Payment Models Work Group Meeting Agenda 10-24-14

VT Health Care Innovation Project
Payment Models Work Group Meeting Agenda
Friday, October 24, 2014 10:30 AM – 12:00 PM.
DVHA Large Conference Room, 312 Hurricane Lane, Williston

Item #	Time Frame	Topic	Presenter	Decision Needed?	Relevant Attachments
1	10:30-10:40	Welcome and Introductions	Kara Suter	N	
2	10:40-11:45	EOC Data Presentation and Discussion	Stacey Eccleston	N	Attachment 2: Data Book
3	11:45 – 11:50	Public Comment		N	
4	11:50 – 12:00	Next Steps and Action Items		N	Next Meeting: Monday, November 3, 2014 2:00 PM – 4:30 PM. EXE - 4th Floor Conf Room, Pavilion Building, Montpelier

Attachment 2 - Data Book

Vermont Episodes – A Comparison of Commercial and Medicaid Payers

September 16, 2014

Payment Models Work Group

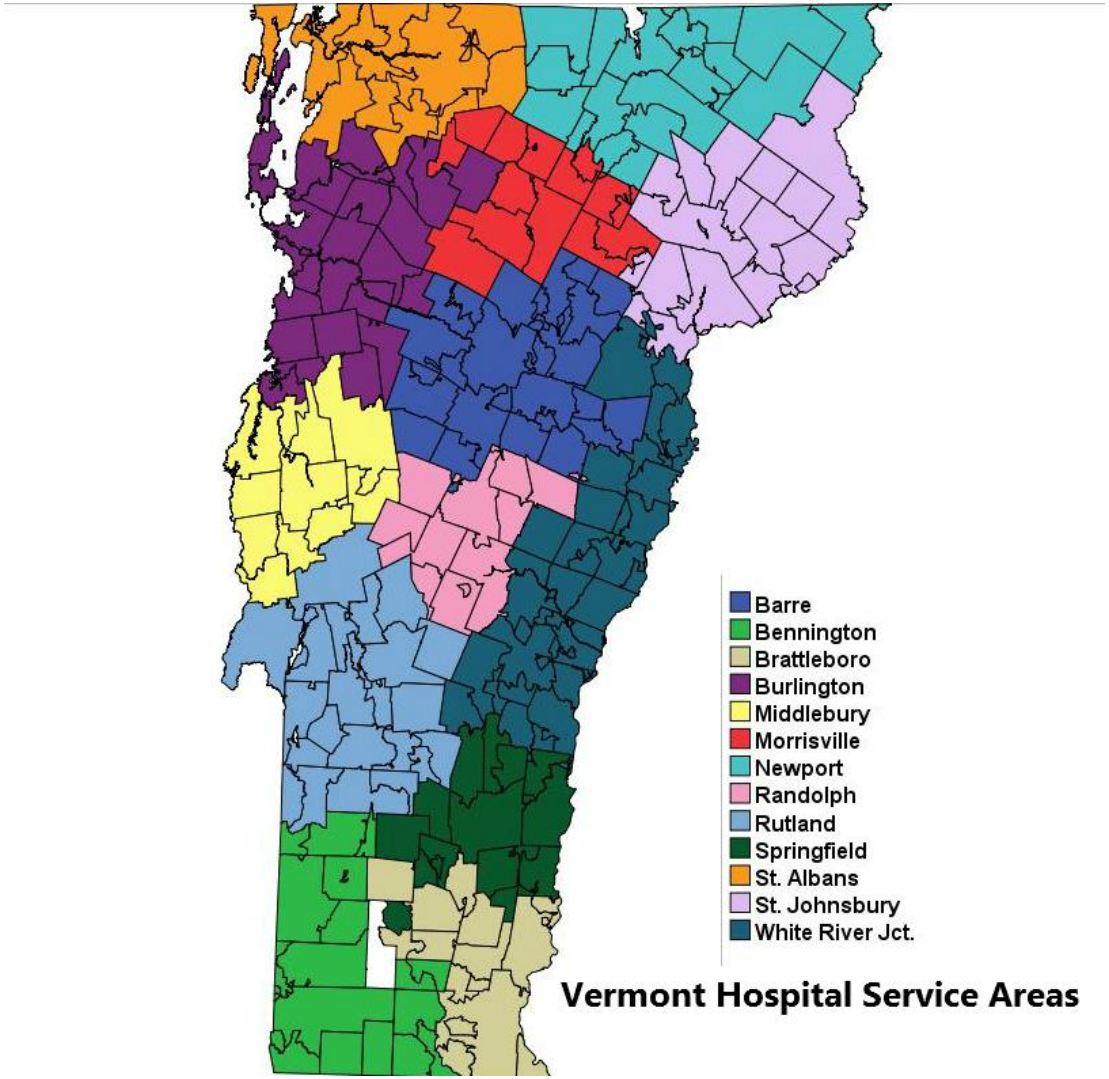
Vermont Episodes – A Comparison of Commercial and Medicaid Payers

