18-Nov-2021

Agilon Health, Inc. (AGL)

Wolfe Research Healthcare Conference

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MANAGEMENT DISCUSSION SECTION

[Abrupt Start]

Justin Lake
Analyst, Wolfe Research LLC

...our 3rd Annual Wolfe Healthcare – Research Healthcare Conference. My name is Justin Lake. I cover healthcare services here at Wolfe. Really pleased this morning to be joined by the team at Agilon. We've got CEO, Steve Sell; CFO, Tim Bensley; and IR extraordinaire, Matt Gillmor. What I thought we'd do here is a couple of things. One, as always, e-mail me with any questions at jlake@wolferesearch.com, and we'll save some time at the end here for that. But, for now, why don't we kick it off, letting Steve give us a kind of couple of minutes' state of the union here, coming out of what was a pretty solid 3Q.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

Yeah. Thanks, Justin. It's great to be here. It's been a great year for us at Agilon. We've made really good progress against our vision of transforming healthcare at the community level and doing that by moving independent physician groups from fee-for-service to risk for their over 65 Medicare population. Results in Q3 and the outlook that we provided on 2022, I think, are really strong from a growth and from a margin perspective, really nice progression on both of those.

But I thought what I'd do is I'd sort of talk about some of the structural things that we think are really driving some of this, and allowing us to just position so well and be successful. If you think about at the beginning of the year, we talked about this real challenge that independent medical groups and specifically independent primary care was dealing with 30% to 50% of PCPs are independent, depending upon kind of what source you look at today, and specifically their Medicare over 65 business, which is about 30% of their panel and 50% of the patient volume

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real challenges, transactional getting paid per visit, that reimbursement is incredibly low, $100 to $200 per visit, very limited time to deal with their most complex patients, and then real payer pressure in terms of CMS putting pressure on payers and payers in turn putting pressures on primary care around cost and quality, different incentive models, very fragmented.

And at the time, we said, hey, we have this really distinctive platform and partnership approach. We can provide a solution and move these groups from fee-for-service to risk and really create a subscription relationship, put them in a total care model in which they can be responsible for the cost and quality and get paid $850 a month, and manage that. And we could create time for them and invest resources.

And so, we've been able to do that. I think as we fast-forward today, those structural forces are stronger than they've ever been. This most recent announcement about the Medicare physician fee schedule reductions. That's like pouring gasoline on this acceleration towards value and the challenges that independent physicians have with their Medicare business. And then the success that we've had, 17 markets, 8 geographies being able to drive medical margin performance, which is not just great for Agilon but we're sharing with those physicians. So, they're really transforming what's been a challenging part of their business into the business that catalyzes and transforms their overall practice.

And so, in Q3, as we talked talk about incredible results from a growth perspective, we brought on 100,000 patients or members this year between MA and Direct Contracting. Three markets in terms of new geography for January 2021, six markets for January 2022, incredible progress on the class of 2023 that we'll announce at our Investor Day coming up. That national network effect is working, same geography growth, 15% year-to-date. We've given low- to mid-teens guidance for next year and say that's sustainable. That's a function of more and more physicians joining in locally in the markets that we're in.

So, I think on the growth side, really well positioned, and then, on the margin side, $93 per member per month year-to-date. In a sea of volatility with COVID, and with the Delta variant, above our expectations but really emphasizes the power of this patient/physician relationship that's been there, the intensity we brought to it, and our ability to manage costs outside of the primary care office.

So, I mean, I guess just to wrap at the very beginning here, I think we're incredibly well positioned. I think there are hundreds of communities that need this. I think our track record with a platform and a partnership model that creates the opportunity, and allows people to be successful is significant. I think we've got a real first mover advantage when we go in these markets and we flip that switch to move them from fee-for-service to risk, and other docs are recognizing that, and wanting to join in. And I think we just have this real ability to go deep with scale of our partner and the history of our partner to affect these big cost areas, whether it's specialty costs, hospital expenses or end-of-life expenses. So, really good start to the year for us.

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QUESTION AND ANSWER SECTION

Justin Lake
Analyst, Wolfe Research LLC

Q

Now, that's great to hear, Steve, and I appreciate you sharing that. One of the things that jumped out to me during the – during your kind of discussion there was, you used the word incredible to describe your 2023 pipeline, right? So, I'm looking forward to hearing about that. But I think the adjective speaks for itself.

