

# Implementing Automated Bundled Payment Programs



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# Reality Check

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“  
**On a scale of 1 to 10 implementing  
episodes (with current methods)**  
”  
**is a negative 10**

- Head of payment innovation at a large BCBSX Plan.

# The Pain

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## Current Fee for Service Market

- Dis-aggregated fee for service does not match reality
- Monolithic legacy platforms trying to re-invent themselves
- Claims Data is Inherently not Patient Centered
- Missing Quality and Performance Measures on the Aggregate Level
- Missing pieces to Automate an End to End Process
- Multiple Episode Methodologies

## Current Episode Production Methods Resemble 1913



# Manual Market Rollout

## What We Learned with BCBS

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- Unsustainable Program Support
- Limited Capacity Ex: 3-4 Hospitals 1 Episode Type per FTE
- Acute Procedural is a far stretch – Chronic is unattainable
- Excessive Episode Authorization Volumes – Will miss contractual obligations
- Senior Analysts required for Process – High Complexity
- Accuracy Concerns on Reconciliation – Low Credibility/High Financial Risk
- Aggregate Level Tracking Only
- Limited to Default Episode Definitions
- Manual Output Modifications per contractual requirements
- Manual Process is a High Risk for Failure

# The Pain Killer

## A New Operating System

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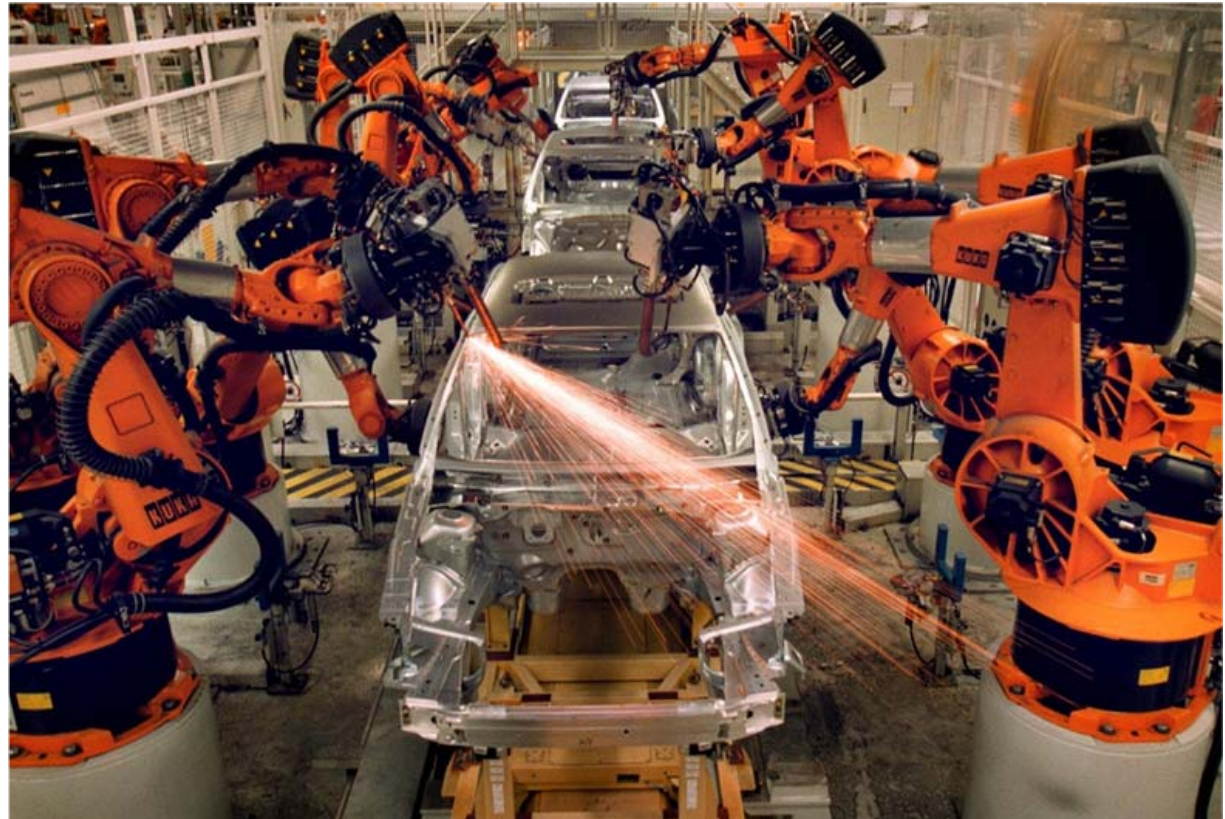
**Simplify** the Administrative Complexity **End to End**

- Massively Scalable Big Data Infrastructure
- Rapid Episode Design Tools
- Social Transparency Pricing / Contracting Tools
- Dashboards - Alerts - Episode Coordination Interfaces

**No Longer an  
Experimental Science**

**Modern  
Automated Production**

**Up and Running  
under 6 Months**



# By the Numbers

## Real World Implementation

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### Acute & Chronic Episodes

- 1 Million Members
- 15 Million Claims
- 33 Million Claim Lines
- 3 Provider Groups
- Up and Running in 3 Months
- Different Episode Methodologies



### Exponential FTE Benefits

- 2 FTE's Full State Rollout
- No Risk of Calculation Errors
- Hire Jr Analysts
- Build New Episodes in Under 1 Day

### Scaling

- 60 Provider Groups
- Will Embed Episodes in Other Settings
- Rapid Release of New Episodes
- Faster Provider Contracting

# Conclusions

## Transparency & the Public Domain

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### Success Drivers

- Not just one Methodology... Implement & Adapt
- Contribute Knowledge and Learnings back to Public Domain
- Technology has Arrived
- The legacy infrastructure evaporates - is just one component
- Manual Methods are Dead on Arrival
- Adoption of Technology is Critical
- Alignment of Incentives Payer/Provider/Patient
- Track ROI, Quality, & Performance
- First Mover Advantage in this Market





# Contact

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