

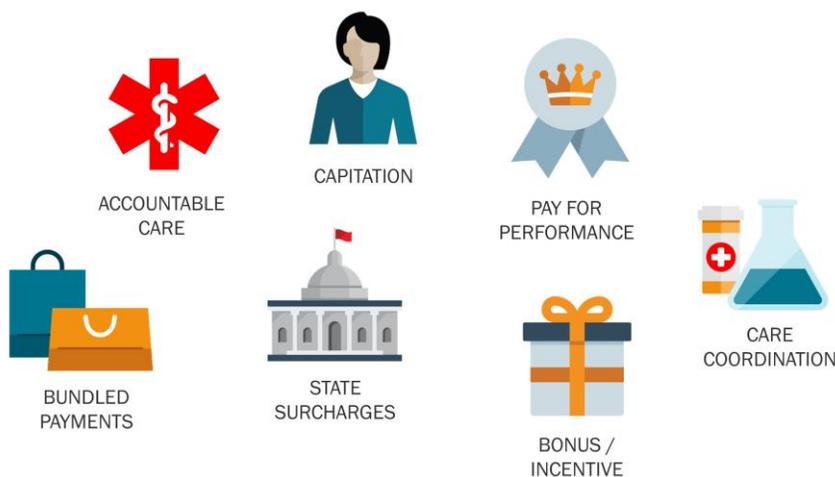
# Oracle Health Insurance Value-Based Payments

Reimbursing providers is becoming more complicated as value-based payment models replace fee-for-service models. By tying compensation to performance, payers create **incentives** for providers to make **more cost-effective healthcare** decisions. New and emerging contract models focus on value, outcomes, and risk-sharing to improve quality of care and reduce costs. Payers must be **incredibly agile** to set up value-based payment models and support them effectively. They need a system that can handle different ways of doing things: multiple data sources to trigger payments, many calculation methods, and various ways to pay. With Oracle's solution, payers can start value-based payments within months.

## FREEDOM TO INNOVATE AT MAX SPEED

Oracle Health Insurance Value-Based Payments gives payers the speed and flexibility they need to implement value-based payment models. Whether the payment model is well established or still evolving, Oracle's solution can handle it. Payers can radically accelerate payments and improve efficiency by automating periodic calculations.

The possibilities for payment arrangements through Oracle's single platform are endless. Support any value-based payment model—current, evolving, and those that come up in the future.



Accelerate and automate value-based payments. Oracle Health Insurance Value-Based Payments is one component of Oracle Health Insurance, a product portfolio that manages all lines of business.

Deploy a single component alongside current core systems or deploy multiple components pre-integrated with Oracle Health Insurance.

## Key Benefits

- Flexibility to configure business rules and workflow
- Automate periodic payment generation
- Reduce administrative costs
- Accelerate processing times
- Improve provider satisfaction
- Outpace competitors by supporting innovative value-based payment models
- Maximize operational efficiency

## DETERMINE RATES THROUGH UNLIMITED DATA TYPES AND COMBINATIONS

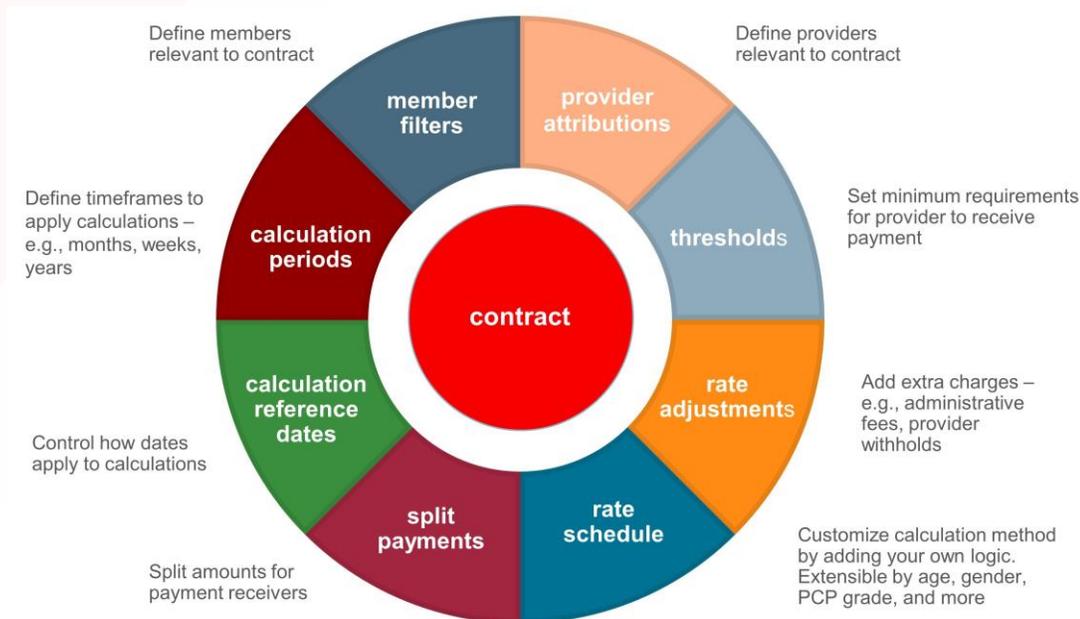
Because payers can configure based on rules instead of coding, they're empowered to design their payment models in virtually unlimited ways. Oracle's solution is extensible, allowing payers to decide what type of data to collect in order to determine rates. Payers may choose to gather age, gender, PCP grade, and much more.

