



ValidationInstitute

2021 Validation Report

Review for: Nova Healthcare Administrators
Valid through January 2022



Company Profile

Category:	Third Party Administrator
Website:	www.novahealthcare.com
Public or Private:	Private
Year Established:	1982
CEO:	James Walleshauser
Company contact:	800-999-5703



Description:

Evolving over the last 30 years, **Nova Healthcare Administrators (Nova)** aims to manage trend to reduce health care spend and improve health plan performance. Headquartered in Buffalo, NY, **Nova** is a wholly-owned affiliate of Independent Health.

Nova works with flexibility to provide the solutions clients need in the way clients need them including medical, dental, vision, COBRA, reimbursement account administration, and private-labeled partnerships. **Nova** provides clients with unique cost management and customized health plan strategies through personalized service.



Claim Assertion for Validation

Nova creates a cost and risk management strategy tailored to each employer's benefit plan, culture, and goals. The strategy uses medical, behavioral, and pharmacy claims, plus operational observations, a company-level assessment and lab data (when available). The strategy addresses preventive care, early detection of illness, improving treatment compliance, appropriateness of services, and reducing cost of necessary care. Nova's clients have had annual rate increases that are lower by half than a national benchmark.

In 2020, **Nova** has once again achieved below-average admissions and emergency room visits for common chronic disease.



Method / Calculation / Examples

Member-facing validations are done using the "gold standard" event rate tracking methodology. This is the only metric which avoids participant bias, regression to the mean, and trend inflation, three invalidators detailed respectively in those links. This methodology, invented by the founders of the Validation Institute, has been accepted and published by Health Affairs and the Health Enhancement Research Organization. It has also been featured in *Why Nobody Believes the Numbers: Distinguishing Fact from Fiction in Population Health Management*, the award-winning trade-bestselling textbook most widely used among professional and graduate programs in population health outcomes measurement. It is also the only methodology which qualifies for the Validation Institute's Credibility Guarantee for member-facing programs. Details include:

- Uses very specific ICD-10s
- No regression to the mean
- Age taken into account
- All data submission is QC'ed
- Only valid methodology in use



Findings & Validation

The validation itself is for the measurement itself. Whether the validated organization has achieved better-than-average outcomes is mentioned in the member-specific language and is viewable in the attached slides. (It will appear that most validated organizations have indeed achieved better-than-average outcomes. That is because other organizations prefer not to be posted.). ROIs are not listed because the ROI will depend on the price charged. In order to achieve a positive ROI, an organization must keep events below the benchmark. However, not every organization outperforming the benchmark will achieve a positive ROI.

Figure 1: Aging comparison: Nova vs. DMPC database percentage of members 50 to 64.9 years old

