

# Fairview and Carol: Change Care & Change Payment

April 29, 2009



**Implementing Bundled Payments for Health Care Services**

# Fairview Health Services

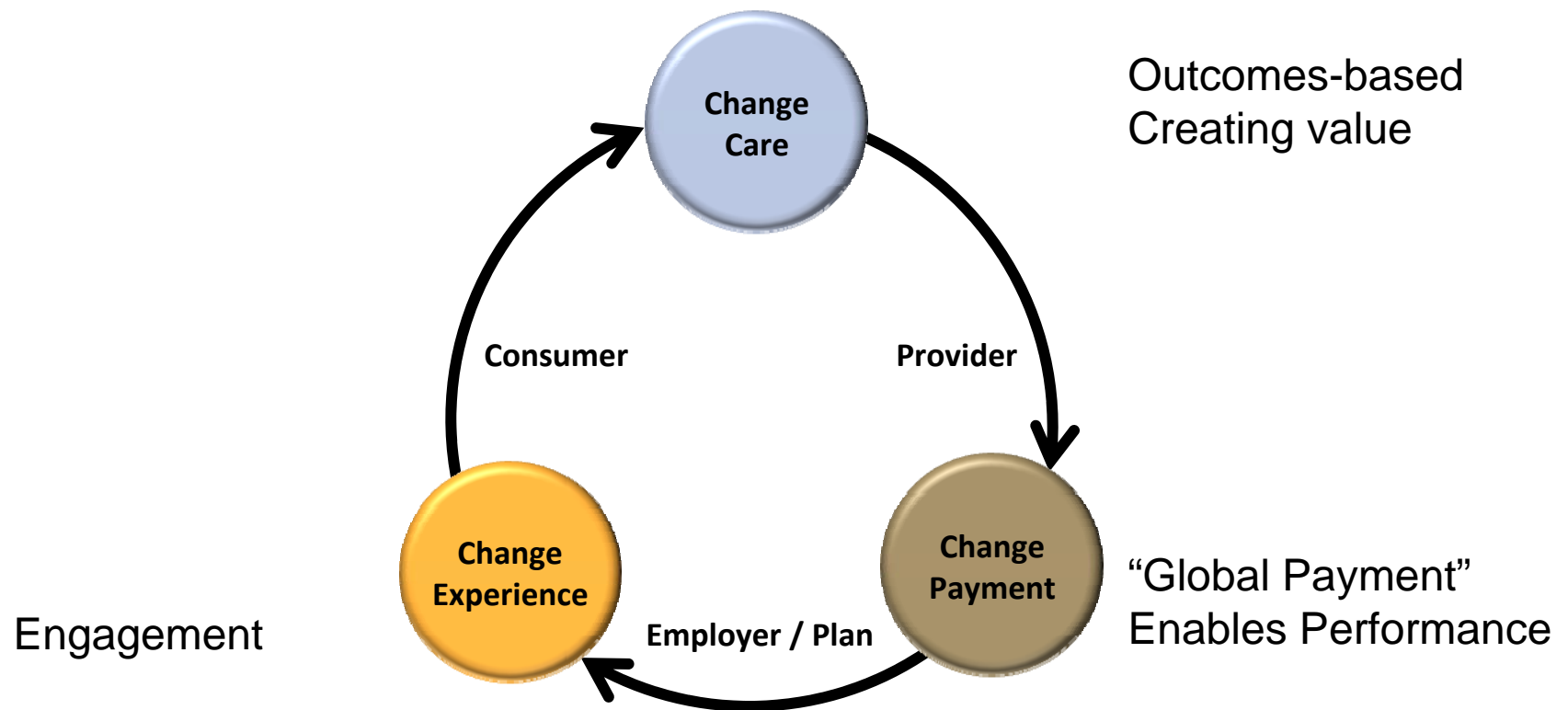
## Situation

- Reached the limits of inflationary FFS price increases
- Employers suffering from high health care costs despite MN being low cost state
- Cost increases related to Medicaid are contributing to untenable state budget shortfall

