

UnitedHealthcare Bundled Payments Bundled Payment Summit

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Washington, DC

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Bundled Payment Solutions

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Cleveland Clinic

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VP and GM, Network Payment Innovation
Optum



Agenda

- Summarize barriers to bundled payment adoption and UnitedHealthcare's approach to minimizing them
- Introduce United Healthcare's Care Bundles Program
- Describe the current bundled payment experience at Cleveland Clinic, a provider that engages in bundled payments in multiple markets
- Outline UnitedHealthcare's Bundled Payment Services for providers, including data analytics, care navigation technology, and care navigation support resources

Speaker

Jeff Meyerhofer

President - UnitedHealthcare Bundled Payment Solutions

Jordan Reigel

Vice President, Medicare Payment Strategy

Monica Deadwiler

Senior Director for Payment Innovation, Cleveland Clinic

David Mauzey

General Manager, Optum Bundle Pay Manager

What Is The State Of Healthcare?



Expensive

- Rising labor costs
- Rising prescription drug costs
- Treatment advances
- High obesity rates



Fragmented

- Health Records
- Data
- Care Coordination
- Who talks to whom?



Transparency

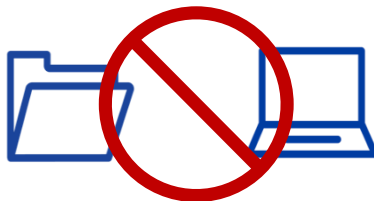
- Understanding of costs
- Provider-to-provider data gaps
- My health data

What Are The Drivers?

Demographic



Data Liquidity

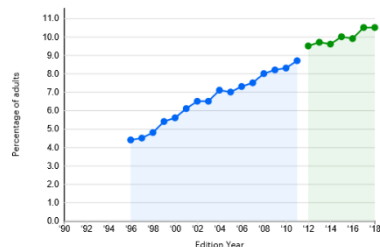


Political Instability



Chronic Diseases

Trend: Diabetes, United States



Source:

- CDC, Behavioral Risk Factor Surveillance System

**~9% Diabetic
Doubled in last 20 years**

Social Determinants

INCOME

Obesity - Less Than \$25,000

38.0%

Obesity - \$25-\$49,999

34.2%

Obesity - \$50-\$74,999

33.0%

Obesity - \$75,000 or More

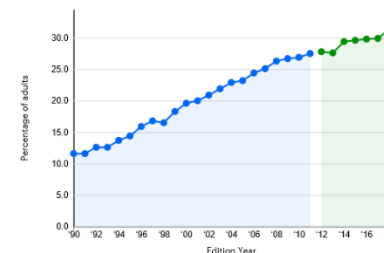
27.2%

Percentage of adults

<https://www.americashealthrankings.org/>

Wellness

Trend: Obesity, United States



Source:

