

19-Nov-2024

Agilon Health, Inc. (AGL)

Wolfe Research Healthcare Conference

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OTHER PARTICIPANTS

Justin Lake

Analyst, Wolfe Research LLC

MANAGEMENT DISCUSSION SECTION

Justin Lake

Analyst, Wolfe Research LLC

All right. Good afternoon. Next up, pleased to have – my name's Justin Lake. I cover healthcare services here at Wolfe. Pleased to have the management team from agilon, the company's CEO, Steve Sell; CFO, Jeff Schwaneke.

Before we get into the fireside portion of this chat, the company has a few slides with some interesting information they want to share with us. So, I'll turn it over to Steve.

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

Yeah. Thanks, Justin. It's great to be back. What we want to do today is just take about five, six minutes and maybe give a little bit different view on our business from a partnership performance perspective and put in context some of the actions and decisions we've recently made.

If you go to the next slide, I think the first key takeaway is at a macro level, the reason we started the company to provide primary care physicians with a different business model that rewards them for being in value and moves them away from fee-for-service is even stronger today. There's a couple structural factors that really drive that, one is their practice has a growing number of seniors in it. Those seniors are bringing an increasing healthcare burden and complexity into that practice. And the number of primary care doctors that are there to take care of them is decreasing because primary care doctors are burning out.

If you go to the next slide, that structural demand and kind of the success we had in the – here we go, in the early days of the company, has really led to our growth in the last couple of years. We made a conscious decision to grow pretty meaningfully. And what you can see is in 2023 and 2024, we've shared this data before, but we have more than doubled the number of members within our partnership. You've got almost 300,000 members that have

come on the platform in 2023 and 2024. Now, that's created some near-term challenges, but also some long-term opportunity.

And if you just kind of go with the facts, one is, well, the company is eight years old. The average vintage of our membership base is right around three years, and that's stayed relatively flat over the past few years because of that recent growth.

The second key point is that we have had to invest meaningfully from an OpEx perspective and in terms of platform capabilities to bring on these members, to enter a lot of new markets, and to bring on a lot of payors, many of whom are in risk for the first time. When you look at our performance overall, you are seeing the class of 2023 and 2024 have not yet pulled through because they're very early within their life cycle, and I'll give you a view on that. And that return on investment is not yet there. We believe this is really a function of timing and as the spread corrects in this business, you're going to see that benefit.

If you go to the next slide, this is a new view. We have not shown this view before. Typically, we provide a cohort view based on when a partner comes on the platform and what their performance looks like across time. And so, what we've tried to do after our Q3 call when we announced the exit of two partnerships, we had a number of questions around can you talk about the performance of your partners overall. And so, we've tried to give you a view in which we stratify the performance of these partners.

We all know that in the last couple of years, the macro environment, as we've seen incredible growth, has been challenging. Utilization has been up. CMS rates have been muted. We've had the implementation of V28, and a big impact has been pretty aggressive payor bidding that has affected the economics within our Medicare Advantage book.

Even with that, one of the things we tried to highlight in our Q3 call is that ex the two markets that we're exiting from at the end of this year, 100% of our markets are Medical Margin positive. That means the revenue less the medical expense within that market is positive. And 87% of them or 21 of 24 are adjusted AEBITDA positive at the market level, meaning they are covering the costs of operating that market based on the Medical Margin that they're generating within that.

You can see that we've got 19% of our members and 29% of our partnerships sitting in that high level. Those markets are running over \$100 PMPM even in this environment. We've got 31% of our membership and 33% of our partnerships that are running in that mid-level. That's north of \$50 PMPM and then we have three partnerships that we talked about on our call that we put in that low bucket. Most of those are out of that class of 2023 that has just come on the platform and is sitting here in year two. They're Medical Margin positive, but they are not covering the costs at the local level and therefore not able to contribute to the overall corporate earnings.

