Per Member Per Month (PMPM) Analyzer

Mine insights from claims data—and support your organization’s success in value-based care arrangements

Type: Analytics Accelerator  Status: Custom Services  Revised: 2019-04-01

The PMPM Analyzer analytics accelerator provides claims-based data and visualization to support a holistic evaluation of the drivers of PMPM payment performance. This tool gives an in- and out-of-network view of payment trends and gives users the ability to understand how an ACO’s providers, members, and specialty areas are contributing to overall PMPM payment performance.

**Note:** Like all analytics accelerators, this application is implemented in a custom way. Organizations identify their own areas of focus—and the appearance and functionality of the accelerator may differ from what is presented here.

**Intended users**
- Data analysts
- Chief Officer for Population Health
- Chief Executive Officer
- Chief Financial Officer
- Chief Quality Officer
- Chief Medical Officer
- Chief Medical Informatics Officer
- Service-line leadership

**Potential data sources**
- Claims
- Other Sources

**Key measures**
- Total payments by care process, diagnosis, procedure, claim type, specialty, provider, and member
- Variation in total payments per encounter by care process
- Variation in total payments at the member level, stratified by the member’s risk score

PMPM Analyzer equips your organization to identify, understand, and effectively manage the factors that affect your PMPM payment performance—supporting your success in value-based care arrangements.
**The problem**

Most organizations lack the analytics to support ACO needs. Even with an enterprise data warehouse in place, systems may struggle to gain data-driven insight into their patient population, identify areas of high payment, calculate PMPM, or track utilization. As a result, key stakeholders—executives, physicians, and payers—have trouble aligning around common goals and priorities. Ultimately organizations can spend a great deal of time on manual reports that don't provide the depth, accuracy, or timeliness needed to manage their at-risk contracts and network or understand their performance against new targets.

**Our approach**

PMPM Analyzer shows you where you are and where you're headed in relation to contractual targets—and gives you the knowledge to do something about it. The application supports comprehensive, deep-dive analyses to reveal the factors that drive your PMPM performance, identify areas for improvement, and manage costs to realize savings and avoid losses.

**Benefits and features**

• **Gain a rich, comprehensive view of your performance across the continuum of care.** The application dashboard provides summary-level statistics highlighting PMPM payment trends over time and against target rates—and also supports deeper analysis of the providers, members, specialties, care processes, procedures, and diagnoses that are the greatest contributors to PMPM performance within each contract.

• **Identify and quantify potential opportunities for improvement.** The application allows you to investigate expenditures and determine in-and out-of-network costs to identify leakage by physician, patient, claim type, or facility. You're able to identify potential savings from specific efforts to eliminate waste via standardization, reduce leakage, or improve outreach to high-cost patients.

• **Reduce financial risk.** PMPM Analyzer allows you to identify high-utilization patients and diagnostic groups and use trends to predict future needs—information that can guide improvement work and help your organization manage risk.

• **Achieve faster time to value.** PMPM Analyzer eliminates the burden of manually scrubbing and analyzing claims-based files and can refresh these files as quickly as 24 hours after receipt.

**Use cases**

A health system has entered a shared-savings agreement with a payer and wants to understand how its providers are performing against per-member-per-month targets. Using PMPM Analyzer, the executive team can quickly see that for the past three months PMPM payments trended below the target, but that there has been a worrisome rise in spend in the last month. The CFO asks her analyst to explore this trend and identify opportunities for improvement. Using PMPM Analyzer, the analyst determines that out-of-network service leakage for cardiology is one of the major drivers of rising costs. In response, leadership starts to consider options for better aligning with these specialists.

**Success stories**

For examples of how customers have used Health Catalyst products and services to improve outcomes, visit [https://www.healthcatalyst.com/knowledge-center/success-stories/](https://www.healthcatalyst.com/knowledge-center/success-stories/)

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