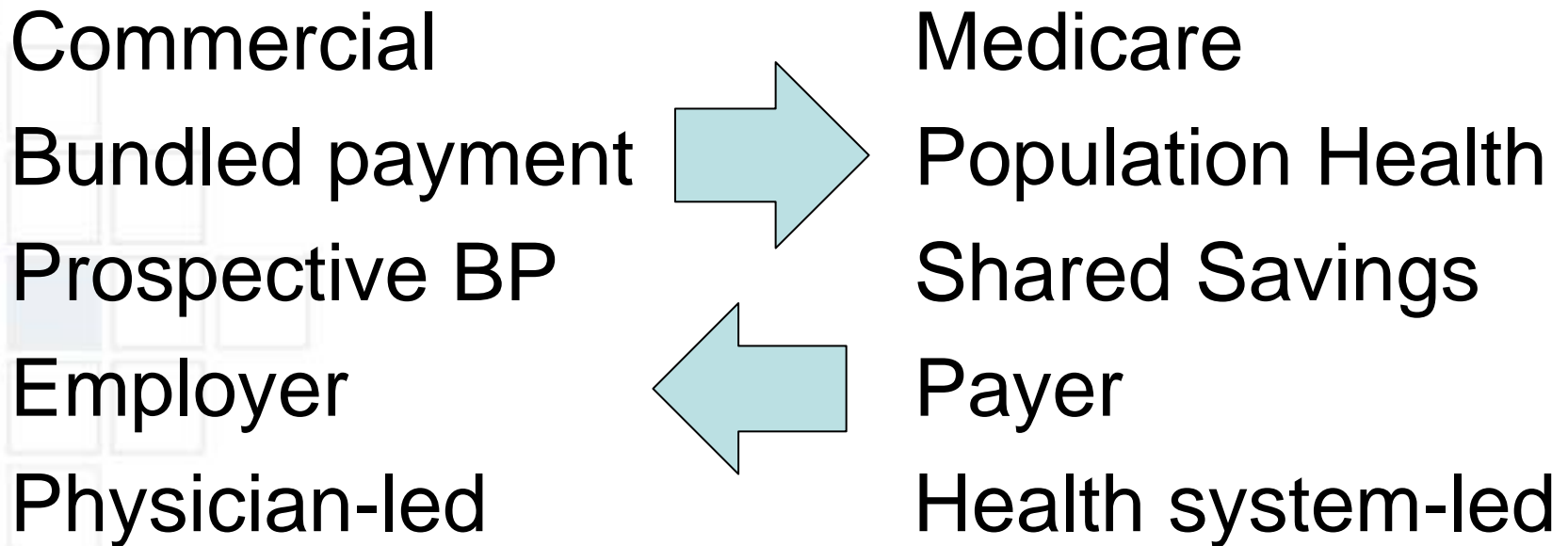


What Providers Need to Know about Employer-Based Bundled Payments



TRANSFORMANT
Healthcare Solutions

The playbook is being written...



*Degree of risk, Operational engagement, Claims management,
Marketing is different for each*

Contracting

- Most employers have little to no experience with direct to provider contracting
- Most will rely on payer or broker to either create a program or validate yours
- Greater focus on consistently high quality and service over dramatically lower cost
- Willing to trial pilots of narrow networks as option rather than all in strategy



Clinical Coordination

- Steps
 - Consensus among caregivers on metrics
 - No one wants low cost low quality care
 - Consensus among caregivers on pathways
 - Decision support tools for families and patients
 - Care navigators assigned early in process
 - Coordination across facilities and entities
 - Physician engagement

Claims Administration

- Biggest hurdle to broad adoption of BP
- Site of service can process electronically; Episode based payment cannot
- Create system to avoid mixing FFS with BP
- Create internal TPA within the risk-bearing organization

Performance Management

- Transparent data benchmarking among participants with agreed-upon metrics
- Trusted forum for reviewing the data – a learning environment
- Risk mitigation via contracting, reserves or re-insurance
- Physician leadership

Messaging to Employees

- Steerage – don't leave home without it
 - Hard
 - Soft
- Narrow networks
 - “Giving you access to the best”
 - “Limiting your choice”
- Does providers' brand matter?
- Internal company ambassadors