### Our Findings:

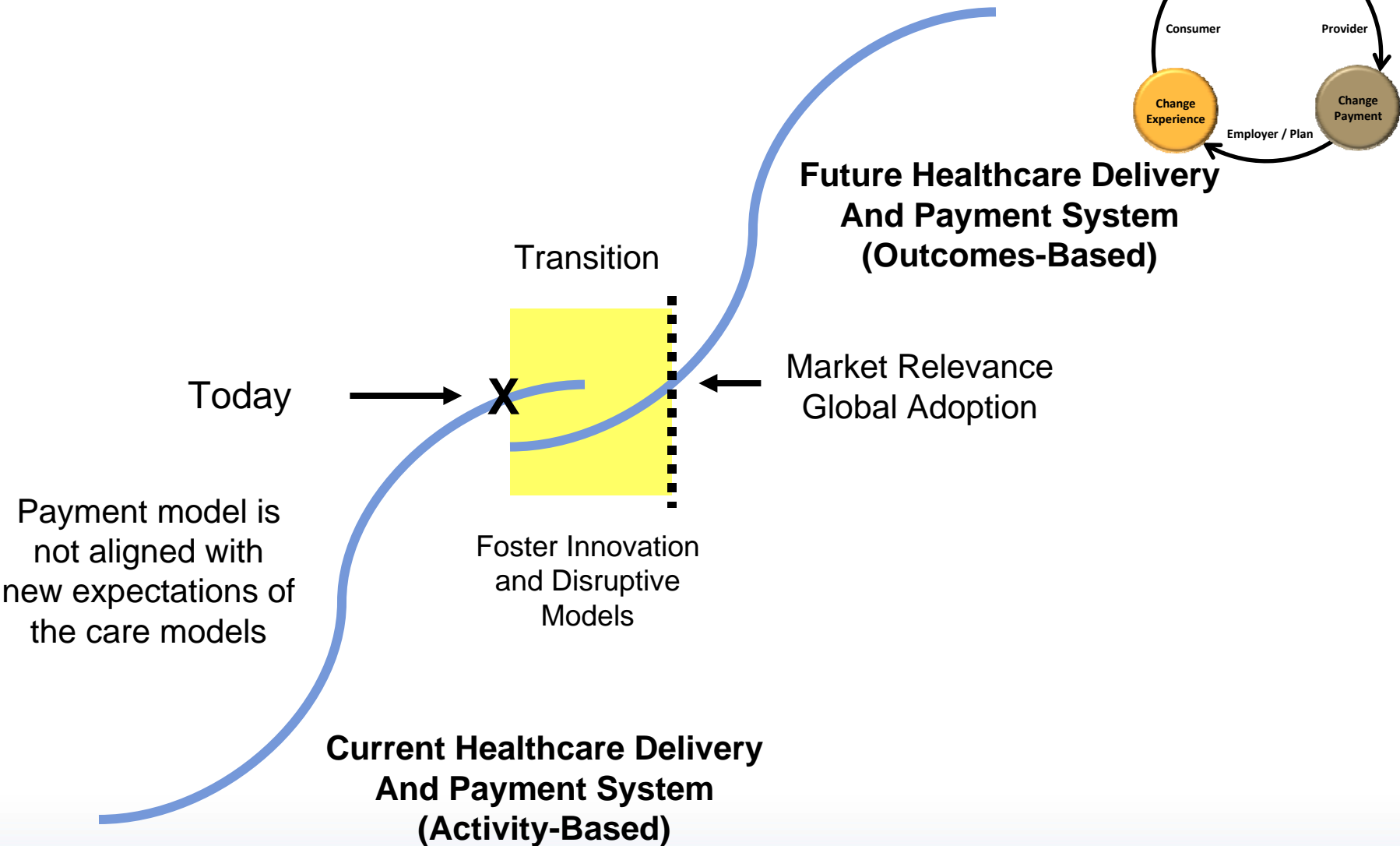
Our prototype efforts prove that we can deliver high quality health services more efficiently but FFS payment punishes us for this innovation