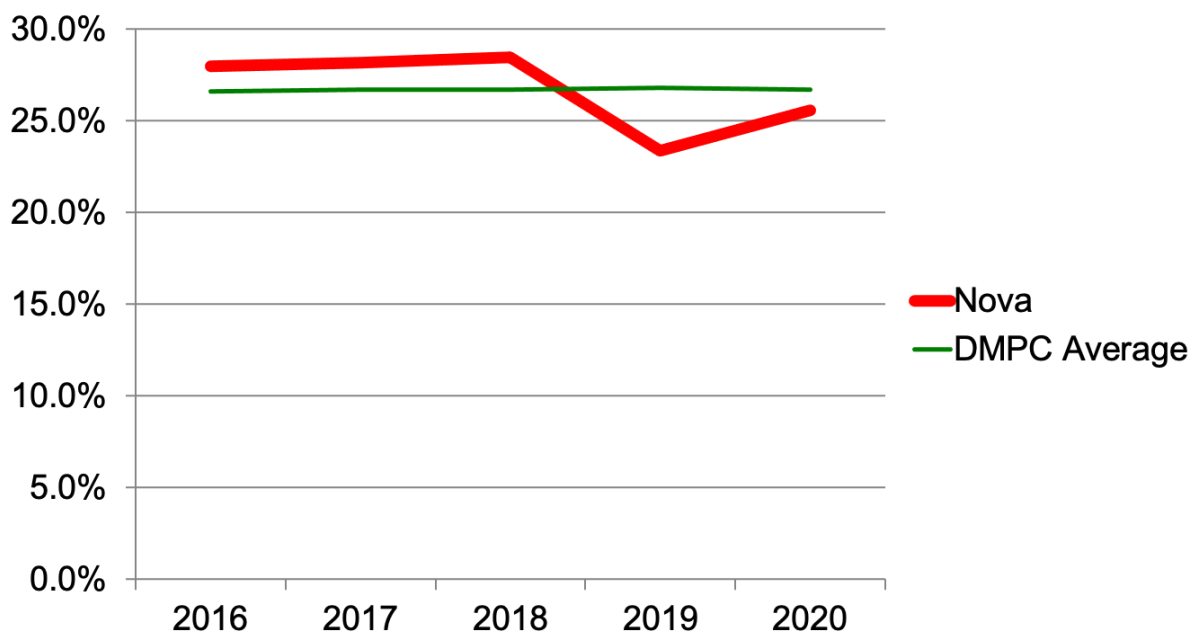




Figure 2: Asthma vs. national averages (events per 1000 ASO members)

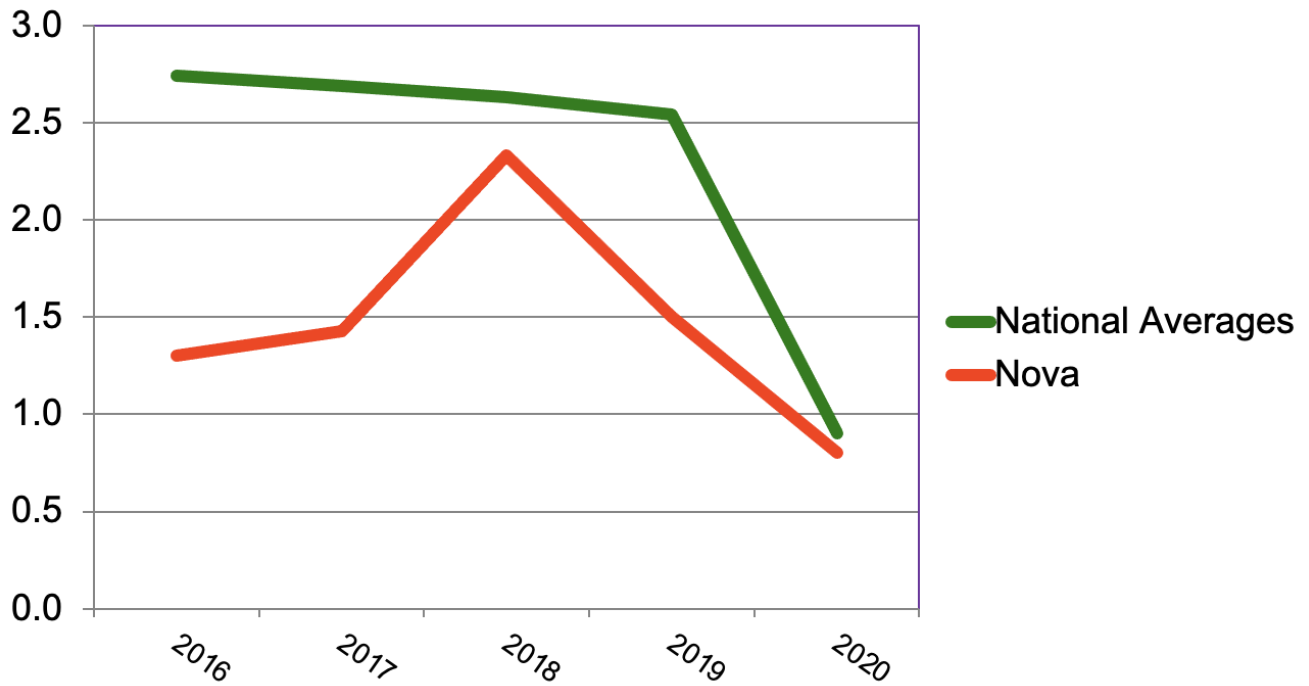


Figure 3: CAD vs. national averages (events per 1000 ASO members)

