AT-I RSO Update

26Apr2024

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Rate Sheet Optimization

RSO Update

26April 2024

1. Engagement Plan Check-In
2. UX Discovery Outcomes
3. Next Steps

Engagement Plan

Check-In

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Rate Sheet Optimization Engagement Plan

RECOMMENDED PRE-WORK:
Team makeup (RACI), Stakeholder and resource availability commitment, Interview participants

***Presentations:** All stakeholders / decision makers required for presentations
All presentations are alignment sign-offs

★ Presentation* ● Current Status

Objectives: RSO Prototype, Future-state PCM UX, implementation proposals

19 Weeks	Month 1 **2/26-3/22**	Month 2 **3/25-4/19**	Month 3 **4/22-5/17**	Month 4 **5/20-6/14**	Month 5 **6/17-7/12**
	Initiate	**Discover**	**Innovate**	**Innovate**	**Innovate**
RSO Prototype ➢ ACTIVITIES ❑ DELIVERABLES	**Activities:** ➢ Review PE discovery ➢ Interview stakeholders and SME for UHC static MAW optimization use cases ➢ Discover origin of MAW data including Rate Sheets and SPS projections **Deliverables:** ❑ Engagement plan, RASIC ❑ Interview guides ❑ Target user personas and prioritized use cases ❑ RSO scope, top-level prototype requirements ❑ Model input data requests	**Activities:** ➢ Model and code top UHC use case ➢ Workshop to validate RSO prototype use case and planned ML approaches ➢ Stage live data into GCP ➢ RSO UX design study **Deliverables**: ❑ Prototype RSO models, code, and baseline comparison ❑ Proposal for prototype arch. and SW bill of materials ❑ GCP data platform ❑ RSO UI wireframes	**Activities:** ➢ Refine prototype RSO model ➢ Develop prototype UI ➢ CI/CD and data pipeline development in GCP ➢ Enterprise architecture reviews ➢ Validation test planning **Deliverables:** ❑ Alpha RSO release ❑ Approved solution architecture and SW bill of materials ❑ GCP dev env ready with live data and approved tools ❑ Alpha user test plans for usability and rate optimality	**Activities:** ➢ Alpha user testing ➢ Alpha model, data pipeline, and UI refinements ➢ Add Staging and Production envs, automate testing ➢ Begin modeling second MAW use case **Deliverables**: ❑ Beta release all tech ❑ Complete GCP env suite ❑ Basic QA suite and unit tests	**Activities:** ➢ Beta user testing with expanded RSO model for static MAW ➢ SPS workshop to discover use cases for optimizing MAW calculation algorithms ➢ Final refinements and testing ➢ Final proposal and readout **Deliverables**: ❑ Final release all tech, documentation, and artifacts ❑ Testimonials, user feedback ❑ Crawl/walk/run next steps for RSO features and scope
PCM UX Study ➢ ACTIVITIES ❑ DELIVERABLES	**Activities:** ➢ Review PE discovery ➢ Interview stakeholders and SME for E2E experience goals ➢ Review UHC renewal contract and map to rate negotiation process **Deliverables:** ❑ Engagement plan, RASIC ❑ Interview guides ❑ Target user personas and prioritized jobs to be done ❑ E2E scope, top-level future reqs	**Activities:** ➢ Workshops to align future business process and tech reqs ➢ Map UX requirements to each persona and use case ➢ Prioritize use cases for dev **Deliverables:** ❑ Future-state journey maps and data structures ❑ Process automation and standardization recommendations ❑ Product roadmap – from/to plan	**Activities:** ➢ Draft Information Architecture ➢ Wireframing ➢ Validation test planning **Deliverables:** ❑ Future-state application data structure and data flow maps ❑ Low-fidelity wireframes for key personas and use cases ❑ User test plans for design validation	**Activities:** ➢ Refine Information Architecture and Wireframes ➢ Alpha user testing and requirements verification ➢ Discover data and tech architectures for current tech solutions used by SPS and PCA **Deliverables**: ❑ High-fidelity wireframes ❑ Interaction design reqs ❑ Future-state data and systems architectures	**Activities:** ➢ Develop and test interactive application prototypes ➢ Develop solution architecture and business case for future-state platform ➢ Final proposal and readout **Deliverables**: ❑ Final interactive prototypes, designs, and artifacts ❑ Testimonials, user feedback ❑ Crawl/walk/run next steps for PCM UX, integrating w/ RSO