So, one of the things we think about with your business is, obviously, to your point, it is a competitive business. There are a lot of folks out there that said you do have a fairly unique platform, right? A lot of others in the center model, for instance. But what are the gating factors to your ability to grow even beyond the metrics you kind of laid out there in terms of this? I think you've done a very good job just to kind of interject there on setting expectations and then meeting or beating them, right? That's something that's important as a new company.

But if we think about the potential that, to your point, there's a lot of factors that are driving potential growth in this industry, what are the factors that it could – what are the things that keep you from exceeding that 40,000 member kind of target that you have out there? What would drive you to get the 60,000 or 80,000, given the pipeline?

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

Yeah. And what you're specifically talking about is new geography growth...

Justin Lake
Analyst, Wolfe Research LLC

Q

Yeah, that's correct.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

...and patients around those. So, just to remind people, we grow in two ways. One is we enter these new geographies. We've got [indiscernible] (00:07:31-00:07:38) that will go live on January 1, and then we're working on the class of 2023 in new geographies. And I think, really, Justin, there's – from a implementation perspective, there's really no constraint around that. We have a separate implementation team. We were able to implement three geographies in January. We had six in Direct Contracting come on in April of this year. Again, we'll do six for January in MA, and two of those MA and DCE. And then, of our existing folks, two more will add Direct Contracting.

And so, implementation is not really constrained.

Justin Lake
Analyst, Wolfe Research LLC

Q

Right.

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Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

I think when I used the word incredible, it's really about these structural things that are driving the interest. We cannot have a conversation out there whether it's a small group or a very – in market or a very large group in a new geography without people wanting to understand how they can transform their Medicare business and move it from one that's got all the challenges I've talked about into one that can be something to transform their practice and they can become the leader in their community.

So, I think we built our platform and our partnership model to serve diverse geographies. We have metro geographies. We have rural geographies, diverse groups, primary care only, multispecialty. We have health system physicians in some of our markets that are rolled in underneath this. We have single-pin groups. We have those that are more distributed in areas. And so, I think we've been able to successfully do that. And every time we enter one of these new markets, we really effectively grow our TAM.

So, the outperformance will come from being able to continue to drive the breadth of that, which we've done. That opens up more opportunities for us in terms of 2023. Those conversations are extremely active. We know who will be in the class of 2023 right now. We have signed letters of intent. We have the kind of agreements. We're doing implementations right now. And so I think it's really a function of those things, but the interest is there. There's no constraint on the implementation side. And it is a range of geographies and groups.

As we've said, we'll have new states in our 2023 class. We'll have existing states in which we add geographies and do that hub-and-spoke type of build out that we've done in Ohio and Texas, and North Carolina, and other places. And so it will be a combination of all of those things that I think will drive that. The one area that I'll just remind you, we've talked about this before, is we want to choose our partners really well. And so maybe the only constraint is one that we put on ourselves to say, let's build around the right partner in geography. We'll do a 20-year exclusive joint venture partnership, and they are going to be the vehicle to grow over that time. And so choosing wisely is really important.

Justin Lake
Analyst, Wolfe Research LLC

Q

Okay. And that's a good segue way to, what is going to be the criteria that you use to decide what a good partner is versus one that you prioritize [indiscernible] (00:11:20)?

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

Yeah. I mean, I think that the diversity of geographies and partners has grown. But we've held really true to a few tenets. They have to be primary care subject. They can be multispecialty, but they have to really value it. They have to be extremely well governed, which means a commitment to transparency in terms of performance. They have to have shared economics across the group. And the primary care physicians, in particular, have to really share meaningfully in the surplus that's going to be generated based on cost reduction, and just the surplus in that market.

They need to be a leader. They don't have to be the largest group in that community, but they need to have a meaningful scale because we want to enter in a scaled position. And so, that leads to groups that are in Zanesville, Ohio, the Physicians Group of Southeast Ohio that has 40% to 50% of the adult primary care capacity in that market. That's not a group that was even on our business development pipeline, but they've done incredibly well there and they have all of those attributes.

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And then, on the other end of the spectrum, it's – you have somebody like Austin Regional Clinic, who is one of – the leader in the Austin market, a multispecialty group that's been there, but they both have those sort of common denominators. And when you think about that, like I said, there's literally hundreds of these communities with groups that fit that profile that allows us to continue to grow in new markets and in new geographies.