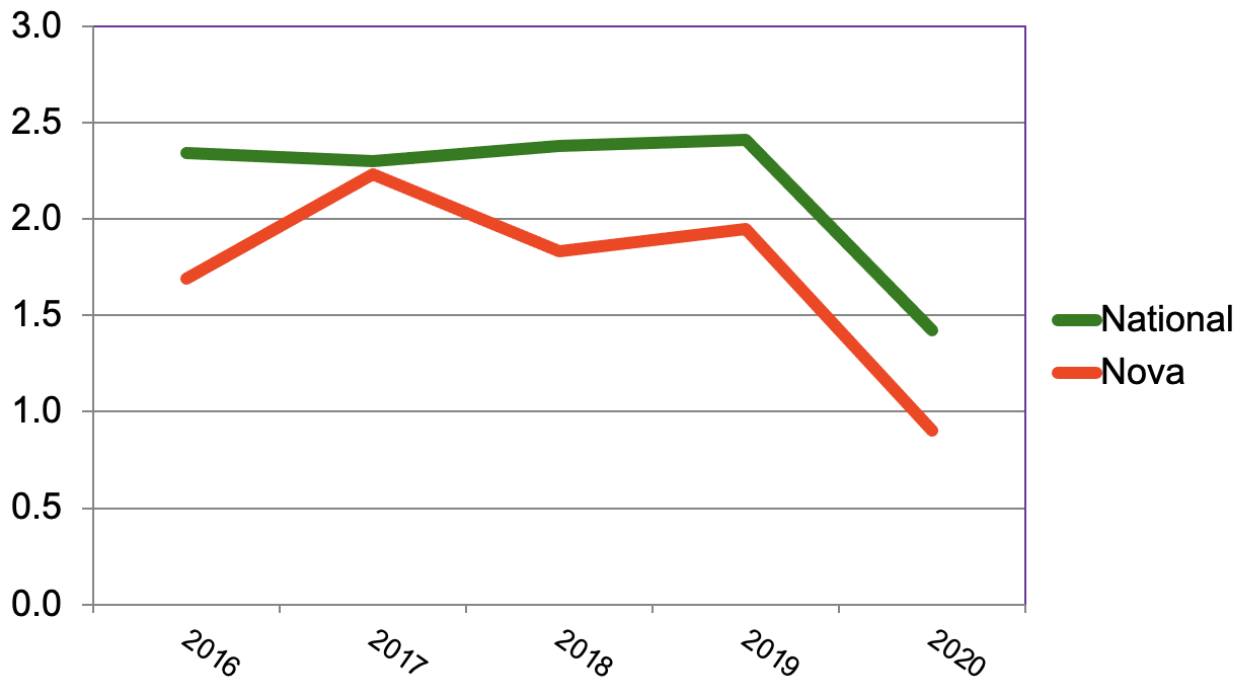




Figure 4: CHF/HTN vs. national averages (events per 1000 ASO members)