- CDC, Behavioral Risk Factor Surveillance System

**>31% Obese
Doubled in last 20 years**

Incremental Adjustments

Vertical Integration



Proven Partners – New Markets



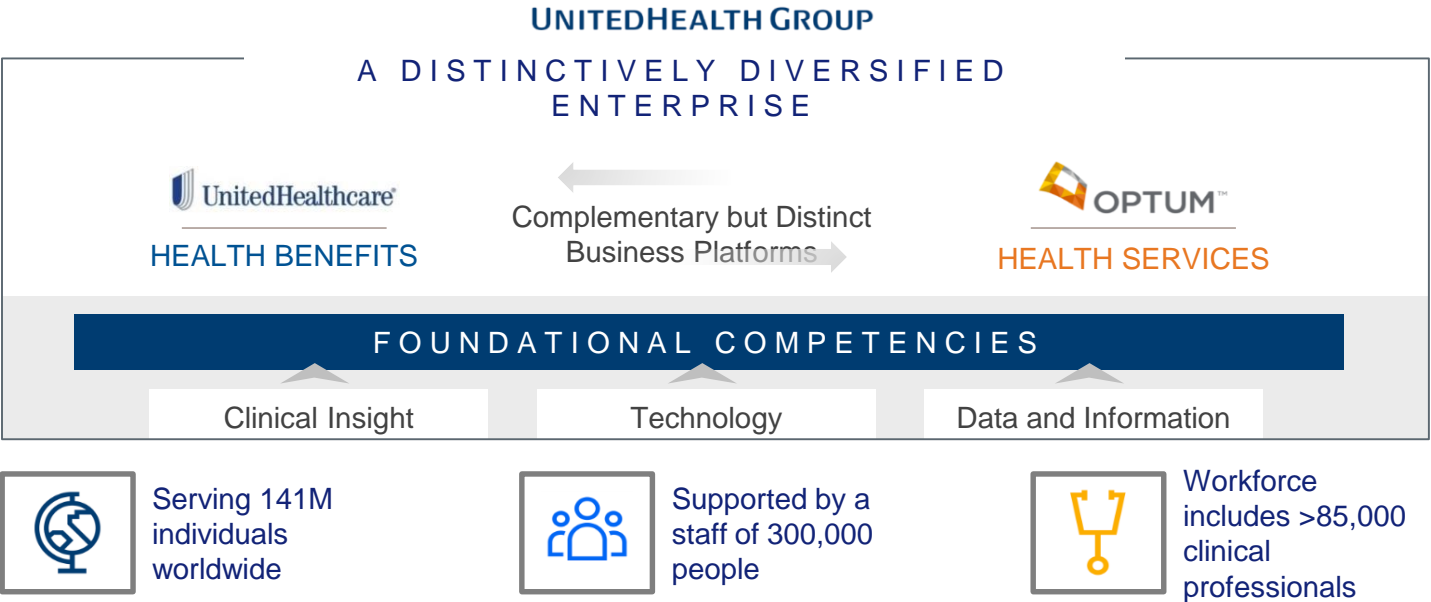
New Participants



Direct to Consumer Partnerships



How We Operate



**HELPING PEOPLE LIVE HEALTHIER LIVES AND HELPING MAKE
THE HEALTH SYSTEM WORK BETTER FOR EVERYONE**

Enterprise Value-Based Experience



\$72B value-based
arrangements in place



More than 15M UHC
members access care from
physicians in value-based
arrangements



Over 1,000 ACO's in use
with its network of care
providers



Over 110,000 physicians and 1,100 hospitals participate in
UnitedHealthcares' value-based care programs

What Is the UnitedHealthcare Care Bundles Program?

The program is a retrospective shared-risk model with three components.

1

Retrospective bundles for UnitedHealthcare Medicare patients
(Medicare Advantage Bundled Payment Program)

2

Retrospective bundles for CMS Traditional Medicare patients
(Bundled Payment for Care Improvement Advanced, BPCI-A)

3

Bundled Payment Solutions (BPS)

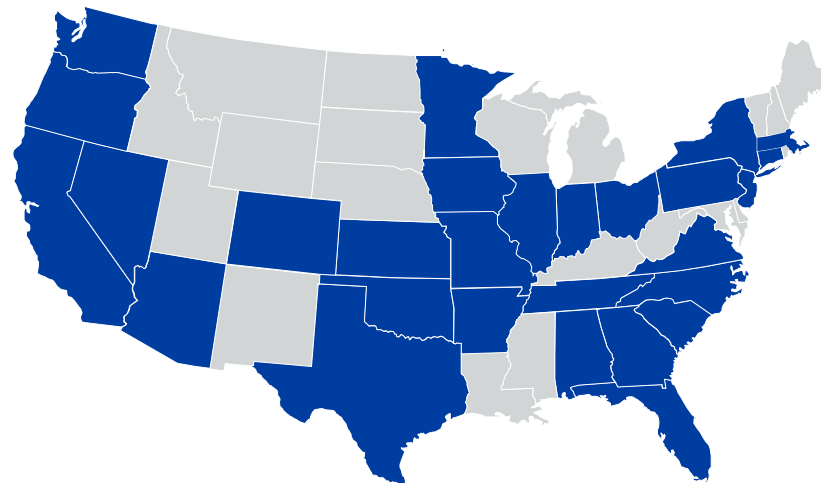
Provides one management solution for both patient populations

Provides end-to-end episode of care management services and technology to help the provider achieve program success.



Enterprise Bundled Payment Footprint

UnitedHealth Group has national experience in managing a variety of bundled payment models across 80+ episodes of care



KEY:  Current Bundled Payment Presence

Medicare BPCI-A

- Top-five convener across 23 markets

Supported BPCI Classic

Commercial

- Contracts across 29 States
- Employer bundles with 3M+ members

Medicaid

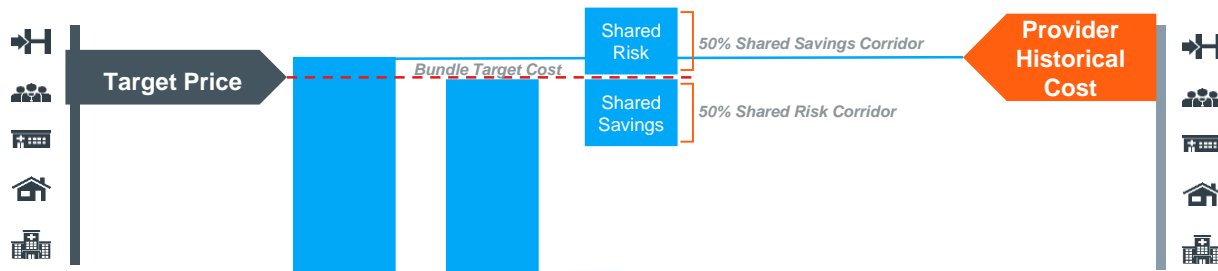
- Contracts across five states
- TennCare

Medicare Advantage

National Medicare Advantage program launching 1/1/2020
Aligned w/BPCI-A

Bundle Model Overview

BPCI-A and UnitedHealthcare Medicare Advantage bundles operate off the same principles



Key Model Characteristics

Target Price

Both models establish target price through historical performance based on claims related to episode of care
Target prices are specific to historical performance by provider group and are adjusted for patient risk

Included Service Categories

Service categories included in the bundle are the same across both models including: (physician, inpatient and outpatient facility, readmissions, LTCH, IRF, SNF, HHA, clinical lab, DME, Part B drugs, hospice)

Quality Metrics

Quality metrics are used in both models. For BPCI-Advanced, a composite quality score is applied and applied to shared savings/risk. For Medicare Advantage, meeting quality metrics is a gateway to shared savings/risk and a composite quality score is applied.

