



Mini-Summit 1.2

An Innovative Leap Toward Episode-Based Care: Process & Technology

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AGENDA

Cleveland Clinic Foundation's innovative leap:
transforming from fee-for-service to fee-for-value
with episode-based payments

- ▶ Who we are
- ▶ Our business challenge
- ▶ Transformation strategy
- ▶ Supporting process and technology
- ▶ Results to date

Who we are

Cleveland Clinic Fast Facts

- 43,890 employees
- 5.1 million total visits
- 157,474 hospital admissions
- 3,000 physicians and scientists
- 1,785 residents and fellows
- Locations: FL, NV, Toronto, Abu Dhabi
- Cleveland: Main Campus, 8 Community Hospitals and 16 Family Health Centers



Cleveland Clinic Bundling Experience

- 10+ years
- Inpatient acute episodes
- Trademark and tertiary services
- Specialty payers or situations (i.e., transplant, regional players)
- Manual process
- Fraught with opportunity for errors

Our Business Challenge

Developing our capabilities to scale our value-based care programs:

Commercial
Payer Episodes

Bundled pay programs with commercial payers for specific episodes

CMS BPCI

CMS Bundled Payments Care Improvement Initiative

Distance Travel
Employer
Programs

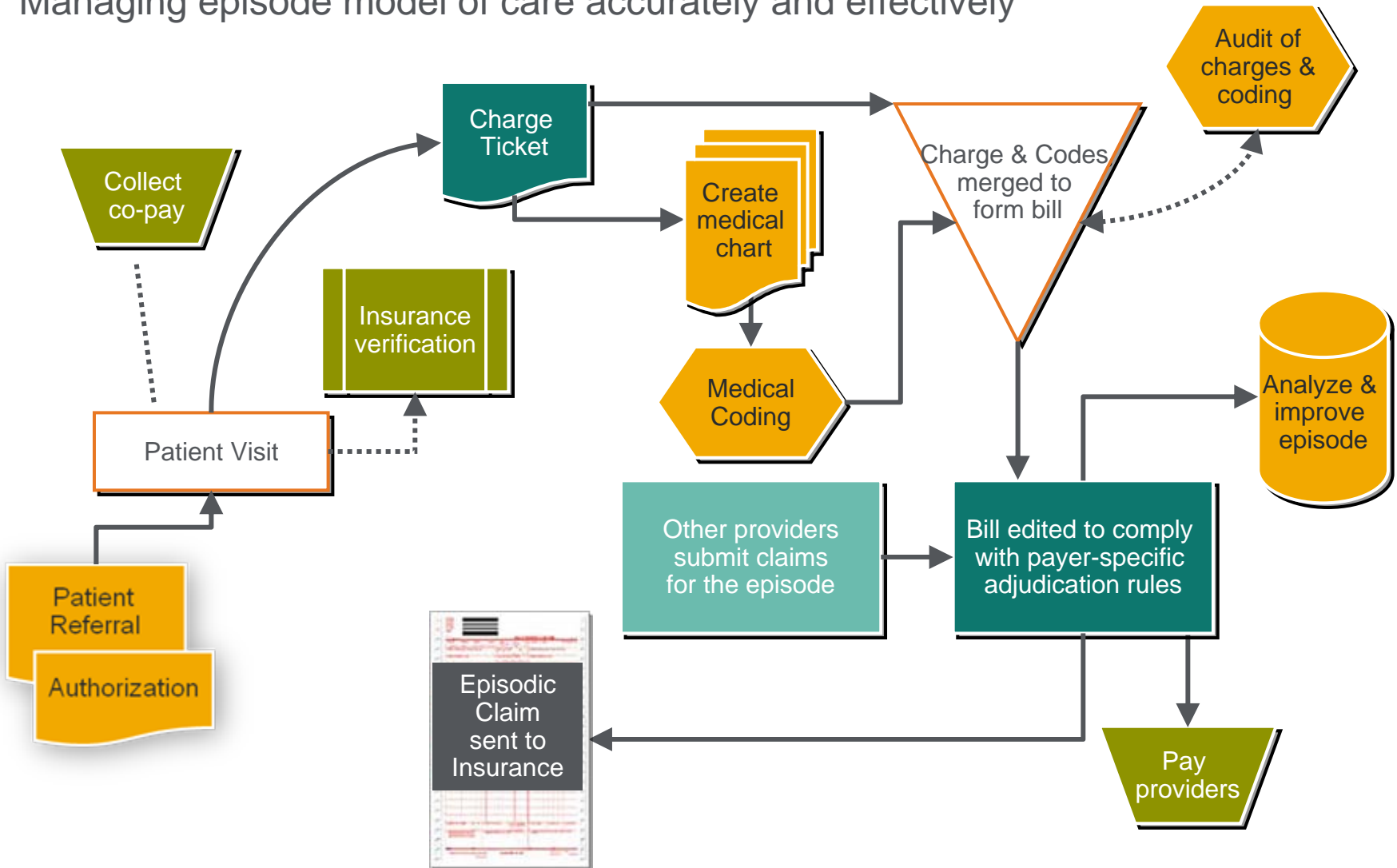
Out-of-area patients who gain access to the Clinic through our programs for advanced medical care