Justin Lake
Analyst, Wolfe Research LLC

Q

Got it. Got it. And one of the things that I thought was interesting that you've talked to, especially in a world where some of your peers are seeing volatility quarter-to-quarter is the closed loop system that you've put in place. I know it's pretty nascent in terms of it's only in a few geographies, with a few set – with a few specialties. But one, can you tell us more about it? And then, two, can you share with us what are the tipping points where you're able to implement something like this, from a market – is that a market share percentage of referrals in the market? What kind of drives that?

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

Yeah. I mean, sure, I can provide context on it and maybe just to back up, so what we talked about on our call was this ability to have a closed loop system. In that case, we were talking about specialty referrals.

Justin Lake
Analyst, Wolfe Research LLC

Q

Right.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

And so, the ability for the primary care physician to know when the appointment was made, know when the visit actually occurred, and then to get that information back into the EMR so that they have that visibility, right, the primary care physician is the quarterback. I guess my first point is closed loop extends not just to specialty referrals. The technology, and the capability, and the connectivity really extends to care that's just outside of the primary care office. So, it can be facility-based care with hospitalists. Obviously, there are specialists there. You can even extend to our end-of-life care.

And so, we have to focus, Justin, on looking at these big cost lever areas for that over 65 population in which we can really influence the outcome. And there's a few things we look for. One, a tight primary care patient/physician relationship, so you can make that referral in specialties, or you can have that conversation with someone at end of life about the options that are for them difficult conversation, but it really starts around that tight patient/physician relationship.

Two is, can we use process and technology to systematically improve the outcome? Can we get patients to top-tier cardiologists, right or top-tier [ph] orthopods (00:15:44). As an example, we're doing it across a series of specialties or can we get people to a trusted hospice organization around end of life. Three is scale, right? The scale that we have in our communities allows us to have that impact through the specialists outside the primary care office. In some cases, those specialists are through multispecialty groups we work with, other times they're not, or to have a really trusted, tight relationship with a hospice organization on end of life that that primary care doctor can feel really good about. And then we look at areas where we can differentially invest and have a meaningful outcome.

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And so, in both those examples, specialty referral and palliative, we've really moved from an old process in which the primary care doctor didn't really know a lot about what was going on. No insights to kind of cost and quality. No idea if the patient was going to see the specialist. The sicker patients weren't prioritized in the top tier. High-value specialists were not being rewarded.

Justin Lake
Analyst, Wolfe Research LLC

Q

Right.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

And we've been able to create a new process in which we have data insights that tiers those folks. The downstream cost difference between a top tier and a bottom tier could be 3 to 4x. We've created a referral council with primary care doctors that really gets them comfortable around that tiering. And we've created centralized referral, which is the big part of the throughput to make sure that that referral actually gets to that top tier piece.

And then the closed-loop, right, the technology, allows us to prioritize referrals, confirm the scheduling, and then loop it back. And so, the examples that we've talked about are like the Akron cardiology example. We started at 39%. We're now consistently over 70% of referrals going to those top tier cardiologists. The savings on that can be as much as $100 per member per month. And there's a long-term relationship with that cardiologists. So that's something that's going to continue and is pretty meaningful in terms of cost and quality.

And we've been able to set that up in a variety of markets right now, Justin. So, we're in five markets right now at different stages. We're across five specialties and an end of life in terms of where we're using that closed-loop system to some extent. The idea is that we're going to roll this across our network. But 100% of the specialist referrals, once we've got it set up in the cardiology example I talked, or 100% of palliative should close through that. So, it should, on the front side, go through and then the loop should come back. And the idea is just the visibility is better and that at least allows you to have better predictability around what those costs will look like.

Justin Lake
Analyst, Wolfe Research LLC

Q

Got it. So – and this is something that I think is interesting from the perspective of the question I get all the time is which model is there, right? And I say, look, I think that's [ph] CBD (00:19:11), right, the center model versus the physician management model. And they both have pluses and minuses. But one of the things that I think is underappreciated about your model is the scale benefits that you get by partnering with very large physician groups, especially in these, I don't want to call them second tier, not that they're second tier markets, but they're not in New York City, right? So if you're in with a very large physician group in Syracuse, New York, or Akron, Ohio, right, they are not huge markets such that you're going to have 5% share as a big group. You might have 30% share as a big group, right, like you do in – I think you do in Akron.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

Yeah.