Payers can opt for individual aspects of existing models and combine them with other models, so they can meet whatever goals are best for their organization. For example, a contract could require both a monthly capitation payment and quarterly incentive payment.

Oracle's solution gives payers structured ways to:

- match members to contracts
- determine the rate for each match
- create financial transactions

### Endless Possibilities to Configure Value-Based Payments Oracle's Comprehensive Contract Model



#### Key Features

- High configurability through business rules written in natural language
- Automates value-based payments
- Calculation engine natively handles trial calculations, final calculations, and recalculations
- Detailed traceability for all value-based payments
- Accepts member input data from multiple sources
- Reusable contract setup components and templates
- User interface adjusts to customer and payment model configuration
- Exception handling
- Retroactive and prospective payments
- Calculations for accounting purposes only
- External interoperability - integrate with third party systems

## RADICALLY REDUCE HUMAN INTERVENTION AND LABOR COSTS THROUGH AUTOMATION

Payers can scale value-based payment arrangements while keeping costs low by automating routine processes. They no longer need to rely on spreadsheets, homegrown systems, or workarounds on

legacy systems. Oracle's high-performance calculation engine eliminates manual processes, automating calculations and preparing the data for the payer's financial system.

### **INTEGRATE SEAMLESSLY WITH THIRD PARTY SYSTEMS**

Both payers and providers often worry about external and internal interoperability of value-based payment systems. Oracle's solution integrates with third party systems, so payers can accept source data through well-defined integration points.

### **DATA INTAKE, ONCE AND DONE**

Once payers load the system with member and enrollment data, they will never have to input the same data again—no matter how many payment models they need to link with each member. That one set of data gives payers a single source of truth. Retrospective, prospective, monthly, and quarterly payments, for example, all pull from the same base information. Payers need only submit incremental changes as they arise.

### **FULL CONTROL OVER MEMBER-LEVEL CALCULATION METHODS**

For each period, payers can configure the enterprise-strength calculation engine to determine:

- active members
- which members underwent retroactive changes
- which payment models cover each member
- the amounts that apply to each member in relation to each model

Payers choose how they want to calculate the amount a specific member owes. They can use a simple lookup in a rate sheet, use several rate components, apply a formula, or base the amount on the member's premium. Payers can also combine these approaches.

### **MAKE RETROACTIVE AND PROSPECTIVE PAYMENTS**

Payers have total control of how to apply changes to payment models: retroactively, immediately, or in the future. In the event of retroactive changes, Oracle Health Insurance Value-Based Payments will automatically recalculate amounts that apply to all payment models relevant to the member. For future changes, users can pre-enter rates before their effective dates. Payers can configure Oracle's solution to automatically determine which circumstances require retroactive recalculations and which require a different type of calculation. Users can also set that calculation to start from a given date.

### **DESIGN FINANCIAL TRANSACTIONS ON YOUR TERMS**

Once the engine completes each calculation, the system loads the amount into a financial system for payment and accounting. That happens regardless of how the system produces the amount: by automatic calculation, manual entry, or import from an external source.

Payers choose how they want to issue payments:

- Pay individual providers directly even if the contract is with a provider group or institutional provider
- Pay the group or institution as a whole

The payer also decides how data enters the financial system. For example, a payer can choose to group general ledger entries and invoice lines into a single entry. Alternatively, a payer can group all amounts to a particular provider into a single invoice.

## BACKTRACK AND AUDIT EVERY LAST DETAIL

Payers can easily retrace every step that led to a payment amount. With Oracle's solution, users can track each amount all the way down to the member, payment model, and rate level. Troubleshooting, detailed reporting, auditing—Oracle's solution makes all of these tasks easy for payers.

## ACCELERATE CONFIGURATION THROUGH TEMPLATES AND REUSABLE COMPONENTS

While Oracle's solution offers a high degree of flexibility, it also gives payers configuration templates and reusable components to use as a starting point. Payers start with a template for one or more contracts with providers, provider groups, institutional providers, or ACOs. Then payers can customize their contracts further through the user interface. Payers may also apply reusable components to multiple payment arrangements. Reusable components include standard rate sheets, complex formulas, and definitions of factors that impact rates.

## CALCULATE FOR ACCOUNTING PURPOSES

In some situations, payers need to make calculations for accounting purposes only. Whether the payer is developing a budget or managing funds, Oracle's solution can help. Payers can use the system to pay a portion of a rate and withhold a portion. To withhold an amount, users would allocate the portion to a general ledger account to reconcile later.

### Related Products

These applications can complete a healthcare payer's component architecture:

- Oracle Health Insurance Enterprise Policy Administration (Enrollment)
- Oracle Health Insurance Claims Adjudication
- Oracle Health Insurance Claims Pricing
- Oracle Health Insurance Analytics
- Oracle Health Insurance Authorizations
- Oracle Health Insurance Enterprise Commissions
- Oracle Insurance Policy Administration Cloud Service
- Oracle Insurance Claims Administration Cloud Service
- Oracle Insurance Revenue Management and Billing for Healthcare Payers
- Oracle Fusion Financials
- Oracle Documaker
- Oracle Business Process Management

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