Technology Teach-In

A Deep Dive into Key Focus Areas and the R1 Platform

June 27, 2024 • Steve Albert & Brian Gambs

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Introductions

Steve Albert

EVP, Chief Product Officer

Brian Gambs

EVP, Chief Technology Officer

Agenda

1. **Vision and Strategy**
2. **Focus Areas**
   - Platform and Ecosystem
   - Automation & AI
   - New Solutions
3. **Q&A**

Tech Vision: Deliver the best tech-enabled platform

Be the provider of choice in revenue cycle

- Most **trusted provider partner**
- Best-in-class **integrated services and technology** provider

Powered by Generative AI and automation

- **Modernized applications** to accelerate innovation
- **Automation-first and AI-enabled** platform, reduces labor by ~30-40%[1]

Leveraging our data access and scale

- Large-scale structured and unstructured datasets to **deliver customer insights**
- Unmatched insight into **nationwide payer and provider coverage**

For enhanced **quality,** improved **performance,** and better **patient satisfaction**

Note[1]: Labor reduction percentage is based on internal analysis and estimates, which are subject to change. Please refer to "Disclaimers."

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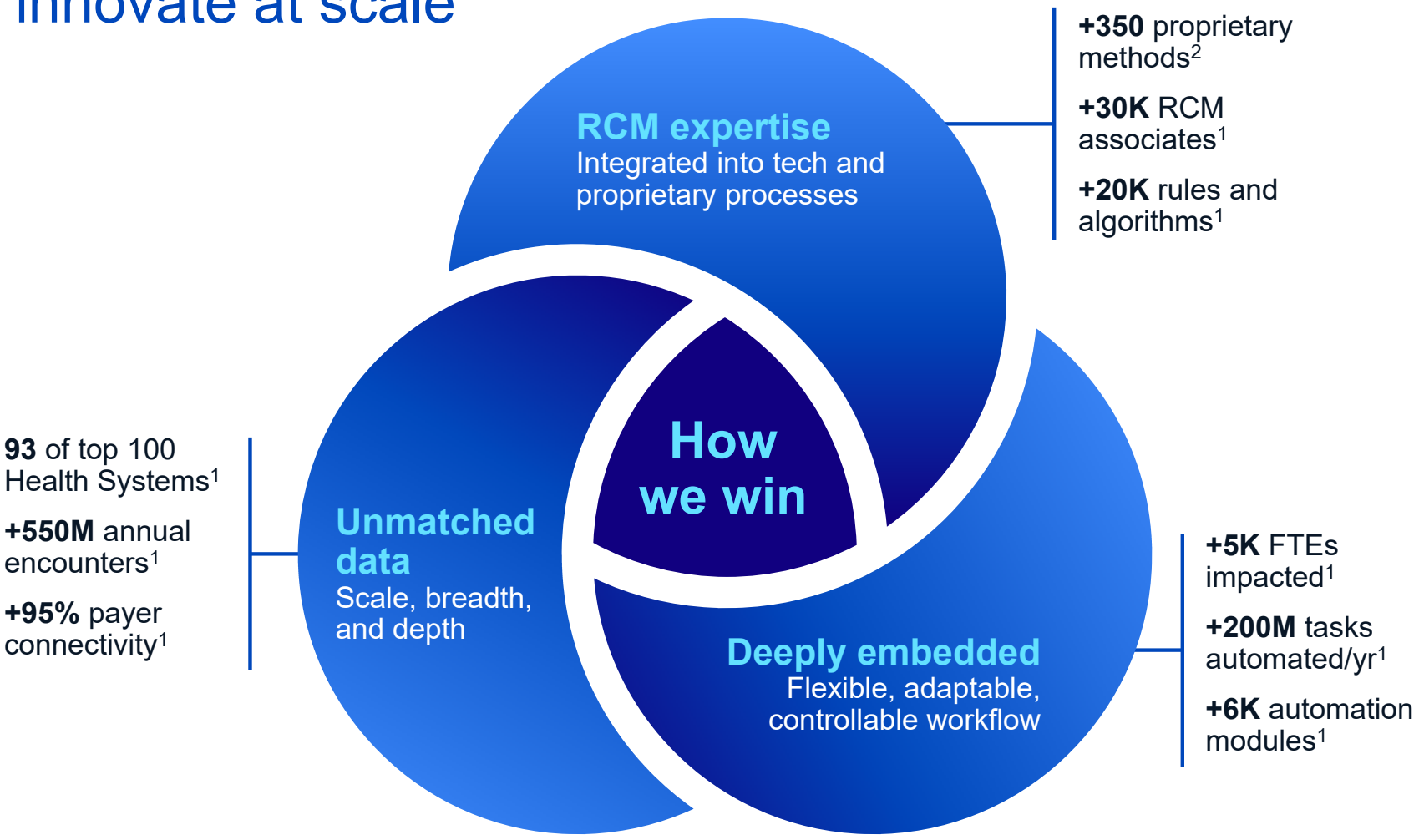
We innovate at scale



Note[1]: Metrics calculated as of December 31, 2023. Note[2]: Metric calculated as of May 31, 2024.