Transplants

Administration of various Centers of Excellence transplant programs

Current State Process

Managing episode model of care accurately and effectively



Transformation Strategy

A process and solution that defines the clinical attributes of a bundle, effectively administers the flow of claims and payments, and reports on the effectiveness of the bundle – from initiation to closure

Define Episodes

- Create care pathway
- Set price

Process Transactions

- Identify patient
- Bundle claims
- Adjudicate provider claims
- Post-episode payment
- Remit provider payments

Report Performance

- Clinical outcome
- Clinical process
- Financial

Meeting the Challenge: A Bundled Payment Solution



Commercial Payer Episodes

- Bundle modeler – custom bundle definitions
- Bundle pay manager – retrospective and prospective



CMS BPCI

- Bundle modeler includes the 48 standard CMS bundles
- Retrospective and prospective functionality



Distance Travel Employer Programs

- Time-based bundle functionality



Transplants

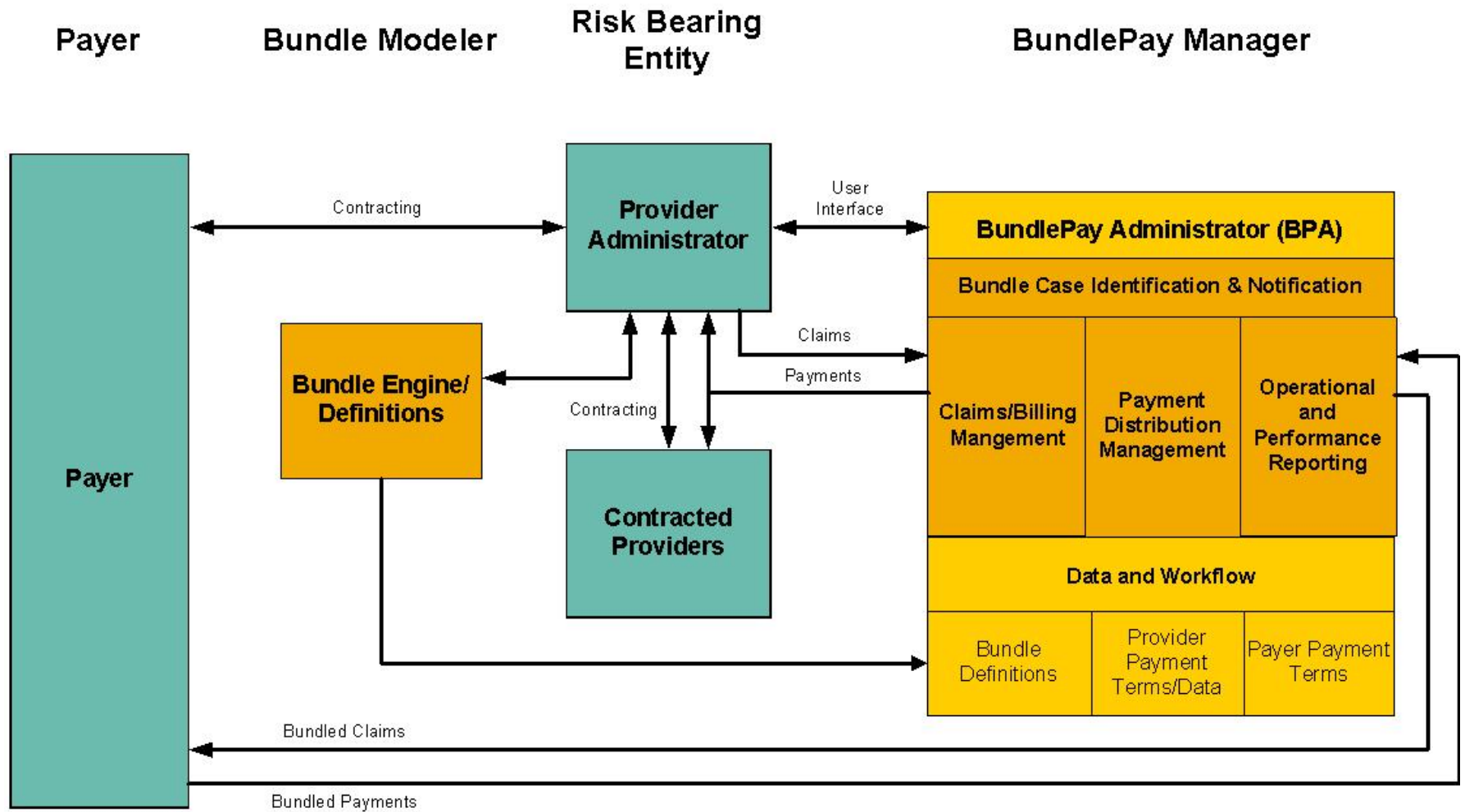
- Bundle modeler – transplant definitions
- Bundle pay manager – retrospective and prospective

Supporting Process and Technology

Integrate clinical episode definitions with episode adjudication functionality and high-powered analytics

Components of a bundled payment solution	
Clinical solution	Bundle definitions Bundle editor Bundle modeler Bundle grouper
Operational solution	Bundle patient identification Bundled claims and billing management Payment distribution management
Reporting and analytics	Operational reporting Analytical reporting

