



National Health Policy Group
SNP Alliance

STUDY FINDS INCOME AND OTHER SOCIODEMOGRAPHIC FACTORS CONTRIBUTE TO ADVERSE HEALTH OUTCOMES

Industry's Largest Ever Analysis of Dual Eligible Member Data Sheds Light on Nation's Highest Cost and Vulnerability Patient Population

BOWIE, Md – March 30, 2015 – [Inovalon](#) (Nasdaq: INOV), a leading technology company providing advanced cloud-based analytics and data-driven intervention platforms to the healthcare industry and the Special Needs Plan (SNP) Alliance, released today the largest analysis ever performed on dual eligible quality outcomes, entitled “*An Investigation of Medicare Advantage Dual Eligible Member-Level Performance on the Centers for Medicare and Medicaid Services (CMS) Five-Star Quality Measures.*” The study analysis, leveraging Inovalon’s MORE² Registry[®] dataset and multiple partnered healthcare organizations, found that disadvantaged beneficiaries—such as dual eligible beneficiaries covered by both Medicare and Medicaid—have worse health outcomes that cannot be attributed to a health plan’s quality of service. Moreover, additional factors beyond the high-risk chronic health conditions that members present may contribute to worse health outcomes. The study findings indicate that Medicare Advantage (MA) plans serving disadvantaged beneficiaries may provide higher-quality care than their ratings reflect under the current Five-Star Rating System Medicare uses to assess the performance of plans. This is the first large-scale, independent study to investigate health outcomes of Medicare beneficiaries enrolled in MA plans at the member-level.

“This is an important, ground-breaking analysis of data not previously achievable in the industry,” said Christie Teigland, Ph.D., director of statistical research at Inovalon and principal investigator of the study. “The study utilized Inovalon’s powerful analytics platform and rich data assets together with additional partnered data, combining for the first time an array of clinical, sociodemographic and community resource data to study the observed disparities. The results show that a higher prevalence in the dual eligible population of high-risk clinical conditions, sociodemographic factors such as living in a high poverty area, and community resource factors such as living in an area with a shortage of primary care physicians, result in worse outcomes given the same access and quality of care.”

“The study provides compelling evidence that quality measures in the Five-Star Rating System do not fully capture the complexity of the circumstances in which Medicare’s dual eligible population lives or the complexities involved in their health care,” said Richard Bringewatt, president and chair, SNP Alliance. “Performance measures must take this evidence into account for health plans to have an accurate quality rating system. Plans and providers that serve

disadvantaged populations, such as MA Special Needs Plans, should also take this evidence into account as it sheds light on a range of sociodemographic factors that, if properly addressed, could help us develop and target more ways to improve health outcomes for our members.”

“We’ve suspected all along that the poorer health outcomes of dual eligible members are not caused by the quality of plans, but are due to other factors,” said Dr. Paige Reichert, medical senior director of quality, Cigna HealthSpring. “If the disparity of outcomes between dual eligible and non-dual eligible members were due to the quality of care provided by the plan, the results would have been similar between both groups. However, because the study controlled for similar member characteristics, we see that it’s sociodemographic factors that are affecting health outcomes. Clearly the issues that are affecting the health outcomes of disadvantaged beneficiaries need to be addressed to eliminate health disparities, and should also be taken into account when measuring the quality of Medicare managed care plans.”

Insights gained from this analysis will empower new advancements in Inovalon’s patient-level and provider-level analyses technologies designed to achieve greater insight into the identification of gaps in care, quality, and financial performance, as well as the intervention platforms needed to resolve such gaps.

About the Research

Inovalon conducted this research in collaboration with Cigna-HealthSpring, WellCare, Healthfirst, Gateway Health, BCBS Minnesota and Blue Plus, Health Care Service Corporation (HCSC), the Special Needs Plan (SNP) Alliance, and Medicaid Health Plans of America (MHPA), and consulted with multiple other industry partners. If you have any questions, or would like to request more information on the study, please contact Inovalon via email inquiries@inovalon.com.

For its research, Inovalon used member-level Medicare Advantage data from a number of collaborating health plans and de-identified data extracted from its Medical Outcomes Research for Effectiveness and Economics Registry (MORE² Registry[®]), one of the industry’s largest healthcare datasets. These datasets were combined with additional sources, including CMS Monthly Membership Reports, U.S. Census data, and detailed data on sociodemographic and community resource availability. The study evaluated performance on 18 Five-Star quality measures for more than 2.2 million Medicare Advantage members, drawn from 81 separate Medicare Advantage contracts comprising 364 individual health plans.

About Inovalon

Inovalon is a leading technology company that combines advanced cloud-based data analytics and data-driven intervention platforms to achieve meaningful insight and impact in clinical and quality outcomes, utilization, and financial performance across the healthcare landscape. Inovalon’s unique achievement of value is delivered through the effective progression of Turning Data into Insight, and Insight into Action[®]. Large proprietary datasets, advanced integration technologies, sophisticated predictive analytics, data-driven intervention platforms, and deep

subject matter expertise deliver a seamless, end-to-end capability that brings the benefits of big data and large-scale analytics to the point of care. Driven by data, Inovalon uniquely identifies gaps in care, quality, data integrity, and financial performance – while bringing to bear the unique capabilities to resolve them. Providing technology that supports hundreds of healthcare organizations in 98.2% of U.S. counties and Puerto Rico, Inovalon’s cloud-based analytical and data-driven intervention platforms are informed by data pertaining to more than 754,000 physicians, 248,000 clinical facilities, and more than 120 million Americans providing a powerful solution suite that drives high-value impact, improving quality and economics for health plans, ACOs, hospitals, physicians, consumers and pharma/life-sciences researchers. For more information, visit www.inovalon.com.

About Special Needs Plan (SNP) Alliance

The SNP Alliance, an initiative of the National Health Policy Group, is a national group of leading specialty health care plans and programs and is exclusively focused on improving SNP and Medicare-Medicaid Plan (MMP) policy and performance. The Alliance’s mission is to advance specialty care for poor, frail, disabled and chronically-ill persons. The Alliance’s 30 organizational members include a full spectrum of large and small organizations that sponsor over 300 public, for-profit and non-profit plans, and serve nearly one million beneficiaries and represent every type of SNP and every region of the U.S. For more information, visit <http://www.nhpg.org/about-us/snp-alliance.aspx>

Contacts:

Inovalon
Kim E. Collins
4321 Collington Road
Bowie, Maryland 20716
Phone: 301-809-4000
kimecollins@inovalon.com

Greenough, on behalf of Inovalon
Andrea LePain
Phone: 617-275-6526
alepain@greenoughcom.com