Justin Lake
Analyst, Wolfe Research LLC

Q

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So my point being that the – I know that some of the center businesses there's a little disappointment in the second quarter where they were telling people, look, we hand the script down, and we don't know whether the person even went to the doctor or went to the cardiologist until we get the bill from the claim from the payer, right, which is months later. So I want to make sure I understand what you're doing here, which sounds to me like I think in the press release on this you had talked about there's some IT that effectively sits in the physician workflow.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.
A

Right.

Justin Lake
Analyst, Wolfe Research LLC
Q

Right. And the cardiologists there to be in that referral network, they have to put this system in their workflow where there's – you're seeing when the patient gets scheduled, when they're seeing and you're seeing the clinical information and what the referrals are from there back into your workflow on almost a real-time basis. Is it that strong a system, or is it got to get there from you?

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.
A

Well, it's – in the places where we've rolled it out around the specialties and around palliative isn't that strong.

Justin Lake
Analyst, Wolfe Research LLC
Q

Okay.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.
A

It's – the scale point that you make is when you have 30% to 50% of the adult primary care capacity and you have partners that have a really large commercial business as well as a Medicare business...

Justin Lake
Analyst, Wolfe Research LLC
Q

Right.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.
A

...specialists take that very seriously.

Justin Lake
Analyst, Wolfe Research LLC
Q

Right.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.
A

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They want referrals, so they want to participate in whatever is going to generate that. And then, there's just this – the closed-loop that comes back that allows us to have that information.

The EHR or EMR points that you make is it is integrated into that workflow. So, it's there for that, that primary care physician, but I'll also call out that, we co-locate with the primary care doctor and we have this centralized referral unit. It used to be the primary care doctor was kind of doing it on their own or office manager was on their own. This goes from, hey, I want to refer to Dr. [ph] Gilmore (00:22:03), who's a top-tier cardiologist, to a centralized referral unit to leverage the technology, but also just the process to make sure that you end up getting that appointment.

There are many times in which everything is well-intended in healthcare, and you don't end up at that desired point of care. And so, getting to Dr. [ph] Gilmore (00:22:03), within his group as a top cardiologist, is really an important part of that.

And so, I think it is the way you laid it out. I think the scale is important. I think the technology, the integration, I think the process side of this is really important. And then, I think, we are learning all the time, so we constantly are refining this, Justin. We're getting feedback from the specialty side of this that is really helpful.

The last thing I'll say is it's not punitive. You can have someone who is not – he's been a lower tier and you can have an active dialogue with him around here are the things that can allow you to get into the top tier, stop using a certain facility that charges fees or doing unnecessary tests. So, that is really the nature of what's driving it and, I think, why we're excited about it, and it does translate into this predictability. I think we have the visibility, I think, we have the predictability that helps with that.

I guess, just the only other thing I would say is there's lots of differences, and we purposely chose our partner and platform approach for a reason. But the other area where I think there's been volatility is new patients coming on. We talked about our growth at the beginning when you're growing nearly 50% a year and the ability to bring on those new patients where you have a very good idea where the revenue and where the cost is going to be.

The fact that we do a 12-month implementation, the fact that these patients have been part of this practice for a long time really allows us, I think, better performance, and our year one markets are performing very well where we expected or better than what they expected, we're not seeing this big data within that.

Justin Lake
Analyst, Wolfe Research LLC
Q

Right

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.
A

And so, I think the visibility and the predictability extends to that implementation and new patients coming on, as well as when you deal with these high-cost areas like specialty or palliative.

Justin Lake
Analyst, Wolfe Research LLC
Q

Got it. Got it. So, as you're looking at this, maybe is there a way that you can share with folks in terms of like is there a target for 2022 in terms of the amount of your medical costs running through your – outside of the physician groups that would run through a closed-loop system?

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Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.
A

Well, so just specialty cost an example, 45% to 55% of costs are specialists, right?

Justin Lake
Analyst, Wolfe Research LLC
Q

Right.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.
A

But the plan is – I don't know if we get there all the way in 2022, Justin, across the network everywhere. But the plan is to get this across the network...

