The Cost of Care

A Clear-Eyed Approach to Analyzing Claims Data

azara 2026
USER CONFERENCE APRIL 13–15 | BOSTON, MA

Agenda

The Kentucky Story

Building a network view of cost and utilization

Azara Cost and Utilization Deep Dive

Deriving insights from a sea of numbers

Questions

Speakers

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Kentucky Primary Care Association, Kentucky Integrated Care

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The Kentucky Story

Building a network view of cost and utilization

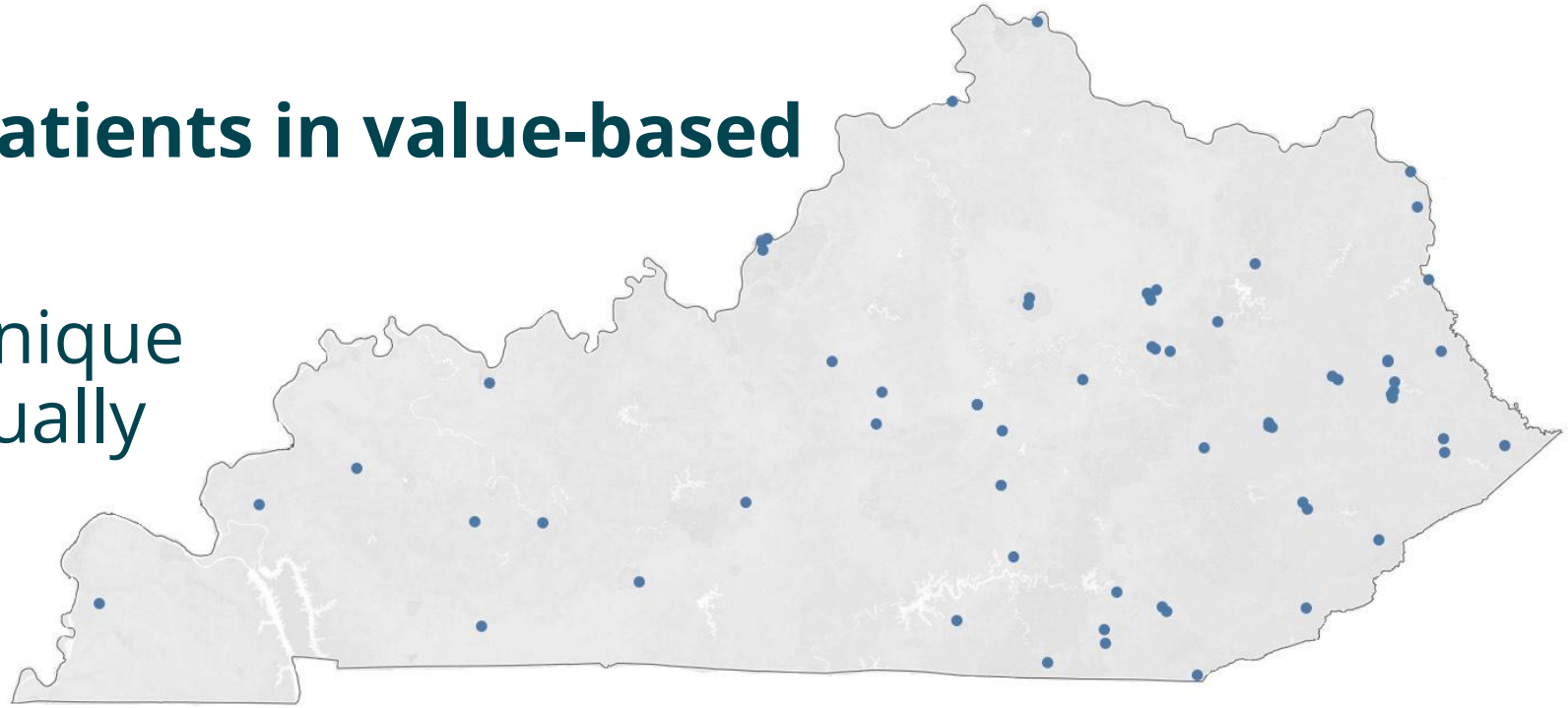
Who we are, what we do, and how we do it

Kentucky Integrated Care

KIC KENTUCKY INTEGRATED CARE

Kentucky Integrated Care (KIC)

- **50 participants** including FQHCs and RHCs representing 67 unique TINs, with more than **1,800 credentialed practitioners**
- Approximately **300K patients in value-based agreements**
- Approximately 700K unique Kentuckians seen annually by participants



KIC KENTUCKY INTEGRATED CARE

KIC Environmental Scan

- 5 statewide Medicaid MCOs
  - One dominant plan
  - Second plan with dominant regional market share
  - Medicaid implemented common value-based program for all MCOs with 2% of premium withheld
- One dominant traditional commercial health plan and self-insured TPA
- Approximately 1M patients covered by Medicare or a Medicare “product”
  - Roughly 50/50 FFS vs MA/ACO
  - Small ACO penetrance to date

KIC Services

- Contracting
- Data aggregation
- Payer relations
- Provider relations
- Credentialing
- Compliance training and oversight
- Other training and technical assistance

KIC KENTUCKY INTEGRATED CARE

KIC Services

- **Contracting**
- **Data aggregation**
- Payer relations
- Provider relations
- Credentialing
- Compliance training and oversight
- Other training and technical assistance

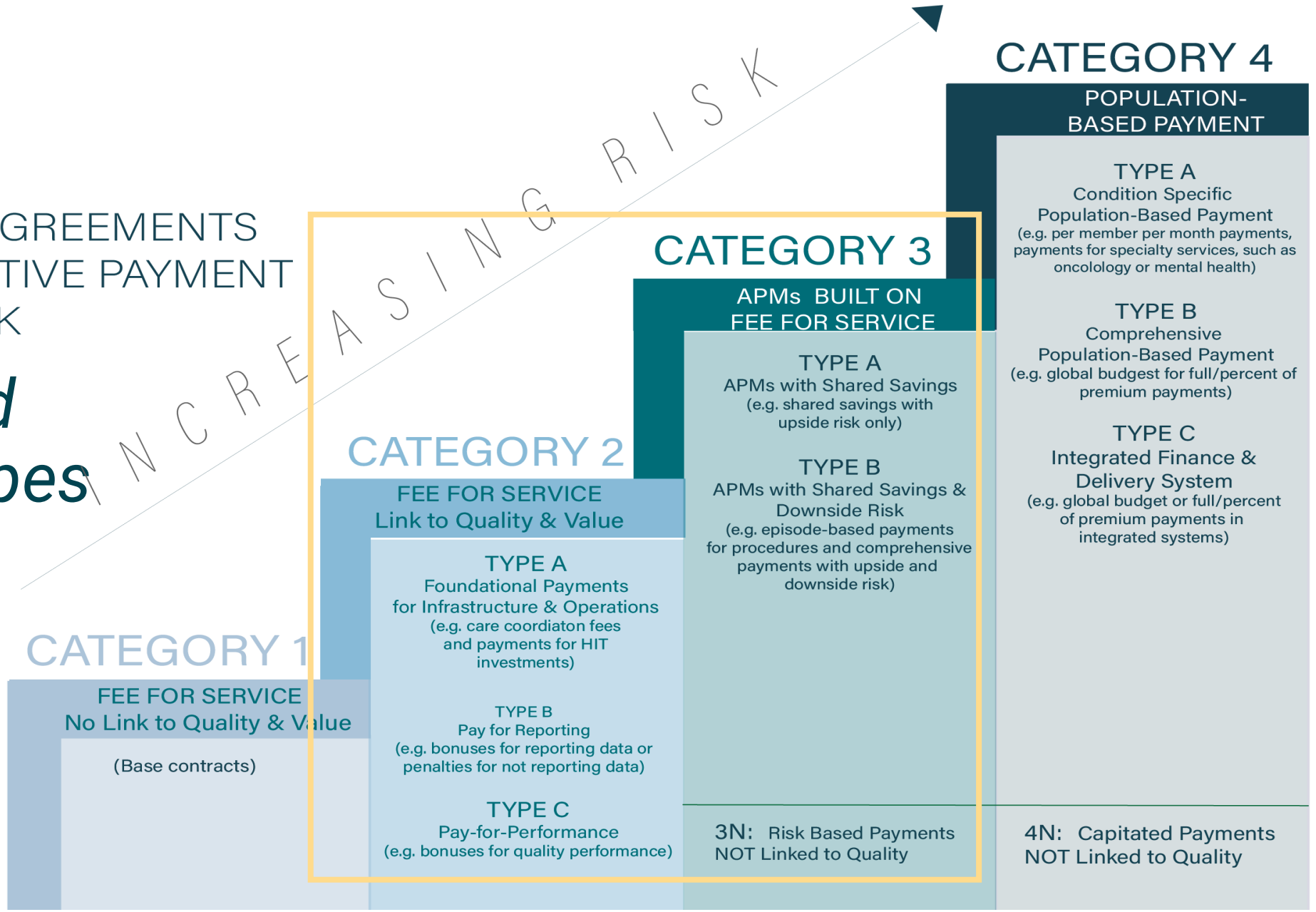
KIC KENTUCKY INTEGRATED CARE

KIC
KENTUCKY
INTEGRATED CARE

2026 CONTRACTS & AGREEMENTS WITHIN THE ALTERNATIVE PAYMENT MODELS FRAMEWORK

Value-Based Agreement Types

Contract LAN Levels



KIC
KENTUCKY
INTEGRATED CARE

Value-based Contracting

	Type of Contract	Quality Gates	#Measures	Cost Component?
Plan A	Shared Savings	X	17	Yes
Plan B	Shared Savings	X	11	Yes
Plan C	Pay for Performance and Shared Savings	X	12	Yes
Plan D	Pay for Performance	X	6	No
Plan E	Pay for Performance and Shared Savings	X	12	Yes

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Our Data Journey

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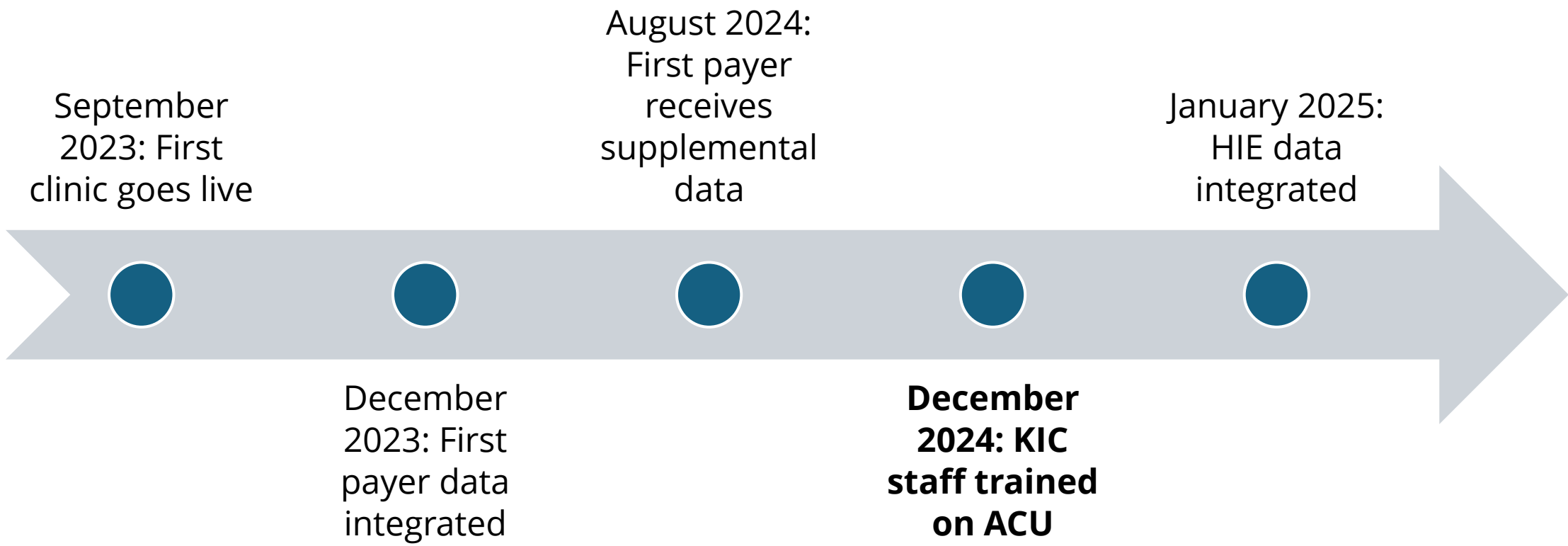
Data Infrastructure Journey