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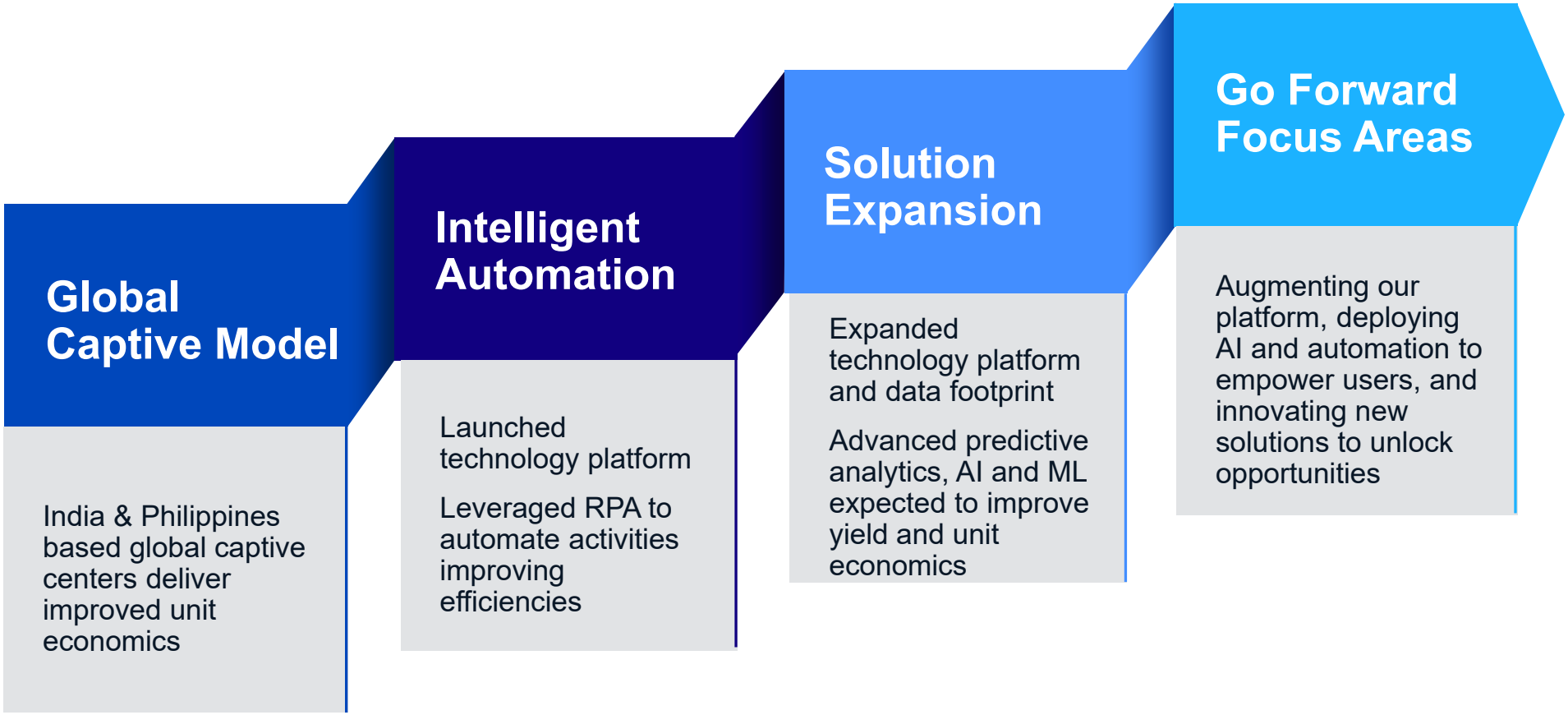
We expand our tech capabilities to improve client results



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We utilize technology to capture untapped opportunities

Priority	Objectives	Key strategic initiatives
1 R1 Platform	• Drive operational efficiencies • Improve client results • Increase end user satisfaction	• Data acquisition & integration • Infrastructure improvements • Centralization & modernization
2 AI & Intelligent Automation	• Eliminate manual activities • Reduce errors • Deliver greater impact faster	• Next generation AI assistance • AI-infused task automation • Enhanced self-service experience
3 New Solutions	• Leverage our data, scale, and expertise to find new revenue streams	• Insurance Discovery • Modular Coding • Patient Receivables