Justin Lake
Analyst, Wolfe Research LLC
Q

Right.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.
A

...that have the vast majority of specialty costs running through and to be able to get 100% of those referrals, like I talked about moving through that. So, we're in the five that we've talked about. We're working across the specialties, the palliative is in a couple of markets, and we're working our way up, but the desire is to ultimately get those really big cost areas that are outside the primary care office looped in and fed back so the primary care physician and the team around them can actually be the quarterback that we talked about.

Justin Lake
Analyst, Wolfe Research LLC
Q

Got it. Got it. Maybe a question for Tim. Tim, I know you're going to give us some color on how the different groups, right, the [indiscernible] (00:26:10), so to speak, are performing relative to your targets in terms of maturation economically with the – I think it's with the fourth quarter call, potentially. So, maybe you could give us a little bit of a preview in terms of specifically, what do you think you'll be able to share with investors in terms of the framework there?

Timothy S. Bensley
Chief Financial Officer, Agilon Health, Inc.
A

Yeah. No, absolutely. I mean, our intention as we come in and wrap up the fourth quarter or have a full year under our belt that we reported is to really share back out a couple of important pieces of information. One will be, let's go back, kind of like what we did when we originally did the IPO and discuss what kind of a look under the hood a little bit and understand how is medical margin maturing across cohorts and across markets.

Right now, if you look at our performance, we're pretty pleased with what's happening, obviously, with overall medical margin performance, including the dilution from new members. We talked about that $93 that we put up year-to-date so far this year is a nice improvement. Skip over 2020, obviously when dated by COVID, but versus our 2019 baseline, a really nice improvement over the 2019 number. And we'll come in and say, okay, how is that happening, basically for across individual vintage cohorts in some of our key markets as well as how does that look across key market vintages, markets that will have been out there for four years, three years, two years.

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One of the things that's interesting just to give you a little bit of a preview is we are seeing kind of an acceleration of medical margin maturity in some of our markets. We've got some really good cohort performance with some of our more older markets we're already seeing some of these older vintages getting to in excess of that $150 to $200 medical margin PMPM that we're looking forward for mature market. But we're also seeing even some of our, say, two-year markets starting to get to that level already. So, I think we'll have a lot to share about when you look at that vintage cohort level how are we doing in terms of progressing to those targets, let's say, $150 to $200 medical margin PMPMs.

Justin Lake
Analyst, Wolfe Research LLC
Q

Got it. Got it. And you talked about not only some of the new groups joining DC, Direct Contracting, but some of the existing groups joining in. So, I know you guys again want to under-promise and over-deliver. So, you've been pretty cautious on that. You've outperformed year-to-date. I think you said it was going to breakeven. I think year-to-date you said $4 million...

Timothy S. Bensley
Chief Financial Officer, Agilon Health, Inc.
A

Right.

Justin Lake
Analyst, Wolfe Research LLC
Q

...of profit, but you're still expecting it to be overall breakeven for the year.

Timothy S. Bensley
Chief Financial Officer, Agilon Health, Inc.
A

No. I think what we're seeing now is...

Justin Lake
Analyst, Wolfe Research LLC
Q

...or breakeven in the fourth quarter.

<<A – [0JK6Z8-E]Tim Bensley – Agilon Health, Inc.>: Yeah. No. That's a great question, Justin. I think what we're saying now is we have performed better than we thought we're going to. And most of that incremental performance is because we're seeing better underlying claims performance than we originally expected, and that's great. I mean, we've got these folks on the same platform. We're essentially managing one Medicare platform between MA and DC in these markets, 6 today and will be 10 starting next year, and that's having a positive impact.

Right now, we have booked about $4 million of positive EBITDA year-to-date through the first two quarters. That, by the way, does include some recognition that we're going to have potentially some retro trend adjustment that Steve talked about earlier, so we've incorporated some of that into our numbers. You do see kind of a normal degradation in margin as you move through the year. And right now, we're saying probably the fourth quarter, we would expect to come in around breakeven. And so that would result in a overall positive contribution to the full year from Direct Contracting.

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Justin Lake
Analyst, Wolfe Research LLC

Q

Got it. As this business becomes – visibility improves, more of your physician partners start to participate, I know at the moment, you don't consolidate this business. I think last week when you talked, there might have been some discussion of the potential to do that. What would you need to do, and what might be the timeframe to be able to consolidate this business?

Timothy S. Bensley
Chief Financial Officer, Agilon Health, Inc.

