

# Milliman LTC Advanced Risk Analytics (Milliman **LARA**)

Understand and manage individual long-term care (LTC) risk with risk scores and drivers bringing insights through industry-leading data and models



## Without the right insights, LTC risk can take you by surprise

- Insufficient current data about insured population
- Increasing costs with limited opportunities to raise premiums
- Fraud, waste, and abuse
- Inability to foresee care transitions

### MAKE LTC BETTER WITH MILLIMAN LARA



#### Improve quality of life

Work with your wellness provider more effectively by focusing interventions on members facing higher risk and empowering them to age in place.



#### Reduce costs

Predict which members are likely to go on claim, transition into facility-based care, or otherwise incur higher costs, so you can collaborate with providers to plan ahead.



#### Maximize existing programs

Use Milliman LARA insights to improve ROI from any wellness or intervention provider.



#### Join a powerful partnership

Become part of a coalition sharing data and expertise to make tangible improvements across the LTC industry.

### MILLIMAN LARA: A POWERFUL SOLUTION BUILT ON DECADES OF LTC INSIGHTS

#### Unique data and insights

- Historical long-term care Insurance (LTCI) claims
- HIPAA-compliant medical and pharmacy data
- Proprietary variables derived from third-party data
- Milliman LTC Guidelines

#### Consulting expertise

- 40+ years serving LTCL industry
- 100+ years of combined expertise
- Working with 8 of the top 10 LTCL carriers
- Long history of working effectively with long-term services and supports (LTSS) and healthcare management with State Medicaid Agencies, Managed Medicaid providers, and Medicare Advantage plans.

#### Predictive analytics

- Advanced, yet intuitive risk scoring
- Accurate near-term projections
- Leading-edge techniques guided by actuarial judgment

### IMPROVE YOUR UNDERSTANDING OF MEMBER RISKS WITH DATA AND PREDICTIVE ANALYTICS

#### ALICE'S STORY: A CASE STUDY

Alice purchased an LTC policy in 2006 at the age of 65. Through underwriting, her insurance carrier knew of her health status, marital status and residency. In the 15 years since, however, her life has changed significantly. The insurer has likely missed key events that suggest Alice may now be at a higher risk of an LTC claim.

By collecting and aggregating third-party data with LTC insurance data, insurance carriers can use LARA models to identify Alice as a strong candidate for outreach and intervention to potentially avoid or delay a high-severity LTC claim.

Learn more about Alice's story: [milliman.com/LARA](https://milliman.com/LARA)

### HOW MILLIMAN LARA WORKS



Ingest, clean, and normalize inforce inventory



Supplement inforce inventory with third-party data sources



Score population based on claim likelihood and relative risks



Use insights to improve LTC performance

**SETTING GOALS & MEASURING PROGRESS**

Customizable to your client population and business strategy with **myLARA**.

Member ID	Probability of claim	Risk score	Risk score contributions				
			Health history	Age & gender	Support system	Policy characteristics	Other information
Policyholder #1	80.4%	62.61	78%	8%	3%	6%	5%
Policyholder #2	16.0%	12.43	57%	23%	5%	9%	6%
Policyholder #3	9.3%	7.24	23%	13%	11%	33%	20%
Policyholder #4	1.1%	0.83	12%	15%	21%	41%	12%
Policyholder #5	0.8%	0.61	0%	56%	15%	27%	2%

**DATA MAKES THE DIFFERENCE IN THE EFFECTIVENESS OF LTC WELLNESS INITIATIVES**

Traditional models	Milliman LARA models
Using only data from an individual insurer	Adding unique third-party data sources
<b>Little to no ROI</b> <ul style="list-style-type: none"><li>Poor targeting</li><li>Low savings due to over-participation</li></ul>	<b>Positive ROI*</b> <ul style="list-style-type: none"><li>Effective targeting</li><li>Optimized participation leads to higher savings</li></ul>

\* 50% ROI in simulated pilot study.

**GET THE INFORMATION YOU NEED TO IMPROVE MEMBER EXPERIENCE WHILE REDUCING COSTS.**

To learn more, visit [milliman.com/LARA](http://milliman.com/LARA)

## Milliman LARA

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## About Milliman LARA

Milliman Long-term care Advanced Risk Analytics™ (Milliman LARA™) leverages the industry-renowned expertise of Milliman consultants to uncover powerful insights about your LTC population. It uses predictive analytics, LTC claims data, and proprietary data sets to identify your high-risk policyholders before they reach severe stages of LTC needs. Early intervention empowers you to drive better health outcomes—improving a policyholder’s quality of life by helping them age in place. Using a focused solution to these interventions drives ROI.