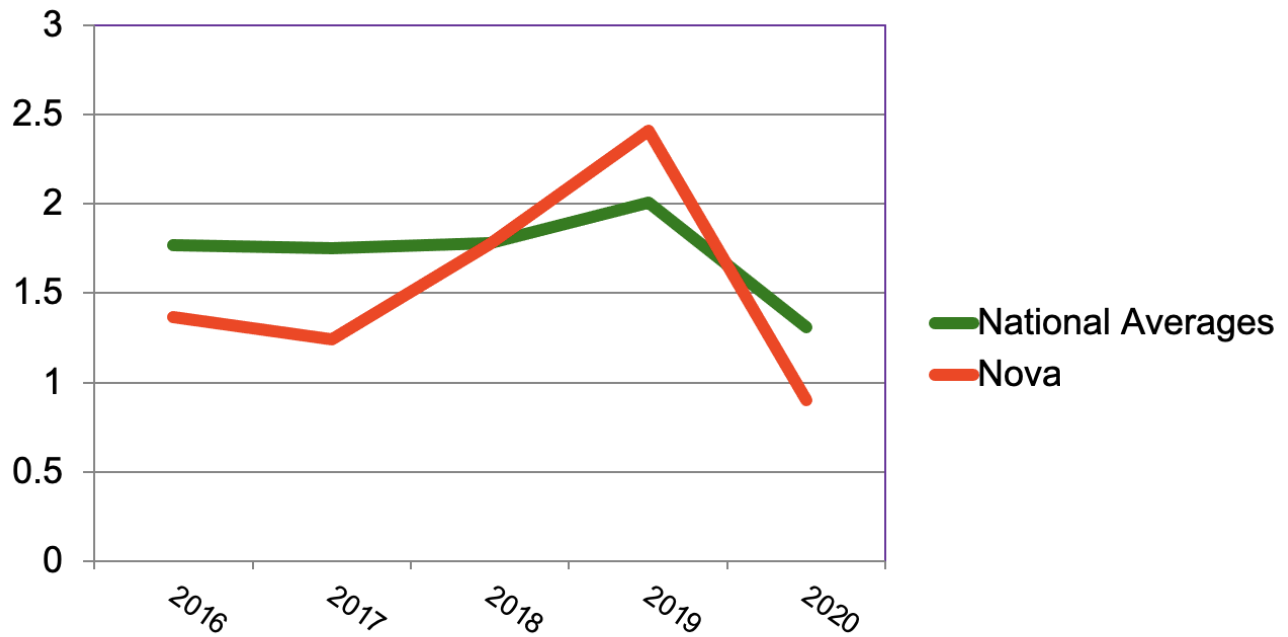


Figure 5: COPD vs. national averages (events per 1000 ASO members)