BACKGROUND INFORMATION

Episode List

Coronary artery disease - CAD
Congestive heart failure - CHF
Acute myocardial infarction - AMI
Pneumonia - PNE
Chronic obstructive pulmonary disease - COPD
Asthma - ASTHMA
Complex coronary artery bypass graft - CxCABG
Percutaneous coronary intervention (Angioplasty) - PCI
Diabetes - DIAB
Knee replacement and knee revision - KNRPL
Knee arthroscopy – KNARTH
Hip replacement and hip revision - HIPRPL
Gastro-esophageal reflux disease - GERD
Esophagogastroduodenoscopy upper GI (Endoscopy) - EGD
Colon resection - COLON
Colonoscopy - COLOS
Gall bladder surgery - GBSURG
Hysterectomy - HYST
Vaginal delivery - VAGDEL
Cesarean section - CSECT
Hypertension - HTN
Stroke - STR
Low risk and high risk pregnancy – PREGN

Health Service Area Map



**Null refers to services provided outside of Vermont*

What are PACs ?

- PACs stand for Potentially Avoidable Complications
- PAC is any event that negatively impacts the patient and is potentially controllable by all the physicians and hospitals that manage and co-manage the patient.
- It is the waste within the healthcare system and could be turned into potential savings to all (divide up the pie):
  - To providers – as bonus
  - To payers – as decreased outlays
  - To patients – as better health

Important Notes

- If an average is provided, the total has been annualized. If a total is provided, the total includes costs summed from 2008-2012
- Savings from CSECT and VAGDEL are rolled into a single PREGN episode
- The graphic scales on the Medicaid and Commercial charts may not be the same; please be aware if doing visual comparisons

Vermont Episodes – A Comparison of Commercial and Medicaid Payers

DATA BOOK

Explanation of Data

- Total Costs include claims that are assigned to multiple episodes to give an accurate measure of cost of each category of episode in isolation. However, this also means that some costs are double counted and episode costs for each category should not be summed together to a grand total.
- Average episode costs reflect the average costs of each episode after trimming outliers and are presented for the level at which they are complete. Costs for chronic conditions reflect annual costs. Costs for all others episodes are for the length of the episode as defined by episode duration limits
- PAC % is the total costs attributed to potentially avoidable complications divided by the total costs in each episode type
- Provider comparison data is only available when there is a provider who had 50 or more patients per episode. If it is noted the top 26 providers are illustrated, there are significantly more than could be shown.
- The percent contribution chart shows the variation of price, service mix and volume in the overall episode cost – the higher percentage the greater the influence of that factor on cost variation
- Potential savings are derived by determining the 80th percentile of episode costs and reducing episodes above that amount down to that amount. Episodes above the 98th percentile are excluded from the calculation to avoid factoring in outliers that might be covered to stop loss provisions