- Dismantling of previous population health tool
- Implementation of Azara
  - Clinic EHR
  - Payer data integration
  - Transitions of Care: Kentucky Health Information Exchange (KHIE)
  - Azara Cost and Utilization
  - Network risk algorithm
  - Database extract

KIC's Azara Implementation Journey



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Turning to ACU

- Core DRVS
- Payer Integration
- Transitions of Care
- Risk Algorithm
- Database Extract
- Azara Cost and Utilization

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Maximizing Claims Data with ACU

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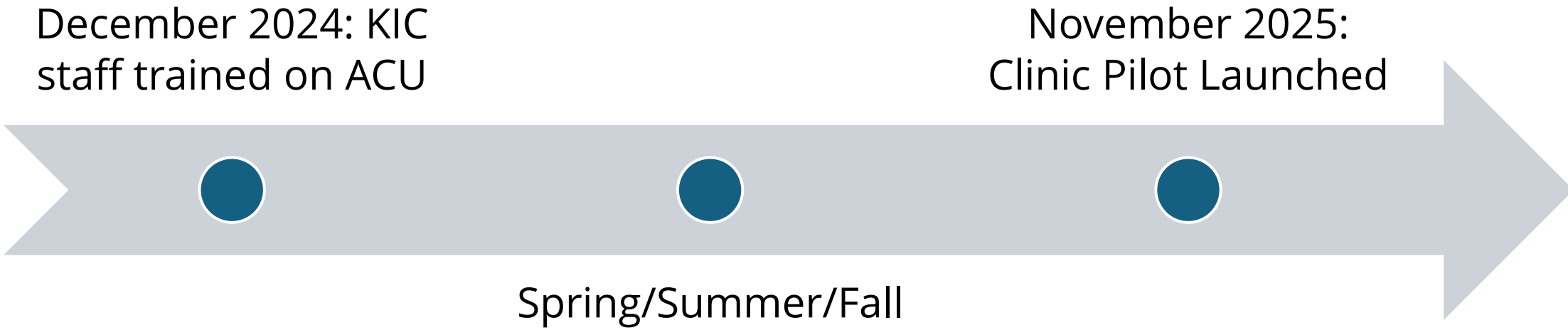
ACU Journey



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What are Our Goals with ACU?

Controlling our own data

- More timely feedback and insight
- More meaningful network analysis activities

Directing activity and resources

- One-on-one practice support
- Benchmarks and trends
- Contract negotiations

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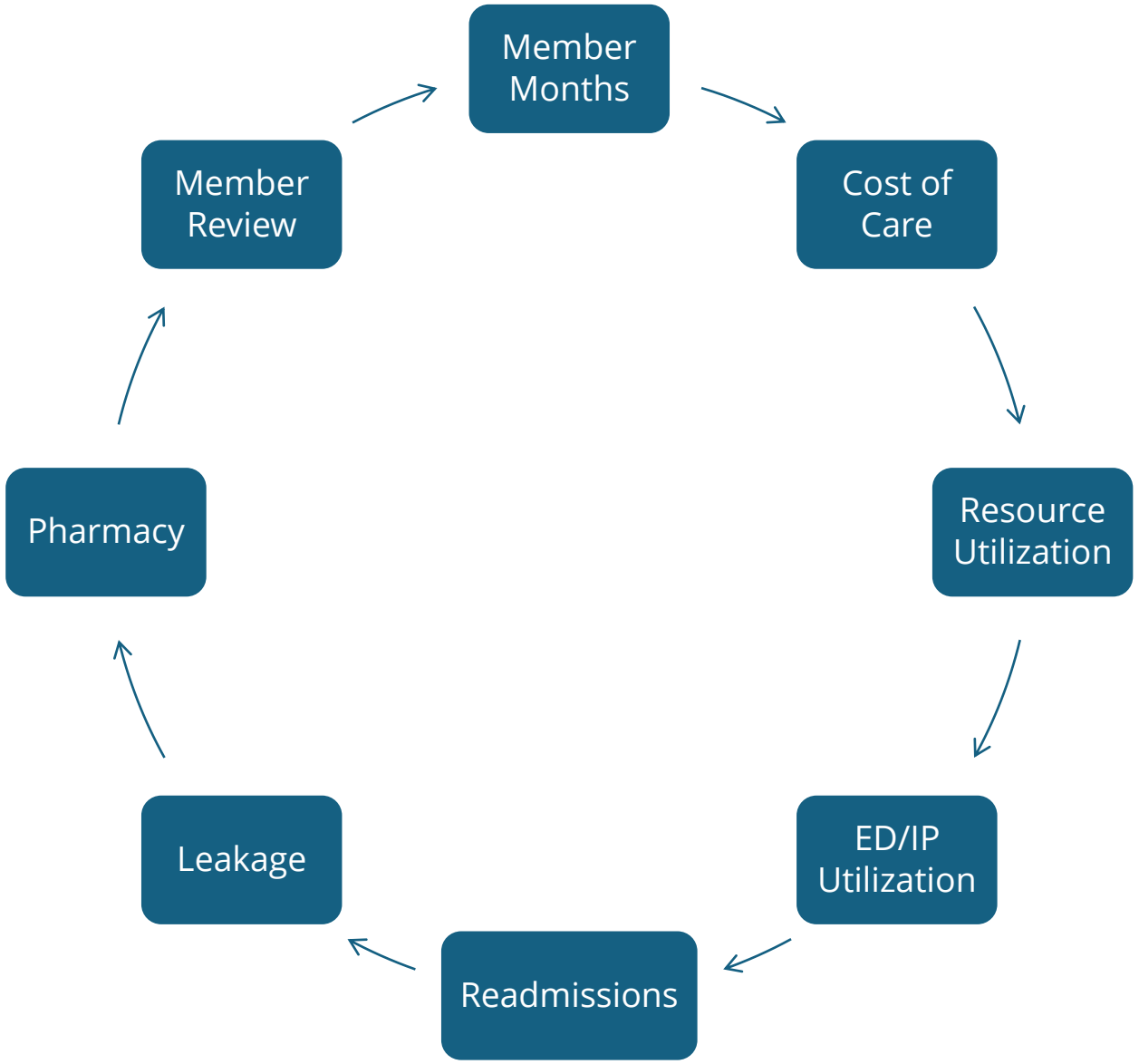
ACU Data Points



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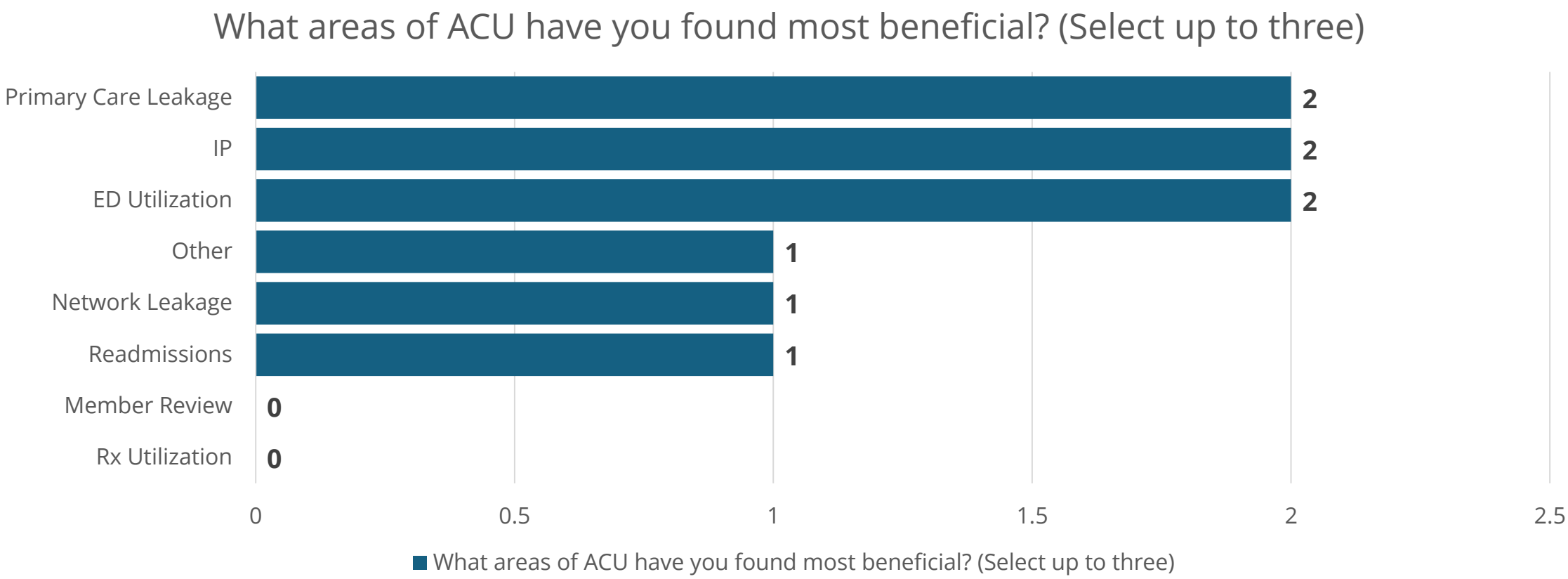
ACU Clinic Pilot

- Three clinics (one FQHC, two RHCs) selected for access and training
- Not directive in how to use it, outside of training highlights, to understand where clinics find value

Clinic Feedback



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What Do Clinics Like About Key ACU Elements?

Utilization

- *"Being able to determine which patient is being seen the most and the cost so that we can discuss the next best step for treatment of the patient."*
- *"I like the detail. It helps us get the full picture of the patients' health issues that are driving the utilization."*
- *"The ability to analyze a deeper look into the cost and utilization on members."*

Leakage

- *"Helps have a better understanding of attribution as well as who we need to reach out to for scheduling an appt."*
- *"It is very interesting to see where our patients are going and why they are going there."*
- *"The ability to analyze a deeper look into the cost and utilization on members that are not coming to our practice, have never been to our practice or that are high cost/utilizers."*

Member Review Queue

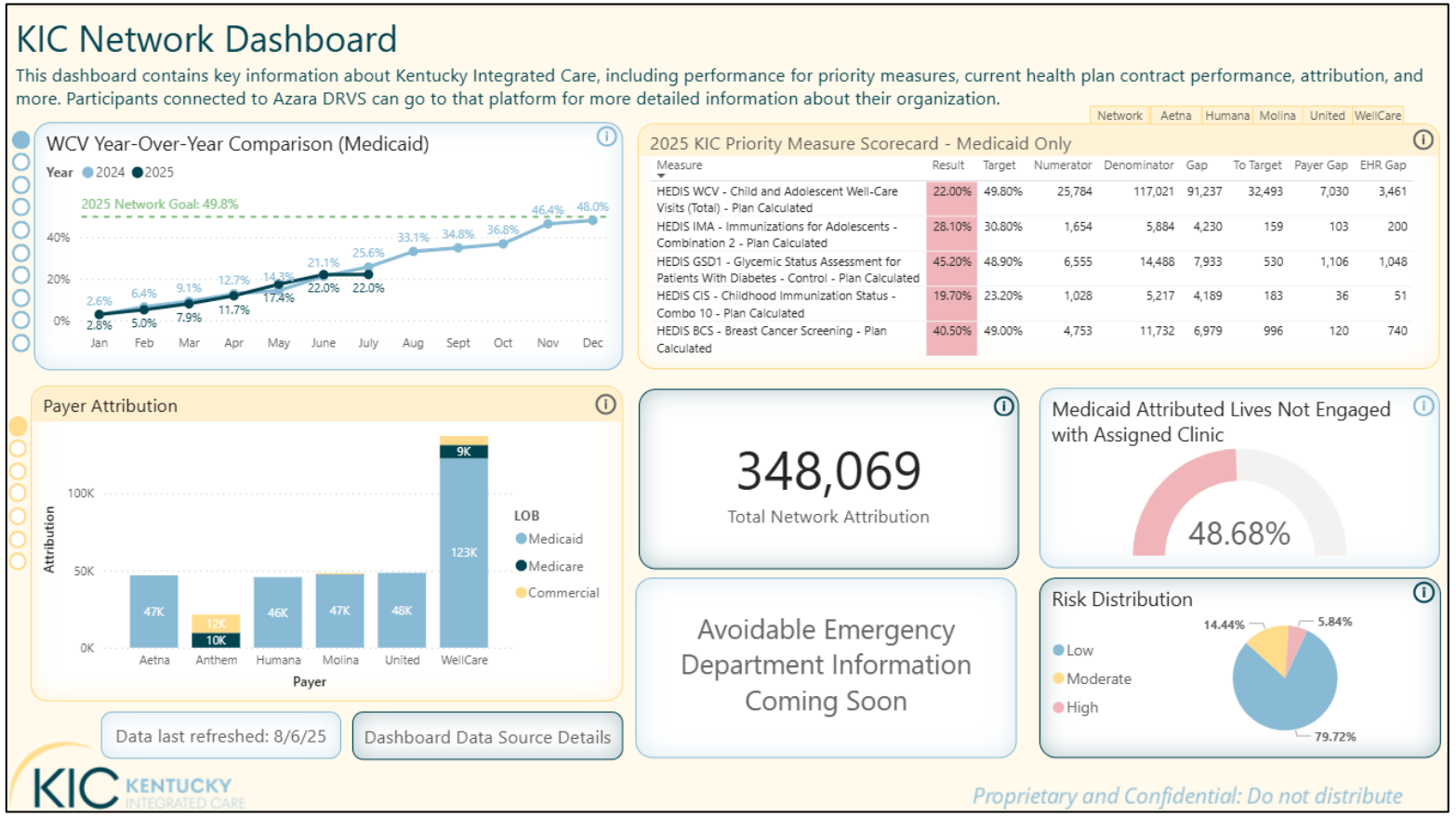
- *"Allows me to look at data about cost and utilization and in over all gives us the opportunity to see where our members are going. This can assist with risk, cost, PCP changes, as well as gives a look into potential need for education from the provider to the patient."*