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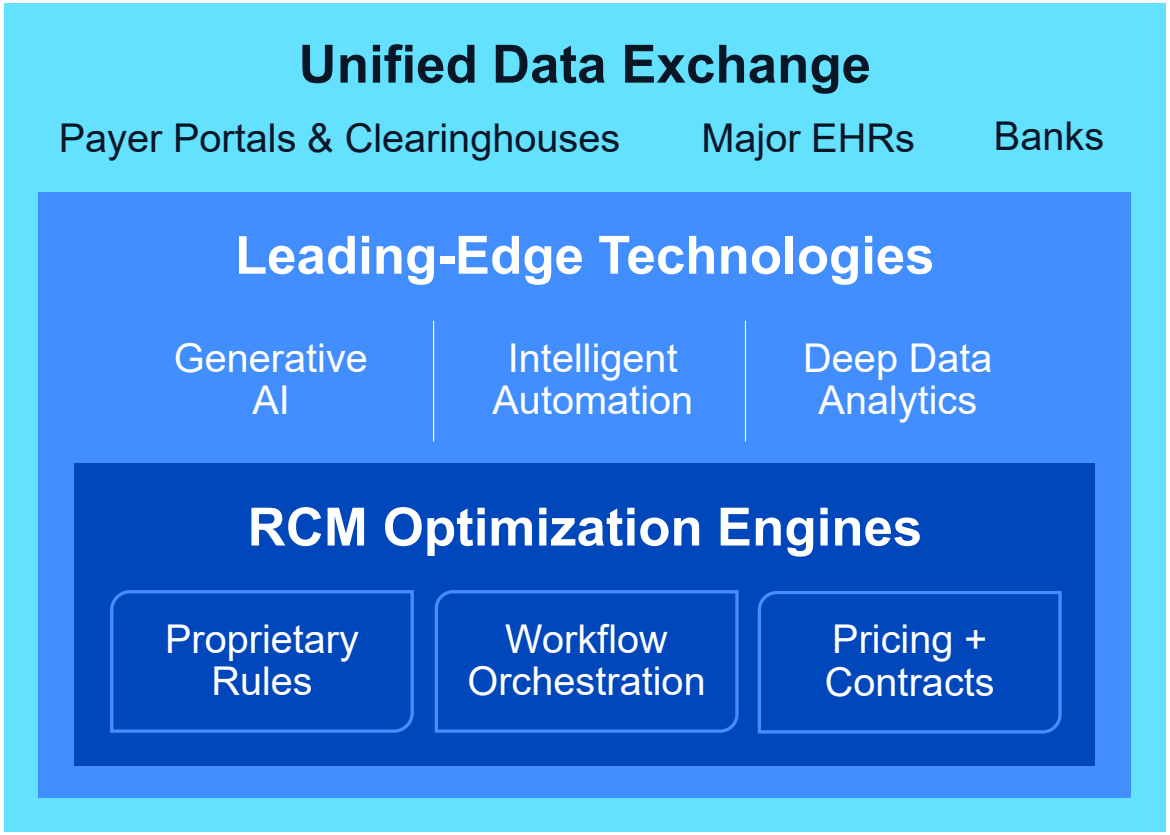
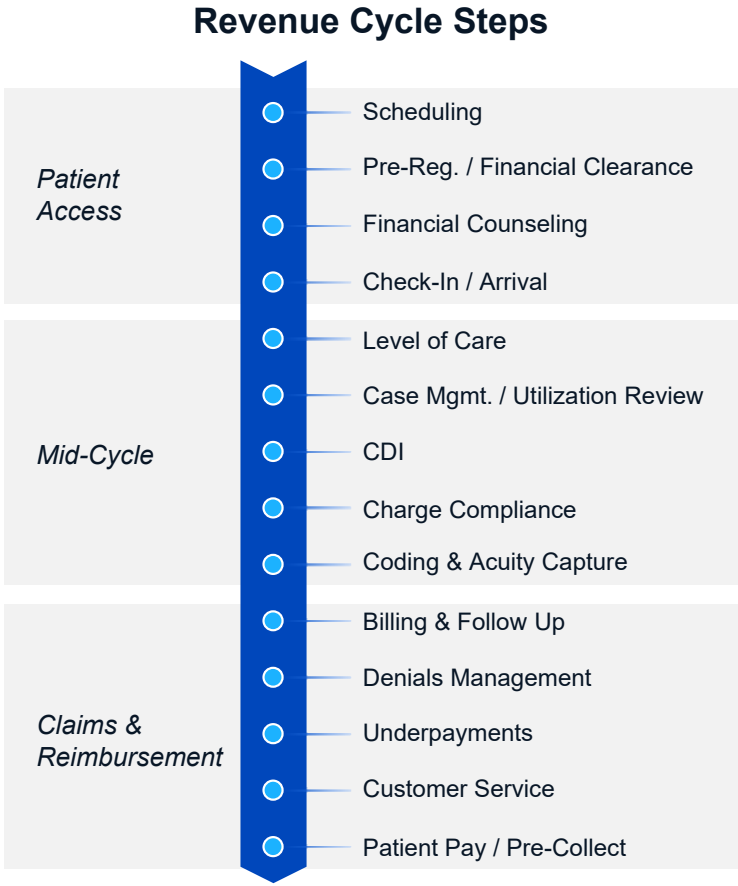
1 R1's Platform differentiates how we deliver tech-enabled services across the revenue cycle