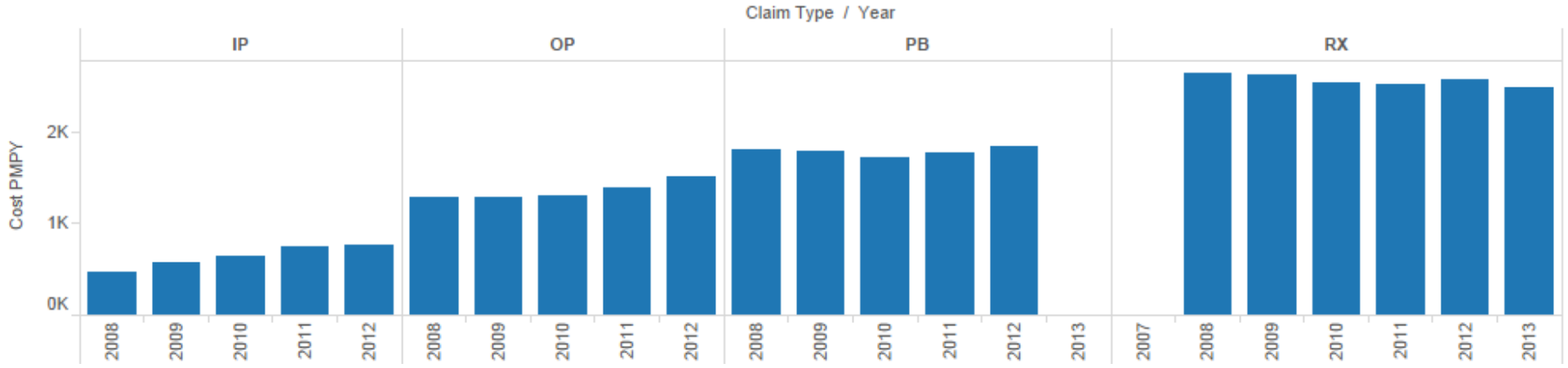
Data Book Slide 10

TOTAL EPISODE COSTS

Total Episode Costs

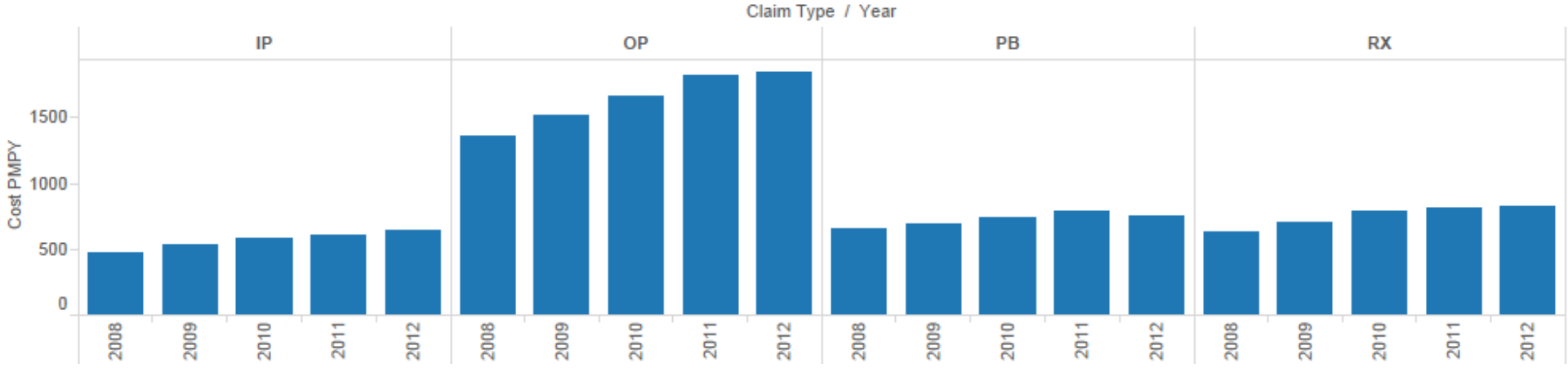
Medicaid

Cost per Year



Commercial

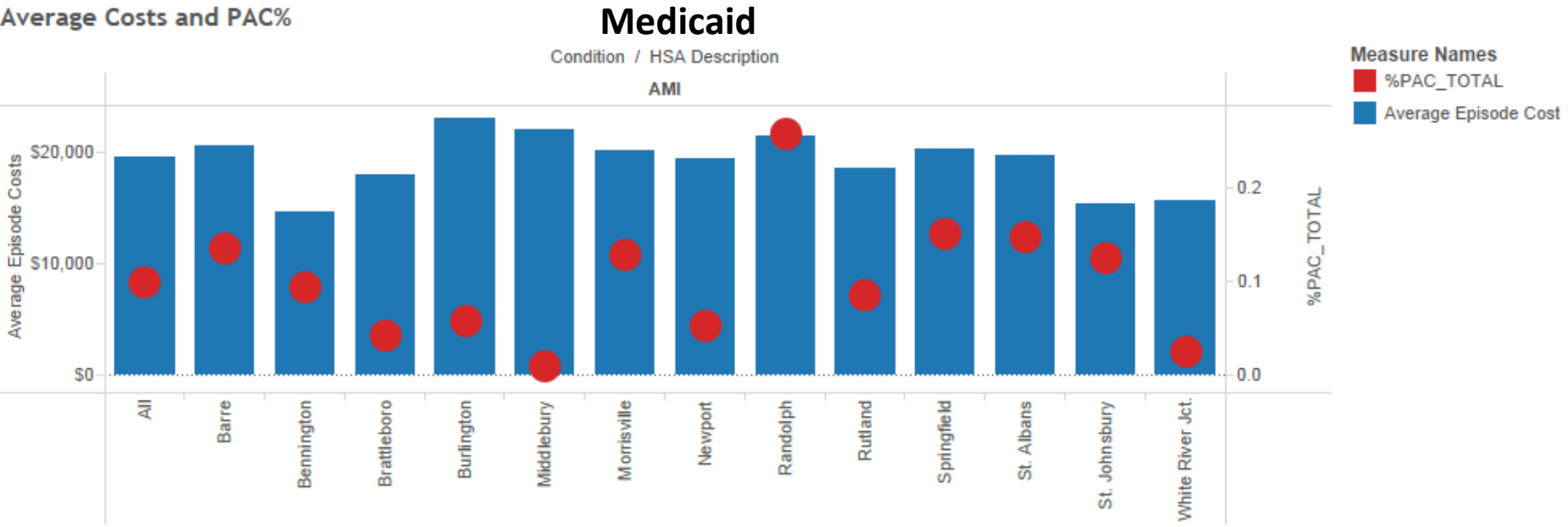
Cost per Year