# Healthcare Innovation Initiative Establishing a “New Value Chain”



Building a Community Capability to Generate New Care and Payment Models

# The Challenge



# Fairview Is Leading Change to Reward Value

- Created and lead CEO forum (providers, plans, employers, government) to cooperatively bring necessary change
- Pilots with health plans that are willing to develop innovative and transitional methods of payment and related benefit design
- Routinely engage clinical staff in strategy formation via Decision Accelerators
- Partner with a new Social Media company – NetClinic
- Development partner – Carol, Inc

# Carol, Inc.

## Carol Complete Pilot – Employers Share Actuarial Value

Participating Employers	Care Package Types	# of Care Packages
<b>3M</b> Ameriprise Financial Best Buy Carlson Companies <b>General Mills</b> <b>Medtronic</b> Target Corporation US Bank Wells Fargo	Year of Asthma care	22
	Acute and Chronic back pain care	7
	Year of Coronary artery disease care	6
	Year of Type 2 Diabetes care	18







## Diabetes Care from Fairview MTM

<b>Provided By:</b>	Fairview Medication Therapy Mgmt	<b>Consumer Rating:</b>	★★★★★
<b>Locations:</b>	10	<b>Clinical Guidelines:</b>	Meets or Exceeds
<b>Practitioners:</b>	2	<b>Package Length:</b>	9-12 months
<b>Appropriate For:</b>	Male, Female Age : 18 - 75	<b>Guarantee Provided:</b>	No
<b>Intended Population:</b>	Diabetes: improving control		

Overview **Locations & Practitioners** Provider Quality

Your diabetes is different from anyone else's. This package allows you to have individualized and expert care with all the members of your care team: a specially-trained Fairview MTM pharmacist, a certified diabetes educator (CDE) nurse, a CDE dietician, and access to a virtual diabetic classroom to enhance your care and education. Most important, we will coordinate all of this expert care with your primary care physician, so you will not have to switch your practitioner to choose this care package!

▼ Package Includes:

- 3 visits with a Fairview Clinical MTM Pharmacist
- 2 visits with Certified Diabetic Educator (CDE)
- 1 additional follow-up visit
- 5 blood pressure measurements
- 3 hemoglobin A1c tests (blood sugar)
- 2 LDL-C tests (cholesterol)
- Kidney assessment
- Flu shot
- Access to online diabetic classroom (to be released March 2009)
- Coordination with your physician to ensure that you have an annual eye exam

**Package is built to include services that deliver actuarial value not RVUs**

### Estimate your costs

Enter your 2009 insurance information to view the base price and your estimated cost.

3M Consumer-Directed Plan - Fa... ▼

Cancel Continue

[Learn More](#)