Risk Arrangements

Both models are up and downside risk arrangements capped at 20% of the volume weighted sum of the target price across all episodes

Both Models Supported by UnitedHealthcare's Bundled Payment Solutions

Why partner with UnitedHealthcare?



The **UnitedHealthcare Care Bundles Program** provides you the opportunity to participate in **either** or **both** the **CMS BPCI-A Medicare FFS** and **UnitedHealthcare Medicare Advantage** offerings.

An opportunity to work together to improve health outcomes, share in cost savings and gain access to a suite of services that can help you in your day-to-day operations.

Physician-Centered Model



State-of-the-Art Data Analytics



Business Administration



Long-Term Value Proposition



Effective Patient Navigation



Physician/Patient Applications



Internal Cost Savings



Performance Reports/Dashboards



Mobile Patient Tracking





Cleveland Clinic

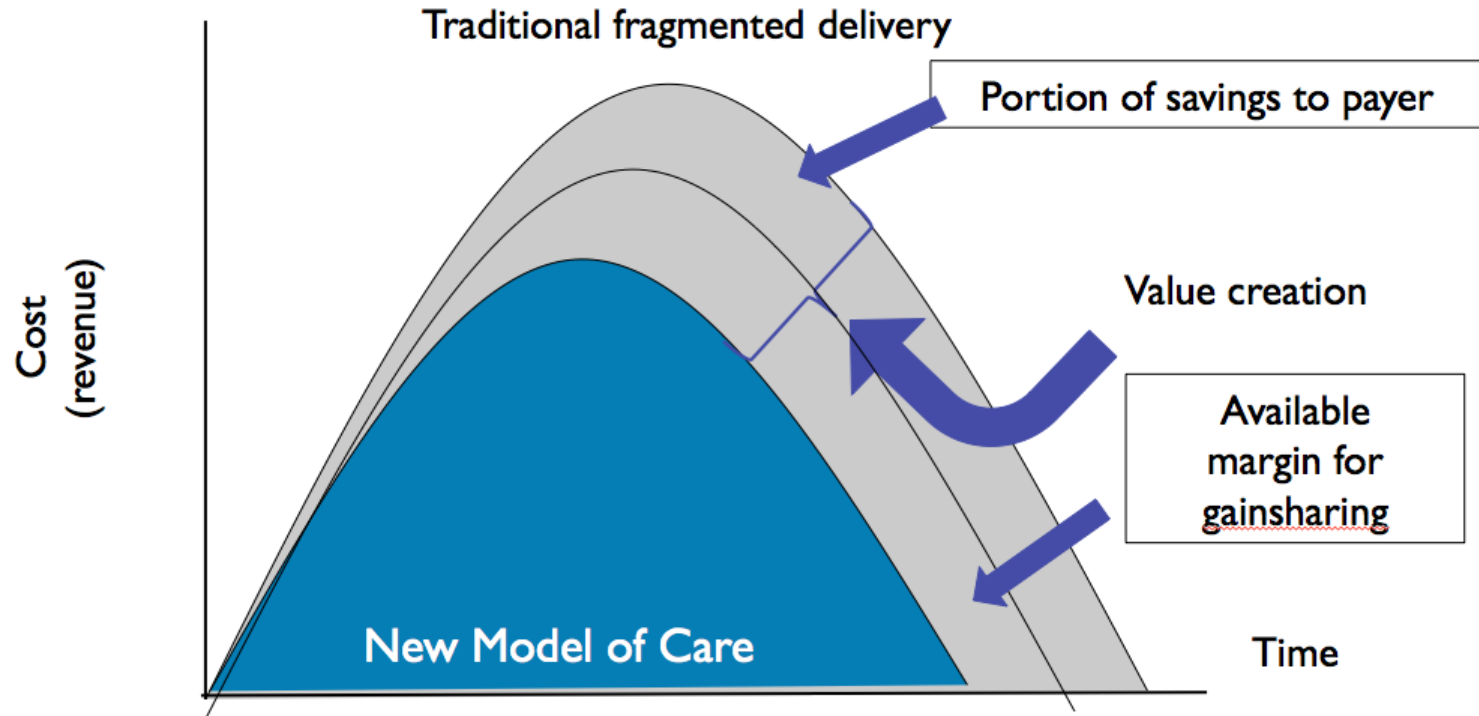
Cleveland Clinic's Bundled Payment Approach