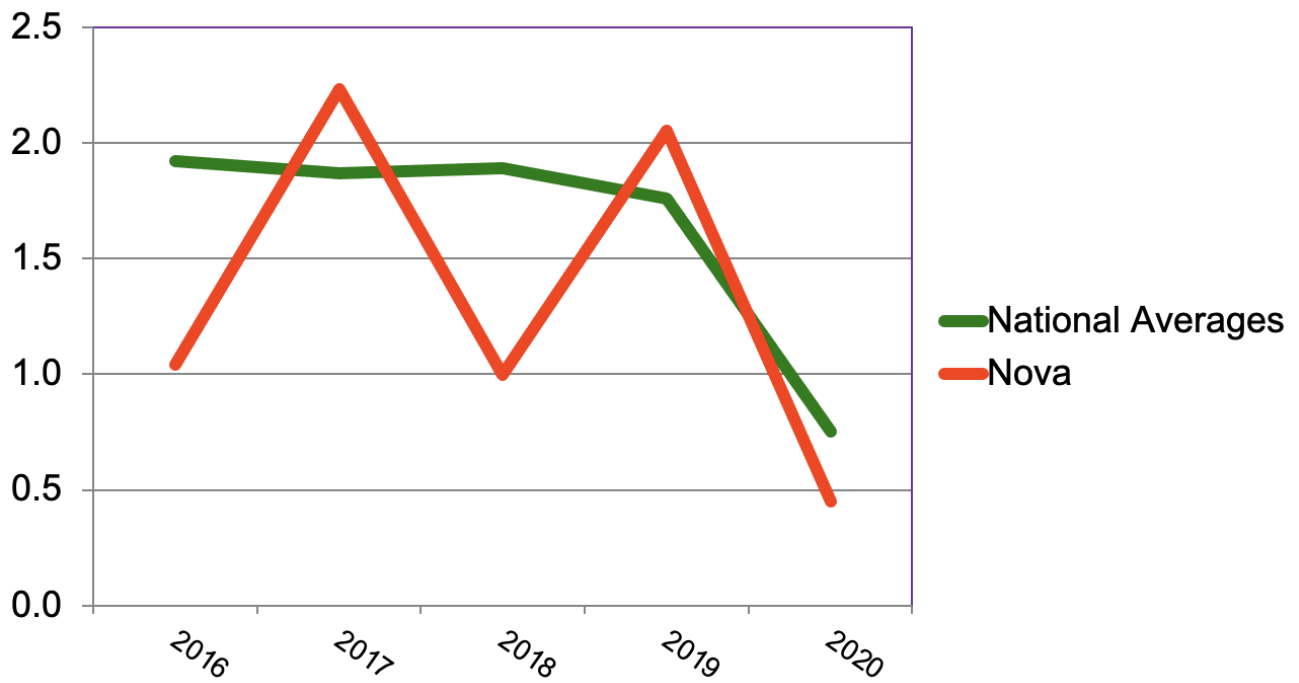




Figure 6: Diabetes vs. national averages (events per 1000 ASO members)