### Schedule your care

#### Choose Location and Practitioner

Edina ▼

Molly Ekstrand, CP ▼

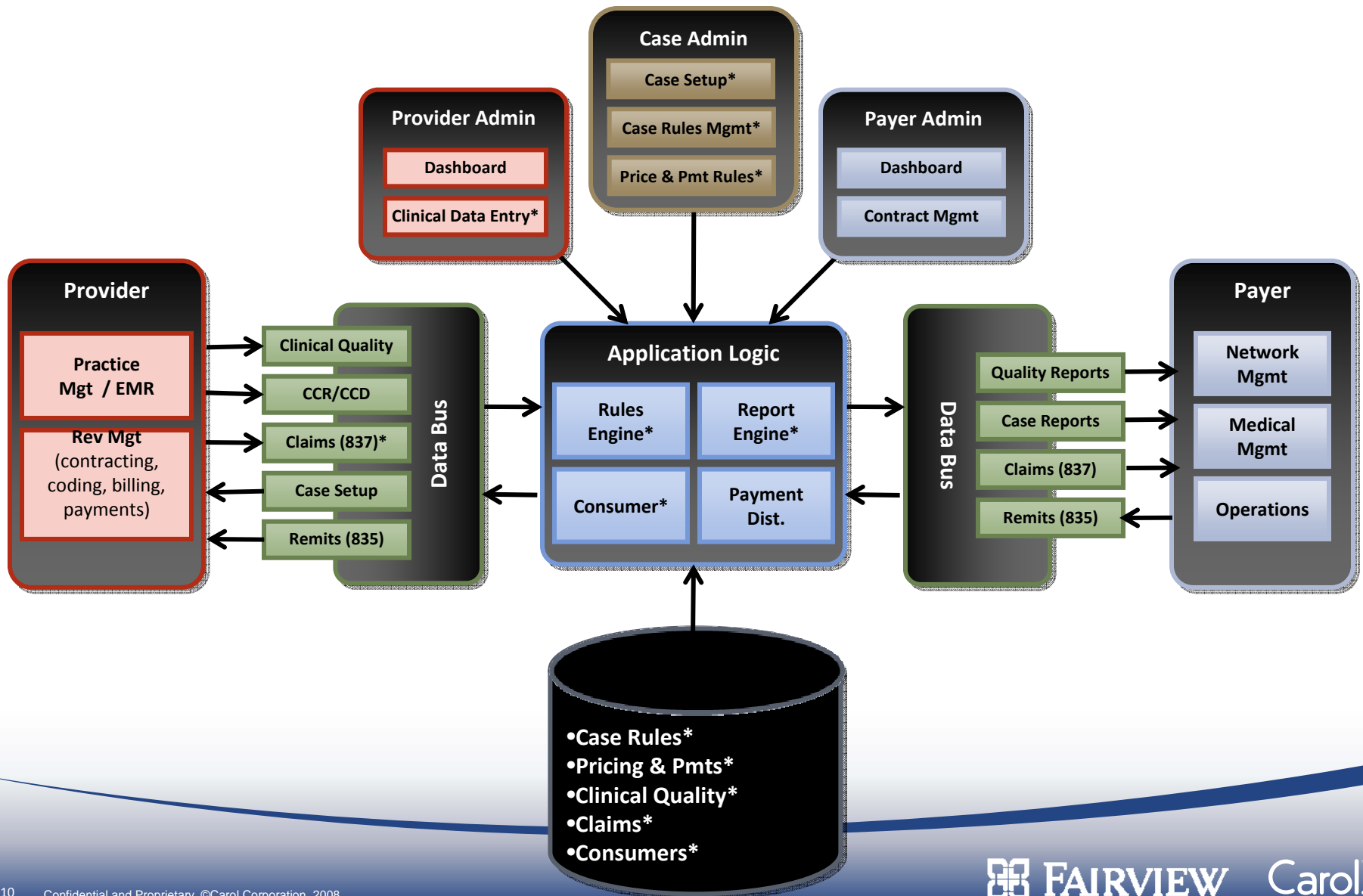
**Schedule Now**

additional packages to compare.