Monica Deadwiler

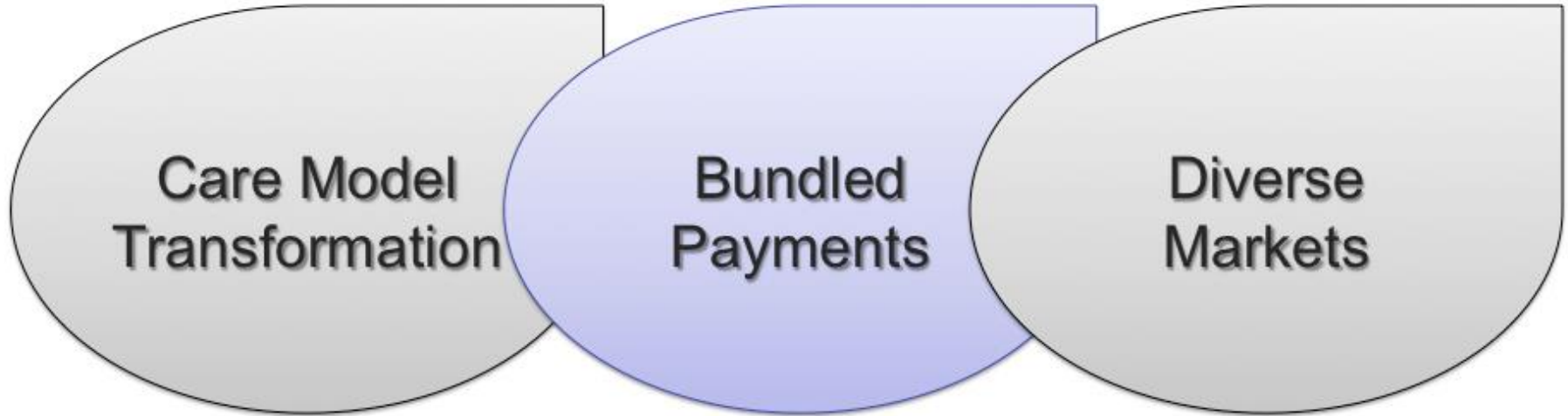
Senior Director
Payment Innovation
Cleveland Clinic



The Business Case: Value is Created by Better Episode Management through Care Redesign



Linking Care Model Value Creation to Market Via Bundled Payments



- Care Path
- Longitudinal Care
- Research
- EMR Enablement

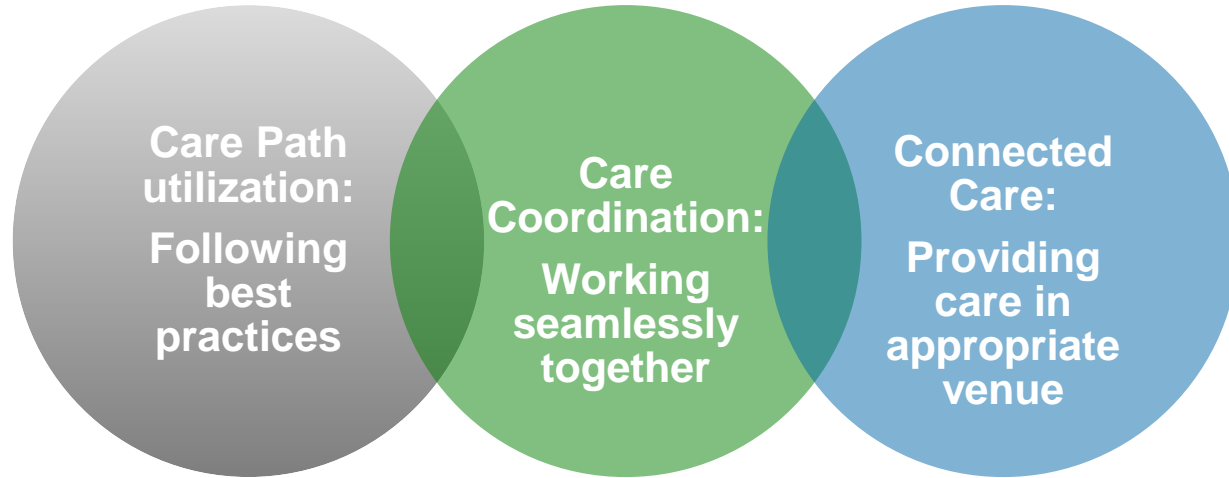
- Definitions
- Affiliate Networks
- Bundle Infrastructure