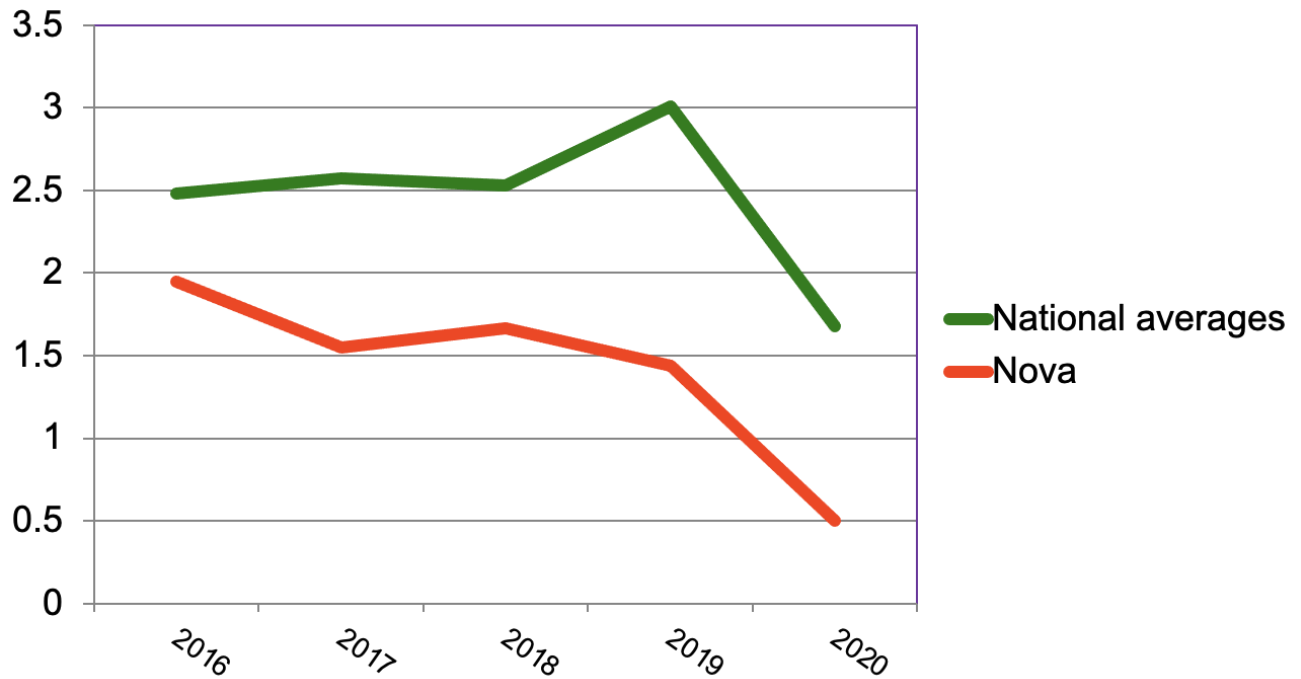
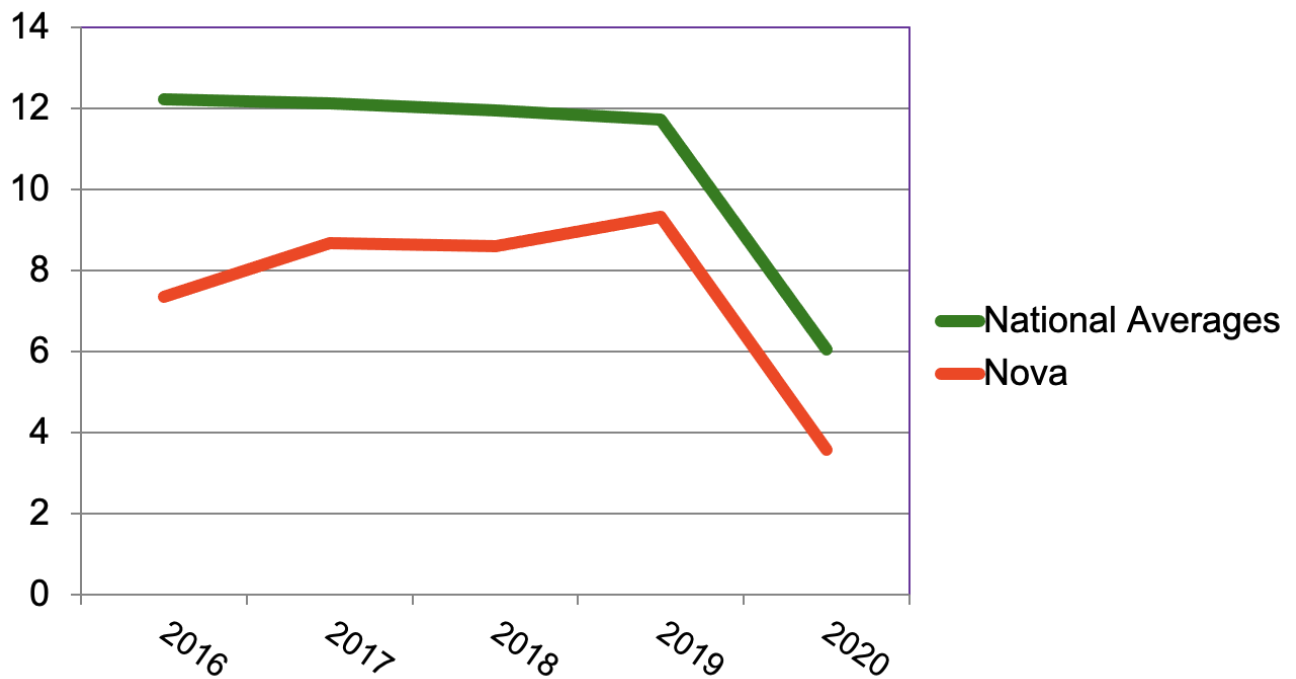


Figure 7: Total Events vs. national averages (events per 1000 ASO members)





Validation and Credibility Guarantee

Nova has achieved a level 2 – Outcomes Validation. Validation Institute is confident that **Nova** performs as they state they are willing to provide up to a \$25,000 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 - 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

Level 4 - Metrics

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





Limitations

While all event rates fell in 2020, Nova's declined more than most.





Validation Expiration: January 2022

CERTIFICATE OF VALIDATION

Applicant: **Nova Healthcare Administrators**
6400 Main St., Suite 210
Buffalo, New York, 14221

Product: Nova's Chronic Condition Management Program

Claim: Nova has below-average admissions and emergency room visits for common chronic disease.

Validation Achieved: Level 2 - Outcomes Validation

Al Lewis
Senior Advisor
Validation Institute

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.