Lessons Learned and Learning

- Less time spent in the module than we anticipated from pilot participants
- Different roles utilizing than we anticipated
  - Population focus vs care management
- Not as much data questioning as anticipated
- Developing a specific reason for users on ACU
- Claims data serves a different purpose than EHR, other health plan data
- **Prepping clinics with dashboard integration**

Next Step: Integration into KIC Dashboard

- Developed and embedded on KIC website member portal
- Includes network-level and participant information on:
  - KIC Clinical Priority Measures performance
  - KIC payer contract performance
  - Attribution
  - Member Engagement
  - Risk



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ACU Deep Dive

Deriving insights from a sea of numbers

Business Cases for ACU

How is the match rate for a specific plan and line of business impacting network costs?

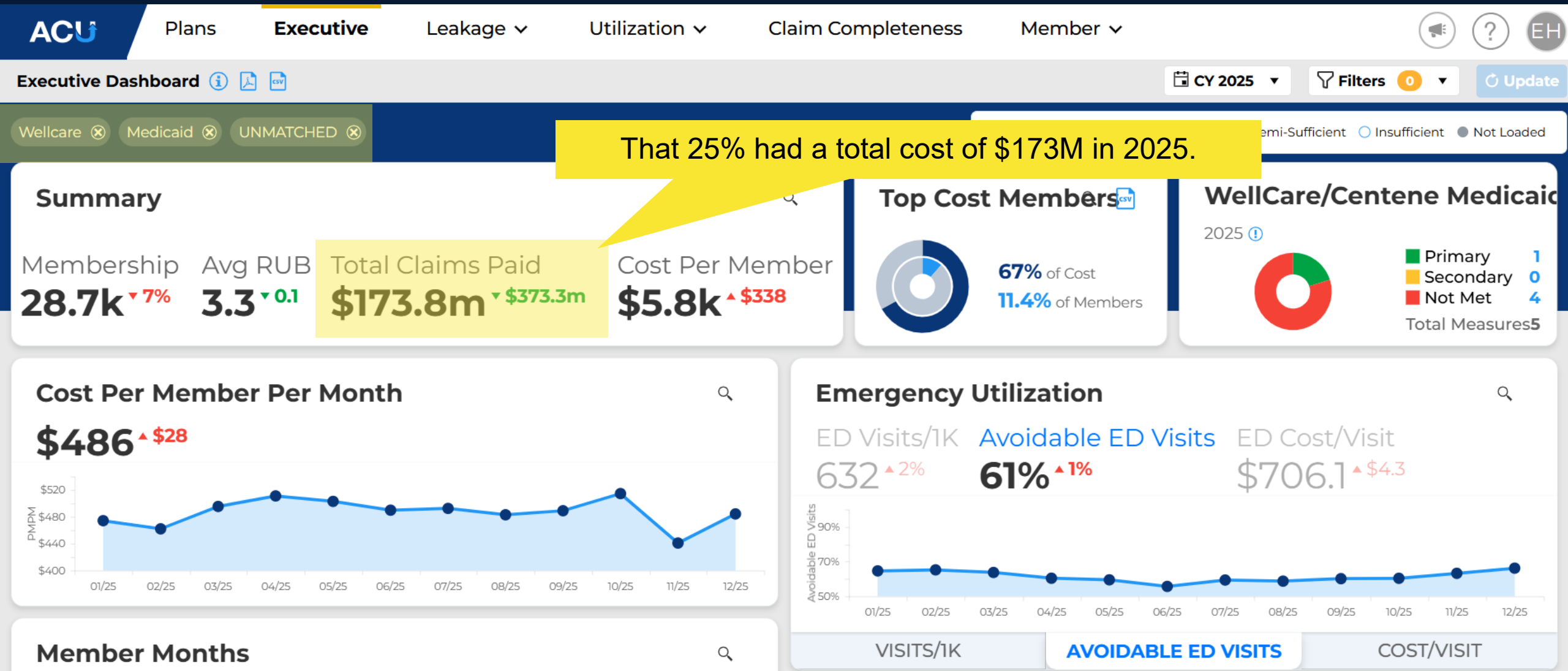
Where can my network strengthen service offerings?

What conditions are driving the greatest hospitalization costs?

Which patients are driving the greatest costs and are the most impactable?

How is the match rate for a specific plan and line of business impacting network costs?

Use Case | Unmatched Member Cost Burden


ACU
Plans
Executive
Leakage
Utilization
Claim Completeness
Member
EH
Executive Dashboard
CY 2025
Filters 0
Update
Wellcare
Medicaid
UNMATCHED
That 25% had a total cost of $173M in 2025.
Summary
Membership
28.7k 7%
Avg RUB
3.3 0.1
Total Claims Paid
$173.8m $373.3m
Cost Per Member
$5.8k $338
Top Cost Members
67% of Cost
11.4% of Members
WellCare/Centene Medicaid
2025
Primary 1
Secondary 0
Not Met 4
Total Measures 5
Cost Per Member Per Month
$486 $28
PMPM
$520
$480
$440
$400
01/25
02/25
03/25
04/25
05/25
06/25
07/25
08/25
09/25
10/25
11/25
12/25
Emergency Utilization
ED Visits/1K
632 2%
Avoidable ED Visits
61% 1%
ED Cost/Visit
$706.1 $4.3
Avoidable ED Visits
90%
70%
50%
VISITS/1K
AVOIDABLE ED VISITS
COST/VISIT
Member Months

A large portion of these costs are coming from outpatient visits, indicating these patients are engaging with some type of provider organization (though not necessarily primary care)

ACU | Plans | Executive | Leakage | Utilization | Claim Completeness | Member

Network Leakage

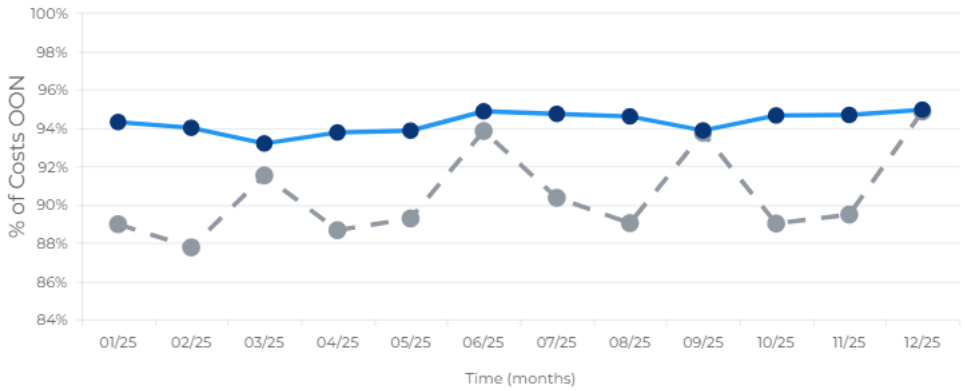
Wellcare | Medicaid | UNMATCHED

Summary

% of Costs OON	Total OON Cost	OON $/Member
94%	**$103.8m**	**$3.5k**
▲ 5%	▼ $197.5m	▲ $458.8

Network Cost by Month

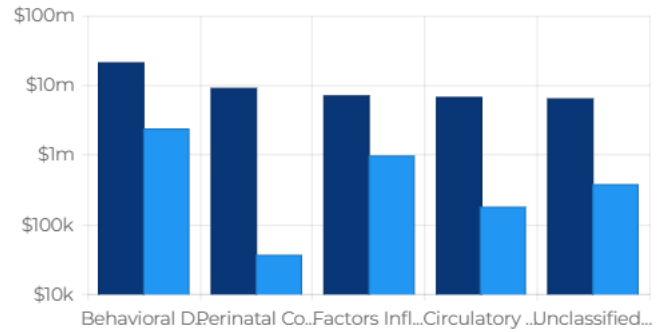
OON COST | OON/MEMBER



Med Claim Status ● Sufficient ● Semi-Sufficient ○ Insufficient ● Not Loaded

Period — Current Period — Previous Period

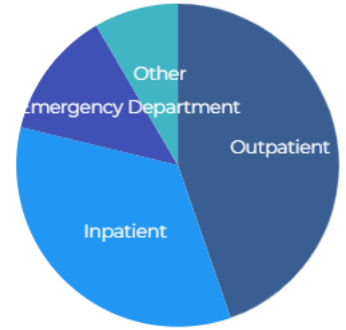
Top Clinical Classes by Network Cost



■ Out of Network ■ In-Network

TOTAL | CPM

Leakage by Episode Type



Outpatient: 44.7% ($46,412,658)

$103,848,641
COST

Leakage by Practice or PCP

PCP Name	% of Costs OON	Avg. OON Members	OON Cost ↓1	OON Cost/Member	Avg. INN Members	INN Cost	INN ost/Member
MELODY STEWART-CYRUS	99.6%	171	$2,893,015	$16,918	18	$10,206	$567
BRANDY FOUCH	92%	941	$2,728,136	$2,899	634	$238,326	$376
DARLENE WILSON	85.4%	254	$1,712,030	$6,740	276	$293,402	$1,063

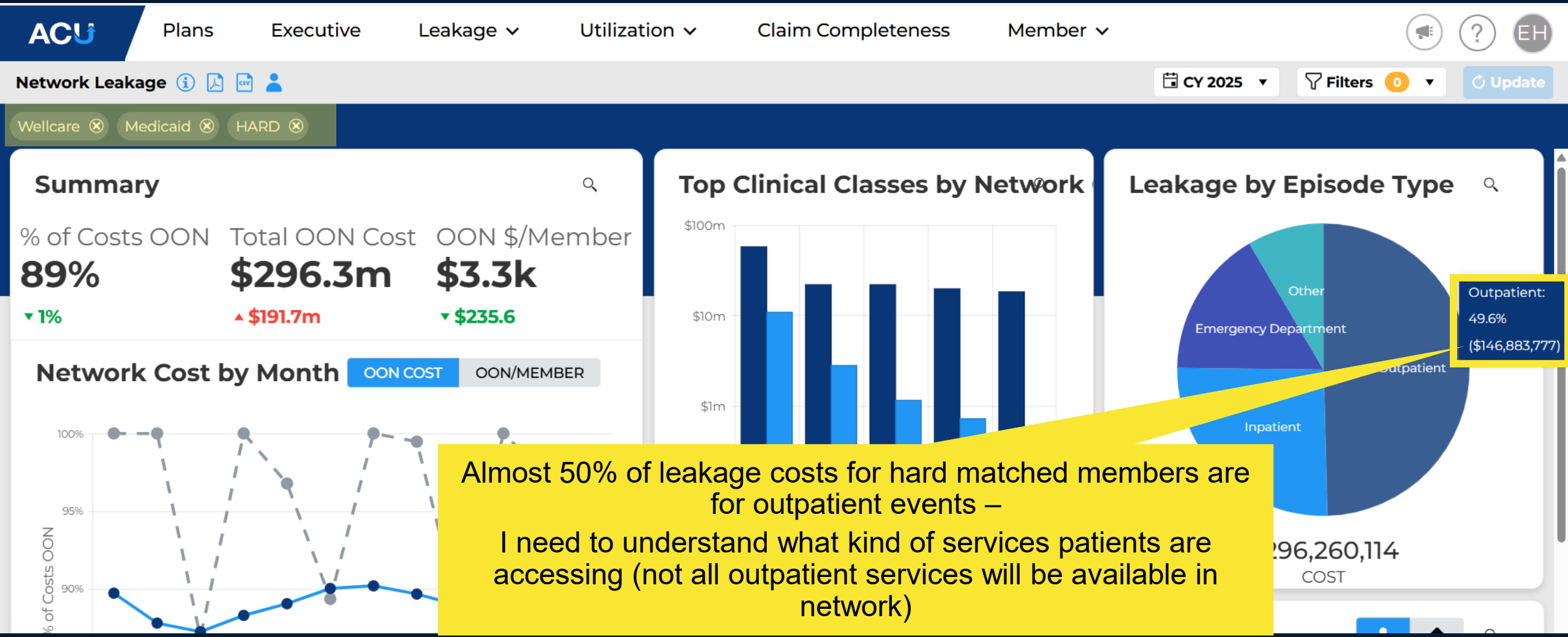
Conclusion

Unmatched members for KIC's largest plan are accountable for millions of dollars in claims → **network and centers could be more aggressive about managing attribution.**

