

PROMETHEUS Pilot Pre-conference



Fair, Evidence-based Solutions. Real and Lasting Change.

Francois de Brantes

March 23rd 2011

Agenda

Session	Topics/Title	Presenters
8:30-8:45a.m.	<input type="checkbox"/> Five lessons learned from the RWJF-funded Prometheus Payment pilots	<ul style="list-style-type: none"> • Francois de Brantes(HCI3)
8:45-9:15a.m.	<input type="checkbox"/> Analyzing opportunities for episode of care (EOC) payment	<ul style="list-style-type: none"> • Elizabeth Siteman (HCI3)
9:15-10:15a.m.	<input type="checkbox"/> Contracting for episodes	<ul style="list-style-type: none"> • Doug Emery (HCI3) • Eddie Bell (Providence) • Greger Vigen (SOA)
10:15-10:30a.m.	<input type="checkbox"/> Break	
10:30-11:30a.m.	<input type="checkbox"/> Operationalizing & Implementing EOC payment	<ul style="list-style-type: none"> • Chad Brown (HCI3) • Liz Rubin (Horizon) • Joe O'Connor (CareFuze)
11:30a.m.-Noon	<input type="checkbox"/> Q&A	<ul style="list-style-type: none"> • All

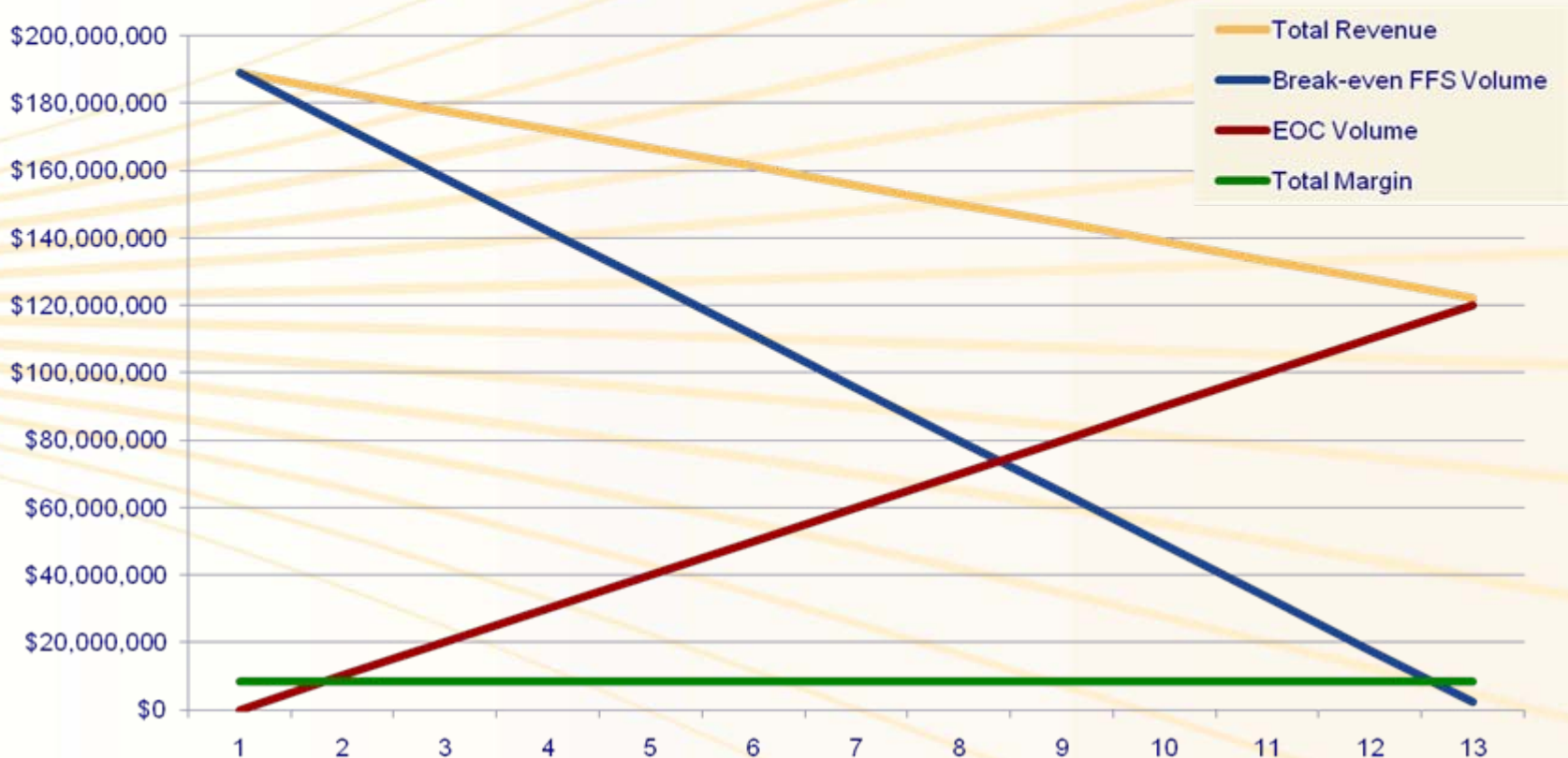
Lessons learned from Implementations

- 5 ingredients to success:
 - Full CEO engagement
 - Commitment by willing plan AND provider
 - Clean and complete claims and eligibility data
 - EMR systems
 - Sense of urgency
- We've actually made the operations relatively easy, and they're becoming easier.
- However, hospitals, in particular, have a growing dilemma to manage

The Hospital CFO's Dilemma

- It's better to make a 7% margin on \$140 million in revenue than a 4.5% margin on \$190 million in revenue
- However, you're worse off if you're making a 7% margin on \$40 million plus a 4.5% margin on \$120 million
- So...how do you manage the transition from volume-based payment to value-based payment?

VBP volume and margin dictate the sustainable pace of change



Note: Assumes a 7% margin for Episode of Care payment and a 4.5% margin for FFS payments.

FFS b/e Vol = (Target \$ Margin – (EOC \$ Vol * EOC margin)) / FFS margin.

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