UX Discovery Outcomes

Human Optimization

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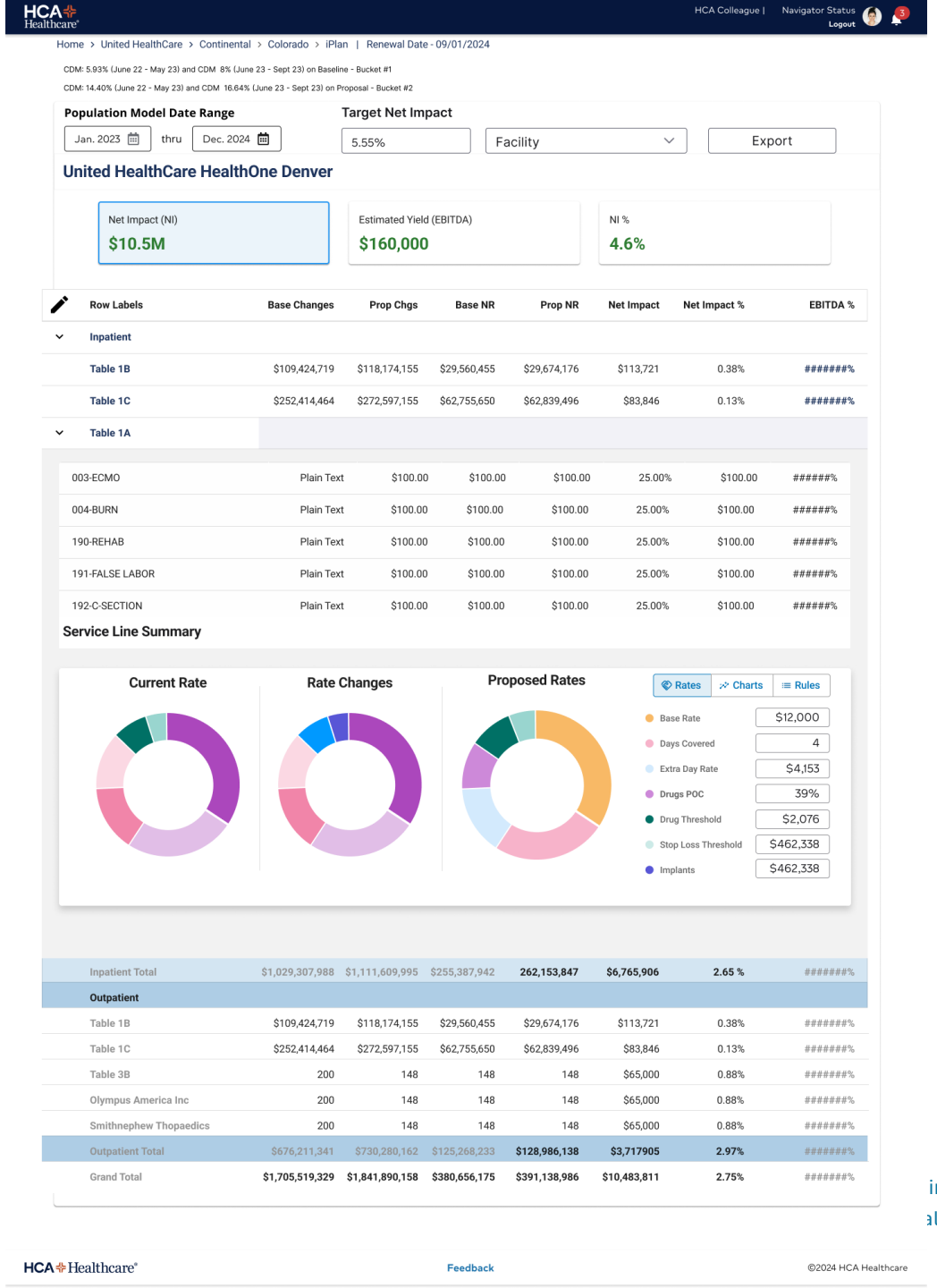
Wireframes