Notably, our year one markets that you see on the right, which is the largest class that we've had to date, that class is performing at the high level that we would expect, the highest level we would expect within year one. Typically, we expect \$30 to \$60 PMPM, and this group is performing at the high end of that. And so, there are some learnings, Justin, that maybe we can get into as we talk about this in the Q&A. But I thought dimensioning it this way really gives people a sense of even in a challenging market, our MA economics are pulling through and we are able to generate distributions to our partners.

If you go to the next slide, the reason we're able to deliver these results is really two things: one, our ability to manage cost trend relative to the benchmark; and two, deliver 4-plus STARS performance. On the left, you see

the ACO REACH results that were released just after our Q3 call. They embargo it. We knew about this. We couldn't talk about it on the call.

And so, this was released. What you see is that agilon is generating a 13% gross savings rate. That means we beat the national trend by roughly 300 basis points in 2023 and just like our [ph] high (00:06:55) performers in MA, we're running \$104 PMPM in that year of 2023.

On the right, we have our STARS performance, very important issue to our MA payors today, just released within the last month and a half, and what you can see is all of our year two-plus markets are north of 4 STARS and most of them are north of 4.25 STARS, which is very important to our partners given the increasing benchmark that are seen out there today within the MA program.

And so finally, when you talk about the actions that we're taking, if you go to the next slide, we are clearly aware that not every partnership is performing the way we want it to. And so, we've decided to take a couple of actions.

First, as I mentioned, we're exiting two of those unprofitable partnerships. We've done this mutually with our partners to come to that agreement. And then secondly, and this is a key theme, we are really rationalizing the payor footprint that we have. There's a couple things we're trying to do with them, substantially reduce the amount of things that we can't control. Part D risk is a major area for us, and we announced that we were going to be taking that from just under 70% of our members to just under 50% of our members with Part D risk in 2025.

And then second, in both new and existing markets, we will rationalize that footprint. And we shared on our Q3 call we will actually reduce the number of payor contracts that we have by 10%. And so, maybe Jeff can talk briefly about cash and then we can go to Q&A.

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

Yeah. Next slide, last slide here. Just a quick update on cash flow. This is the same information we presented at the end of the third quarter just in a graphical form. So, we expect to end the year at \$365 million of cash. That includes \$35 million of ACO REACH cash, burn \$110 million and end the year at \$255 million at the end of 2025, on our way to profitability and breakeven cash flow by 2027. We are pulling some cash flow levers obviously. As Steve mentioned, the partnership exits are meaningful from a cash flow perspective. We have tighter working capital management and our payor contract negotiations.

Just to put a finer point on the contract negotiations, a lot but not all of our payors pay us in advance of our margin expectations. And so, we think there's some opportunity there as well as the percentage that they pay us is also different. So, we think there's opportunity to improve the cash flow from that perspective.

I'll hand it to you, Justin.

QUESTION AND ANSWER SECTION

Justin Lake

Analyst, Wolfe Research LLC

Q

Great. Let's go in reverse order, Jeff, since you're talking about cash levers. If you walk us through, for instance, the exits, did you give a number there in terms of how much AEBITDA accretion there is just from or cash accretion, cash flow accretion was just from exiting those markets?

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

A

Yeah. We haven't given a number. You can see the magnitude on the slide from a net margin...

Justin Lake

Analyst, Wolfe Research LLC

Q

Small bar.

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

A

Right, from the net margin's perspective. The reason why we haven't given the numbers, we're not done with all of that work. So, if you recall at the end of Q3, we kind of gave a range of potential membership loss and a range of revenue loss. So, we're not quite finalized. But when we are complete, we'll update you on that.

Justin Lake

Analyst, Wolfe Research LLC

Q

Okay. And any thoughts on like is there a target for working capital that you think you can get to within that flat?

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

A

Yeah. I think this is less about what I call a target, more specific around certain receivables we have on the books that we can go collect. And so, I just think there's an opportunity to pull some things forward in the working capital, but it's really specific, discrete things.