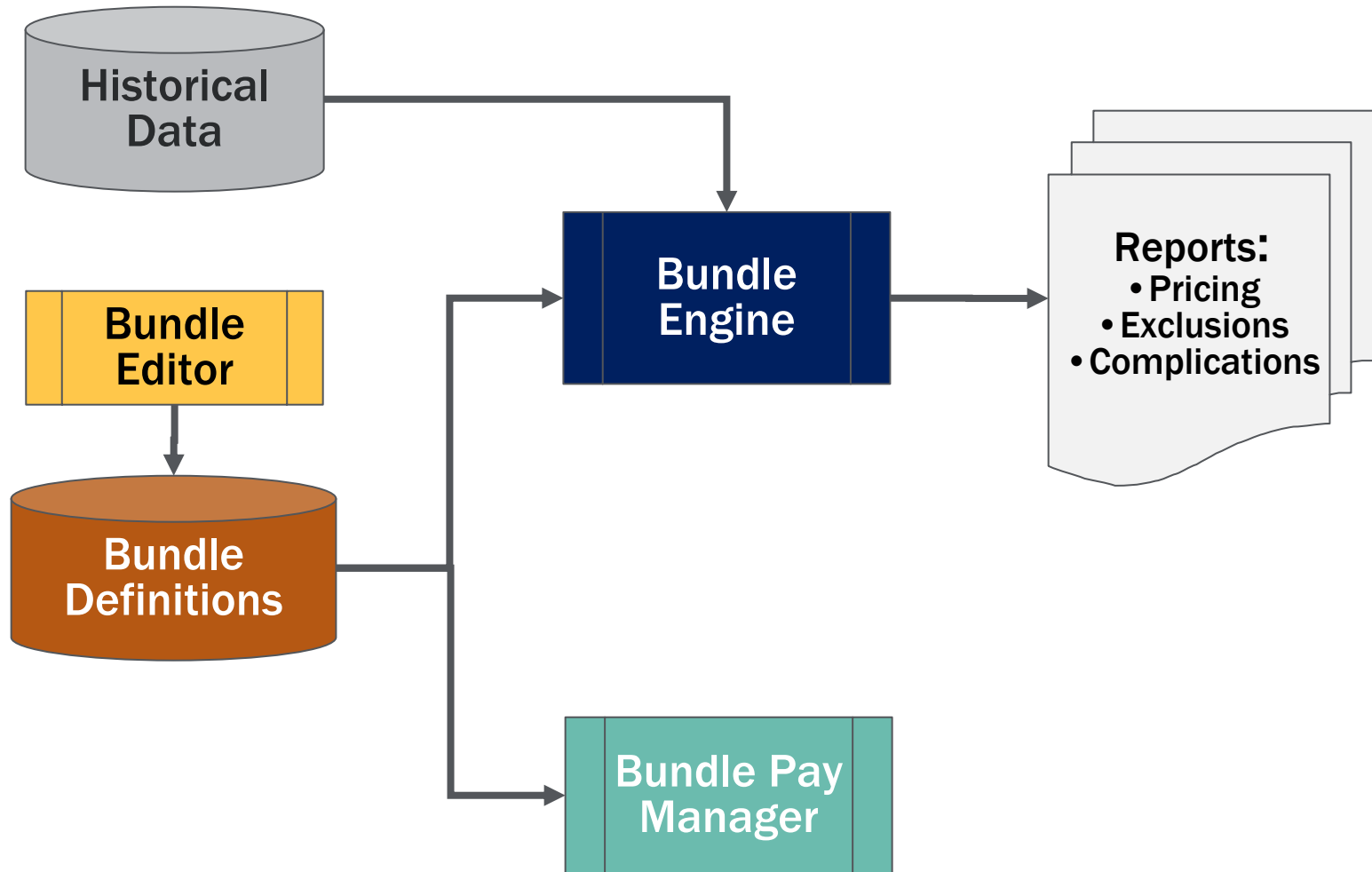
Bundled Payments Solution Overview



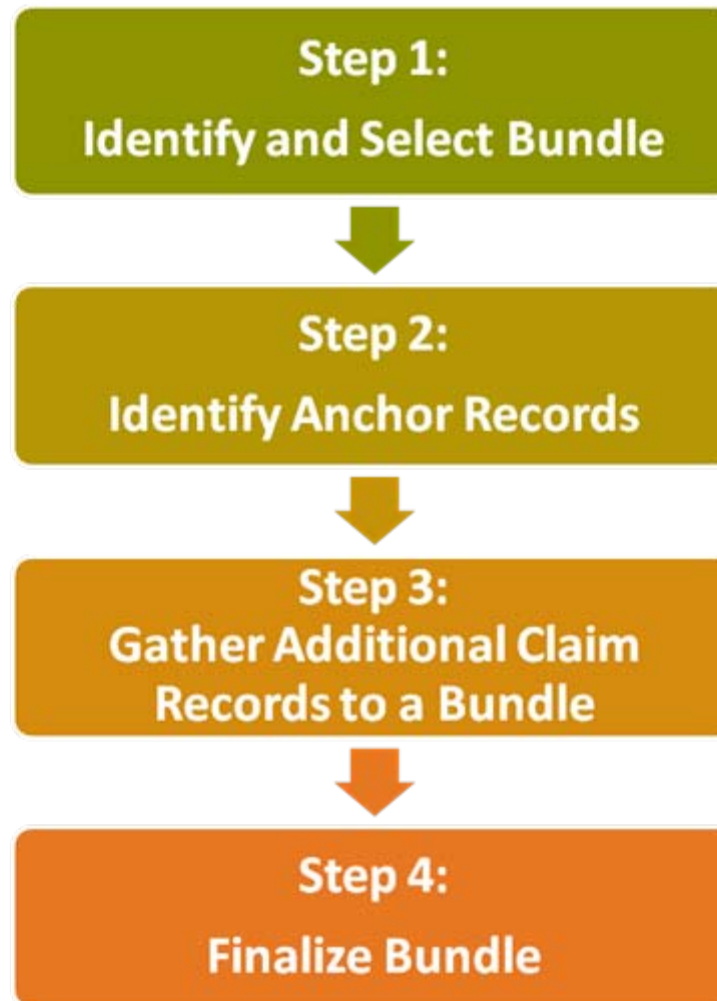
Bundle Modeler – Customization & Flexibility

- Ability to customize
 - Pre and post time frames
 - Target time frames
 - Anchor procedure and diagnosis codes
 - Target procedure and diagnosis codes
 - Exclusion criteria
 - Inclusion criteria
 - Complications and time frames around complications
 - Severity markers