Of course, costs could remain high for this population even if they do establish care at a practice within the network (some costs will always remain out of network); **however, it will always be easier to manage costs for members who are actively engaged in care within the network.**

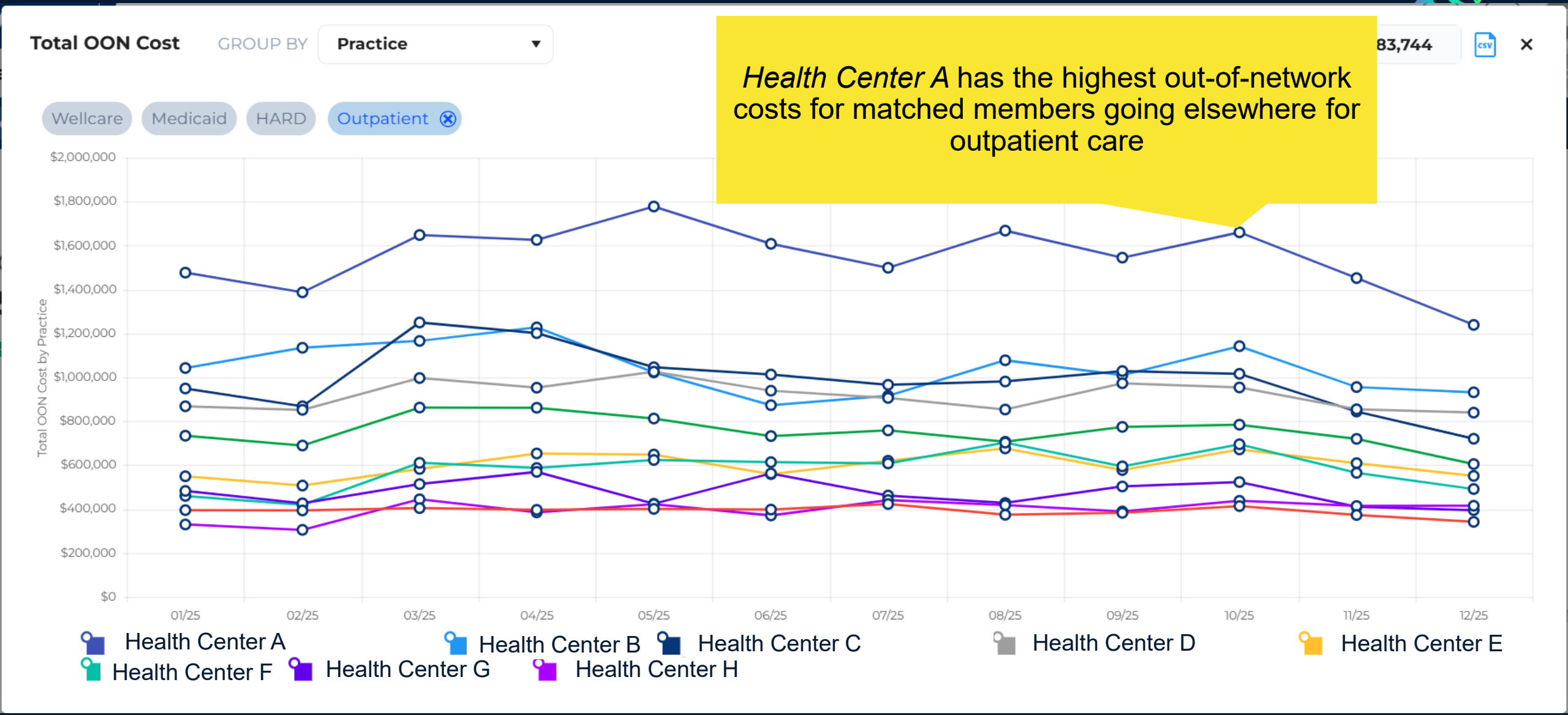
Where can my network strengthen service offerings?

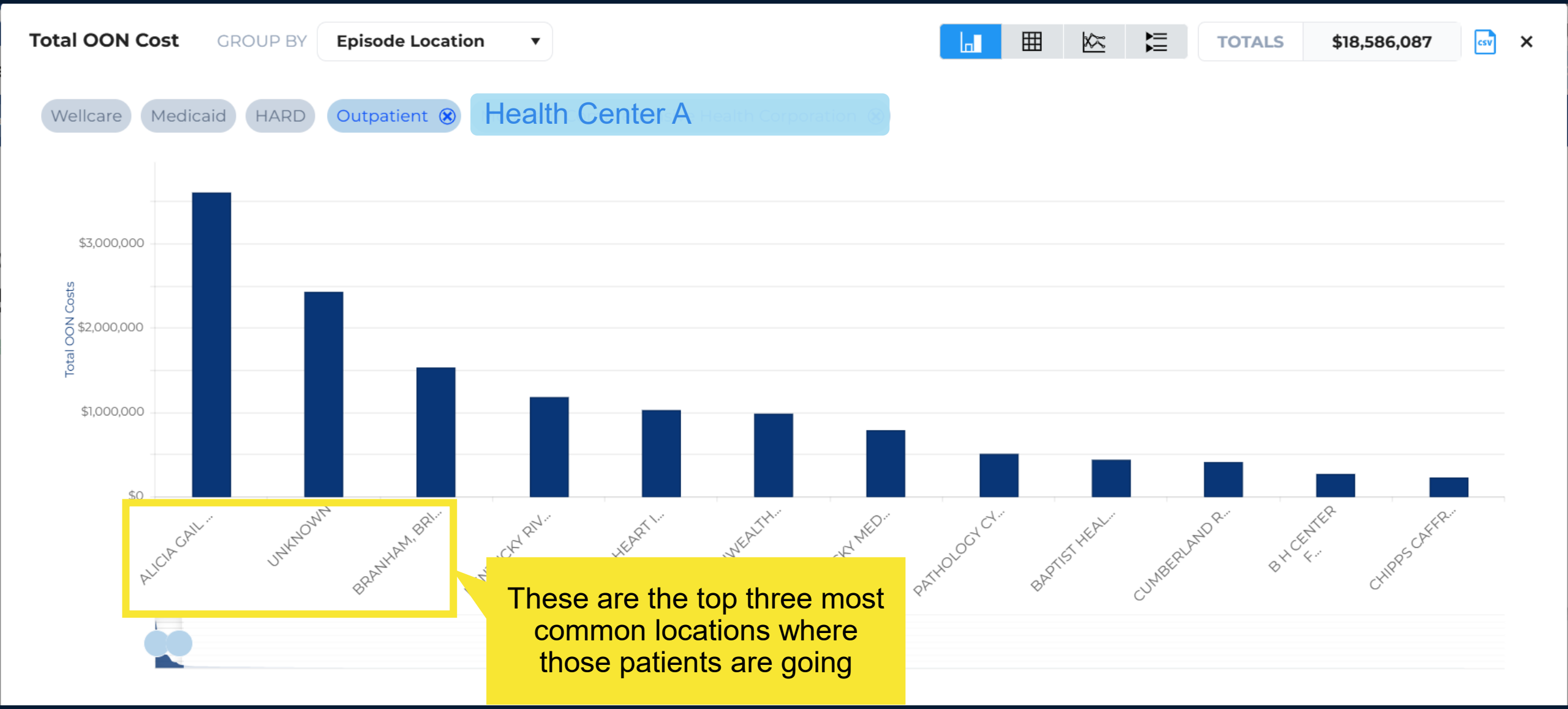
Use Case | Matched Member Visit Patterns



Almost 50% of leakage costs for hard matched members are for outpatient events –

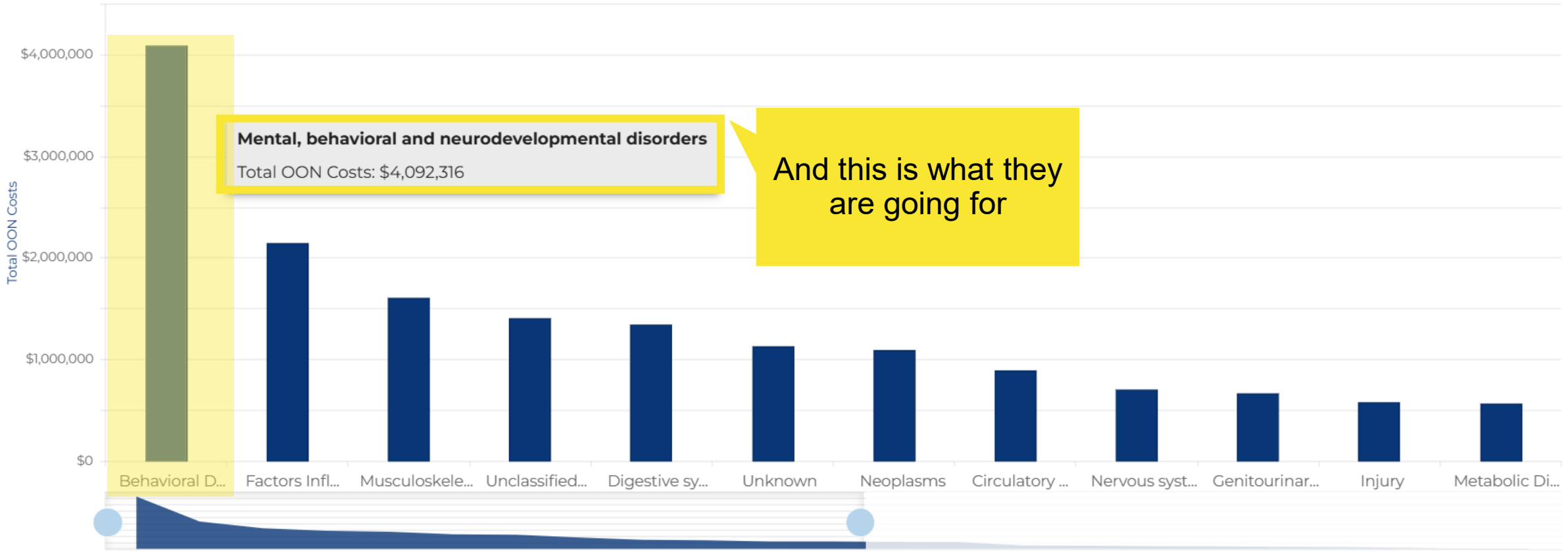
I need to understand what kind of services patients are accessing (not all outpatient services will be available in network)


Total OON Cost
GROUP BY
Practice
83,744
Wellcare
Medicaid
HARD
Outpatient
Health Center A has the highest out-of-network costs for matched members going elsewhere for outpatient care
$2,000,000
$1,800,000
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
Total OON Cost by Practice
01/25
02/25
03/25
04/25
05/25
06/25
07/25
08/25
09/25
10/25
11/25
12/25
Health Center A
Health Center B
Health Center C
Health Center D
Health Center E
Health Center F
Health Center G
Health Center H