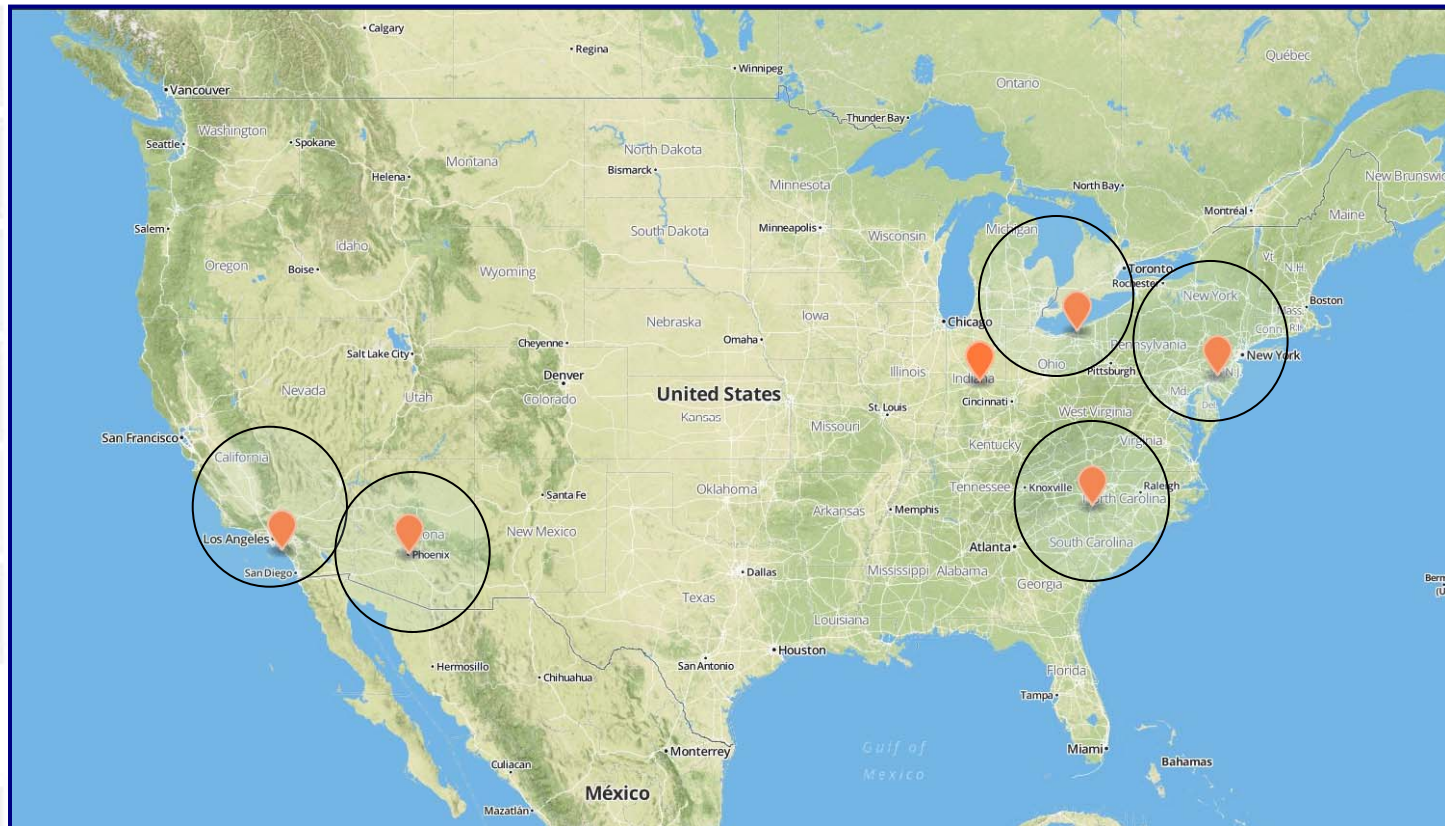
Coordinated Care Program Results

Measure Cost and Outcomes for each patient

- Collect data...
 - ***Quality of Life***
 - ***Pain and Functional*** improvements
 - ***Patient Satisfaction***
 - ***Complications and Readmissions***
- Benchmarking against...
 - Each other
 - Other national leaders

National Orthopedic & Spine Alliance

- Founded by OrthoCarolina, Cleveland Clinic, The Rothman Institute, The CORE Institute, OrthoCalifornia in 2013
- Creating national standards for quality outcome reporting and agreement on surgical indications and treatment protocols



Bundled Payment Initiatives

- 1) Employer Direct Healthcare for TKA, THA, outpt
- 2) BCBSNC for TKA and THA
- 3) Duke Energy/ Optum for Joints and Spine
- 4) General Electric for TKA, THA
- 5) Allevion TKA, THA
- 6) NOSA for TKA, THA
- 7) Medicare BPCI for 5000 patients/year in 30 DRGs

Coordinated Care Program

Surgery Type:	# of Cases:
TKR	99 single / 1 bilateral
THR	97
Uni TKR	7
Spine	8
OutPt Procedures	7
Total	220