A

Yeah. I mean, I can't predict exactly when that might happen. I mean, this is still a really new program. We haven't even been through one full cycle with CMMI on this yet. And as Steve talked about, there's still some pretty big unknowns out there around exactly how some of the – how CMMI will apply some of these items like the potential for a retro trend adjustment, which we won't even know about until next summer.

Justin Lake
Analyst, Wolfe Research LLC

Q

Right.

Timothy S. Bensley
Chief Financial Officer, Agilon Health, Inc.

A

So we're very optimistic about this program. It's a huge part of our growth. It helps us really get scale with our physicians in managing this MA population on – all on one platform. But we're not contemplating this – switching from the way we're accounting now on a net basis to go into full consolidation anytime in the near future. It's certainly not something for 2022 or 2023.

Justin Lake
Analyst, Wolfe Research LLC

Q

Got it.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

And, Justin, I would just add. I mean, I think we're really encouraged with the Direct Contracting, right? Revenue a little bit better but there's kind of a natural limit on that. But really on the claim side and as we said on our Q3 call, of the partners that are in are seeing this value of running one single line of business, there's the leverage point on G&A that Tim talked about. But the bigger impact, I think, is on the claims piece of one process, taking out variability, consistent for the front office staff and the physician and the team, and then the downstream effects in terms of the ability. Direct Contracting was able to take advantage of that day one when it went live. And so...

Justin Lake
Analyst, Wolfe Research LLC

Q

Right.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

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...next in January, we'll have [indiscernible] (00:31:55) geographies with Direct Contracting MA. As we move to 2023, we expect that number will go up. Again, there's just increasing interest and recognition back to this building of Medicare line of business.

Justin Lake
Analyst, Wolfe Research LLC

Q

Right.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

Physician groups are getting it. And so, I think there's all of those benefits. We just have to go through the cycle that Tim talked about to really understand it, see where it lands. But we are more optimistic every time we look at it and the way we're performing

Timothy S. Bensley
Chief Financial Officer, Agilon Health, Inc.

A

Just real quick, the other thing worth adding because we talk about Direct Contracting and the margin contribution for it over time, and we do think it's still going to be a little bit below what MA can contribute. But the flipside of that is it is a very efficient acquisition model, of course, right? It doesn't cost us a lot of investment to bringing these Direct Contracting members onto the platform. And what – clearly, less investment even compared to the very, very good capital-efficient model we have for MA. And, secondly, once we get them on the platform, of course, they are helping to leverage the overall cost of the platform that we put in place, so they drive some other economic benefits as well.

Justin Lake
Analyst, Wolfe Research LLC

Q

That's good to hear. Yeah. I do have one question. Of course, we can't let you get away without – unfortunately, one of your competitors – peers, I should say, got an unfortunate request for some information from the DoJ. I know you guys [indiscernible] (00:33:24) this last week, so I don't need to go through it all. I just want to make sure there's no updates there, you [indiscernible] (00:33:27) heard it yourselves or anybody else getting anything there?

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

No, we haven't. And I think – and we don't know what that's about, Justin. So, we have not received anything on that. But I think differences in the models...

Justin Lake
Analyst, Wolfe Research LLC

Q

Sure.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

...are important to call out, right? We are focused on patients who have an existing relationship...

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Justin Lake
Analyst, Wolfe Research LLC

Q

Right.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

...with our physician partners and really cultivating that. We're about educating the patients. And we do use brokers, but it's really around this education of the different payer options...

Justin Lake
Analyst, Wolfe Research LLC

Q

Right.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

A

...and we're not paying brokers for leads. And then, I think the other element's on transportation, and we're not providing transportation right now nor are our partners as part of that. The only place you might have a transportation situation is if a senior has a benefit through payer, and they've chosen that through the selection process and then our care management team could be coordinating with the payer on that to get them those transportation services.

Justin Lake
Analyst, Wolfe Research LLC

That's what I expected to hear, guys. Really appreciate the time today. Enjoy – if I don't talk to you enjoy a great Thanksgiving. And thanks, everybody. We'll be back in a few minutes with [ph] HDI (00:34:46).

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

All right. Thanks, Justin. Appreciate it.

Timothy S. Bensley
Chief Financial Officer, Agilon Health, Inc.

Thanks so much.

Steven J. Sell
President, Chief Executive Officer & Director, Agilon Health, Inc.

Thanks.

Justin Lake
Analyst, Wolfe Research LLC

Thanks, guys.

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