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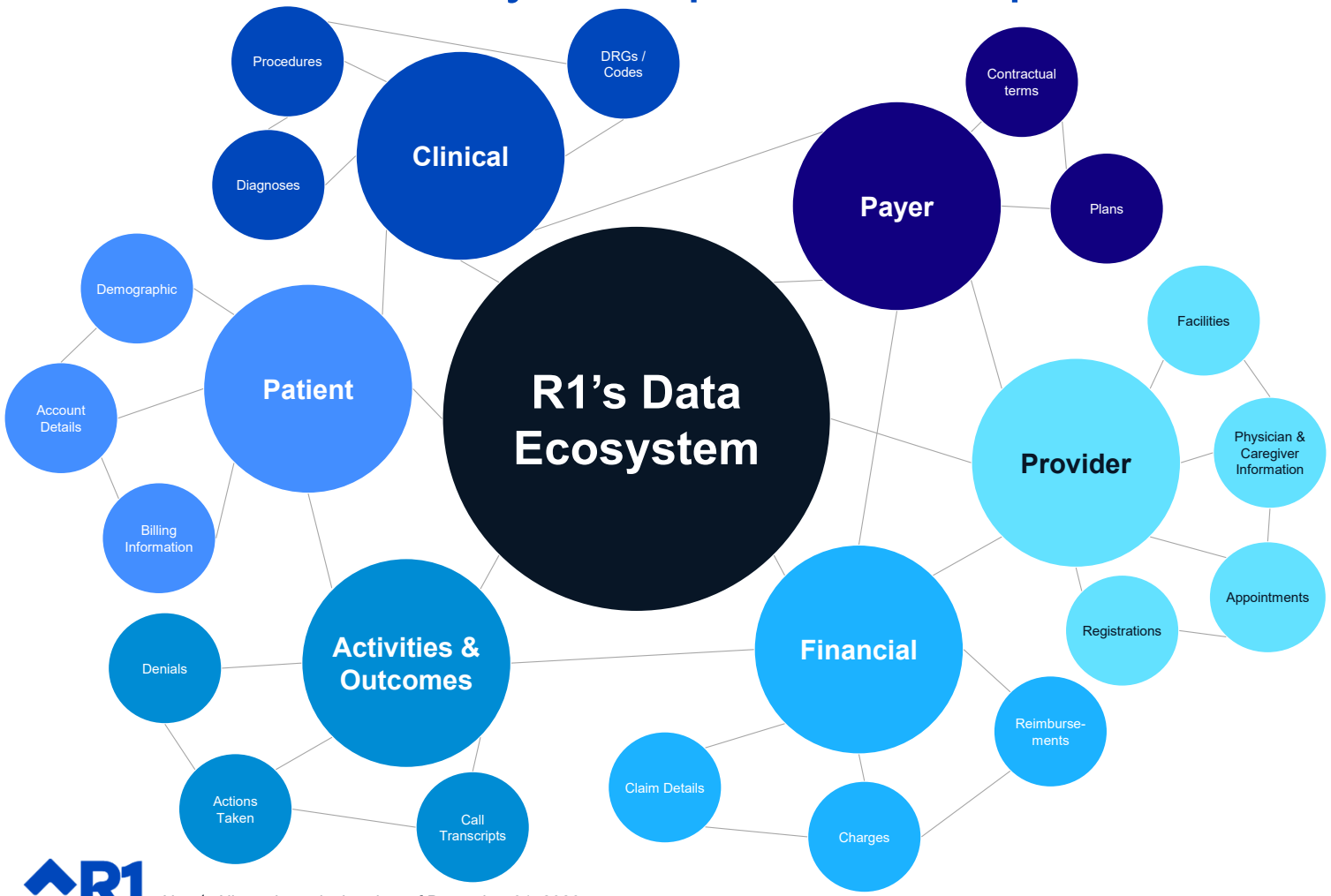
1 R1's data ecosystem provides unparalleled visibility



550M+
Patient Encounters[1]

500+
Health System Customers[1]

95%+
Payer Connectivity[1]

Note[1]: All metrics calculated as of December 31, 2023.