Coordinated Care Program

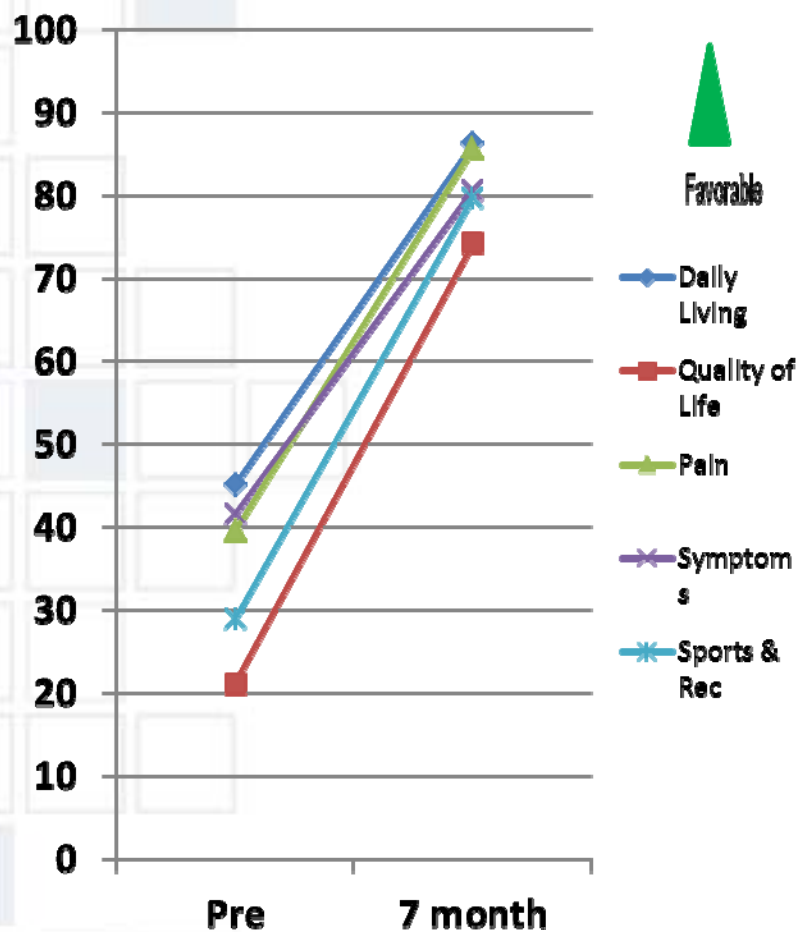
Hospital Reported Outcomes

Mortality	0.0%	Transfusion	0.0%
Related Readmission	0.45%	Pain well controlled	0.0%
Unplanned return to OR	0.45%	Discharged to home	0.0%
Surgical Site Infection	0.45%	Average length of stay	1.5 days
DVT / PE	0.45%		

