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Agilon Health, Inc. (AGL)

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MANAGEMENT DISCUSSION SECTION

Gary Taylor
Analyst, TD Cowen

Good morning, everybody. Thanks for joining us. I'm Gary Taylor, I cover healthcare facilities, managed care and value-based care here at Cowen.

My pleasure to have agilon with us this morning; agilon is a physician-oriented value-based care company, providing capitated physician services to Medicare Advantage health plans. Through their platform partnership model, the company has over 350,000 total Medicare membership across 25 different markets.

So we have Chief Financial Officer, Tim Bensley; we have Chief Medical Officer, Ben Kornitzer; and Head of Investor Relations, Matt Gillmor.

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QUESTION AND ANSWER SECTION

Gary Taylor
Analyst, TD Cowen

Q

So let's start with the call of last week. I think I lose track of time. I think it was last week. A couple of things I want to touch on. One is 2023 is a really significant pivot towards profitability from the company from sort of mid-single-digit EBITDA to sort of mid-80s-millions of EBITDA. So pretty sharp pivot.

Can you talk about kind of what the key drivers are there? And then, where do we go beyond 2023 towards that 2026 goal that you have out there?

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

A

Yeah. No, absolutely. And you called the numbers right. I mean, this is – I think 2022 was an important year in terms of our EBITDA [indiscernible] (01:27) adjusted EBITDA positive. Of course, we just reported – and it wasn't [indiscernible] (01:34) single-digit EBITDA positive is [indiscernible] (01:39) $43 million increase in EBITDA year-over-year [indiscernible] (01:43) actually a pretty good increase as well.

And I think you got the numbers right. If you go to 2023 with guidance, [ph] remember (01:50) that the midpoint of our guidance of $75 million to $90 million of adjusted EBITDA is like another $80 million [indiscernible] (01:56) on that side. The drivers of it are that – really the things that have driven our performance over the last few years, continuing to drive – in fact, if anything, we're driving [ph] with a little bit (02:10) outsized performance versus what we expected.

We continue to do tremendously well on membership. So a big part of our movement year-over-year and then our ability to bring in larger and larger membership boost. We've got a very large [indiscernible] (02:25) coming in in 2023. [indiscernible] (02:26) new market [ph] that are (02:27) over 100,000 new members coming from [indiscernible] (02:33) in January, and at the midpoint of our guidance, we're going to add more like 135,000 new members this year.

So we have a huge membership [ph] obviously (02:41) increase coming in. That will have less impact to the EBITDA flow-through in 2023. But it's a big part of the second part of your question about [indiscernible] (02:51) second.

The second thing is, I mean, we have done – we're continuing to do a really good job of – as those markets come on and as we [ph] get them (03:01) on the platform, being able to generate better overall quality of care for our members, better overall health outcomes for our members, and also just eliminating a lot of waste in the system in terms of driving cost out the system. And that has resulted in really nice natural [indiscernible] (03:23) for each of these markets [indiscernible] (03:25) on the platform for one year, two years, three years, four years, [indiscernible] (03:28) on the platform for as long as five years and really [ph] clean (03:33).

We saw in 2022, we just reported that at the end of the year, those markets that were on the platform for two years plus [indiscernible] (03:42) market had like a 33% increase in [indiscernible] (03:48) $144. But each year, you can see the membership growth versus [ph] that medical (03:55) margin growth, it comes just through the numbers.

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So if we had about a 45% increase in membership in 2022 [indiscernible] (04:03). So you're just seeing [ph] that member graduation (04:08) flow through with [indiscernible] (04:11-04:16). So we're really pleased [ph] by how things are doing there (04:17). One of the things we're going to want to do is step up [indiscernible] (04:20) about just what are those drivers [indiscernible] (04:24) medical margin, right, but [indiscernible] (04:27) really positive.

And as you look forward to what we've guided [indiscernible] (04:33) you'll see that factor again. So we guided to about 50% increase in membership, but a 80% increase in medical margin dollars. So [ph] that's that (04:42) same phenomenon [ph] of those (04:45) markets maturing on the platform and getting that positive flow-through throughout the market.

Then the next thing is we do get really good leverage of our overall platform support cost. And that's [indiscernible] (05:00) as well. I think in the last couple of years, we've seen more than a 100-basis-point improvement in terms of leverage that we're driving out of it. We drove our platforms core process as a percentage of [indiscernible] (05:11) last year, which was again more than [ph] 100 basis points (05:17) in 2023. The guidance we put out there to get to that $80 million increase in adjusted EBITDA [indiscernible] (05:24).

