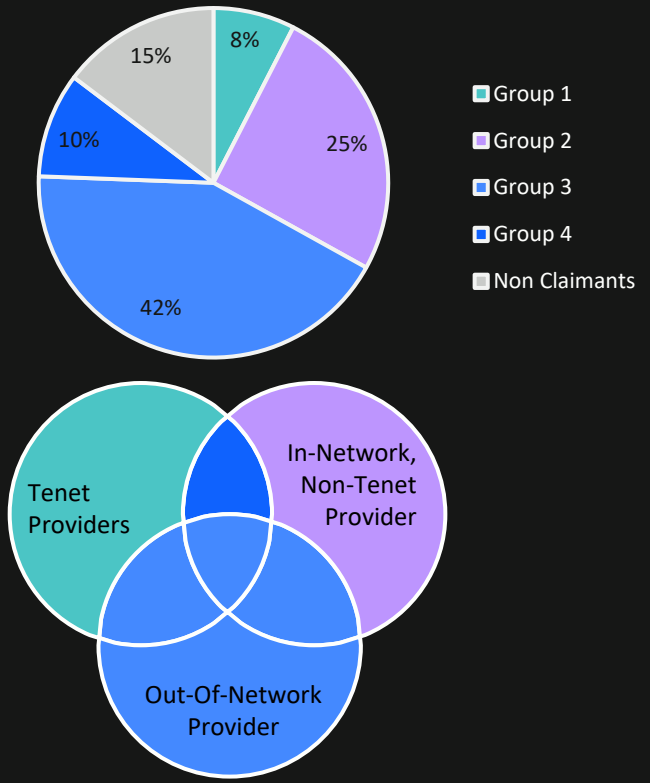
Study group definitions

Created four study groups to slice data by:

1. Using Tenet providers, exclusively
2. Using in-network, non-Tenet providers, exclusively
3. Has at least one claim at Tenet provider and one at an in-network, non-Tenet provider, with no out-of-network claims
4. Has at least one out-of-network claim

Study Group Population Distribution



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Key findings: Top 5 markets

Leakage:
53% of total 2019 medical spend within the top 5 markets reviewed occurred outside of a Tenet provider

Facility vs. Professional:
69% of medical spend within the top 5 markets was attributed to the facility (vs. professional) setting, 25% of which occurred on the inpatient side. Only 55% of facility inpatient spend occurred domestically.

In-Network/Non-Domestic:
51% of leakage occurred in the in-network/non-domestic setting; of which facility inpatient and outpatient surgery accounted for 22% or $32M and preventive visits accounted for 6% or $8M.

Risk Scores:
Members using a wider array of network tiers had higher average risk scores; suggesting not all needs are being met domestically for specialty/non-regular care

Utilization:
When looking at members with in-network services only, members in Tenet's top 5 markets had lower radiology services and office visits domestically compared to non-domestic counts and were more likely to visit an ER or ambulatory care facility domestically

Detroit – Variances from the aggregate

Similarities

- ✓ Member breakdown between employees, spouses and children was the same
- ✓ Preventive visits remained amongst the top conditions for in-network/non-domestic leakage
- ✓ When looking at just in-network services, members had lower rates of office visits domestically compared to non-domestic counts

Differences

- × Renal failure was the top clinical condition for in-network/non-domestic leakage; and pregnancy did not make the top 5
- × Mental health and respiratory disorders were amongst the top 5 conditions for in-network/non-domestic leakage and were not present at the aggregate
- × Dialysis was the top service category for in-network/non-domestic leakage and was not present at the aggregate
- × The majority of medical spend was done so domestically (69%)

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Health Insights Explorer heat map – all non-domestic services (Detroit market)

All tabs

Incurred Year 2020 (1)

Network Tier Non-Domestic -- In-Netw (2)

Tenet Market Code DETROIT (1)