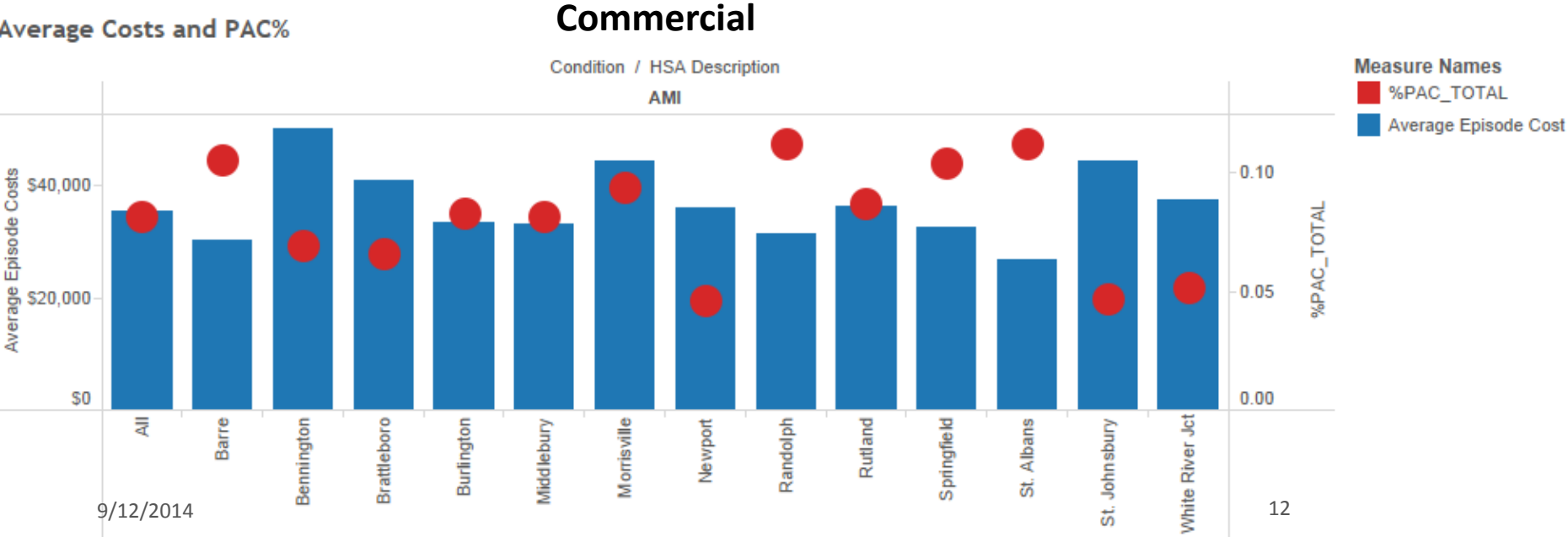


Data Book Slides 12-34

AVERAGE COST AND PAC %

Average Cost and PAC % by Episode





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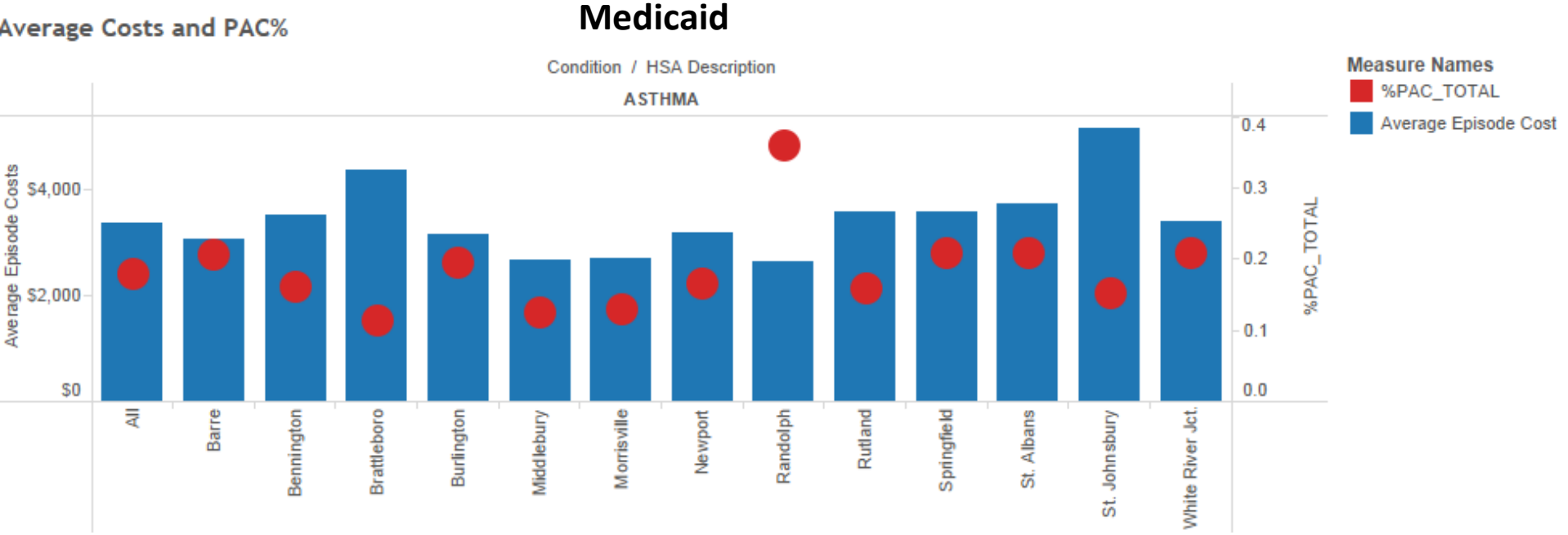