That's just the way our model works that we don't have to add, especially in each market or at the corporate level. We don't have to add as much resources every year as we are adding membership obviously. So [indiscernible] (05:37) as well. But the key thing is really [indiscernible] (05:42) really positive progress that we've seen on those [indiscernible] (05:47).

Benjamin Kornitzer
Chief Medical & Quality Officer, Agilon Health, Inc.
A

[indiscernible] (05:51)

[indiscernible] (05:57)

[indiscernible] (05:58-06:44)

Matthew Dale Gillmor
Vice President-Investor Relations, Agilon Health, Inc.
A

I mean, so as you think about it, our entire model is based on having a specific profile on our patients. And so you really have [ph] people to (06:50) characterize what their existing diagnoses are, [indiscernible] (06:53) understanding you if patients have heart failure, if they have renal disease, if they have COPD, and being able to put all those patients – all of those conditions together, then you can understand what are the different programs that you need. So for example, one of the programs that we've been spending a lot of time recently thinking about is renal. So we know that about 40% of patients with advanced renal disease who go on dialysis [indiscernible] (07:17) dialysis that means rather than having a thoughtful approach for how you're going to manage their kidney disease, they wind up in an emergency room, eventually in a hospital and getting emergency dialysis. The costs are dramatically higher [indiscernible] (07:33) even appropriate for dialysis in the first place.

We took a look at our data [indiscernible] (07:41) much as one-third of patients who are on or starting dialysis could be managed medically without even dialysis in the first place. And so our ability to identify patients who have a declining renal function over time but that ties back to that very early process. We get all the data from our patients, whether it's claims data, we can pull that in with physician reviewers, whether we can pull that data in using the new technology acquisition that we recently acquired in the past week or so. All of that allows us to intervene – and you see that cost curve turn over time. We're seeing dramatic improvements across virtually all of our markets.

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The other thing, which really primary care-led model. So it's all about PCPs, seeing their patients, and seeing them very frequently. We had to retreat this past weekend. And I was talking to one of our physicians, and he was telling the story that he had a patient who was going to the emergency [ph] room (08:38) every six to eight weeks like clockwork. He had a heart failure that really started as a result of being a lifelong smoker. He had restrictive cardiac disease. He had COPD. Every six to eight weeks, his legs would swell up with fluid. And once it'd swell up with fluid, they would admit him to the hospital, they would give him IV diuretics, take a couple of days to get all that extra fluid off, and then they would send him home.

The intervention was come to see me every single month. We're going to write a date every single month on the calendar, and you're going to see me, and we're going to check your daily weight, we're going to check your blood pressure every single day, we're going to check your symptoms every single day. Since they did this intervention, zero hospitalizations. It's not rocket science but it's changing the paradigm that PCP has the resource, has the time, has the economic incentive to actually be able to do the right thing for their patient.

Gary Taylor
Analyst, TD Cowen

Q

[indiscernible] (09:32) any markets or medical group [ph] shares (09:35) where medical margin has peaked or it's gotten stuff for a couple of years, or generally still even in your oldest group [indiscernible] (09:48).

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

A

Yeah. Okay, that's really a lot. We are still seeing improvement in every market, even our most mature markets at this point. Obviously, we see that – maybe obviously we see the biggest improvement from year one, year two, year three. And we showed some of those curves. It's almost a year ago now exactly [indiscernible] (10:06) last time we shared those cohort curves. We'll come back here in a couple of weeks at March 30 and actually do our next Investor Day. So it's coming up pretty soon. And we'll show a complete view again of kind of what that looks like.

But we are still seeing – each market is still young enough, that each market is still improving. But I think we'll show you some pretty good stuff. In that actually I don't – [ph] probably we want to do (10:31) something else. But quick answer to the second part of your question about which that kind of dovetails into about longer term, it was a year ago that we put out our last kind of longer-term guidance and pretty robust numbers obviously. We're talking about getting to – at the middle of the numbers we talked about somewhere around 800,000 members in 2026. And medical margin numbers on a PMPM basis in the mid-160s, platform support cost at or below 3%, and EBITDA dollar up around that $600 million range.