- Health Plans
- Employers
- Other ACOs
- International

Episode-Based Complete Care Philosophy

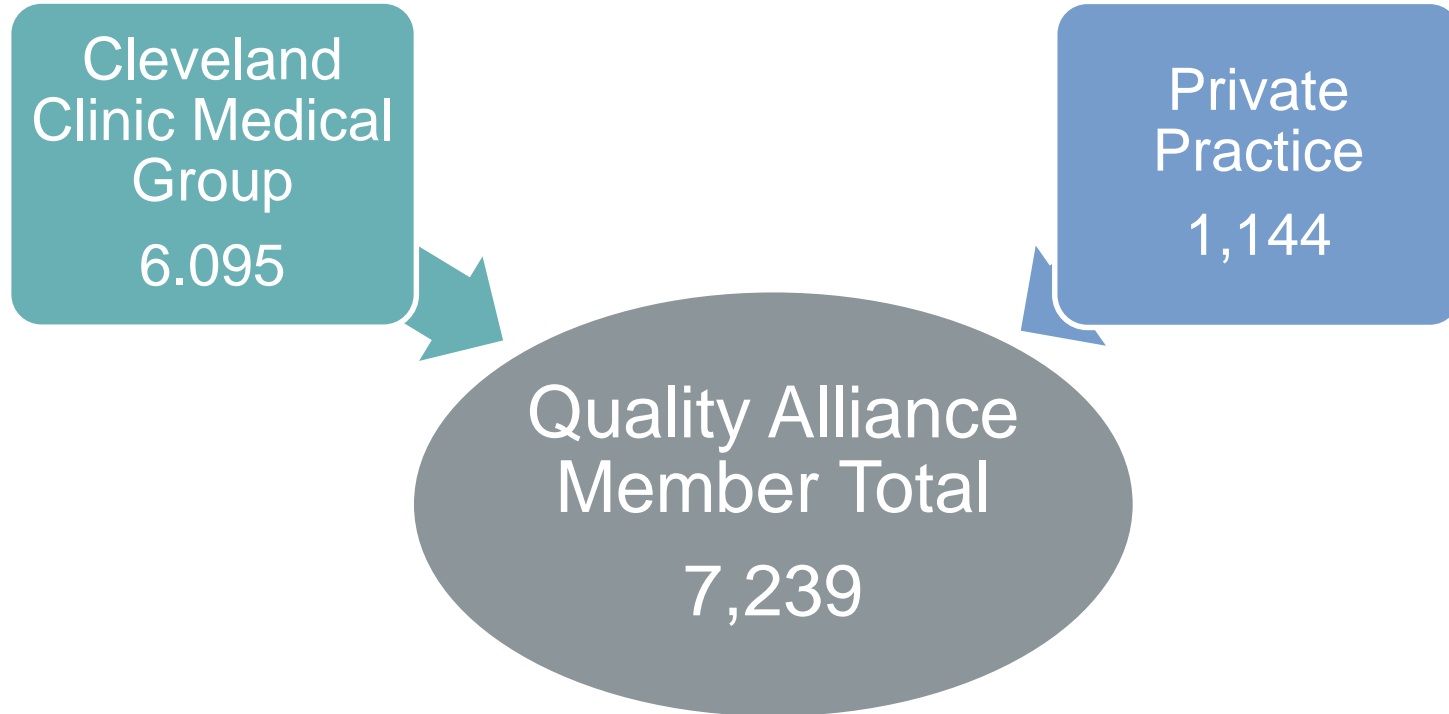
Care Redesign Comes First

Our Promise to Patients: We will deliver all the care needed to get you through entire episode of care



Patient Commitment: You must be engaged in every step of the process, bring resources, get educated and work with us to modify your risk

Care Model Redesign Includes: Quality Alliance Clinically Integrated Network



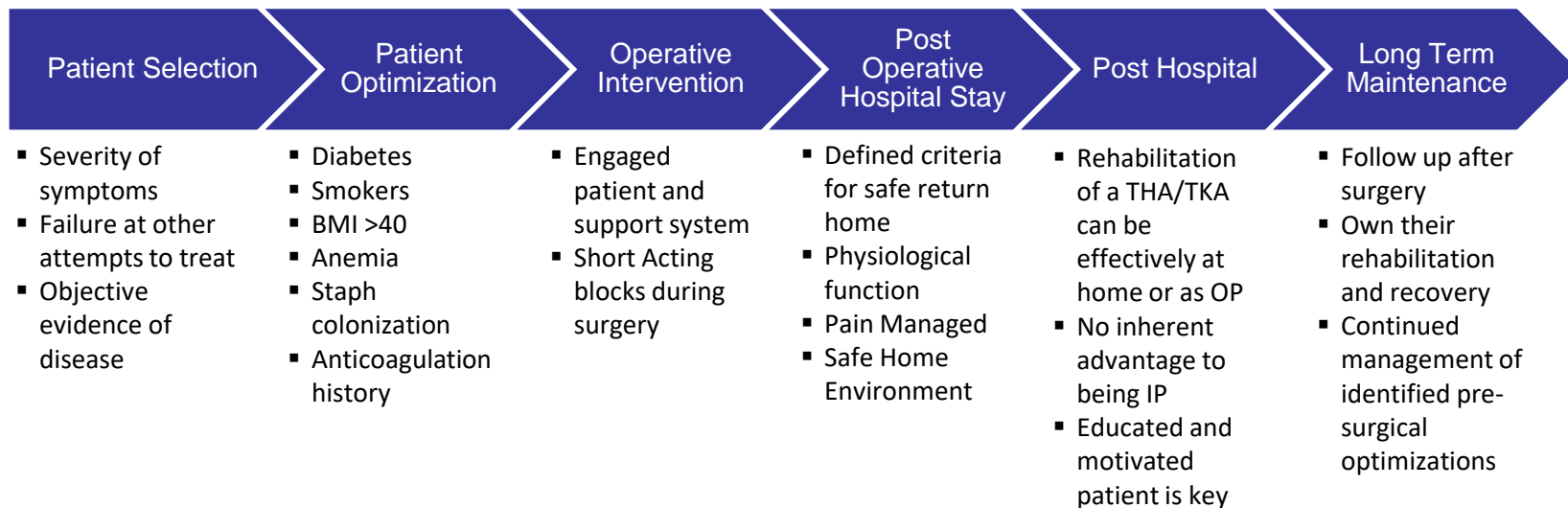
Cleveland Clinic's Total Joint Care Redesign Implementations