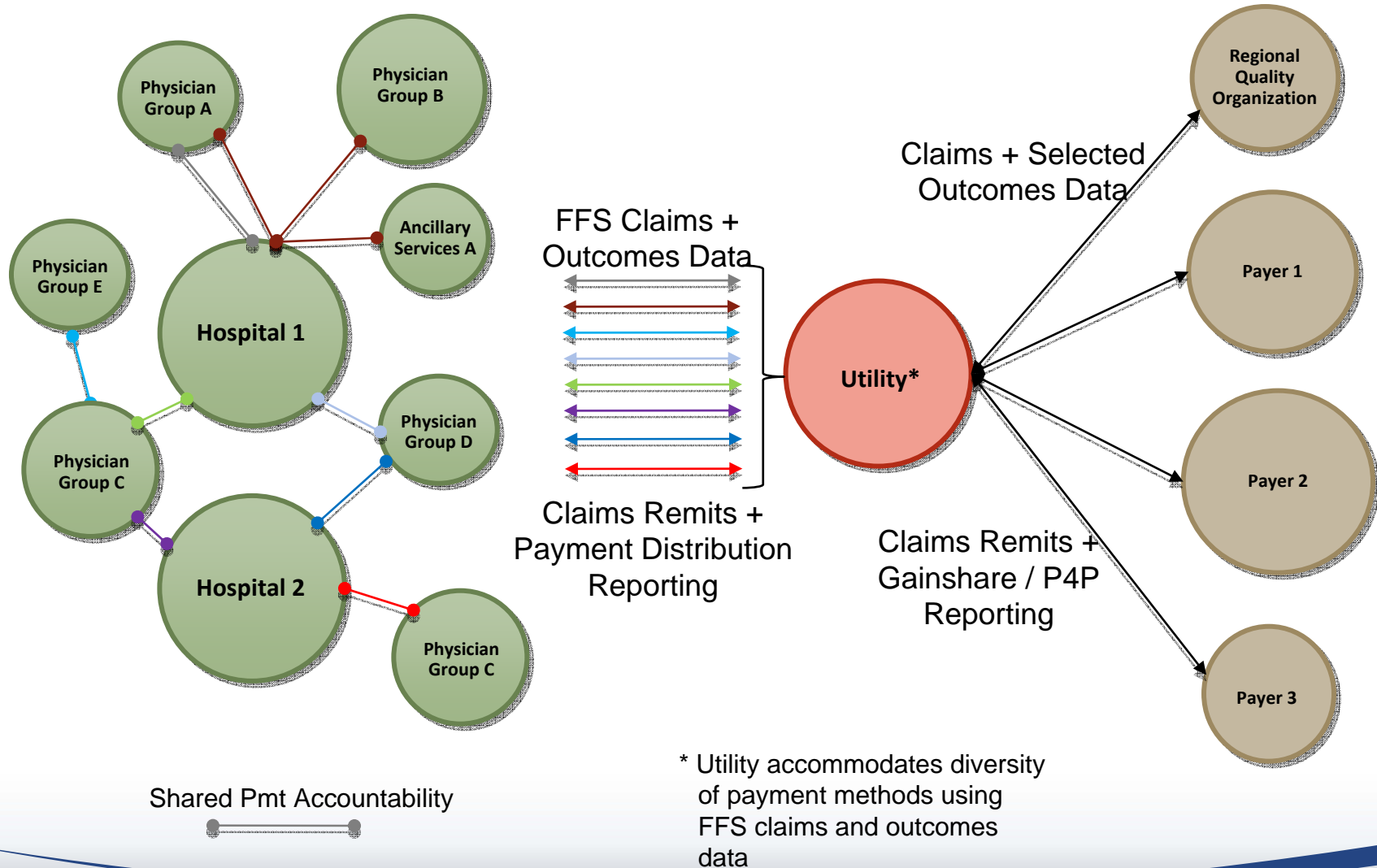
Compare

A year of diabetes care: gaining control

# Value Based Administrative Utility: Enabling Payment For Value



# A Utility Must Support Complex, Many-to-Many Relationships



\* Utility accommodates diversity of payment methods using FFS claims and outcomes data

# Fairview and Carol Partnership

# Fairview/Carol Partnership Charter

1. 10 Care Packages Operationalized *9/30/09*
2. Gain Share Contracts with Health Plans *10/15/09*
3. Outcomes Based Compensation Model *12/1/09*
4. Outcomes Centric Technology Platform *12/15/09*
5. Value-Based Fairview Employee and other Self-Insured Employer Benefits *1/1/10*

## Fairview/Carol Strategy Delivers the Following Benefits

- Allows Fairview to get started now
- Captures financial value associated with quality and efficiency improvements
- Supports prototyping care packages before introducing broadly
- Doesn't disrupt FFS care delivery / administrative model
- Gives Fairview time to prototype Care Packages and Clinical Redesign
- Motivates health plans to contract differently
- Delivers value to employers in the near term
- Prepares Fairview for future reimbursement changes

# Fairview/Carol Work Plan

	Q2 09	Q3 09	Q4 09
<b>Value Creation (Care Packaging)</b>	Design 10 CPs	Design care model for 10 cp's Implement care model	
<b>Quantifying and Exchanging Value</b>	Quantify the value of Fairview's product	Market Gain Share to Payers Gain Share Contract Modeling	Design Comp Model
<b>Value Exchange Utility</b>	Define Requirements of Utility	Build Utility/Define Operating Process	Implement
<b>Benefit</b>	Design Fairview & Other Employer Value Based Benefit		Roll Out Value Based Benefit
<b>Consumer Experience</b>		Design	Build Implement

QUESTIONS?