We'll come back in a couple of weeks here and update those numbers. But I think all the things that we've seen over the last year would tell us that we have really, really high confidence in our trajectory against our long-term objectives.

But the only reason I bring it up, so I just want to mention one thing. Probably, the biggest thing that is different from what we said last time is we are just getting more members on the platform earlier than we thought even a year ago. The class of 2023 ended up being bigger than what we had talked about a year ago. Like I said, we're going to add – when you include in same geography growth or at the midpoint of our guidance like 135,000 new members. That's a huge class for us. In 2024, we've already said that class will be at least 80,000 members in new markets and 130,000 members in total again.

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It's kind of an interesting number that the class – our projection for MA members in 2024 is almost exactly twice as big again as it was that we just reported in 2022. So for every two years, we're doubling up the size of our membership. And getting those new members on the platform early means that we have more membership sitting there now that two to three years from now is going to be in that more developed state of medical margin like we just talked about in the other markets that are maturing. So it's a really important part of our confidence in our future projections.

Gary Taylor
Analyst, TD Cowen

Q

Got it. And then, just getting there, I mean, to that point, our model is [indiscernible] (12:33) growth in 2024. And you're saying at least 130,000 now. And Ben can chime in on this, too. But what – I think the Street looks at it and says, there's so many companies trying to do value-based care. Some of them are part of big integrated payers. Some of those are independent. Some of those are clinic models. Some are affiliate models.

But something about your joint venture model, it's clearly resonating with these physician groups that are joining [indiscernible] (13:05) enrollment growth. So tell us what you think the most important part of the attraction is.

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

A

You want me to start, then you can jump in from a more like – you probably can jump in more from a – having been a doctor, how the doctors are thinking about it. I think generally speaking, if we're looking at – and by the way, it's worth saying now that our model and our partner mix has changed tremendously over the last few years.

So if you talked to us two years ago, we would say, hey, we are 100% independent primary care physician groups. We now, of course, just brought on our first large regional health system. So that's no longer the case, although we think that the way our model applies to somebody like MaineHealth and a regional health system works just the same way [indiscernible] (13:51) with an independent. But I think that overall driver has been this idea of – if you're in a situation where the way that the economics work for a physician or a physician group for Medicare is just literally upside down. We're able to come in and say, hey, if we treat – taking full risk and doing the things that we can help them do around everything from how they're identifying burden of illness to how they're managing the course of care to drive the improved quality and outcome for those patients, we can actually return those economics to that physician group and allow them to stay independent and to have actually a meaningful right side up economics.

And I think at the end of the day, just that model is what continues – and by the way, the success that we've shown in our existing groups, the fact that we're not just saying it but we're actually delivering it, now we can have groups that we're looking at to come on to the market – to come on to our model and say, hey, if you want to come on to our model, you don't have to believe us, go talk to these other three partners we have that are already doing this and being successful.

That network effect, along with just our continued success and just the design of the model, have just really made it very attractive, I think, for groups to come on. And the interesting thing to us is it applies now to not just a single [indiscernible] (15:09) independent PCP partnership, but it worked very well now across these large kind of distributed networks or kind of PO organization.

A great example is that [indiscernible] (15:19) physicians in Detroit that's coming on is a very large group of set up in that kind of PO structure. And now, obviously, we're starting to make it work with the health system. So I think

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from a macro standpoint, our model works for what is needed today and it works very well for the physician and the physician group.

I don't know if you want to talk a little bit about from a physician perspective why it makes sense or...

Benjamin Kornitzer
Chief Medical & Quality Officer, Agilon Health, Inc.
A

I think the partnership model is very unique. I think physicians, whether you are part of an independent practice or you're part of a larger integrated health system, people go into medicine because they want to sort of have their hands on the driving wheel. And so this whole notion of interdependence, right, the amount of sort of complexity and resource of transformative value based care, no one can do that on their own. But at the same time, they don't want to be employed. They want to feel like they are having skin in the game and helping to define for the future from where [indiscernible] (16:17). Listen, anyone that runs a business knows they're going to get better outcomes if people have skin in the game. I mean, I came from a health system where we knew when we employed a physician, their productivity automatically, once they got a salary went down 50%.