- Euclid Hospital – October 2013
- Lutheran, Hillcrest, Fairview, Medina, Marymount, South Pointe – April 2015
- Lakewood, Akron General – July 2015
- Cleveland Clinic Florida – October 2015

Achieved by standardized care model transformation methodology, performance management tools and caregiver education

Cleveland Clinic's Orthopaedic Episode-Based Complete Care



Our Episode Value Scorecard

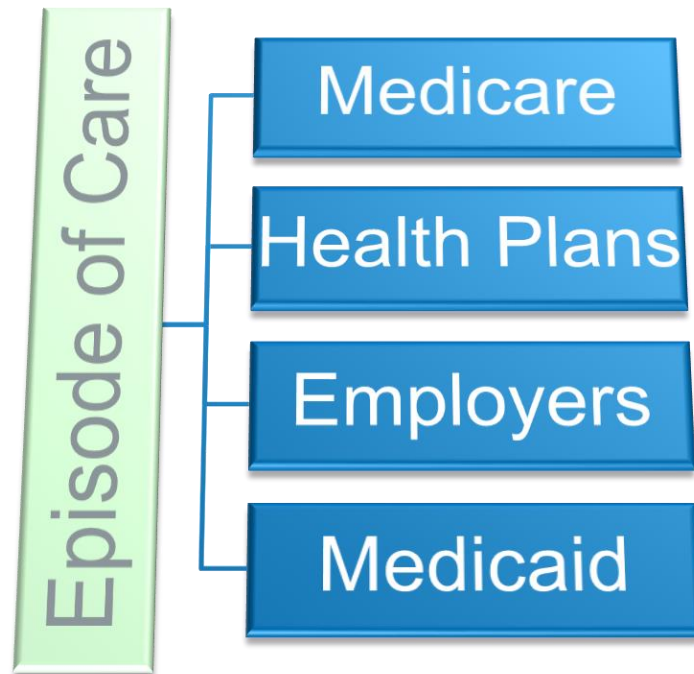
| | | |
|--------------------------|--|--|
| | <u>Clinical Outcomes</u> Physical Therapy day of surgery Decrease in pain medications needed Compliance with Care Path | <u>Patient Safety</u> Core measures Patient optimization prior to surgery |
| Process measures | | |
| | PRO, Koos/Hoos Return to work/sports Range of motion PT test, Pain free | Pt safety indicators, SSI, Readmissions, Re-operations, Post Operative falls, Post Op Nausea/vomiting Transfusion |
| Outcomes measures | | |
| | <u>Patient Experience</u> Patient and family education Engaged and activated patients Family/Support person involvement Quality shared decision making Appt. when wanted Feel prepared for discharge Joint Class | <u>Efficiency</u> Resource utilization Cost of care Utilization Review: avoiding unnecessary tests, Reduced LOS, Discharge disposition |
| Process measures | | |
| | HCAHPs Return/second surgery | Total cost of care Contributions to cost (acute, post acute venue, complications, readmissions) |
| Outcomes measures | | |

Results: Care Redesign Leads to Value Creation

- Total savings = \$523k across 271 patients/Clinical Episodes
- CMS gained \$160k through a 3% episode discount
- Cleveland Clinic gained \$363k through reduced expenditures
- Please note: Data represents Q4 2013 - Q3 2014

The care redesign also improved performance of other value based programs such as MSSP and commercial value based programs

Care redesign enables us to offer products to many markets...



Summary

- Bundled payment are demonstrating value
- Achieving scale and scope drives business complexity
- Partnership with Bundled Payment Solutions has helped Cleveland Clinic manage this complexity

Bundled Payment Solutions Technology and Analytics

UHC Bundled Payment Solutions (BPS)



Technology

Care
Management

Data
Analytics

Admin
Resources

A Full Suite of Services

Bundled Payment Program Administration

Manages contractual requirements to remain eligible and compliant

Bundled Payment Risk Administration

Supports financial risk management and enablement services for bundled payment contracts

Bundle Selection Consulting

Provides access to superior data assets, tools, and resources to enable intelligent bundle selection

Bundle Eligibility and In-Episode Management

Uses clinical data to identify cases likely for episodes and then manages across care coordination platform