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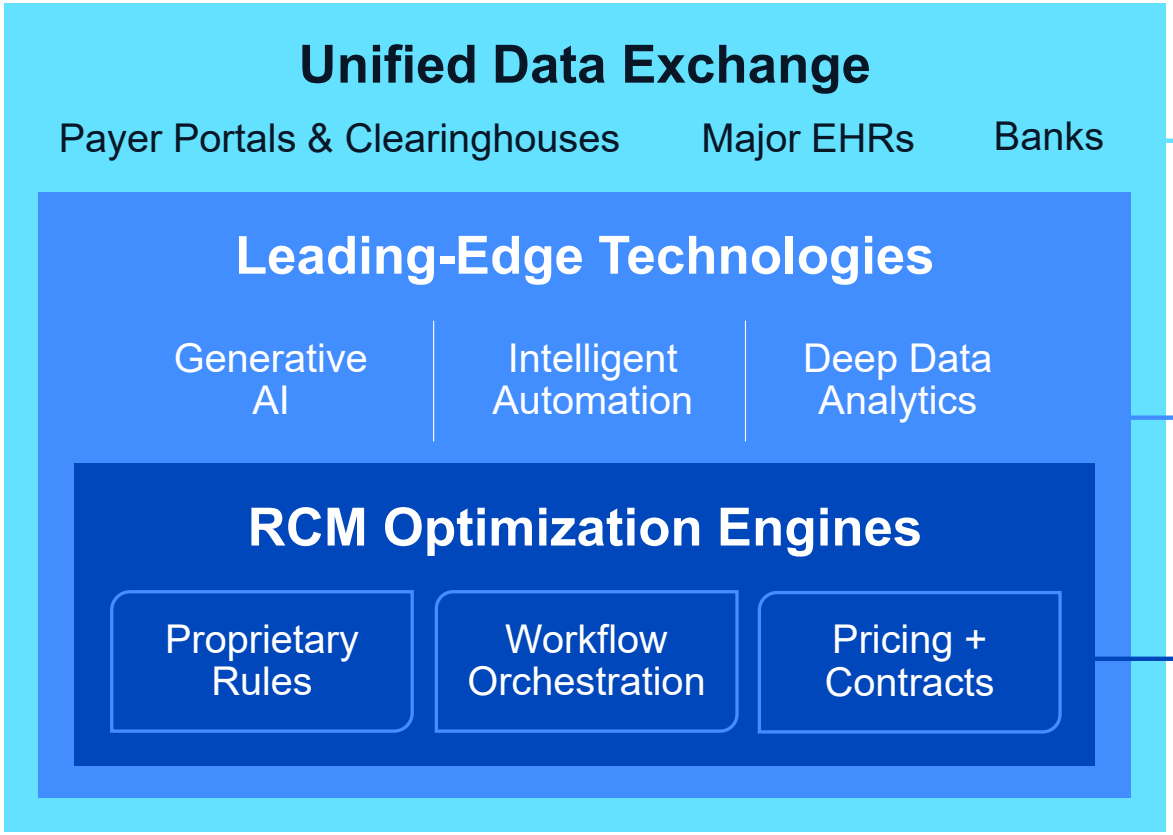
1 We apply proprietary intelligence to our data ecosystem



Payers & Clearinghouses: United Healthcare, WAYSTAR, Availity, BlueCross BlueShield

Major EHRs: Epic, Cerner, eClinicalWorks, Allscripts, MEDITECH, athenahealth, Nextech

Banks: Bank of America, Wells Fargo, CHASE, usbank, citi

Partnerships: Microsoft, Automation Anywhere, snowflake, databricks

Dedicated Teams ▶ AI & Data Science
Enterprise Data & Analytics

Proprietary Rules[1] **+20K**

Tasks Automated[1] **+200M** annually

Pricing Coverage[1] **+35K** contracts

Note[1]: All metrics calculated as of December 31, 2023.

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1 Centralized cloud-based platform improves performance

Objective

Consolidated our data, application delivery, and other platforms to improve performance and access the best technologies

Key Stats[1]

- **~2 Petabytes** of data migrated
- **15,000+** Virtual Desktops Users created
- **3,000** Virtual Machines
- **24,000** databases transitioned

Outcomes

- **Improved performance** – scalability, resiliency, and overall reliability
- **Completed on time** with **no business disruption** during the migration period
- **Executed ahead of** plan

Note[1]: All metrics calculated as of March 2024.

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1 Shared Pricing Service enables scale and efficiency

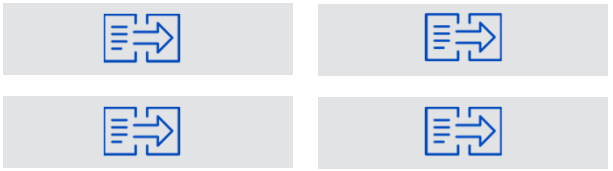
Reimbursement Calculator Initiative

- Today: **Four separate pricing engines**
- Objective: A **single best-in-class pricing module**
- Reason: Enables **scale** while **reducing maintenance costs** from consolidation and improving **employee efficiency**

Key Expected Outcomes

- ✓ Increased revenue for customers
- ✓ More coverage and accurate pricing
- ✓ Reduce redundant contract modeling
- ✓ Fewer manual touches to recalculate an account

From multiple pricing engines…



…to one

Pricing Service

Solutions Impacted

- DRG Validation
- Underpayments
- Revenue Integrity Solutions
- BlueCard
- Charge Capture
- Enterprise AR Management

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1 Enhanced user interfaces improve use and drive productivity

New user interface for validation specialists

- **Problem**: All RPS Underpayment users utilized the same interface, slowing down performance for some users
- **Solution**: Launched interface designed tailored to validation and research with improved data layout and process flows
- **Impact**: ~$1M[1] annual margin impact from more validations per employee per day and increased collectability

"Inflowing accounts using the new Research UI is so much more efficient!"

"I love the Research UI! The layout is more digestible and makes research easier and more efficient."

Validation specialists

New invoicing application

- **Problem**: DRG Validation and Charge Capture invoicing application was difficult to navigate and prone to user error
- **Solution**: Launched new application with increased automation and faster data navigation
- **Impact**: ~$900K[1] annual margin impact due to reduced touches, improved user efficiency, and more accurate invoices

"This new app is fantastic! So much easier to filter for payments."

"I love the flexibility of the new payer filters. It's so much faster to navigate than the previous application!"