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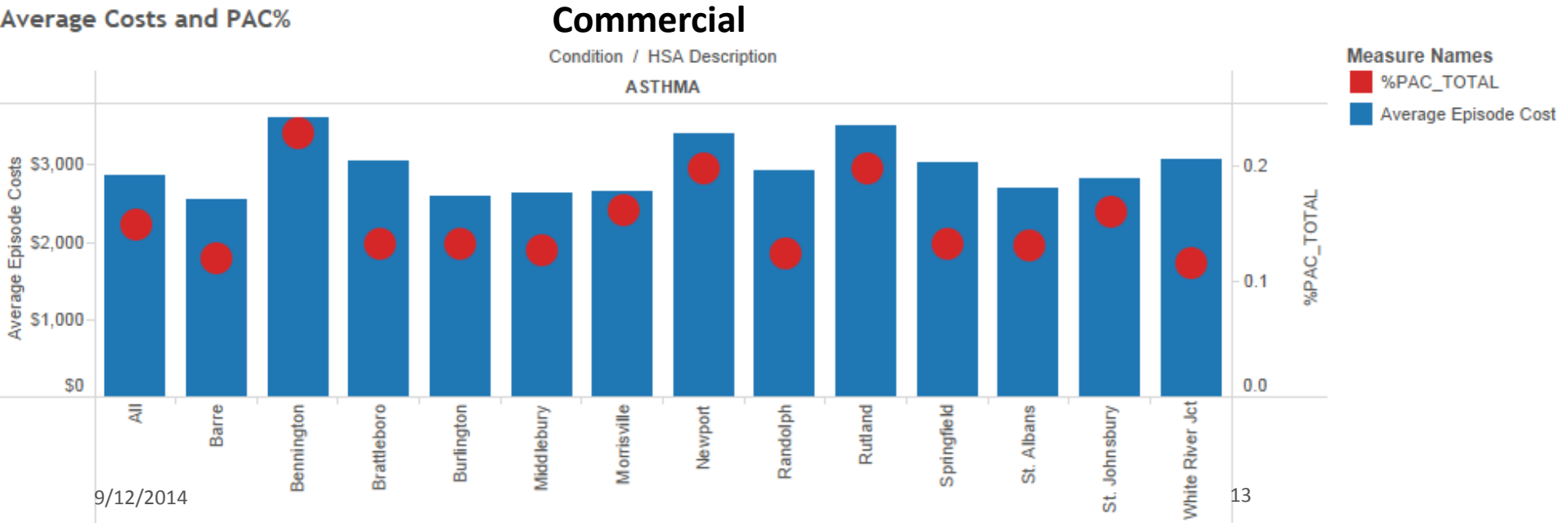