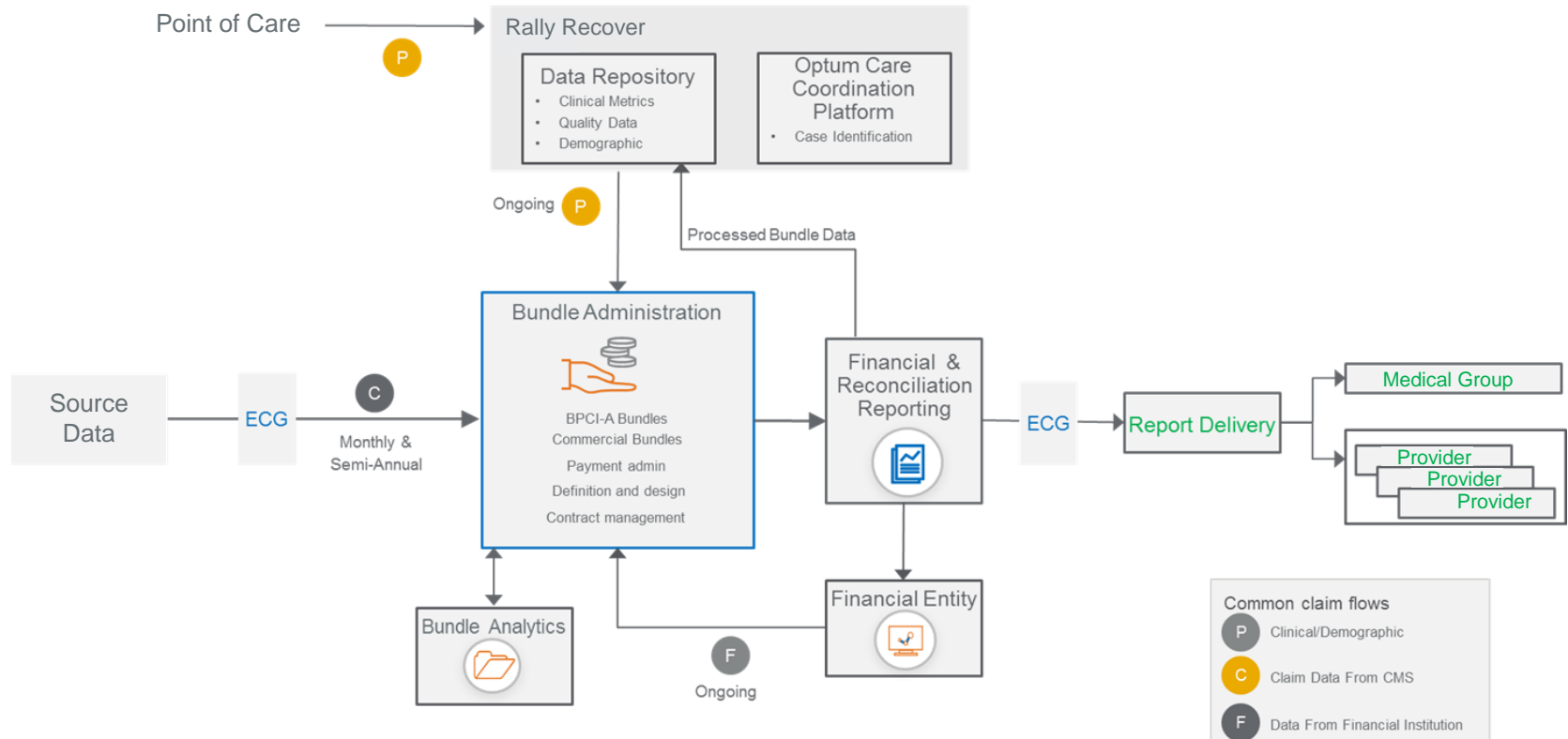
Performance Analytics and Reporting

Provides solutions that enable the alignment of reimbursement policies from fee-for-service to value-based methodologies and support organizations to move from volume to value