Billing analysts

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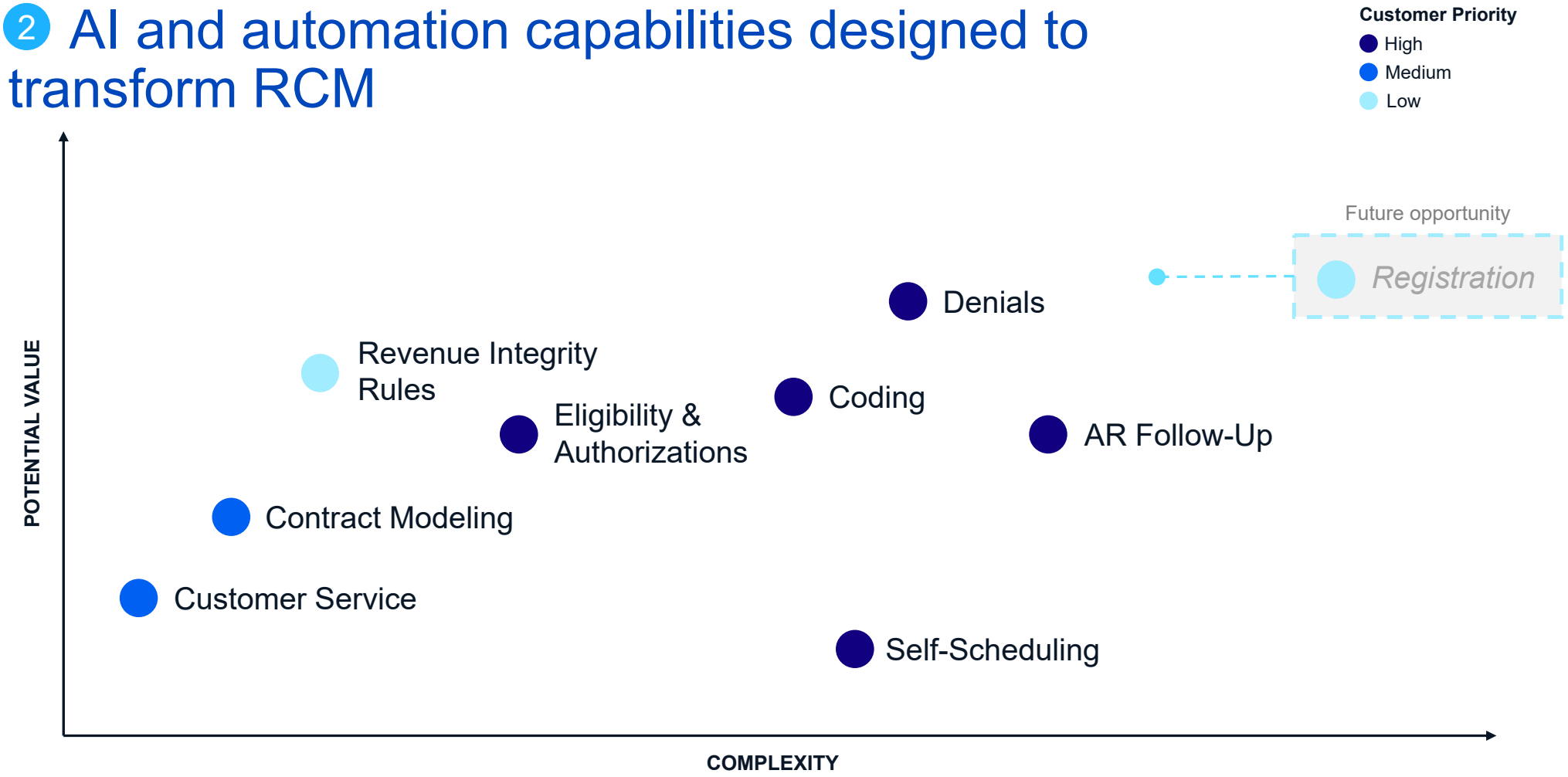
2 AI and automation capabilities designed to transform RCM



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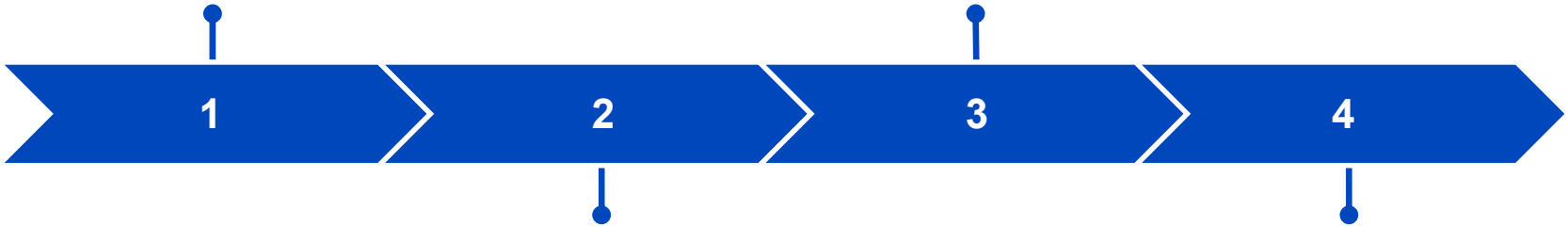
2 A phased approach for deployment of AI and Automations