Justin Lake

Analyst, Wolfe Research LLC

Q

Right. Maybe just then to take a step back and not trying to pin you down on specifics, but if you think about I'm going to get to cash flow breakeven in 2027, how much of that is, for lack of a better term, working capital-based? Like I'm going to collect a little bit earlier versus where does your AEBITDA need to be to get to that in 2027?

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

A

Yeah. I guess what I would say is the numbers on here do not reflect, for example, tighter working capital management or payor contract negotiations. Those would be incremental levers that we can pull to improve this outlook that you see on the slide. But obviously, our adjusted AEBITDA has to be positive, right, to cover CapEx and growth investment.

Justin Lake

Analyst, Wolfe Research LLC

Okay. So, that is a pure number. That's before any of these other levers.

Q

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

Yeah.

A

Justin Lake

Analyst, Wolfe Research LLC

Got it. Got it. And the other thing you hear from everybody in the industry right now is cost-cutting, right, layoffs, et cetera. And to your point, you've made a lot of investments to grow. I want to talk about that in a second. But like is there a cost-cutting program that you've kind of outlined for 2025 that you can share with us?

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

So, we invested meaningfully in OpEx as we doubled the company in 2023 and 2024. I think where we sit today, we do not feel the need to increase that OpEx. And just based on the fact as we exit out of that, our largest investment sits at the market level, Justin.

A

Justin Lake

Analyst, Wolfe Research LLC

Right.

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

And so that naturally adjusts as we move out of that. Similarly, we see an opportunity to get far more efficiencies from the technology investments that we've made. We acquired a software platform where it allows us to integrate, which reduces the manual nature of our work and we've centralized functions that has pulled some of the work out of the markets around things like chart reviews and others that we see opportunities around.

So, those are the big areas. We've been at about 3% of revenue from a cost perspective and seen kind of efficiency each year. Even with the exits, we think we can maintain that number.

A

Justin Lake

Analyst, Wolfe Research LLC

And so, let's go to growth, right? One of the things that's going to control your earnings, right, trajectory is how much you grow, right, just given the J-curve there.

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

Absolutely. Yeah.

A

Justin Lake

Analyst, Wolfe Research LLC

Q

So, I'm embarrassed to say I've been so focused on medical costs, I can't remember what you had told us for 2025 membership growth.

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

Yeah.

A

Justin Lake

Analyst, Wolfe Research LLC

Can you give us some color there? And then this is usually kind of coming into the time where you're talking about the class of 2026, right?

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

Yeah.

A

Justin Lake

Analyst, Wolfe Research LLC

Are you pumping the brakes? Are you slamming on the brakes? Like what's going on in terms of how you're thinking about growth?

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

Yeah. Well, I think the headline is we're trying to be very smart about the way we grow. There's three ways we grow, Justin. So, one is in the existing footprint that we've built, each year, members turn age 65. Their PCP is in our partnership and they choose Medicare Advantage.

A

Justin Lake

Analyst, Wolfe Research LLC

Right.

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

The second that we've seen pretty significantly is other primary care doctors in those communities end up joining our partnerships in our platform. Now, those first two this year, when you back out the effect of our exits, have grown 8.9%, same geo.

A

Justin Lake

Analyst, Wolfe Research LLC

Right.

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

So that's almost double what the national average has been. That is a very efficient way for us to grow. That's volume. You put unit on that. You're probably talking about a double-digit, low double-digit growth that you're able to do before you would even talk about adding new partner.

A

The classes is where these new partners come in. For the class of 2025, we announced a set of partners that will bring 45,000 seniors on the platform. But to put that in perspective, that compares to 140,000 that were in the class of 2024. And so we're trying to be very smart about how much volume we bring on, making sure we get that right partner archetype, the biggest thing being the payor construct.

Justin Lake

Analyst, Wolfe Research LLC

Right.

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

And one of the reasons we believe the class of 2024 is off to a good start at the high end of the range that we'd normally expect is with the exception of one partner, all of them are in existing state footprints, got existing payor contracts. You've got the data exchange worked out back and forth on that member level revenue and cost information that's so important for us to see. And you've got an existing team in clinical program.