So we just had an agilon physician leadership retreat ended Sunday. When I joined, I went to our first physician meeting. I think we had about 15 people. That was just over three years ago. The next one we had was in 2021. I think we had 65 attendees, but we had 200 participants this past weekend over three days. And just a couple of takeaways I think are very relevant to your question. One is that we brought in all of our new markets, so that huge new class that Tim had spoken about. And already it's the beginning of March. And you have markets that are basically understanding the levers. Just put it up.

Gary Taylor
Analyst, TD Cowen
Q

It just turned on. Sorry I guess for having [indiscernible] (17:18)

Benjamin Kornitzer
Chief Medical & Quality Officer, Agilon Health, Inc.
A

Can you guys hear me?

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

Yeah, that's all right.

Benjamin Kornitzer
Chief Medical & Quality Officer, Agilon Health, Inc.
A

Yes I was going to say that we've broaden all of our new markets early. And so you now have this very large class of 2024 basically benefiting dramatically earlier in the lifecycle from the learnings of markets for three or five years. Within the lifecycle, we've never seen that before. The other thing that was very interesting is we share comparative data across our markets. Now, we've lined that data, each market can see how they're performing. We always have some markets that are higher performing and lower performing. We take a look at our key clinical initiatives. There is no market that is performing best-in-class across every initiative. And so my interpretation of every single market has significant opportunity, whether it's to better identify patients with diabetes, with COPD, with CHF, enroll people in renal programs, probably with care, particularly, every single market left there, they're like there's two or three things, even if I'm doing really well overall, but I could really, really move the needle in.

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The other thing that happened is we brought in potential market. So, there was one group that we brought in that said, listen, we will only join if every single one of our shareholders unanimously votes. And anyone that's been part of a large group, they used to – maybe you can get 70% or 80% or 90%. But they said we want every single shareholder and they weren't sure they were going to get over that threshold. They left that meeting being really, really optimistic. So, there's just a sense of energy in the room. And then I think the last conversations were as people were at the end of the conference and all the suitcases were in the side of the room, two of the doctors, they were both physician executives from different practices, were catching up and had a cup of coffee. And I happened to be within earshot. And one of them said to the other, hey, if you've taken a look at your economics recently. I took a look at our physicians and their take home salary, I couldn't believe it, 60% of my primary care doctors take home salary is all coming now from the full risks senior line of business.

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

A

Yeah.

Benjamin Kornitzer
Chief Medical & Quality Officer, Agilon Health, Inc.

A

And the other one said, it's interesting you say that. I was just like and I know it's 50% too. And then kind of it crept up on them over the past couple of years where the idea of value based care in senior care has begun this kind of a hobby, let's see if we can do this. Now, essentially, this is their core business. They wake up in the morning as a physician if you want to succeed and so that's a huge change in the mindset and I think the physicians that were coming together in this retreat, either they were experiencing the same thing or they were hearing from their colleagues. This is sort of the path that they're on. I think that has been very, very transparent.

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

A

I mean, if you kind of summarize that back to the conference that I made, it's like so, just to kind of really quickly, couple of things. That idea that one of the drivers of the model is we have great positional alignment because of the things that Ben was talking about. So a 20-year partnership, we are sharing the positive outcome, economic outcome with the physician group or with the physicians just keep them aligned. And it turned into the – and by the way, that we're not – we know also that the [indiscernible] (20:23) we have like great positional retention. I mean, I think our position retention is met like 90% or something, which is very high compared to other models out there.

And to Ben's point, we're bringing the resources to help them do those things. We have the economic or we have the financial strength to be able to come in and do that. So be it, overall processes and systems and information that we're bringing them or to help them do that or actually bringing their incremental operational or care management resources to the market. And all of that for us can be done in a market, when we enter the market at scale. So because we're not – we don't have to go in and build a clinic and hire doctors and market for and bring in new members. We're going into a market and doing that and transforming the group and the market and at scale with the existing members that are in that PCPs panel. So those three kind of components are great alignment, we bring the resources and we can we have the scalability are just three incredible components that I think are pretty unique for our model.

A

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Yeah. Thanks. I mean, in my mind just looking at the model. I mean, the foundation of physicians willing to join the platform...

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

Yeah.

...probably more powerful than any other part of the story or how you could explain it or particularly is there anything else?

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

Yeah. That's great – but you kind of have it on both sides. The number that are willing to join and the fact that they're staying.

Yeah.

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

I mean, that's physicians kind of [ph] boarding (21:45) with their feet, I guess.