Summarization

Designed to provide an **instant summary** of unstructured data capturing all critical elements to display within an R1 product

Staff Assistant

As an associate performs work, ai **provides recommendations** on the outcome or next best action for a given work item



Quality Assurance

Perform **automated retrospective QA** with an AI on a given population of work. Potential errors are escalated for human review

Autonomous

Designed to **automatically provide an answer** or **select and perform the next best action** on a given work item using AI without a human in the loop

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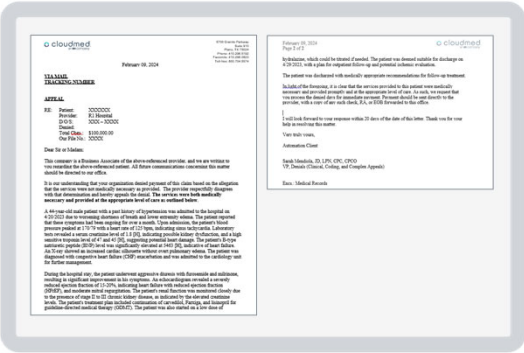
2 Recently launched AI-applications improve quality, efficiency, and customer results

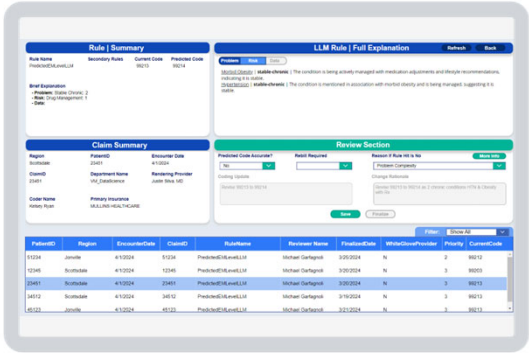
Automated clinical appeals

- **Problem**: Clinical appeal writing is time consuming; Clinical Experts read hundreds of pages of medical records to write an appeal
- **AI Solution**: Automatically process medical record to create draft appeals
- **Impact:** Reduce appeal creation time by 75%[1]
- **Next Steps**: Expand to other medical record-based denial types



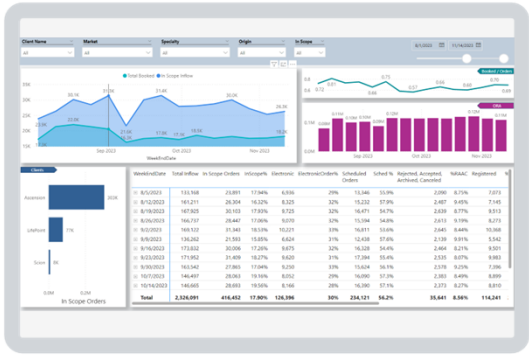
Physician coding automated quality assurance

- **Problem**: Inconsistent Evaluation and Management (E&M) coding is a customer pain point
- **AI Solution**: Automatically process medical record to predict E&M codes
- **Impact:** 100%[1] of codes are QA'd; increased coding accuracy
- **Next Steps**: Expand to other coding segments; launch AI Staff Assistant



Automated call quality insights

- **Problem**: Elongated call durations and varying agent effectiveness impacts patient satisfaction
- **AI Solution**: Automatically analyze all call recordings with LLMs
- **Impact:** 100%[1] of calls QA'd; improved coaching and training
- **Next Steps**: Provide immediate post-call feedback to agents; eventually provide AI Staff Assistant in-call recommendations