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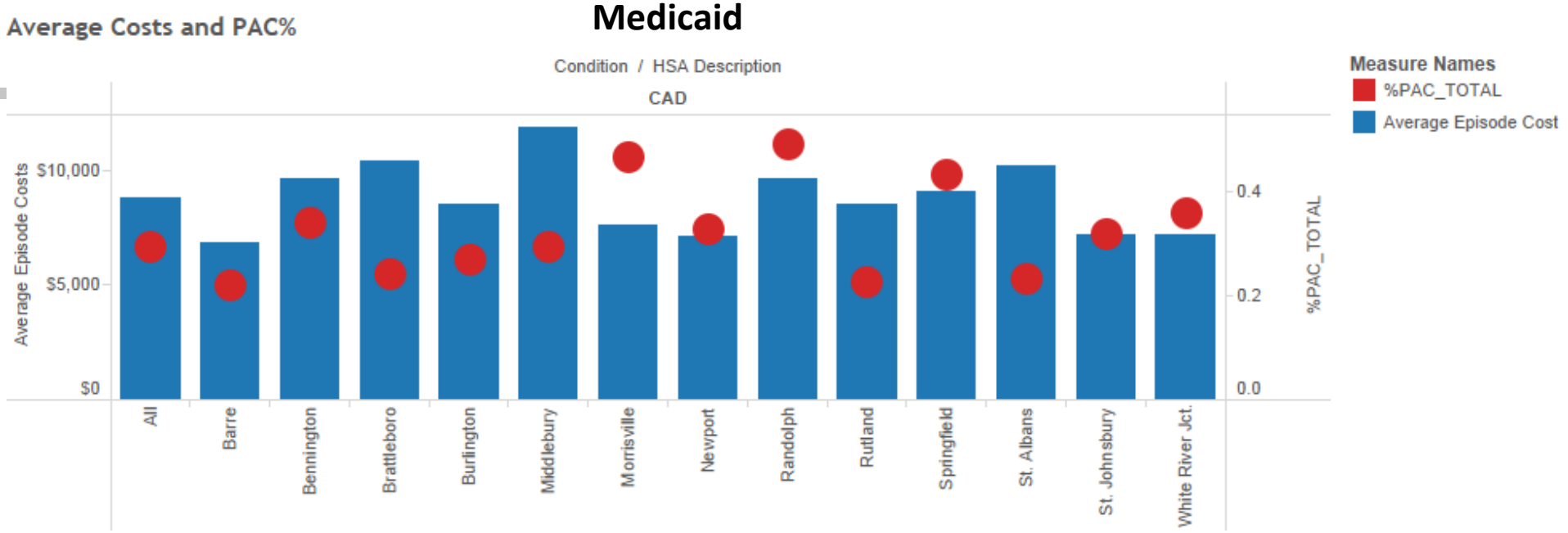

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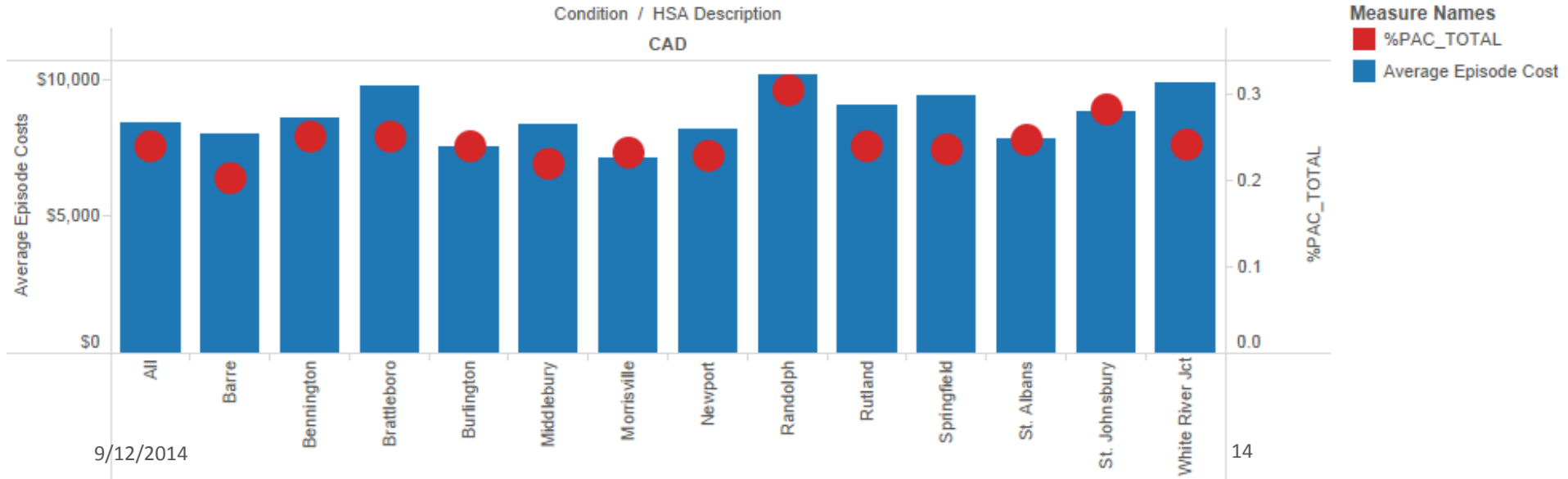

