



ValidationInstitute

2020 Validation Report

Review for: Equity Health
Valid through March 2021



Company Profile

equityhealth

Category:	Audit, Transparent Marketplace
Website:	https://equityhealth.net/
Year Established:	2020
CEO:	Richard Jung
Company contact:	Brad Dumke at 615.418.7609 or b.dumke@equityhealth.net

Description:

EquityHealth helps Employers and Employees understand ALL their options for pursuing high-value healthcare services and driving out waste, overtreatment, overspending, avoidable risk, and all forms of surprise medical bills. **EquityHealth** then removes impediments to pursuing their self-interests. **EquityHealth** believes Value = Quality/Cost x Appropriateness.

EquityHealth provides:

- A healthcare supply chain audit of claims at the Employer level to understand where every dollar has gone.
- A smart-phone deployed Transparent Medical Marketplace where Employees can see available Costs and Employers can steer high-value choices.
- Smart-phone deployed Employee Education and Empowerment tools that provide just in time steerage to help Employees and their families understand the system and how to make it work for them.



Claim Assertion for Validation

Equity Health works with Employers and their Employees to understand their opportunities to improve quality and lower the costs of their healthcare services. This is accomplished in an iterative, three step process:

- Initial Baseline Audit of the Employer's Healthcare Supply Chain (remittance/claims data) for at least one full year.
- Based on the Audit results, an Employer-specific Action Plan with interventions that may include any combination of Employee Engagement, revisions to the Transparent Medical Marketplace, Provider Collaboration, Direct Contracting, and Plan/Network design.
- Iterative cycles of Audit/Plan/Interventions until savings opportunities are exhausted.



Method / Calculation / Examples

The following metrics were reviewed:

Focal Point	Valid Metrics: Measure Name & Numerator	Valid Metrics: Denominator
Claims payment accuracy/transparency	Dollars paid for claims with one or more errors (e.g. valid member, valid procedure)	Total dollars paid by plan
Overspending: High cost episodes of care (> \$10,000 for a single episode)	Overspend %: (Actual amount paid – Estimated cost of Alternative services) Overspend per Member: (Actual amount paid – Estimated cost of Alternative Services)	Total spending on High Cost Episodes # of eligible members (annual)
Overspending: diagnostic services	Overspend = (Actual amount paid – Estimated cost of Alternative services) Overspend per Member = (Actual amount paid – Estimated cost of Alternative Services)	Total spending on Diagnostic Services # of eligible members (annual)
Overspending: inefficient use of Emergency Department Care (determined by applying American Academy of Urgent Care Medicine guidelines)	Frequency of low-value visits: # of ambulatory ED visits with a primary diagnosis included in the urgent care guideline Potential cost savings Per Member: actual cost of ambulatory ED visits with a primary diagnosis included in the urgent care guideline – estimated cost of Urgent Care visit at clinics accessible to the members	Total # of ambulatory ED visits # of eligible members (annual)
Hospital Safety	% of Admissions at Safe or Recognized Hospitals = # of inpatient hospital admissions occurring at hospitals with a Leapfrog grade of A or B or with a Center of Excellence designation or that has a direct contract with the plan.	Total # of inpatient admissions
Surprise Medical Bills – Unplanned Out of Network and Excluded Benefits	Total Charges on claims that were denied because the provider was Out Of Network or the service was not a covered benefit	# of eligible members (annual)





Findings & Validation

The metrics listed are reasonable and valid methods to gauge the frequency and cost of the events described. The metrics can be used to assess how much opportunity a plan has to improve; the reliability of this estimate varies somewhat with each measure. For example, reducing the percentage of claims that were paid with errors is a simple administrative process and savings will be directly realized. Reducing the frequency of low-value emergency room visits is complex and savings would be more difficult to achieve than the correction of claims payment errors.





Validation and Credibility Guarantee

Equity Health has achieved a level 3 – Metrics validation. Validation Institute is confident that **Equity Health** performs as they state they are willing to provide up to a \$10,000 guarantee as part of their Credibility Guarantee Program*.

Level 1 - Savings

Can produce a reduction of health care spend including the cost of the provider. Product/solution has produced, and replicated a lower cost for healthcare overall or a specific component of healthcare

Level 2 - Outcomes

Product/solution has measurably “moved the needle” on an outcome (risk, hba1c, events, employee retention, etc.) of importance.

Level 3 - Metrics

Claim is made that – with sourced, overridable assumptions linked to peer-reviewed or government sources

Level 4 - Contractual Integrity

No outcomes or savings has been shown, but vendor is willing to put a part of their fees “at risk” as a guarantee





Limitations

The extent to which savings are realized depends upon many factors, such as employee communication and incentives to use the alternative medical providers. Thus, the valid and accurate metric is likely to vary from the savings achieved.





Validation Expiration: March 2021

CERTIFICATE OF VALIDATION

Applicant: Equity Health

Product: Equity Health HSA

Claim: Improve quality and lower the costs of Employer and Employee healthcare services

Validation Achieved: Level 3 - Validated for Metrics

Linda Riddell

Linda Riddell
VP, Population Health Scientist
Validation Institute

Benny DiCecca

Benny DiCecca
Chief Executive Officer
Validation Institute





About Validation Institute

Validation Institute is a professional community that advocates for organizations and approaches that deliver better health value - stronger health outcomes at lower cost. We connect, train, and certify health care purchasers, and we validate and connect providers delivering superior results. Founded in 2014, the mission of the organization has consistently been to help provide transparency to buyers of healthcare.

To strengthen our offering and provide additional credibility around our service, the **Validation Institute** recently announced a Credibility Guarantee* that offers customers of validated solution providers up to a \$25,000 guarantee. This guarantee confirms that a validated solution provider will, achieve what the validation language on a marketing claim says it will achieve.

