



Success in Bundled Payments

Hyatt Regency
Washington, DC
June 11, 2013

Kimberly Crow Hartsfield

EBI Medical Informatics – Arkansas Blue Cross and Blue Shield



Provider Engagement-Value



Transition to payment system that rewards value and patient health outcomes by aligning financial incentives



Reduce payment levels for all providers regardless of their quality of care or efficiency in managing costs



Pass growing costs on to consumers through higher premiums, deductibles and co-pays (private payers), or higher taxes (Medicaid)



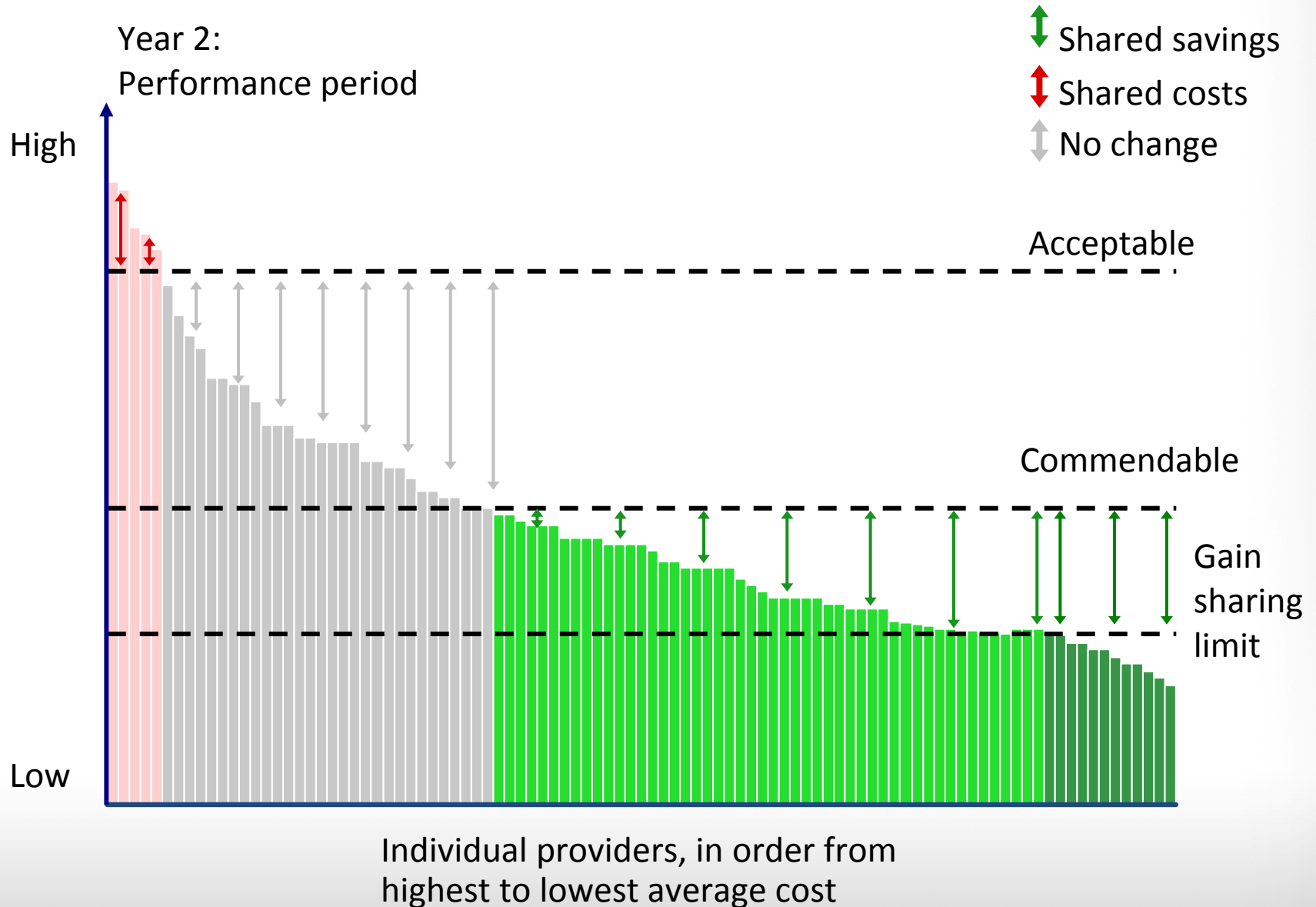
Intensify payer intervention in decisions though managed care or elimination of expensive services (e.g. through prior authorizations) based on restrictive guidelines