High-Level Bundle Modeler Design



Bundle Modeler: Processor Overview



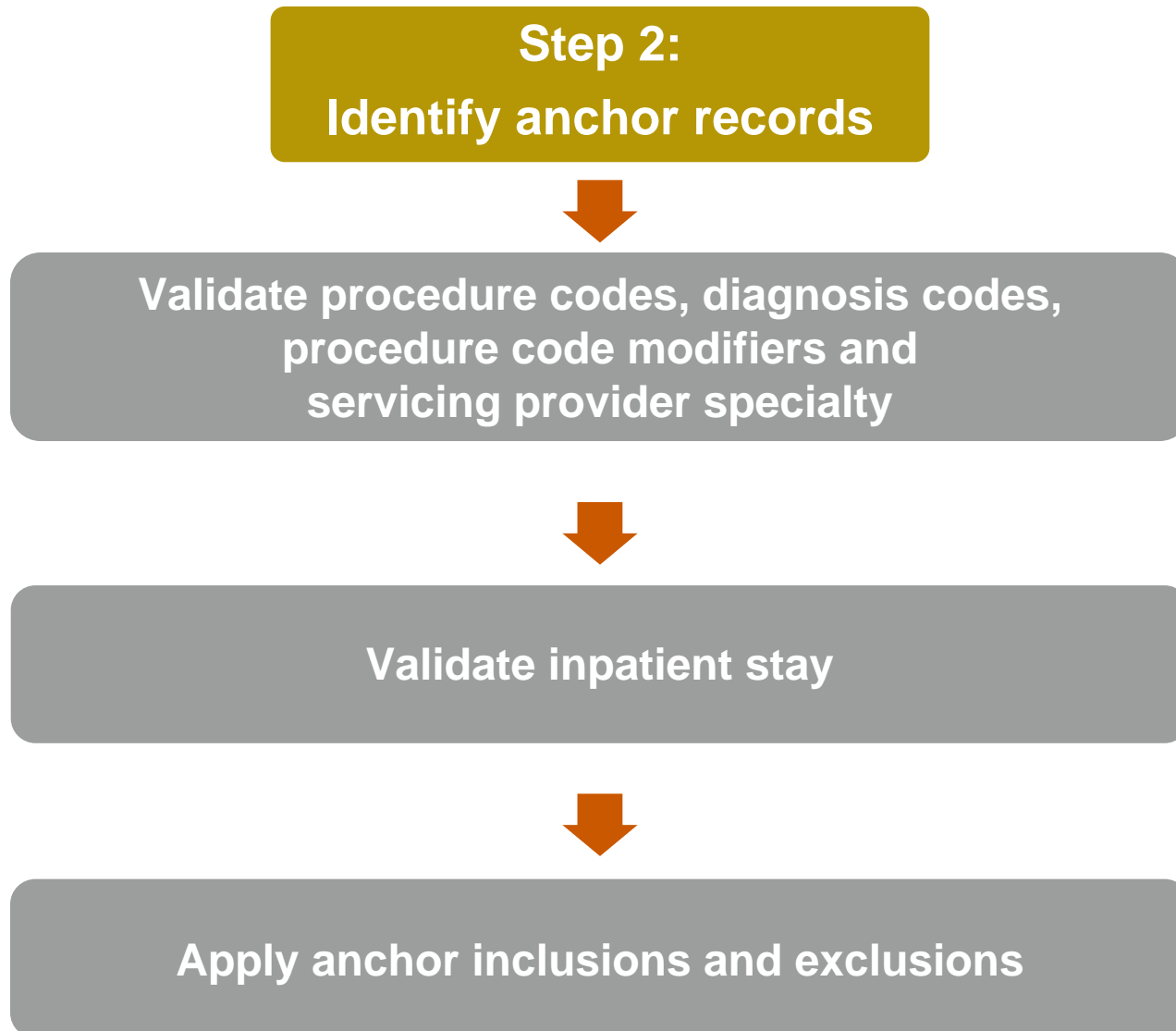
Process – Step 1

**Step 1:
Identify and select bundle**



**Determine which bundles will be extracted from the
database for processing**

Process – Step 2



Process – Step 3

**Step 3:
Gather additional claim
records to a bundle**

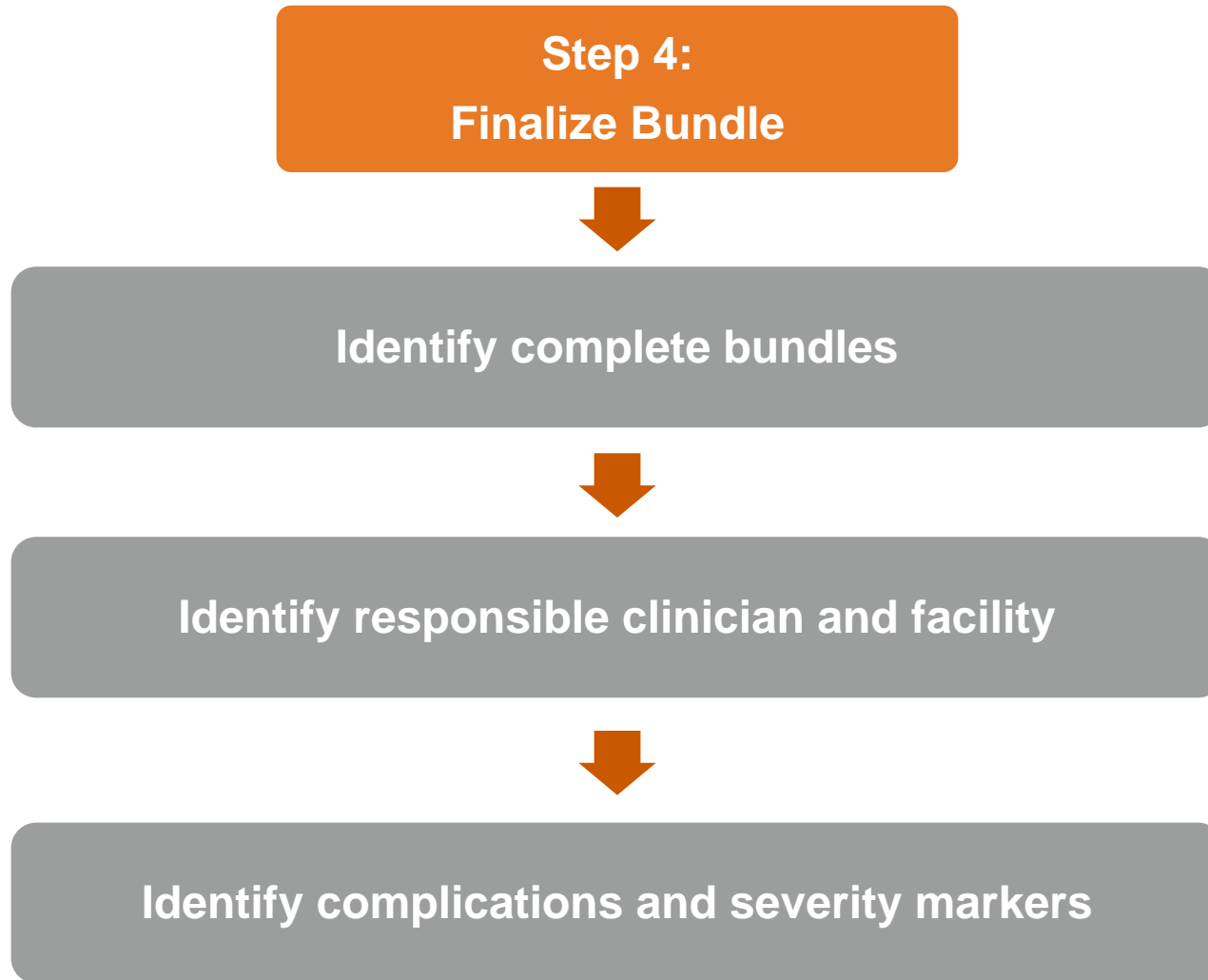


**Evaluate claim records based on the
close windows around the anchor**



**Evaluate claim records based on
individual target windows**

Process – Step 4



Bundle Pay Manager: Operational & Administration Tool

- **Bundle case identification & notification**
 - Identify and validate bundle patients, and notify program constituents (payer and provider)
- **Bundle claim validation & aggregation**
 - Validate and accumulate bundle claims, create and submit identified bundled bills with key indicator