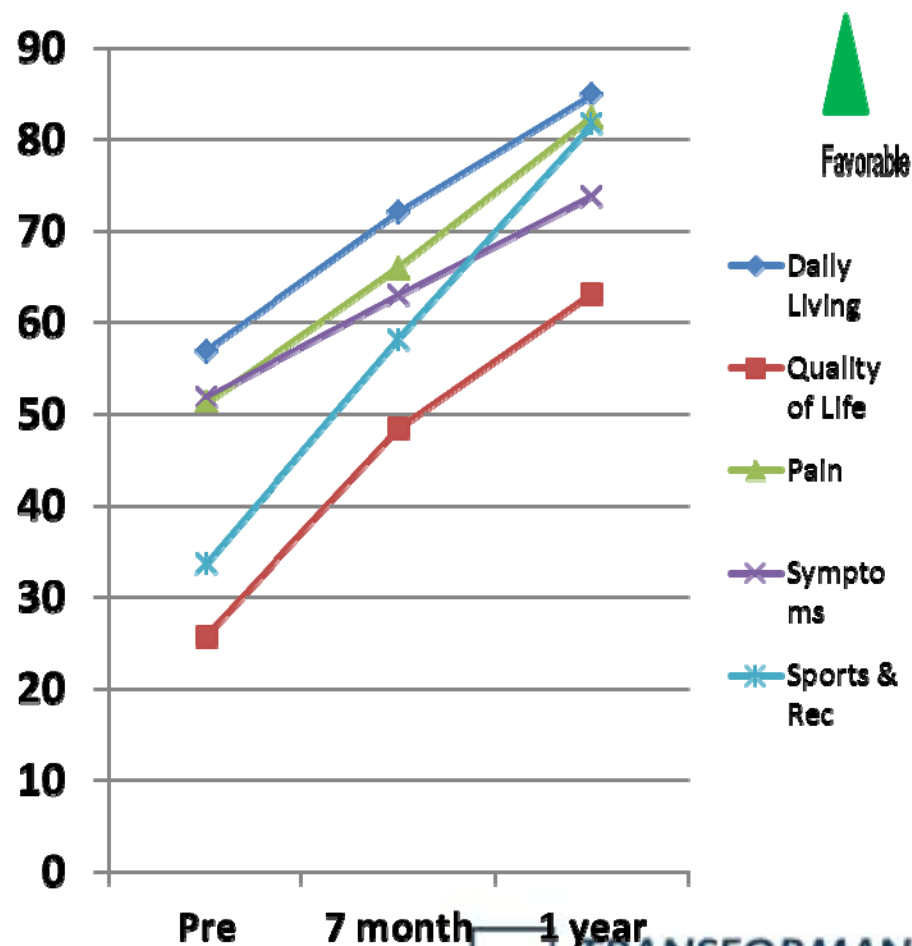


Coordinated Care Program Patient Reported Outcomes

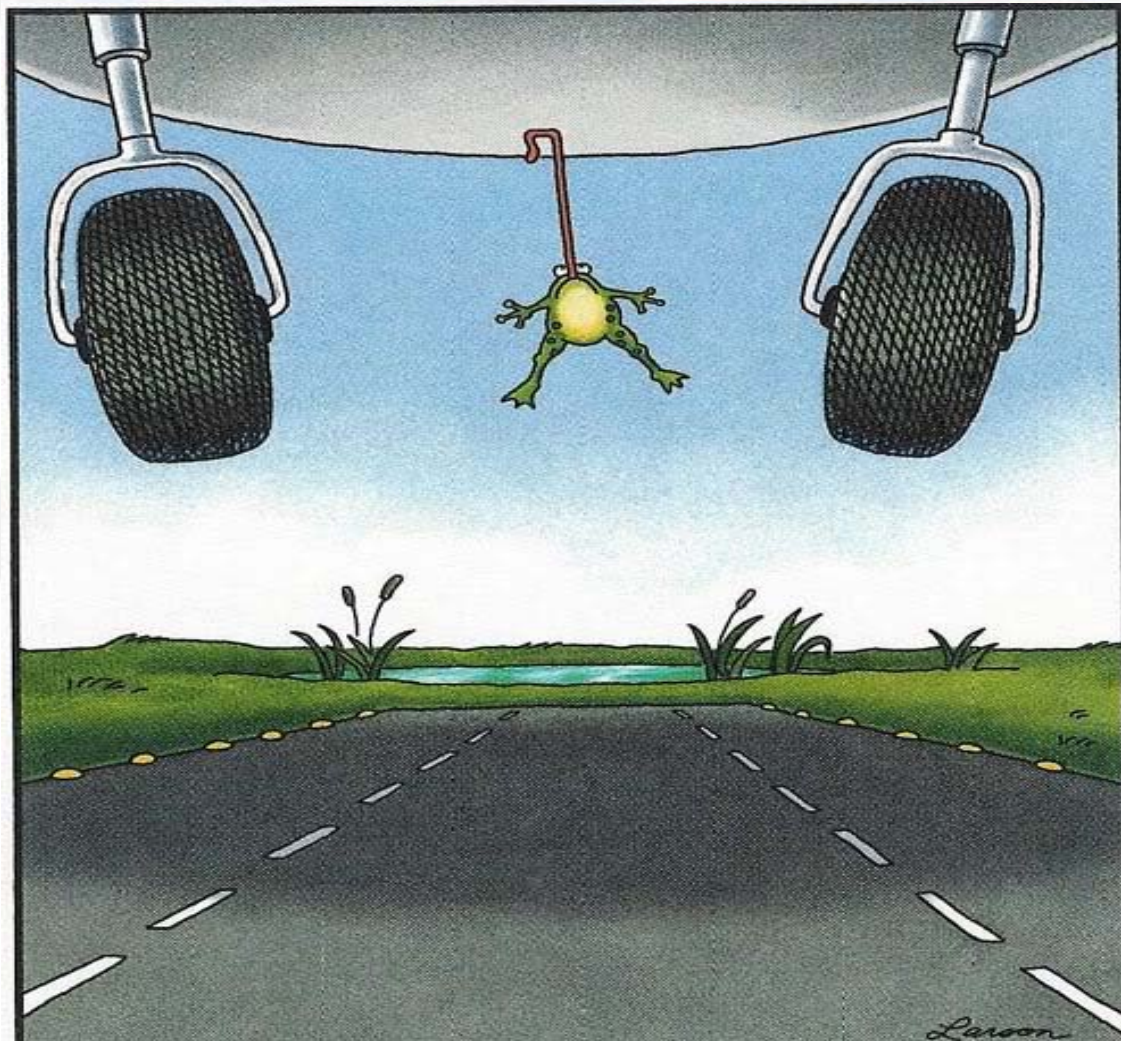
HOOS Hip Survey



KOOS Knee Survey



Physicians Leading Healthcare Transformation



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