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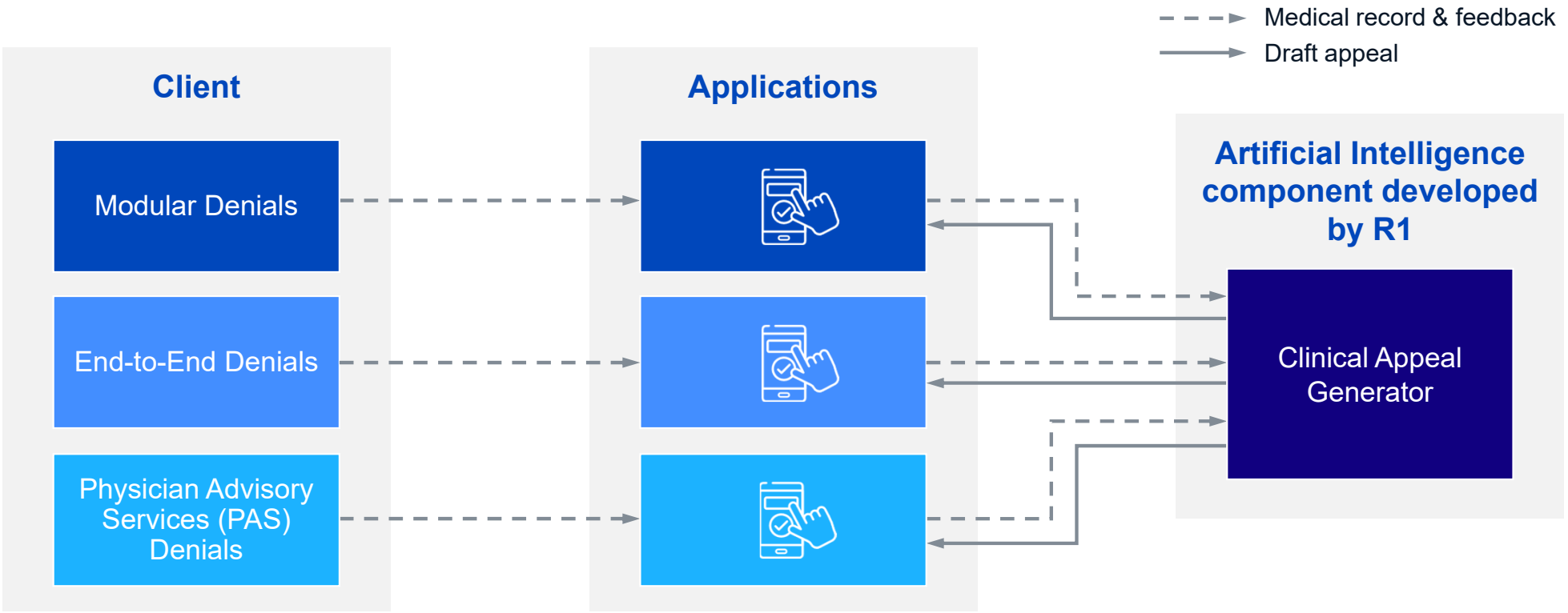
2 Demo: Automated Clinical Appeals

Note[1]: Even though R1 has implemented processes designed to provide quality control to the recommendations, feedback or results provided by these AI applications, the use of AI-applications can be subject to errors.

2 Approach builds intelligent, scalable, reusable components

Illustrative Example: Automated Clinical Appeals



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2 We continue to innovate existing processes

Illustrative Example: Automated Prior Authorizations

Problem

Providers could **save up to ~$20B annually**[1] by automating prior authorizations to:

- Prevent care delays
- Manage increased authorization requirements
- Reduce time spent per request

R1 Solution

We continue to automate the prior authorization process from end-to-end:

Determination: 70% automated

Request Creation: <5% automated

Status: 35% automated

Opportunity

Impact

We expect to minimize patient care delays and reduce costs by 40%[2]

Total Annual Authorization Volume[2]:
- Determination: 5M
- Creation & Status: 1.5M
- Approval: 1.4M

Manual[2]:
- 25+ minutes per request

Automated[2]:
- 96% clear pre-appointment
- 20-40% reduction in back-end denials

Note[1]: Practice Suite, 2023. Note[2]: Metrics are based on most recently available internal analysis, estimates, and client data, which are subject to change. Please refer to "Disclaimers."

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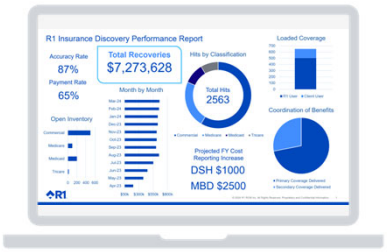
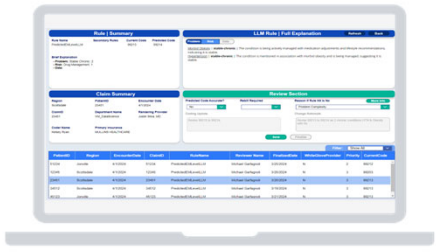
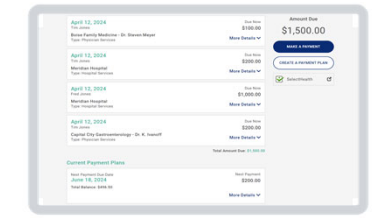
3 New solutions lower costs and expand revenue

	Insurance Discovery	Modular Coding	Patient Receivables
	Discovers hidden insurance coverage	**Ensures accurate, compliant and timely coding**	**Improves patient financial experience and AR**
Outcome	*Maximize revenue* *Improve cost*	*Improve cost* *Drive scale*	*Improve patient satisfaction* *Decrease open patient AR*
Details	• Coverage loading, benefits coordination, and claims billing are key market differentiators • 10%+[1] increase in annual recoveries as compared to competitors	• Relieves staffing constraints improving capacity by 2-3x[1] • Reduces charging lag by ~30%[1]	• Sharpen propensity-to-pay models while improving patient payments by up to 10%[1] • Improves first call resolution rates, driving a 90%+[1] patient satisfaction score







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Key Differentiators

Platform

Our platform is designed to provide better customer results, improved patient experiences, and margin expansion overtime

Expertise

We have a competitive advantage based on the data, expertise, and capabilities we leverage within our platform

Automation

Continued focus on automation via Generative AI helps us to provide incremental value to customers

Innovation

We continue to see opportunities for new solutions and innovation with new technologies

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Q&A