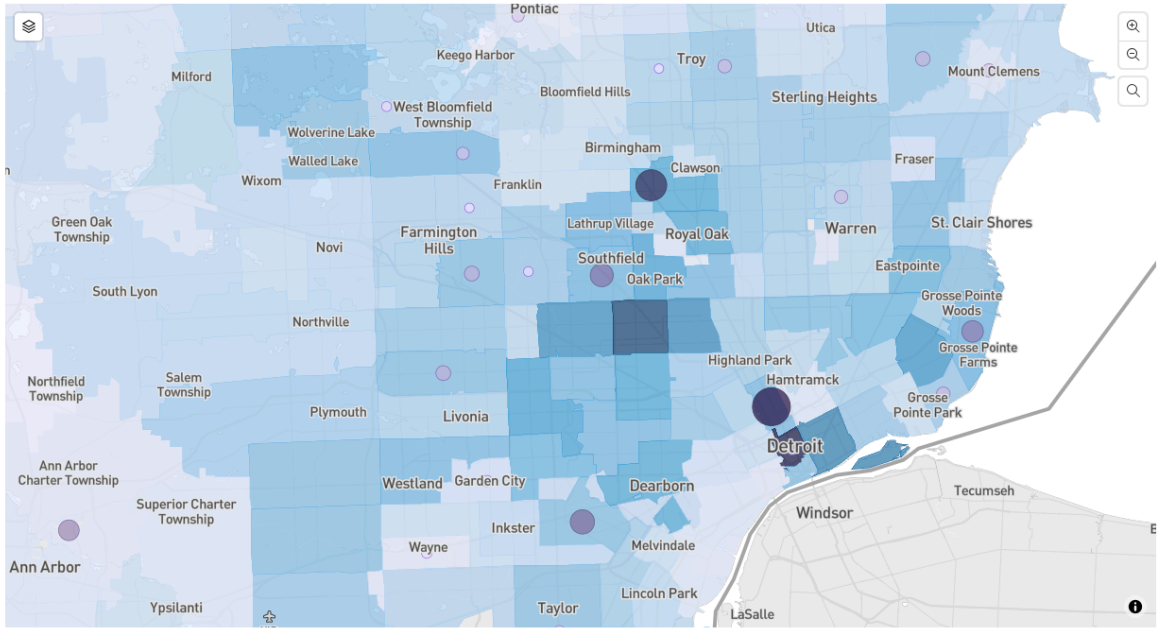
This tab

No filters have been applied.