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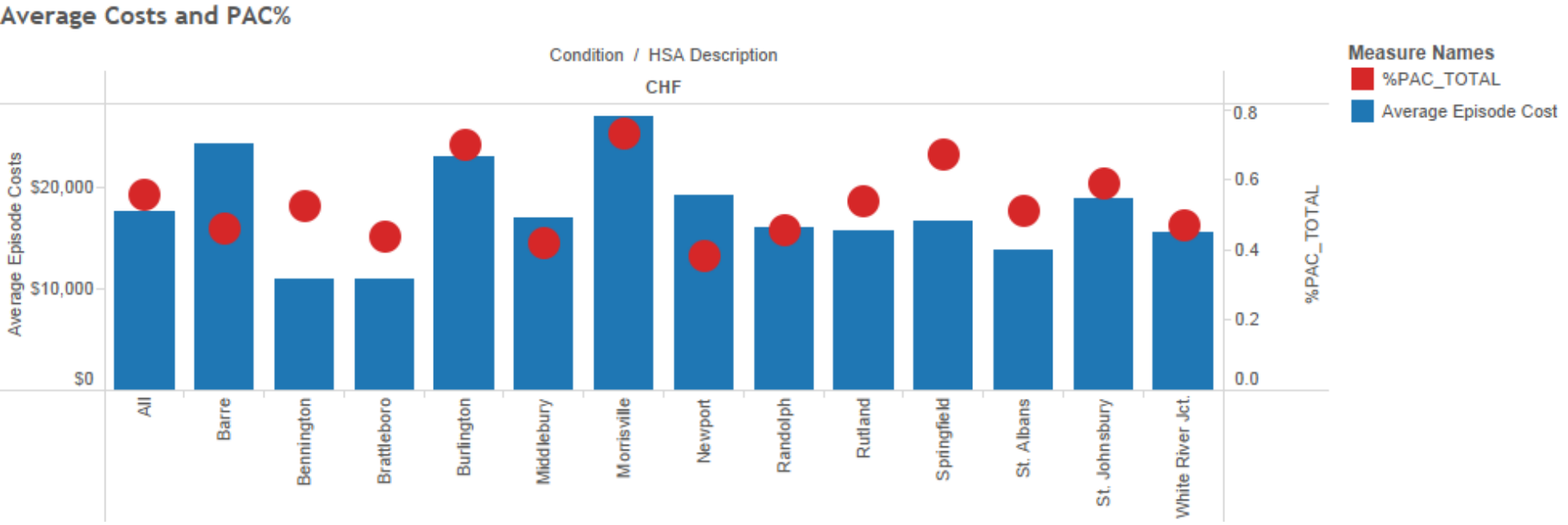

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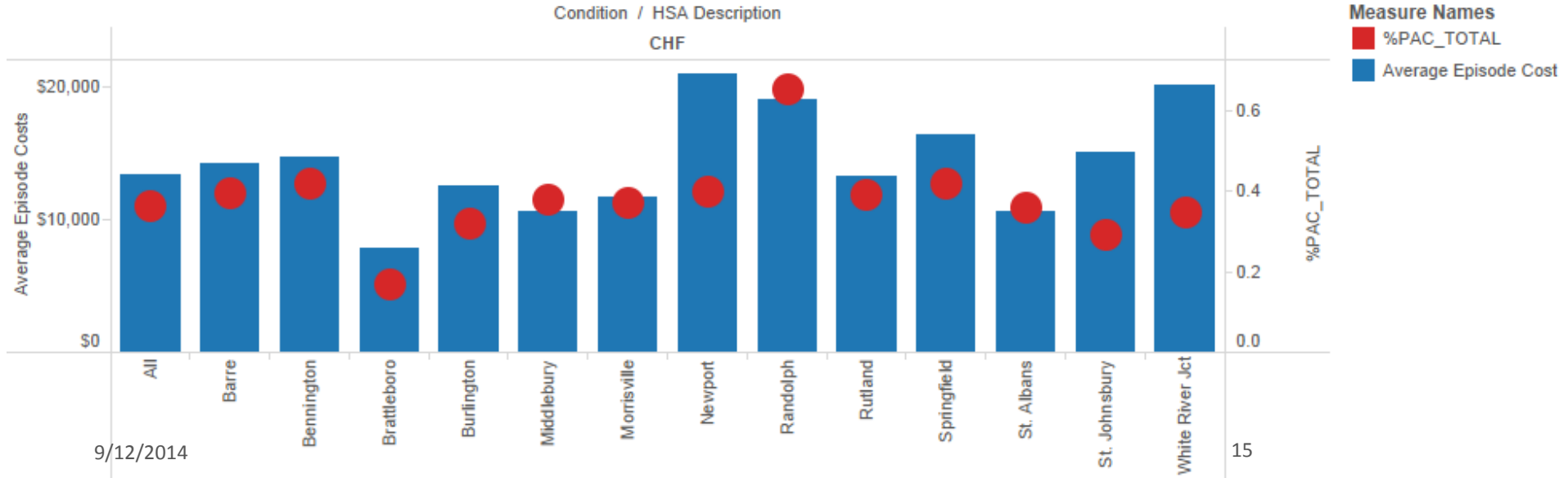