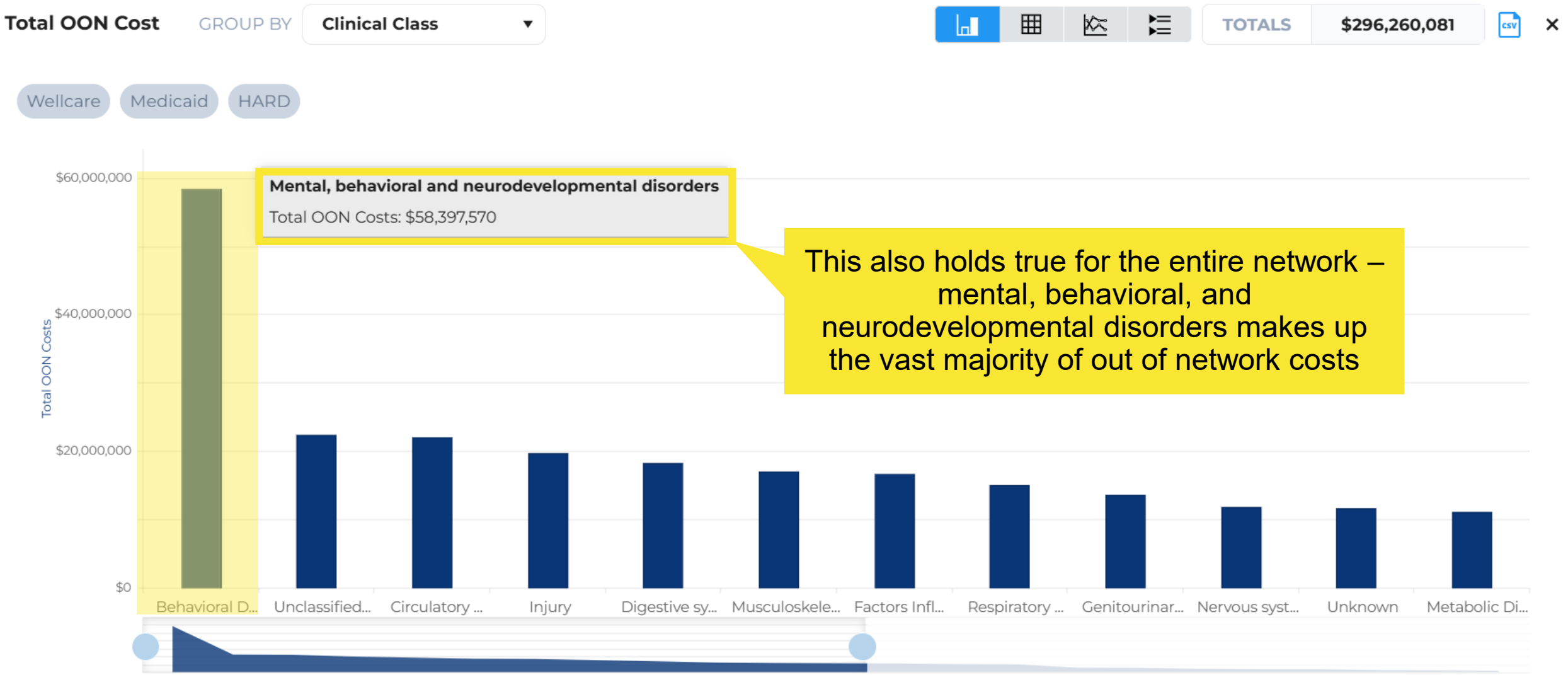

Total OON Cost
GROUP BY
Episode Location
TOTALS
$18,586,087
Wellcare
Medicaid
HARD
Outpatient
Health Center A
$3,000,000
$2,000,000
$1,000,000
$0
Total OON Costs
ALICIA GAIL ...
UNKNOWN
BRANHAM, BRI...
PATHOLOGY CY...
BAPTIST HEAL...
CUMBERLAND R...
B H CENTER F...
CHIPPS CAFFR...
These are the top three most common locations where those patients are going

Total OON Cost GROUP BY **Clinical Class** TOTALS $18,586,087

Wellcare | Medicaid | HARD | Outpatient | Health Center A



And this is what they are going for


Total OON Cost
GROUP BY
Clinical Class
TOTALS
$296,260,081
Wellcare
Medicaid
HARD
Mental, behavioral and neurodevelopmental disorders
Total OON Costs: $58,397,570
This also holds true for the entire network – mental, behavioral, and neurodevelopmental disorders makes up the vast majority of out of network costs
Total OON Costs
$60,000,000
$40,000,000
$20,000,000
$0
Behavioral D...
Unclassified...
Circulatory ...
Injury
Digestive sy...
Musculoskele...
Factors Infl...
Respiratory ...
Genitourinar...
Nervous syst...
Unknown
Metabolic Di...

Conclusion

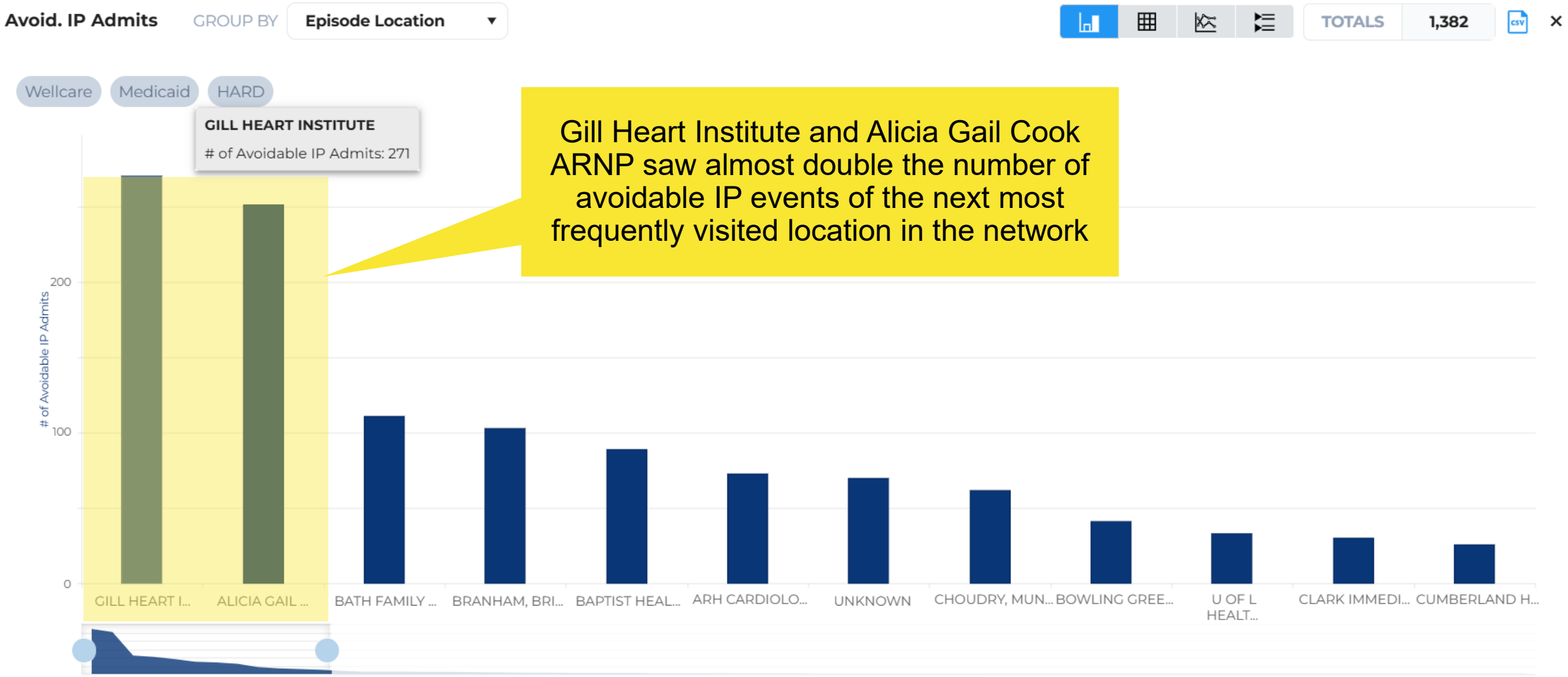
Almost 50% of costs for KIC's largest plan, Wellcare Medicaid, are attributed to matched members going outside of the network for outpatient services even though those members are matched to practices within the KIC network.

Health Center A has by the far the highest out of network member costs for outpatient services across the network, and the lion's share of those costs are for BH services. **This suggests that *Health Center A* could potentially use more support in providing BH services to patients.**

When looking at the entire network, this pattern holds true across practices – mental, behavioral, and neurodevelopmental disorders make up the vast majority of out-of-of-network costs for matched members, **suggesting KIC as a whole could consider investing in more BH-type services across practices.**

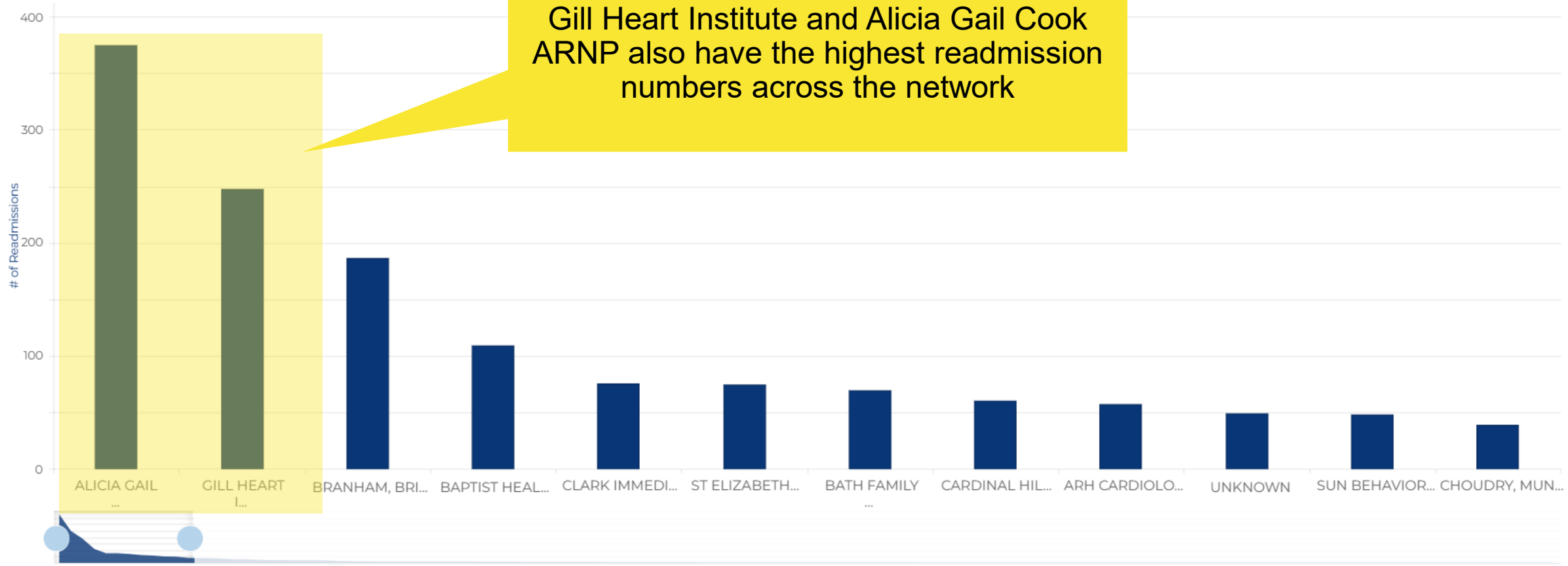
What conditions are driving the greatest hospitalization costs?