Heat Map - All | Heat Map - IP | Heat Map - OP | Heat Map - Prof

Member Location and Geographic Facility Usage

Members Med (C... 0 291 | Patients Med (Co... 5 290 | Patients Med (Co... 5 290



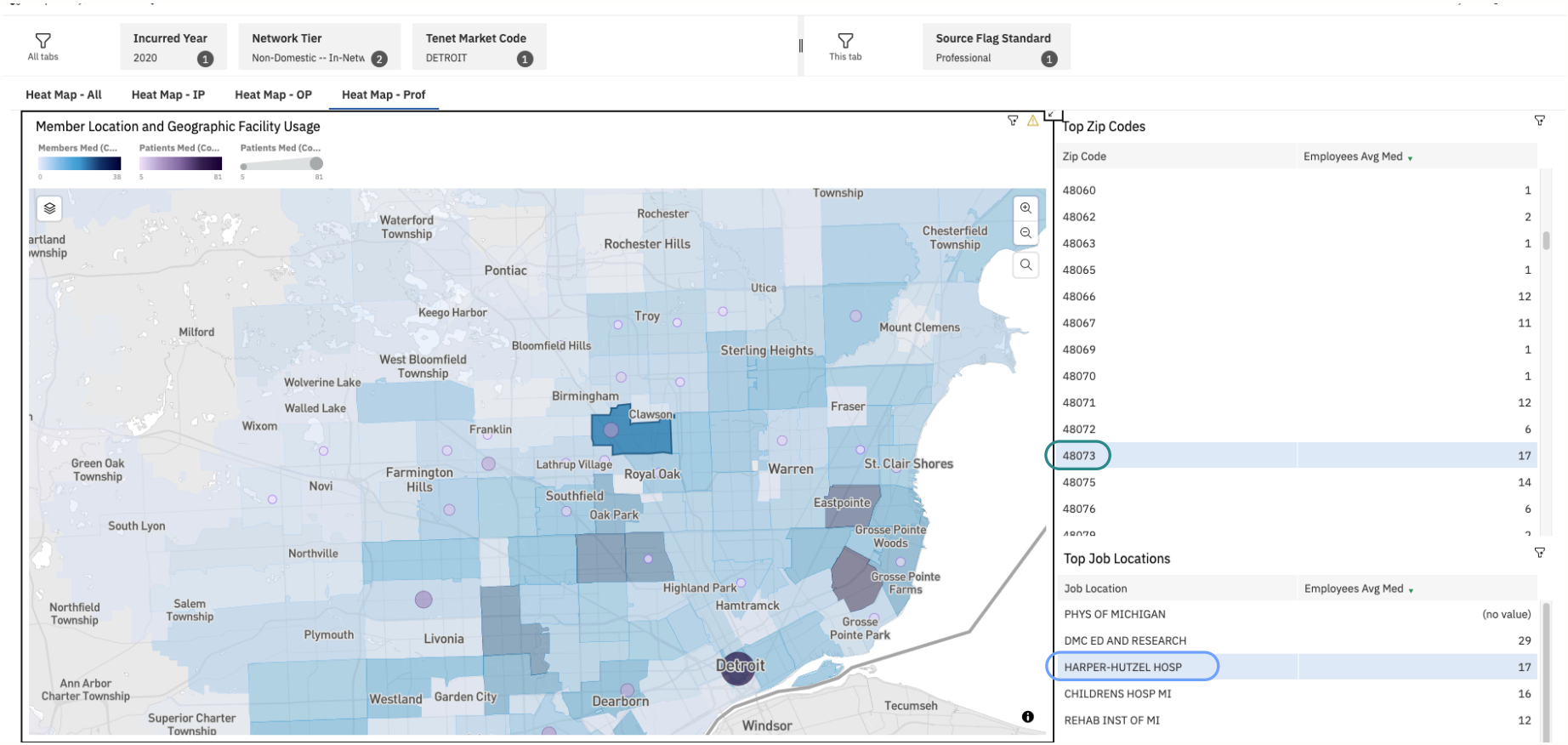
Top Zip Codes

Zip Code	Employees Avg Med
48230	54
48231	1
48232	1
48234	81
48235	183
48236	93
48237	119
48238	53
48239	118
48240	36

Top Job Locations

Job Location	Employees Avg Med
HARPER-HUTZEL HOSP	1,178
CHILDRENS HOSP MI	1,072
DMC ED AND RESEARCH	973
SINAI GRACE HOSP	726
DETROIT REC HOSP	673
HURON VLY SINAI HSP	377
REHAB INST OF MI	363
DETROIT MED CTR CRP	298
SINAI GRACE HSP SEIU	294
STAFF PHYS MICH-TPR	235

Health Insights Explorer heat map – specialty physician services for filtered zip code and job location



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Design considerations and actions taken

Design changes considered as a result of this analysis:

- Does it make sense to create an EPO in “Tenet owned” markets?
- How do we incentivize employees in these markets to utilize Tenet hospitals vs. competitors?

Changes made/actions taken:

- Re-evaluate Tier 1 Network – do we have the right partnerships in place? Ensure access to care across the spectrum of healthcare needs.
- Improve process for maintaining Tier 1 Provider Roster – partnership with Managed Care team.
- Explore EPO markets – continuing to evaluate markets best suited for EPO pilot.