So that for us seems like a smart way to grow on a go-forward basis and that's how we're thinking about it. And that leads to more cash efficiency because one of our burns is in our entry costs, our geographic entry cost we pay out each year. That could be \$50 million, \$60 million a year. As you reduce that class of partners coming in, it reduces that burn as well.

Justin Lake

Analyst, Wolfe Research LLC

Got it. So, if we're thinking out to 2026, in 2025, you're adding 45,000 members. Probably thinking about something between there and kind of flat.

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

Yeah. I mean...

A

Justin Lake

Analyst, Wolfe Research LLC

Is it likely that 2026 could be bigger than 2025?

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

It's too early to say right now. I think that we're going to be very strong within the first two categories that I talked about in terms of same store. I think we'll be very measured about bringing on the right types of partners.

One of the things, Justin, that we're doing is for those partners bringing on the class of 2025, we're going to be using much more a no downside care management fee glide path in that year one.

A

Justin Lake

Analyst, Wolfe Research LLC

Right.

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

A

So that we can get all of the data connectivity worked out and underwrite it in the correct way as we move into year two. So, I think it'll be measured probably more in the size of the class of 2025, but also even the economics that we'll look at, depending upon the environment maybe more in that glide path as well.

Justin Lake

Analyst, Wolfe Research LLC

Q

Got it. That's helpful. I appreciate it. Maybe we can shift. One of the things, I think not just for agilon, but we're thinking about holistically with the value-based care business, which is obviously struggling across the board, right? Bunch of your peers have declared bankruptcy recently even, right?

The issue, right, we all know it's medical cost trend and the underwriting that's happened. A lot of it is outside of your control in terms of the underwriting, like you said, that's happened at the managed care side, right, that the plans have suffered from as well. But you guys have an even bigger struggle to some extent.

So, we're seeing that pull back for 2025. We published plenty on that, right? You're seeing that the plans have cut benefits and that's going to help you. But beyond the medical cost and the stuff you can't control, the contracts, right, help us to understand not just for agilon, but for everybody, how are these contracts two or three years ago? How are they evolving now and what are the key differences between the positive payor contracts? Like what's the structure that's positive versus the structure you're trying to get away from?

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

A

Yeah. No, it's a great question. So, in the early days of the company, as we grew, we really not just expanded our number of partners and numbers. We dramatically expanded the number of payor contracts. I mean, we've got over 100 payor contracts in 2024, which is a mixture of national and regionals.

The key elements to your question of the most successful contracts are those where we really see a payor commitment to value-based care is sort of how we frame it for them. That means a couple things. One, we get rewarded on the items that we can control and do really well like we showed you in those REACH results. So, Part C medical trend and STARs performance. And so, we are seeing more and more incremental percentage of premium incentives tied to driving that STARs performance at 4.25 is kind of the new 4 STARs.

Justin Lake

Analyst, Wolfe Research LLC

Q

Yeah.

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

A

So, that's very meaningful for us. And then we're seeing a greater percentage of premium around that, that Part C component.

Second thing is really limiting the non-controllable items. In that category, we put Part D, as in dog, supplemental benefits in particular. And so as I shared, we've got just under 70% of our members with Part D exposure in 2024. We're taking that to under 50%. We've actually got the majority of our payors that have carved out Part D in 2024. It's a subset of a few that have larger Part D membership that we're working with right now to take that down. So,

one or two contracts kind of meaningfully moves that number and so, that is a very significant part of that and we're seeing progress on that. And that's a major focus for us.

You talked about the bids on supplemental benefits. That's been on our list. As I look at 2025, I don't see as much exposure there just based on the reductions that people have made around those things. And then perhaps the most critical one is this really data transparency and availability around that member level revenue and cost information, how they're bidding, and having a chance to review that before we basically take the underwriting risk on that at bid. And then census data that really allows Jeff and the team on a two-day lag versus a two-month lag to really understand what's happening in that inpatient setting.

