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Press Release

Milliman Advanced Risk Adjustment (MARA) software tops the competition in risk scoring study

MARA achieves highest overall performance for concurrent models

Seattle, WA – October 26, 2016 - Milliman, Inc., a premier global consulting and actuarial firm, today announced that its popular Milliman Advanced Risk Adjusters (MARA) software topped the competition in the latest study by the Society of Actuaries, “Accuracy of Claims-Based Risk Scoring Models.” Milliman achieved the highest overall performance among concurrent models, beating out eleven other vendors. MARA’s prospective models scored similarly well, ranking at or near the top in all four primary metrics measured.

Diane Laurent, MARA’s Managing Director, says, “MARA’s performance is proof of what we’ve known all along – the Milliman Advanced Risk Adjusters software is a leader in claims-based risk scoring models, and one of the most accurate tools on the market.”

Since the passage of the Affordable Care Act, risk scoring models play a central role in predicting or explaining healthcare expenditures. As in each of the previous SOA studies, Coefficient of Determination, or R^2 , was used as one measure of predictive accuracy and indicates how well data fit a statistical model. With an R^2 of 55.4%, MARA’s concurrent diagnosis and pharmacy model (CxAdjuster) leads the competition with the highest observed R^2 for uncensored costs. For costs censored at \$250,000, the same model achieved the highest R^2 to occur in the study, at 66.7%.

“We were especially pleased that in an exploration of ensemble methods of modeling, more weight was put on the MARA model than any other. To me that indicates that giving MARA the most credence resulted in the best performing composite prediction,” Diane added.

MARA models are valued by clients because they produce separate risk scores for major categories of service, including inpatient, outpatient, emergency room, physician, pharmacy, and other medical care. Beyond risk scores, all MARA models provide a probability of inpatient admission and emergency department visits, plus the contribution of clinical risk drivers for more than 1,000 medical conditions.

The study, released Monday October 25th, is published by the Society of Actuaries.



About Milliman

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information about Milliman, visit www.milliman.com. For MARA product information, visit www.millimanriskadjustment.com.

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