Use Case | Avoidable IP Visit Patterns

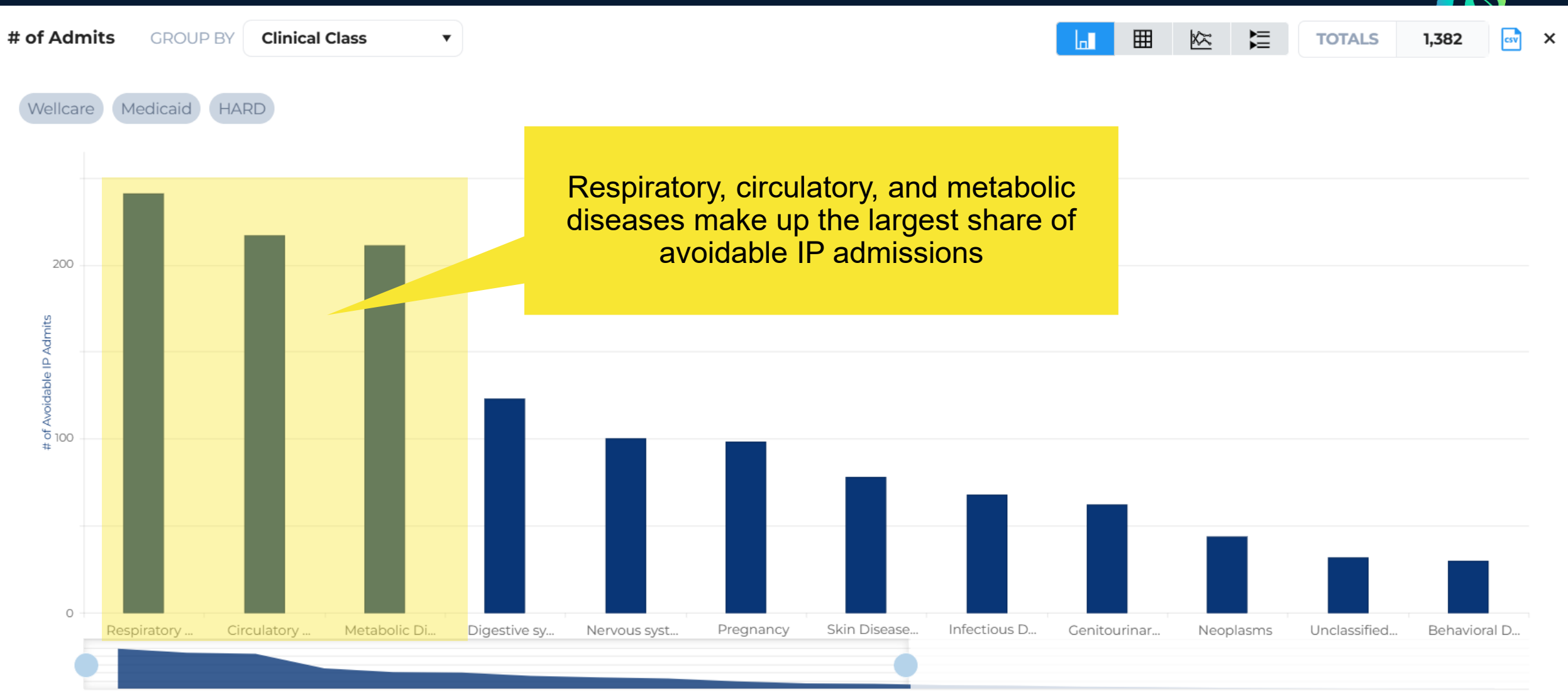


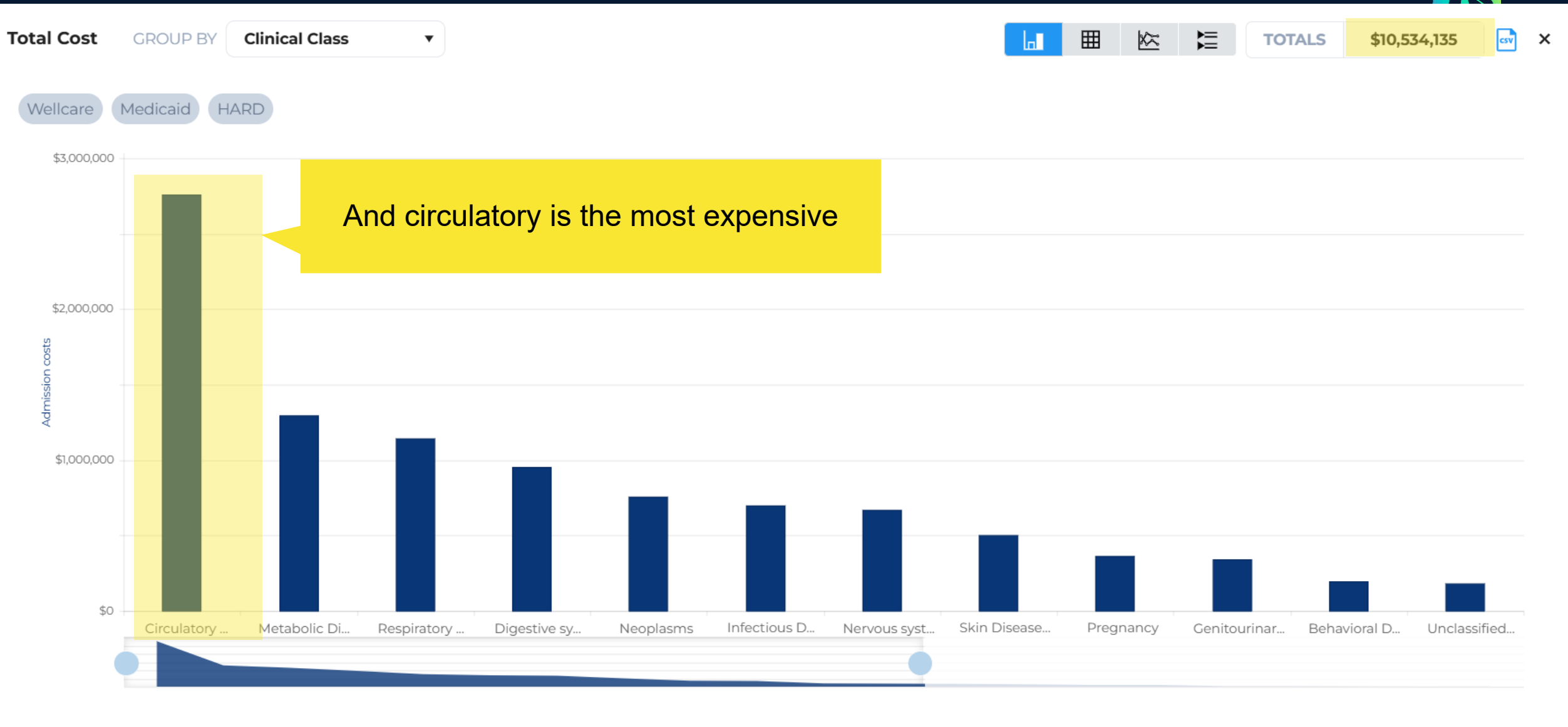
# of Readmissions GROUP BY Episode Location TOTALS 2,096

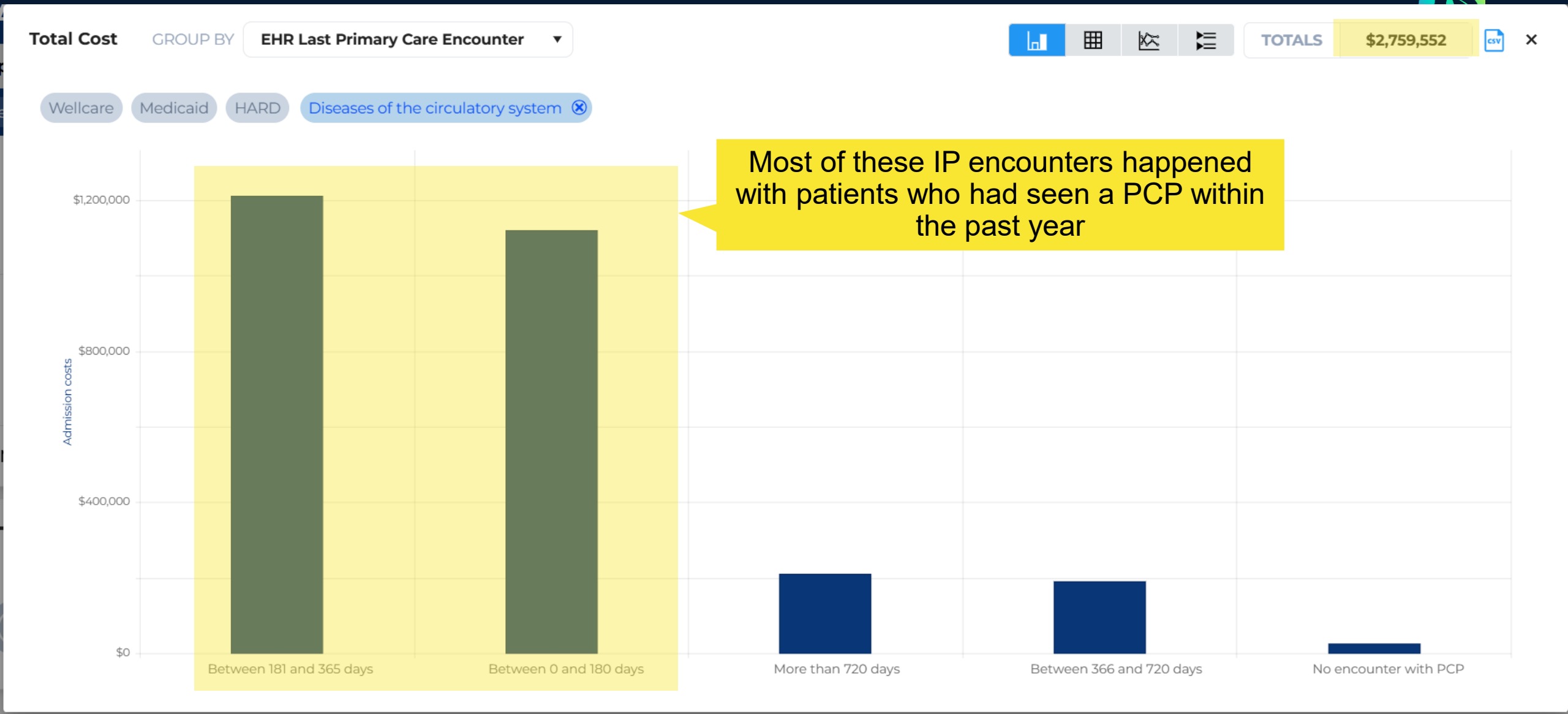
Wellcare Medicaid HARD



Gill Heart Institute and Alicia Gail Cook ARNP also have the highest readmission numbers across the network


# of Admits
GROUP BY
Clinical Class
TOTALS
1,382
Wellcare
Medicaid
HARD
Respiratory, circulatory, and metabolic diseases make up the largest share of avoidable IP admissions
# of Avoidable IP Admits
200
100
0
Respiratory ...
Circulatory ...
Metabolic Di...
Digestive sy...
Nervous syst...
Pregnancy
Skin Disease...
Infectious D...
Genitourinar...
Neoplasms
Unclassified...
Behavioral D...

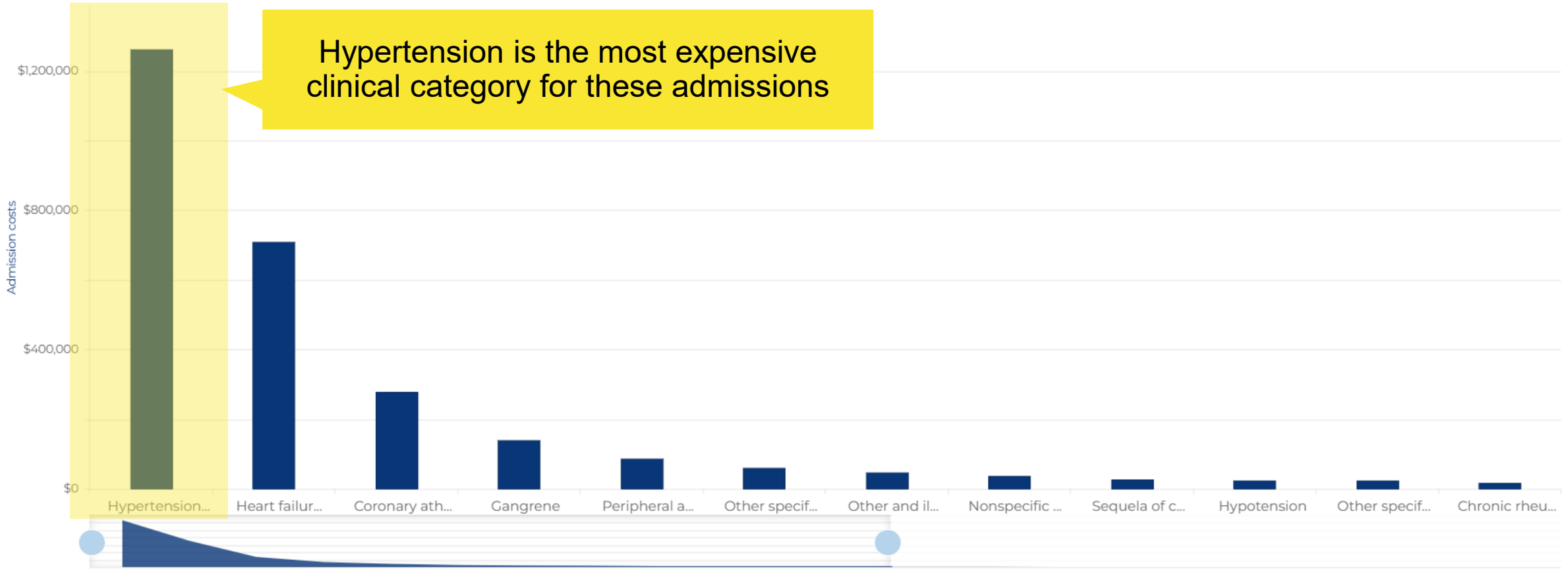

Total Cost
GROUP BY
Clinical Class
TOTALS
$10,534,135
Wellcare
Medicaid
HARD
And circulatory is the most expensive
$3,000,000
$2,000,000
$1,000,000
$0
Admission costs
Circulatory ...
Metabolic Di...
Respiratory ...
Digestive sy...
Neoplasms
Infectious D...
Nervous syst...
Skin Disease...
Pregnancy
Genitourinar...
Behavioral D...
Unclassified...