[Link to Wireframes]



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Next Steps

Deliverables Scoping

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What's Next

Move into deep dives

How to gauge pricing success

Discover & test intelligent optimizations

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Wednesday 23Apr Workshop Agenda

- Optimization Objective: Margin or forecasted yield? Top KPI beyond NI
- Strategic Initiatives and priority order
- Define decision tree logic and relation to trends
- Guidance on estimating floor, ceiling, and bandwidth
- Introduce new hard constraints or KPI?

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Constraint-Based Optimization

Objective: Maximize overall Net Impact (NI) achieved during negotiation, by optimizing NI distribution across global and service line rates according to:

1. **Strategic Initiatives Decision Tree**
   - Pricing Initiative, Care Shift, Market Rate Collapse, Outliers and Anomalies

2. **Model HCA and Payor Business Rules**
   - Estimate bandwidth for all rates and DRG
   - Determine floor and ceiling – data validation

3. **Use Business Rules for Constraint-Based Optimization**
   - Automatically simulate and recalculate based on colleague inputs, priorities, and constraints
   - ***Get to agreement faster***

Link to Pricing Logic Structure

STRATEGIES:
- L1 – move revenue to growing service when: S1[Decline], S2[Decline]
- L2 – Care shift, move revenue to outpatient when: S7
- L9 - Anomalies

SERVICE PARAMETERS:
- P1 - Volume [Grow| Decline]
- P2 - Revenue [Growing | Decline]
- P3 - Revenue [High | Market | Low]
- P4 - EBITDA target [Above | Below]
- P5 - Margin?? >70%; Geometric Mean??
- P6 - Days Covered[Above | Below]
- P7 - Add-on Extra days Trending [Up | Down]
- P8 - Add-on Extra days 1-day [90% | 50% | 30%]
- P9 - % Medicare [Above | Below]
- P10 - Market Bandwidth [Min, Mean, Max]
- P11 - Add-on Implant Markup%
- P12 - Add-on drugs
- P13 - Pricing Initiative
- P14 - Premium ServiceLine
- P15 - Anomalies

SERVICE SIGNALS:
- S1- Volume [Grow| Decline] (P1)
- S2 - Revenue [Growing | Decline] (P2)
- S3 - Add-on Extra days Trending [Up | Down] (P7)
- S4 - Add-on Extra days 1-day [90%] (P8)
- S5 - 2x Medicare [Above] (P9) & Volume [Grow] (P1)
- S6 – Revenue too High (P3) & Volume [Decline] (P1)
- S7 – Care shift: Extra day Trending [Down] (P7) & Ext days 1-day [90%]

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Prototyping

3-month Delivery Plan

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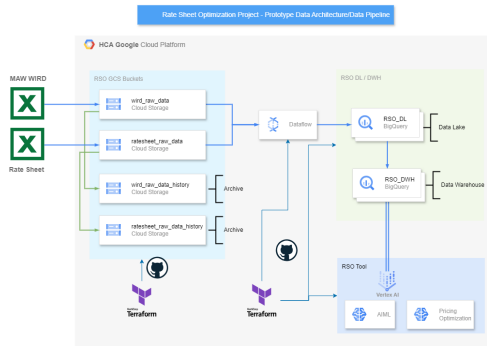
Rate Sheet Prototype Delivery Overview

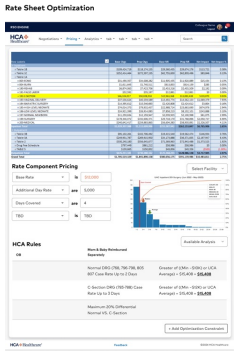
DATA FOUNDATIONS



Delivery Date: End of May

- WIRD database and pipeline
- API connects WIRD data to Rate Sheet calculation
- Verification with historical and current DFW data
- Start building UI from workshop designs

