

Partnered with thousands. Delivered millions.



Retrospective and Prospective Bundled Payment Analytics and Engine Overview

May 2011

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Founded in 1999, (NASDAQ: MDAS since 2007)

HQ - Atlanta, GA; 3,300 Employees

Revenue ~ \$600M

Health Systems (4,000+ Acute Care Customers)

- Revenue Cycle Management
- Spend Management

Health Plans, Non-Acute and Other

- Technology for managing Episodes (based on Prometheus)
- Claims Re-pricing solution & Contract Modeling
- Medicare DRG, APC groupers
- Coding and Compliance Content / Medical Necessity



Technology build out started in 2009

The “EOC Engine” Technology

Why Was the Engine Built?

Operationalize Bundled Payment System.

Using claims data, the engine serves as a platform for patient level tracking and reconciling the actual cost of care dollars against predicted dollars for a given bundle.

What Is It?

Real time claims tracking and financial accounting system.

Combines all of the data elements into one system allowing payors and providers the ability to successfully price, reimburse and track bundle related claims.

What Does It Do?

Takes in FFS claims data, calculates episodic equivalent payment, risk/severity adjusts and provides business intelligence on trends.

The engine tallies actual accumulated costs and compares them to predicted allowable costs for contracted payment reconciliations.

How to Connect?

Bolt on technology that works with any adjudication system

MedAssets sets up the IT requirements and the file transfer processes for connecting to the engine, as well as any required training.

Mechanics of payment



Under your episode payment software who gets the money?

- Anyone who cares for the patient. We use existing payer and provider infrastructure without changing current billing and adjudication systems.



How do you make payments to non-integrated providers?
Does your technology break up episodes into payments to multiple providers?

- Track every claim at a patient and provider level (integrated or not integrated)
- Payments can be broken to any types of customized attribution logic
- With prospective budget and retrospective reconciliation everyone gets their current FFS payments. We can easily apply a withhold to these FFS payments
- At the end of any period the engine does a true up on what has been budgeted versus spent

Withholds and Shared Savings



Can your technology implement withholds?

- Easily
- The technology calculates Episode of Care reimbursement and breaks it into 2 components: Typical and potentially avoidable cost. The potentially avoidable part of the reimbursement could be withheld and reconciled at the end of the period. Or you could apply a percent withhold across the entire reimbursement



What happens when the cost of providing care during an episode exceeds the budgeted amount? What happens when it is less than the budgeted amount?

- Contract management and financial credit debit system offered over the web
- Access to budget versus cost reconciliation 24/7 at a patient and provider level with claims detail
- Engine will compute the penalty or shared saving opportunity

Patient Leakage and Outcome Metrics



How does your system deal with leakage (e.g., a readmission in a non-affiliated hospital)?

- More of an issue for prospective payments
- The engine can terminate the bundle and reverse everything to FFS
- It can account for the leakage through the period end reconciliation process by deducting the cost of the leakage out of withholds or the shared savings pool



Does your system have the ability to modify payments based on performance on a quality scorecard?

- Currently, shared saving calculated within the engine can be predicated on meeting quality and outcome measures
- We are also working with a partner to include the measurement of these metrics within the engine

Implementation



What are the most important factors that affect the speed of implementing your system in a particular health plan?

- Availability of claims data in a standard format speeds implementation
- Sophisticated database infrastructure of the clients
- Complete and accurate eligibility/claims information
- Every member needs to have a unique patient ID
- Family IDs don't work as there is no such thing as a family ECR. All ECRs are patient-specific
- Claims history of a patient
- Full medical and pharmacy data significantly improves the severity / risk models for chronic care ECRs
- Consistent file layout and data formats when dealing with large groups of TPAs (basics)
- Coding inaccuracies in a FFS environment get amplified in a EOC model