- **Bundle payment reconciliation & distribution**
 - Receive bundled payments, allocate and remit payments to bundle service providers

Reporting & Analytics

Financial analysis and reporting

Actual cost vs. benchmark standards (risk-adjusted)

Bundle payment distribution among service providers

Bundle contribution margin/profitability

Analytics properly aligned with gain-sharing and other performance-based payment arrangements

Quality performance of bundled services

Assess patients' care relative to evidence-based guidelines

Compliance reporting to document that required services are contained in bundle

Reduction in complications, errors and readmissions

Support bundled payment program improvements

Refine bundle definitions

Revise included/excluded services

Custom analyses identifying bundle efficiencies and inefficiencies

Results to Date

- ▶ Modeled, defined, priced clinical episodes of care — total knee replacement, total hip replacement, coronary bypass graft, percutaneous coronary intervention, angioplasty
- ▶ Completed pilot with our employee population and employed physicians
- ▶ Proved methodology and tools for defining bundle service inclusions and exclusions
- ▶ Established criteria for bundle pricing
- ▶ Tested technology to identify and aggregate claims that are part of bundle
- ▶ Generated expected payment amounts and reporting payment distribution

Long-term

- ▶ Enhance workflow to address contracted physicians and providers, and payment calculations to include beneficiary co-pay, deductibles and coordination of benefits
- ▶ Develop and operationalize transplant bundles
- ▶ Expand analytics and reporting that can help with case and care management
- ▶ Develop a gain share process



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