Payer analytics and decision support

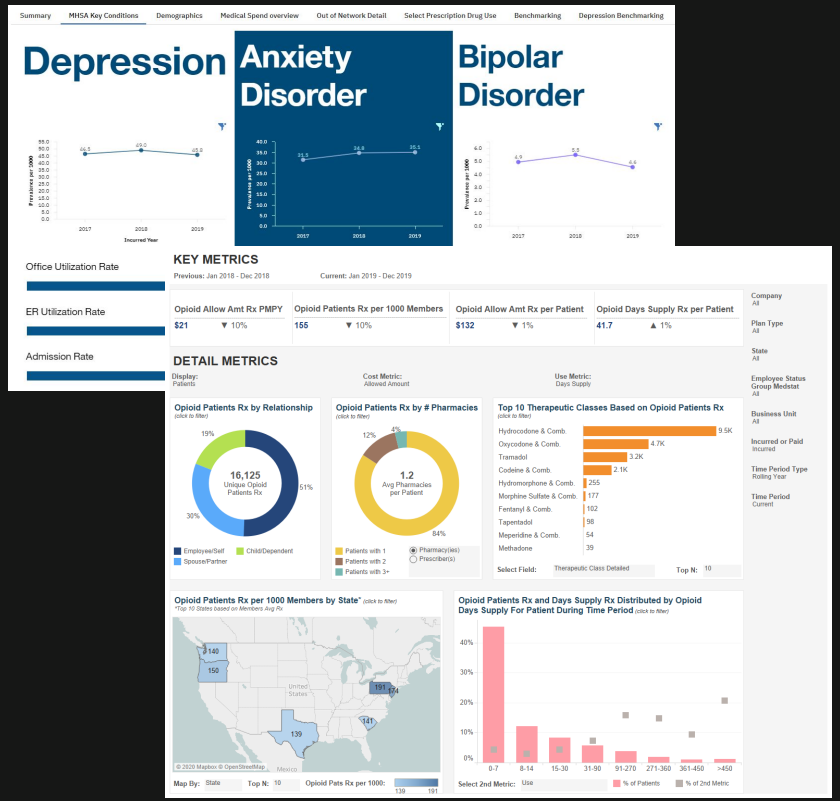
An integrated data warehouse and analytics portfolio with user interface allows users to analyze, visualize and report on complex data.

Evaluate program performance, uncover and analyze cost drivers and assess population health with targeted analytic methods

Explore root causes and potential interventions through guided exploration and drillable dashboards

Dig deeper into hidden trends and sudden changes surfaced by machine learning technology to focus on the most meaningful opportunities for improvement

Easily share and distribute reports using curated data views that include health measures and benchmarks



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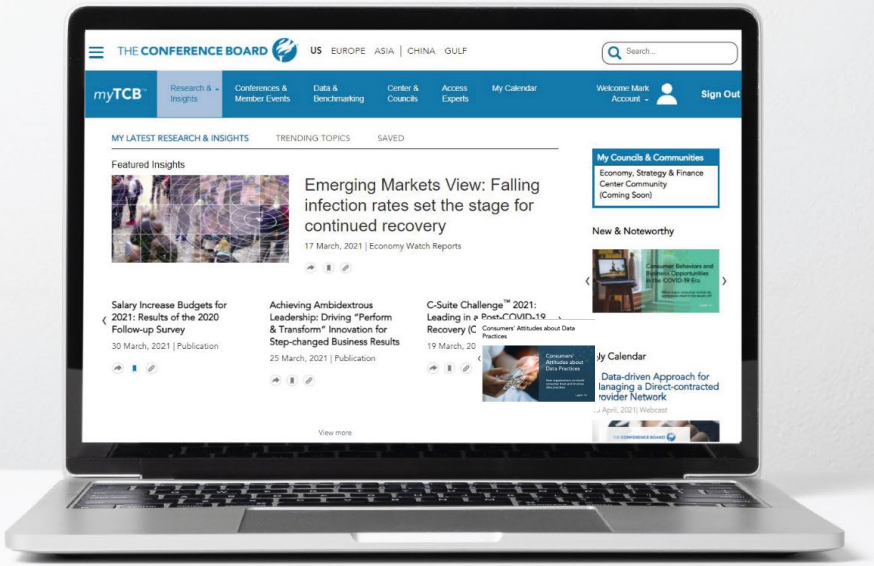

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