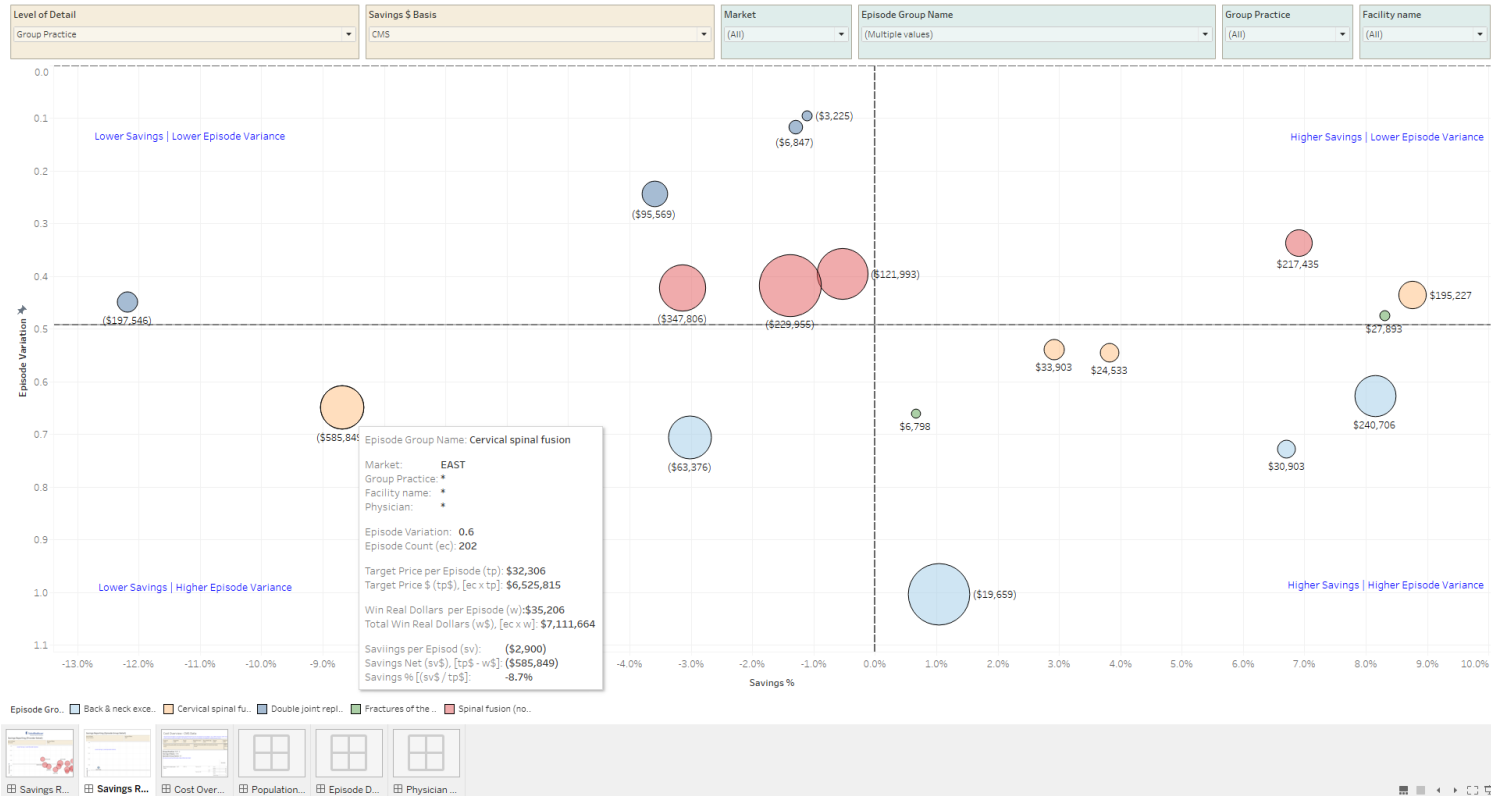
Care Management Technology and Resources

Enables a care management strategy including post-acute network design supported by both technology and resources as desired

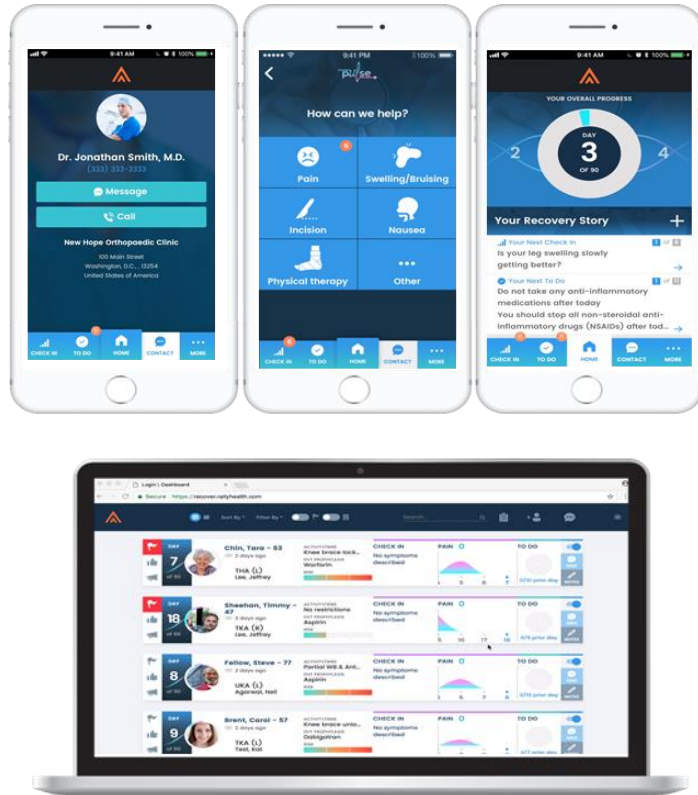
Bundled Payment Data Flow



Savings Reporting (Episode Group Detail)



Physician / Patient Engagement Platform



- Care provider and patient-facing experience
- Helps optimize pre- and post-operative care
- Streamlines communication between care providers/ care teams and their patients
- Mobile-first technology with a modern user experience
- High patient engagement /satisfaction
- Increases discharge to home rates
- Optimizes post-acute home services to reduce patient burden
- Reduces readmissions
- Reduces outpatient services through use of digital physical therapy
- Developed by a team of physicians that understand the work flow needs
- Cloud-based compliant technology



Thank You