I think the progress that we've been able to make around our medical cost reserving and forecasting is really tied to that. And in some cases, we'll walk away or as we just announced, we're delaying one partner because with some regional payors we couldn't get that data transparency and availability.

Justin Lake

Analyst, Wolfe Research LLC

Q

Right. So, what is the push back from the payors that are – the two big payors that won't move Part D out, right? Stuff that you really can't control, especially even outside of Part D, the dollar cards? How are you supposed to manage that? So, why are they forcing you to take risk on stuff like that?

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

A

So, we made a lot of progress on the dollar cards and those have shrunk pretty dramatically in terms of how those are structured and where we're at. On the Part D piece, some people will say philosophically they want the group in because the PCPs are writing some of those prescriptions. And our comment back is, operationally, if you can't pull it out, we'll put a financial corridor around it so that Jeff can really forecast within a range what that performance is going to look like, you'll get the benefit of the PCP managing it, referring to the specialists that affect all of that. And so that's sort of the back and forth. But, Justin, it is at the top of our priority list in terms of working with them and we're seeing that. And that's what's led to some of these partners or payors that we're exiting with where we can't come to an agreement around that, the economics aren't looking good, and we've just decided to shrink our footprint for 2025.

Justin Lake

Analyst, Wolfe Research LLC

Q

And Jeff, have you been able to kind of – for the folks, there's a lot of changes happening in Part D, right? On the stand-alone side, the government's kind of taken a lot of the risk out with this demo, but not so much on the Medicare Advantage side. Ton of questions on whether that's exposure for everybody next year. Have you been able to kind of put a corridor almost in your contracts to say we're not willing to underwrite this at a loss?

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

A

No, I mean, that goes to Steve's point. I mean, I think that's what Steve's saying is right now, we're in negotiations of either carving it out or putting some type of corridor. But, right now, we're saying, looking into next year, we think maybe that's 50% or more than 50% of our members that will have that. The other 50% will have risk there.

Justin Lake

Analyst, Wolfe Research LLC

Q

Got it. And then so, okay, to be clear, so it's the 50% are either completely removed or you have a corridor and 50% you have exposure to fully like you always have.

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

A

I think that's we're comfortable saying right now. What we said is we'll update in January because we're kind of back and forth with quite a few people on that. So, we said we'd get it to 50% or better in terms of not having exposure.

Justin Lake

Analyst, Wolfe Research LLC

Q

Got it. And talk to us about the ACO REACH has been a real bright spot for the company, right? Not everybody's winning in that space. You guys have done really well. What's the contribution to earnings right now and give us a little bit of color in terms of why you think that's so differentiated?

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

A

Yeah. It's roughly \$38 million for the year, I think, was in our guide or last guide. So, really good program, meaningful contribution. As Steve showed on the slide today, our performance has been great in that program, beating the benchmark last year by over 300 basis points. So, happy with our performance there. Anything, Steve?

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

A

I mean, so the Medical Margin for 2023, \$104 PMPM kind of lines up well with those high performers in MA. And we're able to do it well at scale. And I think it'll be interesting to see with the new administration, they've been really supportive of full risk programs in the Medicare Fee-for-Service program. And so what the future looks like around that, I think, we're cautiously optimistic.

Justin Lake

Analyst, Wolfe Research LLC

Q

And one of the things we're all looking potentially to help for 2026 is the higher trend in Medicare Advantage maybe running through fee-for-service as well, and we get that into Medicare Advantage rates. One of the potential canaries in the coal mine, so to speak, could be ACO REACH numbers and fee-for-service, right? So, maybe you could give us an update on like where did CMS – they tell you here's what we think is 2024 trend is at the beginning of the year, right, because you're measured against that. And then they give you updates every couple months.

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

A

Yes.

Justin Lake

Analyst, Wolfe Research LLC

Q

Maybe you could tell us where they started the year and where it is now.

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

So, the full year trend for 2023 landed at...

A

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

6.13% roughly.