Eliminate coverage of expensive services or eligibility



PAPs that meet quality standards and have average costs below the commendable threshold will share in savings up to a limit



a new level of transparency

“Transparency is like a disinfectant for business. It will purify things and help start the healing, but...

It’s going to sting like hell.”

Extreme Trust-Honesty as a Competitive Advantage



Episode Launch:

Wave 1

Launched July 2012

- Perinatal
- Total Hip/Knee Replacement
- Congestive Heart Failure
- Upper Respiratory Infections-MC Only
- ADHD-MC Only

Wave 2

Launching Summer 2013

- Cholecystectomy
- Tonsillectomy
- Colonoscopy
- ODD-MC Only

Wave 3

Launching Fall 2013
(Tentative)

- Normal Newborn/NICU
- COPD/Asthma
- CABG
- PCI
- ADHD/ODD-Comorbid Episode-MC Only

why it worked

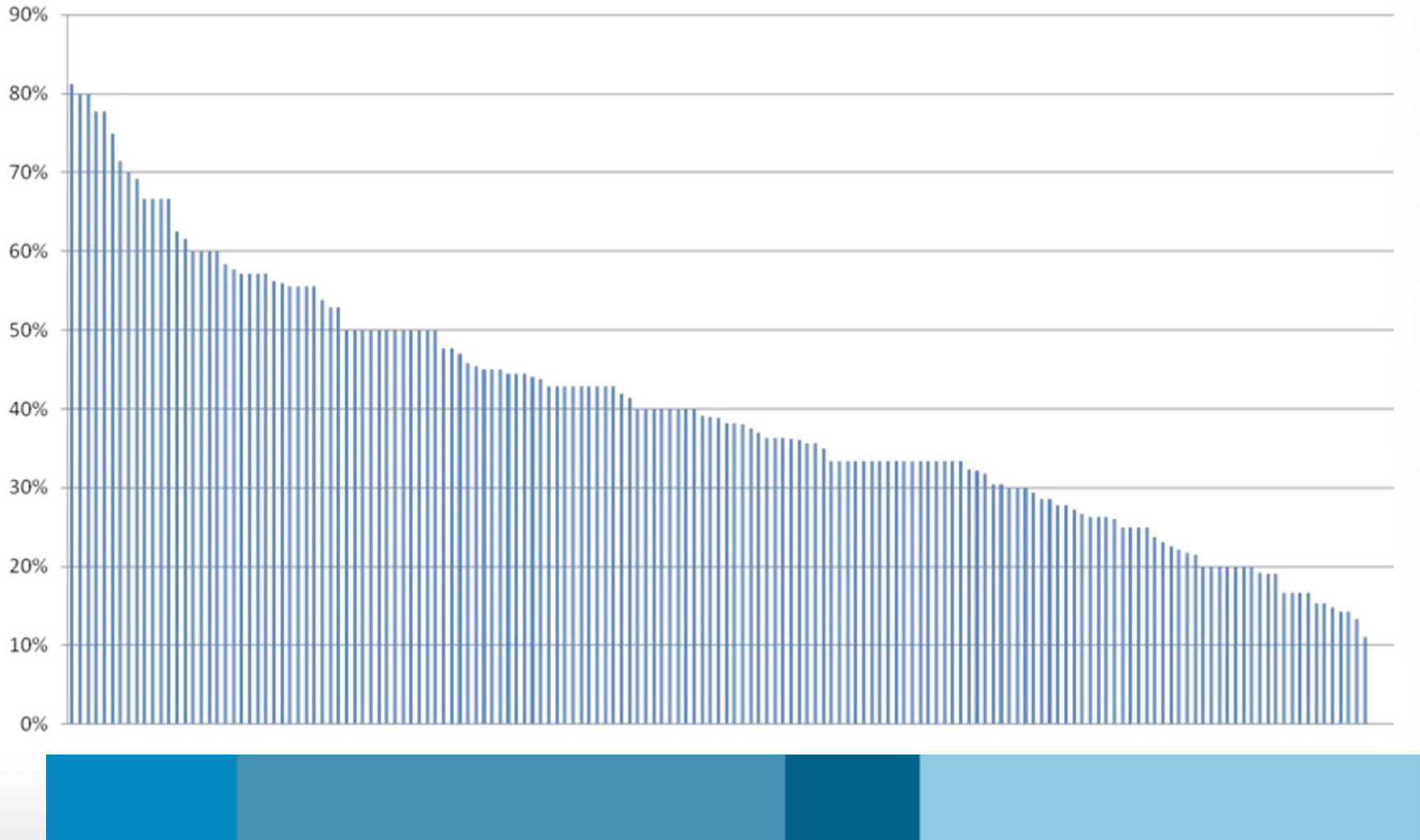
- Multi-payor Statewide Initiative
- Provider Participation Not Voluntary
- Retrospective Model
- Enough Gain/Risk Sharing (\$\$\$) for Provider Engagement