Benjamin Kornitzer
Chief Medical & Quality Officer, Agilon Health, Inc.

A quick context to right in health care. So we've had a year-over-year, about 15% [indiscernible] (21:53) healthcare in general, 15% increase in [indiscernible] (21:56). That's never happened before. Last recorded year, 30,000 adult primary care physicians left the field of medicine completely. That's never happened before. There is no pipeline of residency training programs that could fill that gap. We also know that we have a dramatically increase in the number of patients over 65 years. So complexity of disease is going to go up.

And so if I were to step back and look at some of these macro factors, there are major workforce issues right now with primary care. And I think one of the things that's differentiated about our partners is they're getting off the hamster wheel. They're able to spend more time with their patients. Their economics are more aligned. They're much happier. Our retention rate is actually 95%. So you think about that macro environment...

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

Okay.

Benjamin Kornitzer
Chief Medical & Quality Officer, Agilon Health, Inc.

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...where like people are heading for the exits and our physicians are staying and they're growing their practice. We actually had a session on increasing your workforce and that was [indiscernible] (22:51) session because there were so many groups actually interested in growing their actual practices. So, I do think that there is a change in that dynamic that's very much in contrast what we're seeing in terms of the macro healthcare environment.

Matthew Dale Gillmor
Vice President-Investor Relations, Agilon Health, Inc.

A

I want to talk about a couple regulatory things. So just the first, for 2024 MA advance notice, the reduction in the total benchmark, most of that are driven by the new risk profile what CMS has proposed.

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

A

Yeah.

Matthew Dale Gillmor
Vice President-Investor Relations, Agilon Health, Inc.

A

We've talked about this a little bit last week, but maybe just for the audience, how do you see that risk or model impact being agilon on aggregate and how do you think about it impacting 2024? Haven't given any 2024 guidance except for enrollment. But we're hearing from actuaries, we're hearing and some are lobbying that it's a negative 3.1% industry average, but certain physician groups with certain types of patients could see double-digit increases or decreases in their average risk score. So what's your perspective on that risk score model ?

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

A

Yeah. No, not, absolutely. I think a couple of starting comments are one, obviously it is an advance notice. So we'll see what the final is. But all the comments that I'll make are assuming that it is the final, like this is the impact of what they've actually put out there is if it went in place fully in 2024, notwithstanding the fact that there's usually a little bit of an uptick and maybe the benchmark part of that between advance and final notice. And there's still obviously all the comments now have come in and CMS will look at that. And there's a lot of talk out there. We'll see what happens in terms of whether it's phased in over time or whether there's any other changes. But assuming that, that we don't know what those are going to be, we don't have a crystal ball. It's just – just assumed that the advance notice is what it is. And CMS, of course, have said, hey, on average across the entire system, we would expect that there'll be just the impact of these structural changes to risk adjustment will be like a 3.1% impact.

So we've gone in and done the analysis on, okay, let's roll through all of the changes to our existing member base. And obviously see what it is for us at the detailed code level, which codes have been eliminated, which codes have changed weighting factor and also put the changes in the demographic weighting factors. And maybe this is not surprising. I don't think it's coincidental. We're rolling up a number that says, hey, we think the impact to us kind of pre any mitigation or any levers that we have [indiscernible] (25:32) is also in that 3% range. Maybe that's because our overall average risk score is not that different from the national average. I mean, our overall average risk or is something not usually over a one even our most mature markets we don't have markets that are up there with [indiscernible] (25:51) or something risk score. We have more of a bell curve kind of population of members. So it's coming out for us to be in about that same range. But that's pre mitigation.

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Some of the other factors that can help us and one of the reasons that we've said even with that, we believe that the rate – the advanced rate notice is very manageable for us in 2024. And keeping us on track for our medium term projections, which we will talk more about [indiscernible] (26:23) is we have a couple of things going in our favor. One is we're just going to get the benefit of having a lot more members on our platform than we thought we were going to have a year or two years ago. And so that doesn't change anything from a rate basis, but it does mean that as we move forward, having those members on the platform, more members on the platform earlier, de-risked our ability to deliver those longer term numbers.