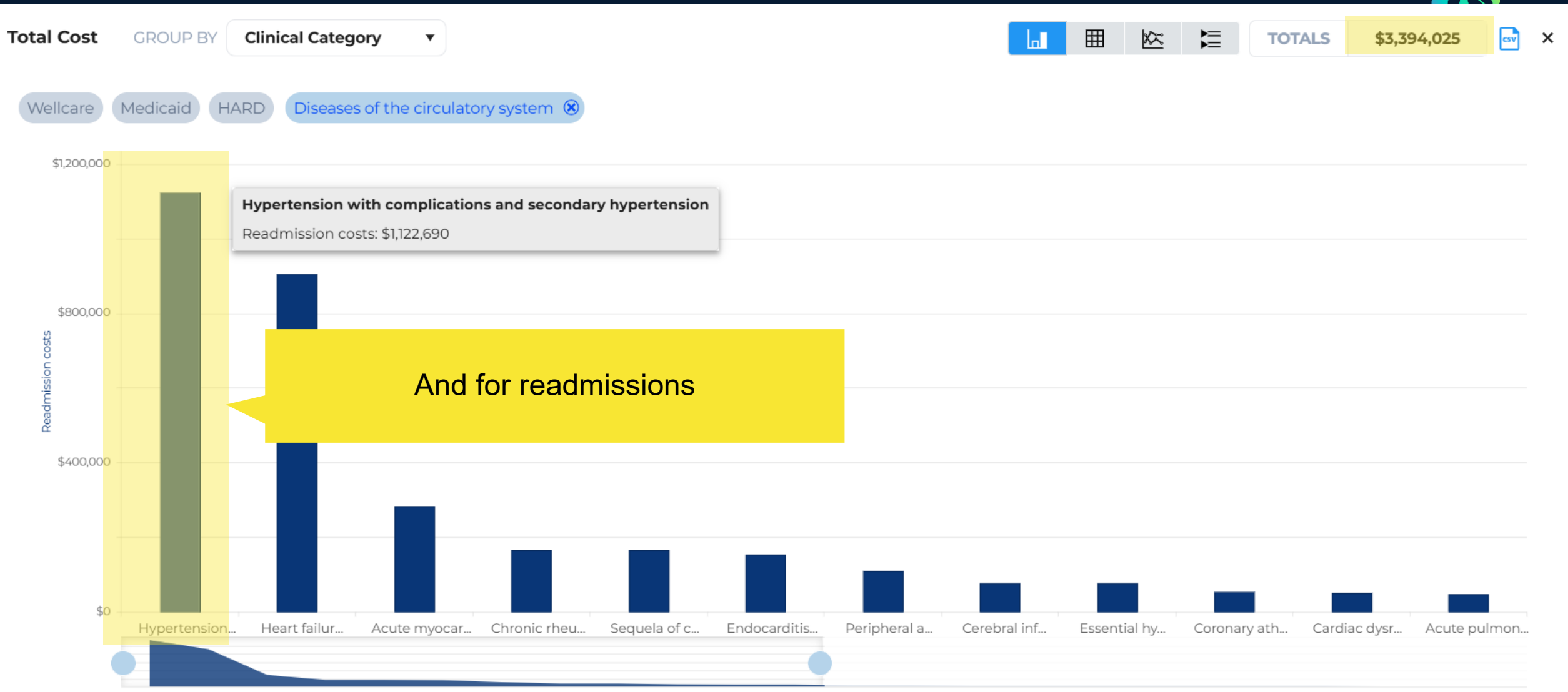

Total Cost
GROUP BY
EHR Last Primary Care Encounter
TOTALS
$2,759,552
Wellcare
Medicaid
HARD
Diseases of the circulatory system
Most of these IP encounters happened with patients who had seen a PCP within the past year
$1,200,000
$800,000
$400,000
$0
Admission costs
Between 181 and 365 days
Between 0 and 180 days
More than 720 days
Between 366 and 720 days
No encounter with PCP

Total Cost GROUP BY Clinical Category

TOTALS $2,759,552

Wellcare Medicaid HARD Diseases of the circulatory system




Total Cost
GROUP BY
Clinical Category
TOTALS
$3,394,025
Wellcare
Medicaid
HARD
Diseases of the circulatory system
$1,200,000
$800,000
$400,000
$0
Readmission costs
Hypertension with complications and secondary hypertension
Readmission costs: $1,122,690
And for readmissions
Hypertension...
Heart failur...
Acute myocar...
Chronic rheu...
Sequela of c...
Endocarditis...
Peripheral a...
Cerebral inf...
Essential hy...
Coronary ath...
Cardiac dysr...
Acute pulmon...

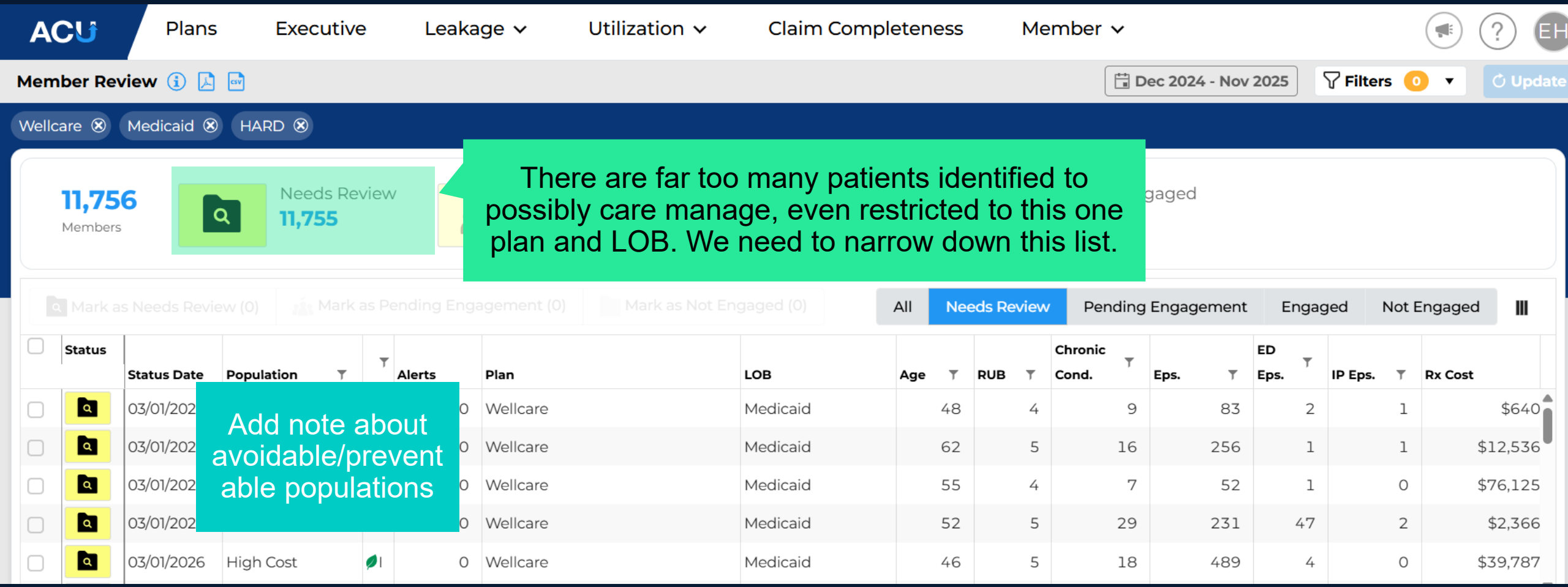
Conclusion

Most of the avoidable inpatient admissions for hard matched members are happening at Gill Heart Institute and Alicia Gail Cook ARNP. **These are potential partners with which practices could work to educate patients and improve transitions of care, especially since they also have the highest readmission numbers.** The DRVS Transitions of Care report should also be used for real-time follow up to improve post-hospitalization outcomes and prevent re-admissions.

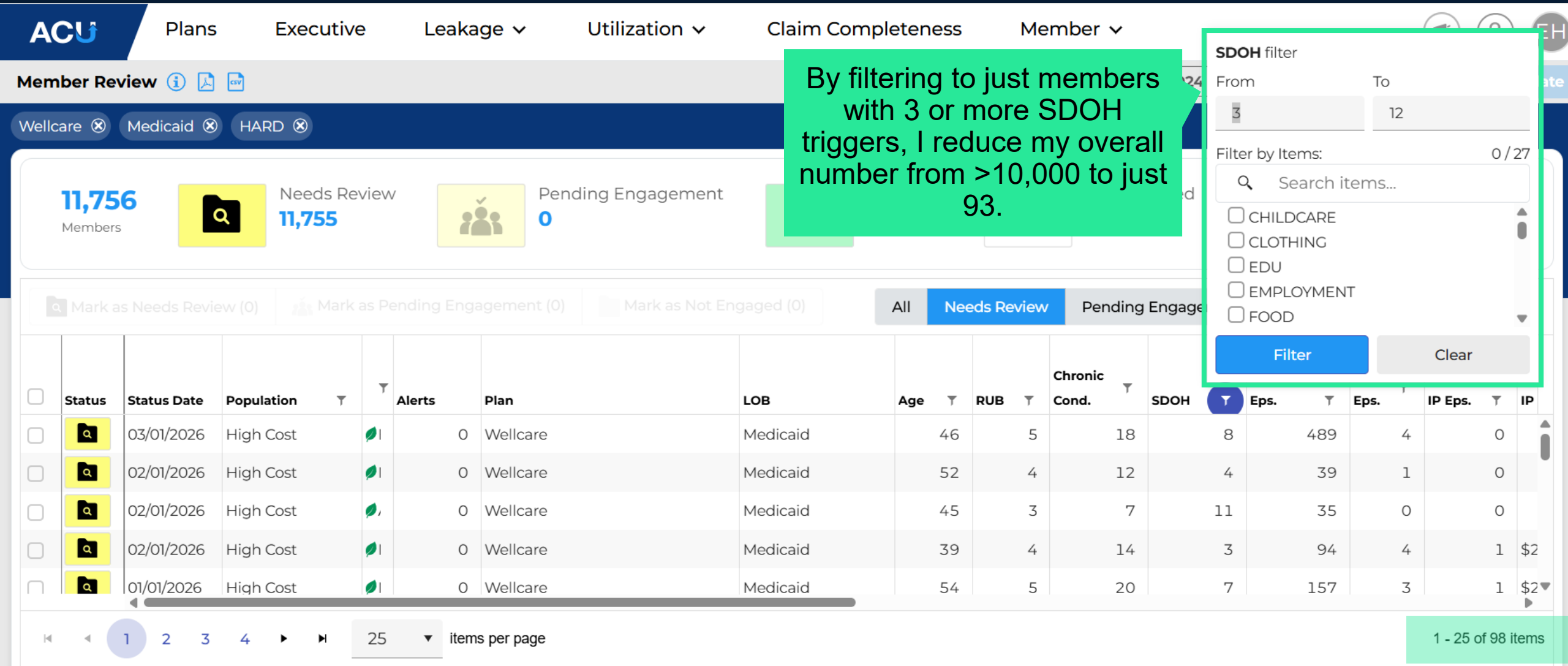
Hypertension is a major driver of inpatient admission and readmission costs; most of these encounters are occurring for patients who have seen a PCP within the past year (though remember we are filtered to Hard Matched members), so there is opportunity to connect with patients about the hypertension management plans. **These patterns suggest there is further opportunity to strengthen patient supports around managing hypertension.**