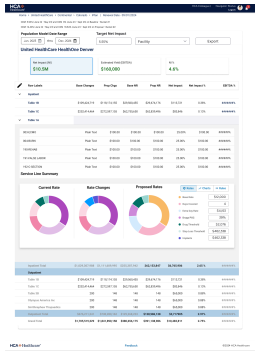
PROOF OF TECHNOLOGY



Delivery Date: End of June

- Rate Sheet CRUD app, basic UI
- Calculation and constraints databases and API available
- Validation with historical and current Denver data
- Full UI ready to attach to Rate Sheet calculation APIs

PROTOTYPE DELIVERY



Delivery Date: Mid-July

- Rate Sheet prototype, detailed UI with more features
- Optimization and priority logic databases and API available
- App uses colleague inputs and exports Rate Sheet, reports
- Final documentation package

[Link to project plan]

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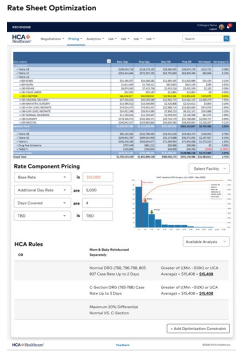
Rate Sheet Optimization IA Delivery End

PROOF OF TECHNOLOGY

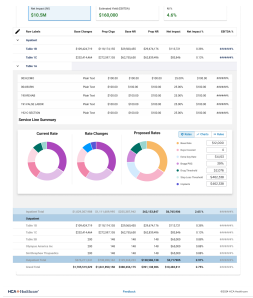


Delivery Date: End of May

Scope: UHC Dallas data

- ADS/SPS Produced WIRD/CALC detail/Rate Sheet files
- Real-time ADS calculations for 'pricing initiative service lines'; build for validation
- Pricing initiative strategy constraints optimization with max net revenue + floor/ceiling guardrails
- Machine Larning model initiated for projected Volume trend consideration within optimization

UHC Dallas/Denver Alpha Pilot



Delivery Date: End of July

- ADS/SPS Produced WIRD/CALC detail/Rate Sheet files
- Real-time calculation and pricing initiative strategy constraints databases and API available
- On-demand trending historical volume data
- Full UI ready to attach to Rate Sheet calculation APIs

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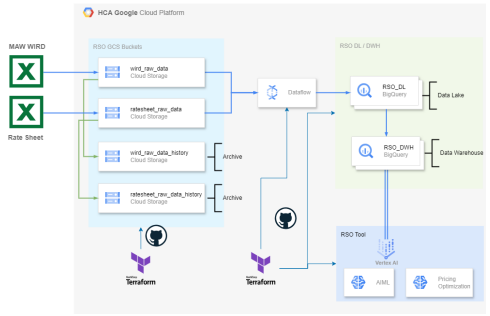
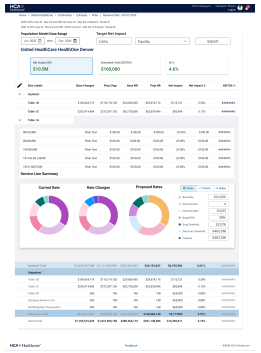
Rate Sheet Optimization Dev Delivery Next Steps

DATA FOUNDATIONS



Optimizer Application Design Package



Design Delivery Date: End of July

Dev Delivery Date: TBD on Business Case

- Rate Sheet detailed UI with prioritized features
- Optimization and priority logic databases and APIs
- WIRD database and API pipeline to Rate Sheet Calculation
- Database and API pipeline for Historical and current Volume Data
- App uses colleague inputs and exports Rate Sheet, reports
- Final documentation package (confluence, figma, sharepoint)
- Business Case Support

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Build Options

1. No UI, ask colleagues to accept RSO guidance on MAW

2. Minimal UI, Rate Sheet recalculation only, no analysis features

3. **Build towards full UI, stick to original plan, roadmap requested features**

4. Pivot to facilities cost modeling, unlock full constraint-based optimization