The second thing is so I want to say this the right way. We're really good at risk adjustment and it doesn't mean – what that means is we don't get out over our skis. We're not being – we don't do risky risk adjustment, I guess, is the way to put it. We have a very good, well-defined process. The information we've put in front of PCP is for them to consider in the risk adjustment process is all peer reviewed, all of our risk adjustment process, all the codes themselves, the conditions themselves have to be certified and accepted by the actual PCP, and which means they do a great job of also doing things like making sure that the leading codes, where conditions have resolved. So we have a really good process and one of the things CMS has said is, hey, we would expect that although the unmitigated impact is 3%, the people will still make progress on risk adjustment.

And since we do it so well, we would expect that, hey, we are going to continue to make progress, maybe better than some other folks would do. And what actually even makes that probably a little bit better for us is the more, the bigger mix of members you have that are early in the risk adjustment process, meaning there really have been relatively unmanaged or are still in kind of our multiyear process of getting to more mature risk adjustment, meaning we don't get to perpetual risk adjustment in one year. It takes us, our implementation year zero, maybe year one, maybe year two, through those years, people were getting closer to that. We just have a higher mix of our members that are those less mature from a risk adjustment standpoint. We've got a very, very big class of 2024 coming in that we just talked about being at least 80,000 members from new markets and 130,000 members overall. Those will obviously get the benefit of the risk adjustment process that we put on them because they're relatively unmanaged today. And all of those factors will, I think, help us get to the next level and offset some of just the rate impact of it.

The second thing is, though, I think there's some offsets that'll happen on the costs side as well. Some of the stuff that Ben was talking about is we're actually seeing better performance on the costs side than probably we would have expected a year ago as well and our ability to continue to drive those clinical programs and practices that will continue to improve the quality of care and the health outcomes for our patients. We expect that will be better than we expected a year or two years ago, certainly as well. So we'll get that benefit and we'll continue to drive that.

And then, probably the last thing is – and I wouldn't say that we are aligned, we haven't counted on this or we're not like, saying, if we don't get this, we're in trouble. But I would think that there's going to be some likely, some amount of benefits compression that the payers themselves are going to be looking at to help offset this. And obviously, there's been hundreds of dollars of increase in supplemental benefits over the last few years as the rates have gone up and that's been reinvested. But even a small change in benefits, a $10 PMPM, $20 PMPM change will go a long ways to offsetting the impact of it. So I think when you look across all of those factors, we're still analyzing and trying to figure out how much we get out of one versus the other. But when you look across all of those, there's more than enough levers that we have to really manage the notice through 2024 and then stay on track for the longer term.

Benjamin Kornitzer
Chief Medical & Quality Officer, Agilon Health, Inc.
A

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[indiscernible] (30:00)

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

Yeah please.

Benjamin Kornitzer
Chief Medical & Quality Officer, Agilon Health, Inc.
A

If you take a look at the advance notice in the diagnoses that they're removing or modifying, they were really directed at a lot of sort of activity that would be more consistent with practices that are different risk adjustment shops where they're doing aggressive screening like, every single patient with cardiac disease is getting imaging, getting other advanced testing across a broad population. Our model has all done through PCPs sort of follows the way that a PCP [indiscernible] (30:34) and it's integrated. And so as a result, those specific codes are much less likely to be seen in very high numbers among our PCPs, because the things that we're picking up are things that are sort of part of how they would regularly get care, for example, for patients with renal disease were being entered into specific care management programs for renal disease. That standard of care with how a primary care doctor would practice medicine versus every single patient over the age of 65 getting a cardiac [indiscernible] (31:03).

We're just not an engine in the way that some purpose built clinics might be where that is part and parcel of what they do. We're not sending external parties into the patients' home. Again, everything is through that lens that PCP. And so when CMS I think made those adjustments...

Gary Taylor
Analyst, TD Cowen
Q

Yeah.

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

...they were really directed at some of those more aggressive intervention, broadly screening practices, not what you would see in the way that a normal PCP as part of a regular practice would be conducting [indiscernible] (31:34).

Gary Taylor
Analyst, TD Cowen
Q

Are we out of time? We started at 09:10, is that right? Okay. [indiscernible] (31:40)

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

All right. Congratulate that last question. And so...

Gary Taylor
Analyst, TD Cowen

Okay. So I guess [indiscernible] (31:44) thanks very much. We're done. Thank you.

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Timothy S. Bensley

Chief Financial Officer, Agilon Health, Inc.

Absolutely. Gary, thanks a lot. Appreciate it.

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