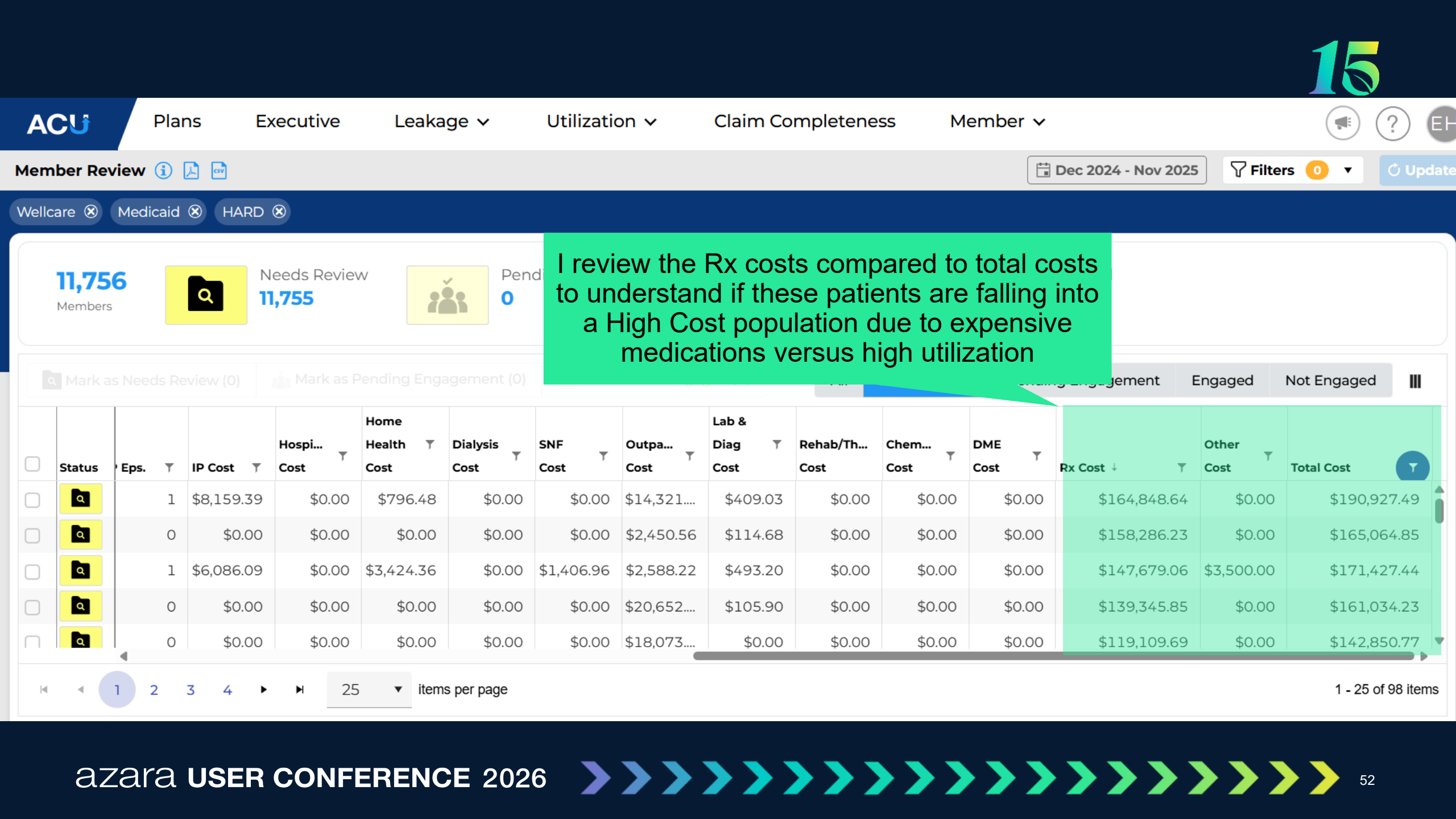
Which patients are driving the greatest costs and are the most impactable?

Use Case | Identifying Members for Care Management

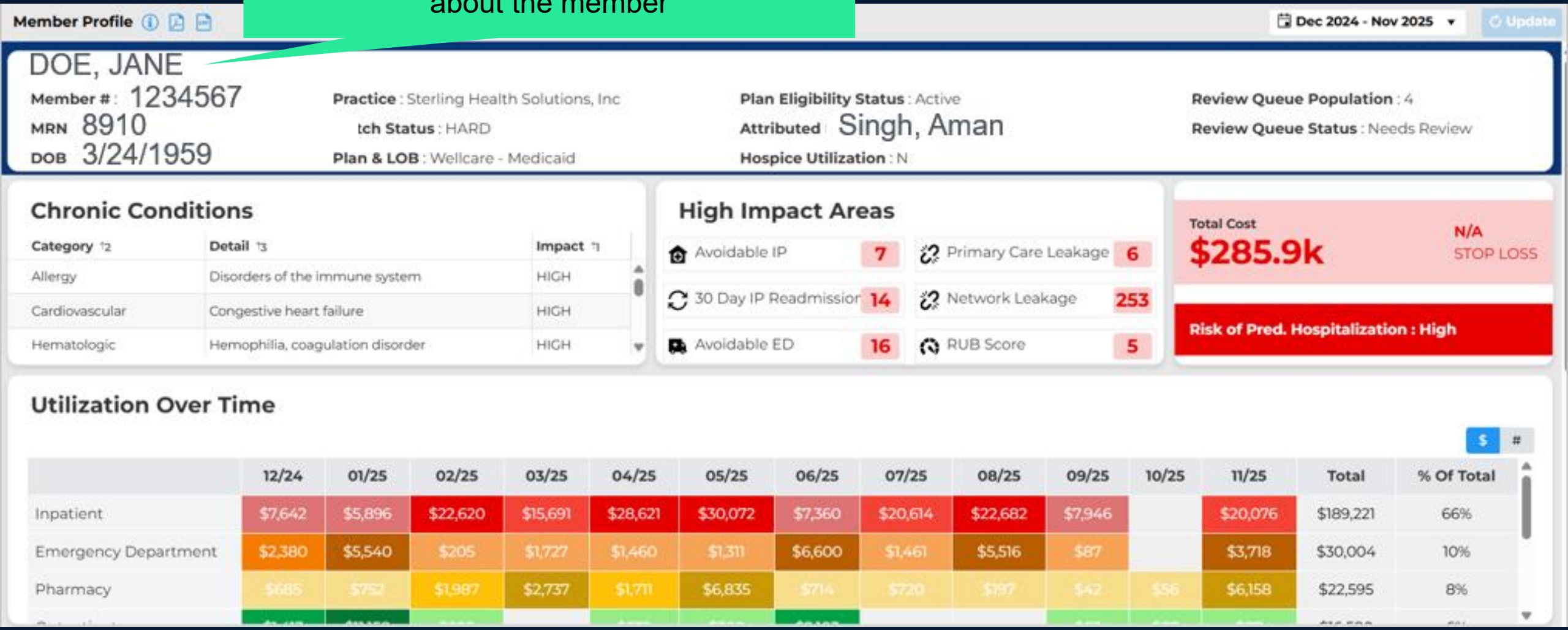


Status	Status Date	Population	Alerts	Plan	LOB	Age	RUB	Chronic Cond.	Eps.	ED Eps.	IP Eps.	Rx Cost
	03/01/202		0	Wellcare	Medicaid	48	4	9	83	2	1	$640
	03/01/202		0	Wellcare	Medicaid	62	5	16	256	1	1	$12,536
	03/01/202		0	Wellcare	Medicaid	55	4	7	52	1	0	$76,125
	03/01/202		0	Wellcare	Medicaid	52	5	29	231	47	2	$2,366
	03/01/2026	High Cost	0	Wellcare	Medicaid	46	5	18	489	4	0	$39,787


ACU
Plans
Executive
Leakage
Utilization
Claim Completeness
Member
Member Review
Wellcare
Medicaid
HARD
11,756
Members
Needs Review
11,755
Pending Engagement
0
By filtering to just members with 3 or more SDOH triggers, I reduce my overall number from >10,000 to just 93.
SDOH filter
From
To
3
12
Filter by Items:
0 / 27
Search items...
CHILDCARE
CLOTHING
EDU
EMPLOYMENT
FOOD
Filter
Clear
Mark as Needs Review (0)
Mark as Pending Engagement (0)
Mark as Not Engaged (0)
All
Needs Review
Pending Engage
Status
Status Date
Population
Alerts
Plan
LOB
Age
RUB
Chronic Cond.
SDOH
Eps.
Eps.
IP Eps.
IP
03/01/2026 High Cost 0 Wellcare Medicaid 46 5 18 8 489 4 0
02/01/2026 High Cost 0 Wellcare Medicaid 52 4 12 4 39 1 0
02/01/2026 High Cost 0 Wellcare Medicaid 45 3 7 11 35 0 0
02/01/2026 High Cost 0 Wellcare Medicaid 39 4 14 3 94 4 1 $2
01/01/2026 High Cost 0 Wellcare Medicaid 54 5 20 7 157 3 1 $2
1 2 3 4
25
items per page
1 - 25 of 98 items


ACU
Plans
Executive
Leakage
Utilization
Claim Completeness
Member
Member Review
Dec 2024 - Nov 2025
Filters 0
Update
Wellcare
Medicaid
HARD
11,756
Members
Needs Review
11,755
Pend
0
I review the Rx costs compared to total costs to understand if these patients are falling into a High Cost population due to expensive medications versus high utilization
Mark as Needs Review (0)
Mark as Pending Engagement (0)
Engaged
Not Engaged
Status
Eps.
IP Cost
Hospi... Cost
Home Health Cost
Dialysis Cost
SNF Cost
Outpa... Cost
Lab & Diag Cost
Rehab/Th... Cost
Chem... Cost
DME Cost
Rx Cost
Other Cost
Total Cost
1 $8,159.39 $0.00 $796.48 $0.00 $0.00 $14,321.... $409.03 $0.00 $0.00 $0.00 $164,848.64 $0.00 $190,927.49
0 $0.00 $0.00 $0.00 $0.00 $0.00 $2,450.56 $114.68 $0.00 $0.00 $0.00 $158,286.23 $0.00 $165,064.85
1 $6,086.09 $0.00 $3,424.36 $0.00 $1,406.96 $2,588.22 $493.20 $0.00 $0.00 $0.00 $147,679.06 $3,500.00 $171,427.44
0 $0.00 $0.00 $0.00 $0.00 $0.00 $20,652.... $105.90 $0.00 $0.00 $0.00 $139,345.85 $0.00 $161,034.23
0 $0.00 $0.00 $0.00 $0.00 $0.00 $18,073.... $0.00 $0.00 $0.00 $0.00 $119,109.69 $0.00 $142,850.77
1 2 3 4
25
items per page
1 - 25 of 98 items

And when I find a potential candidate for care management, I look at the Member Profile to confirm information and patterns about the member



Conclusion

By applying SDOH as a filter on the Member Review Queue, KIC can make the potential list for care management far more realistic. Addressing SDOH concerns is where care managers can make a profound difference in patient care in both the short and long term.

Note: this requires a good collection rate for SDOH data (screening rates can be found in DRVS). If SDOH is not being collected consistently, other filtering options to quickly reduce the number of members returned for review include:

- **Patients in multiple populations**
- **Specific chronic conditions**
- **Highest cost members up to X number**
- **Number of chronic conditions**

Questions?

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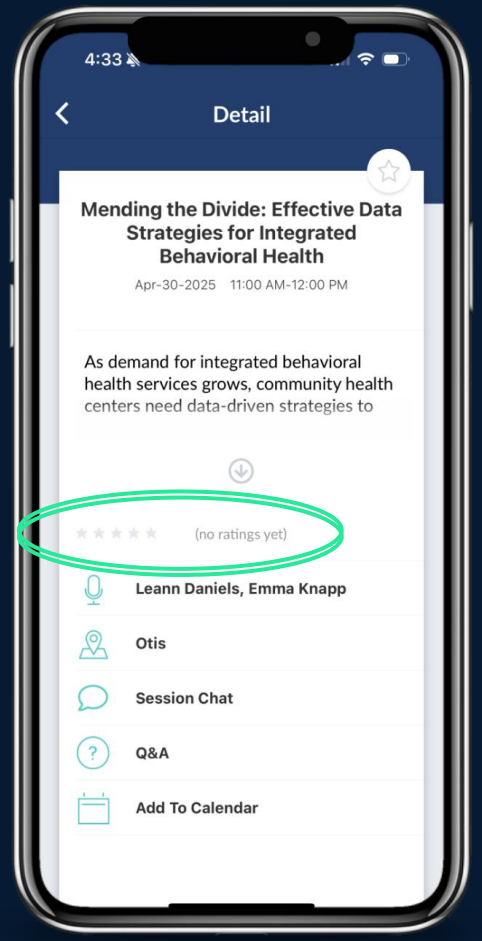

Quick and Easy

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Thanks for attending!