Perinatal Experience

	Initial Report	Current Report
Total PAP's Identified	236	236
Total PAP's with ≥ 5 Episodes	157	164
Total PAP's Eligible for Gain Sharing Before Quality Metrics Applied	56	108
Total PAP's Eligible for Gain Sharing After Quality Metrics Applied	27	52
Total PAP's Responsible for Loss Sharing	22	18
Maximum Gain Sharing Payment	\$12,100	\$16,450
Maximum Loss Sharing Amount	\$18,681	\$12,556

Perinatal Experience: C-Section Rate Variation



Perinatal Experience

Clinic A

	HIV Screen	Hepatitis B Screen	Chlamydia Screen	UTI/AB Screen	Group B Strep Screen	Gestational Diabetes Screen	C-Section Rate
First	92%	92%	27%	99%	90%	99%	27%
Last	95%	95%	35%	100%	92%	97%	41%
% Change	3%	4%	29%	1%	2%	-2%	52%

Clinic B

	HIV Screen	Hepatitis B Screen	Chlamydia Screen	UTI/AB Screen	Group B Strep Screen	Gestational Diabetes Screen	C-Section Rate
First	36%	36%	2%	37%	36%	34%	14%
Last	45%	46%	3%	48%	47%	47%	15%
% Change	25%	27%	16%	30%	34%	38%	8%

Clinic C

	HIV Screen	Hepatitis B Screen	Chlamydia Screen	UTI/AB Screen	Group B Strep Screen	Gestational Diabetes Screen	C-Section Rate
First	64%	64%	48%	69%	64%	65%	17%
Last	81%	81%	62%	87%	84%	84%	24%
% Change	27%	27%	29%	25%	32%	30%	40%

Statewide Benchmark	HIV Screen	Hepatitis B Screen	Chlamydia Screen	UTI/AB Screen	Group B Strep Screen	Gestational Diabetes Screen	C-Section Rate
First	90%	90%	62%	94%	71%	75%	38%
Last	94%	95%	65%	98%	90%	92%	38%
% Change	4%	6%	5%	4%	27%	23%	0%

Lessons Learned

- You can't spend enough time with the providers on both education and engagement
- The data will surprise you, typically not in a good way
- We set up a customer service unit within our informatics area for questions
- Implementing episode based reimbursements has value beyond the payments themselves
- Earliest win has been from increased compliance among providers with quality measures
- This initiative has opened the door for much farther reaching discussions regarding transparency



Thank You.