A

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

6.13%. The update, we get it every month. The update through October?

A

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

I'm not sure, October, maybe a month earlier.

A

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

September, October is 7.4%. And so, it's a higher trend in 2024 than in 2023 in that national benchmark that you get measured against in the ACO REACH program. I think your point is, is that an indicator.

A

Justin Lake

Analyst, Wolfe Research LLC

Right.

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

What could happen from an MA rate perspective? And from your lips to God's ears, that'd be great.

A

Justin Lake

Analyst, Wolfe Research LLC

Yeah. At 6.13%, even sounds like 2023 restated higher, right? Because I don't think that was the assumption on 2023 trend was that high in the fee-for-service numbers that they gave us in the rate notice, but I'll check that. Certainly, the 7.4% is materially higher than what they had in the 2024.

Q

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

Through the end of 2023, I can't remember but...

A

Justin Lake

Analyst, Wolfe Research LLC

Got it. So, as you think about the risk, the ability of the company to kind of to your point, Jeff, like you're trying to tighten up the communication right on the medical cost side. One of the things that I think a lot of us were surprised by is the risk score restatement, right? That's just something that typically, you feel like is typical blocking and tackling. You guys have so much control of that, right? Because you're the kind of starting point for a

Q

lot of that. How does that get, let's say, [ph] sold (00:26:45) offline from what you would expected for something going all the way back to 2023? Like can you walk us through like how that, I guess, filters through from you to the plan to CMS and back?

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

A

Yeah. I mean, I think it's historically been an area of strength. It's restated favorably every year. 2023 was really the exception to that. I think we made a number of investments in 2023 to really improve our risk score performance, and we did improve it, but not to the level that we had expected. That included things like dramatically increasing our chart reviews, increasing our access to clinical data, increased scheduling.

The other thing I talked about on growth is we brought on a lot of new payors as well. And so as we look at it, elevated expectations didn't – came in at 1.5% net lift, but that was below what we had expected. And I think Jeff and I look at it and say there's opportunities for us to be better at every level from the top of the funnel all the way through what we submit and then this data visibility back on that member level revenue that we talked about. And we had leakage at each step along the way and some different performances in different markets.

So that is one that we have tightened down. I think the first thing we're doing is we're saying we're going to be much more cautious in terms of how we forecast it on a go-forward basis. But I would agree with you. I think this is a pure execution opportunity for us to be better on it and that's what we're focused on.

Justin Lake

Analyst, Wolfe Research LLC

Q

Okay. Maybe we'll just end with a question on V28, right? Certainly, there was a lot of debate on how that was going to impact various payors and I think it's been pretty variable payor to payor. How is that impacting your business versus what you expected and how are you thinking about your ability to kind of work through that in 2025 and 2026 as they finish this getting implemented?

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

A

Yeah, yeah. I think it was right in line to our expectations around 2% to 2.5%. So V28, the impact was in line and I think as Steve mentioned, even in 2024, we're seeing a net lift in our risk scores of 1.5%. That's after the impact of V28. So, as we think about 2025, I think we're going to be prudent around what we forecast given our historical lift percentages. So, what I'd say is based on our net lift this year, I would say it's manageable.

Justin Lake

Analyst, Wolfe Research LLC

Q

Got it. So, you're expecting to be able to offset this and like do something similar in that 1%, 1.5% range in 2025, 2026?

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

A

Yeah. Sitting here today, I'd say consistent with what we've experienced in the past, I'd say that's a good starting point.

Justin Lake

Analyst, Wolfe Research LLC

That's great. Steve, Jeff, I really appreciate your time being here with us today. Appreciate everyone joining us. Thanks again.

Steven J. Sell

Chief Executive Officer & Director, Agilon Health, Inc.

Thank you.

Jeffrey A. Schwaneke

Chief Financial Officer, Agilon Health, Inc.

Thank you, Justin.

Justin Lake

Analyst, Wolfe Research LLC

It's great seeing you, bud. Thanks for being here.

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