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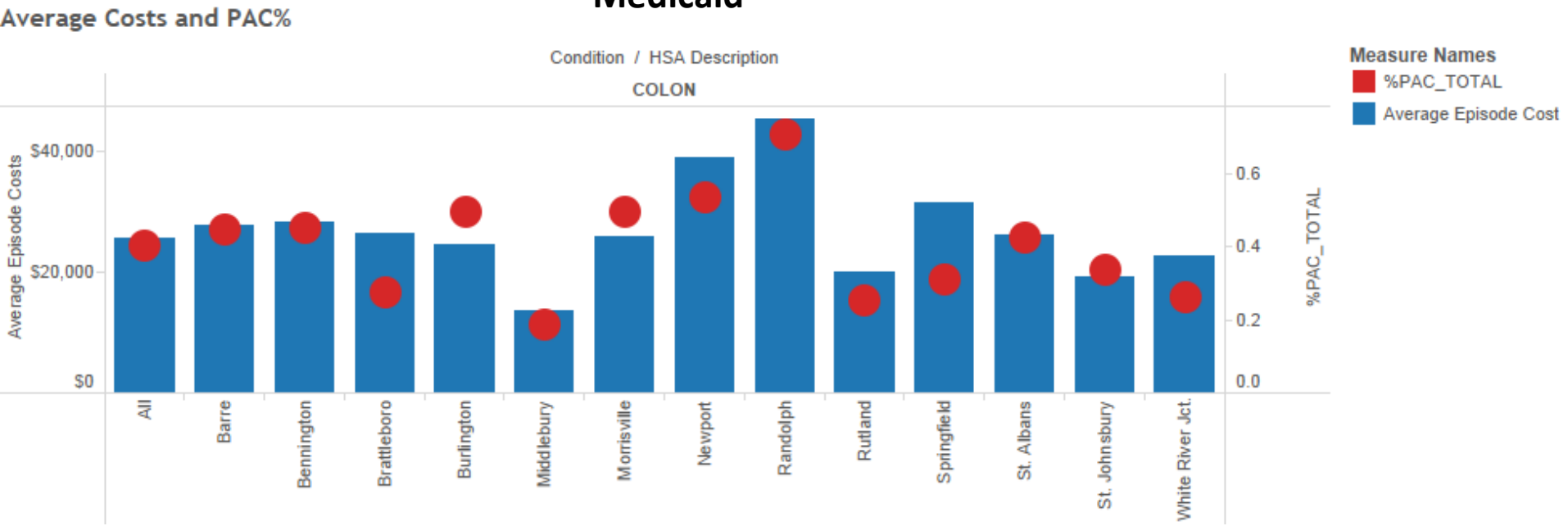

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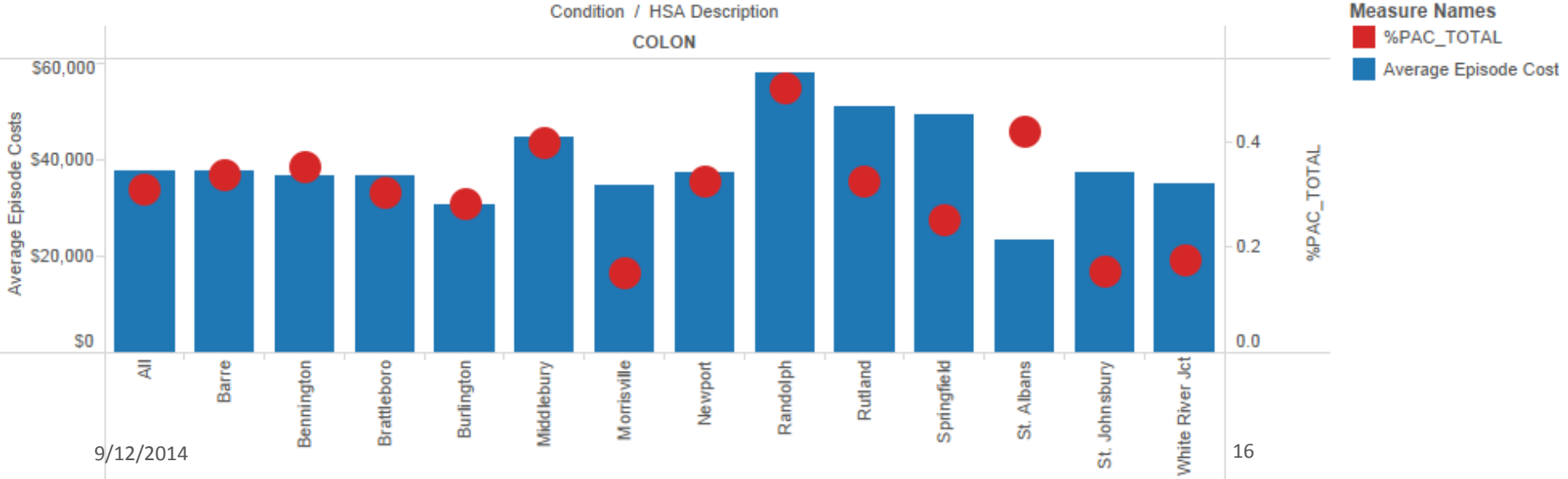

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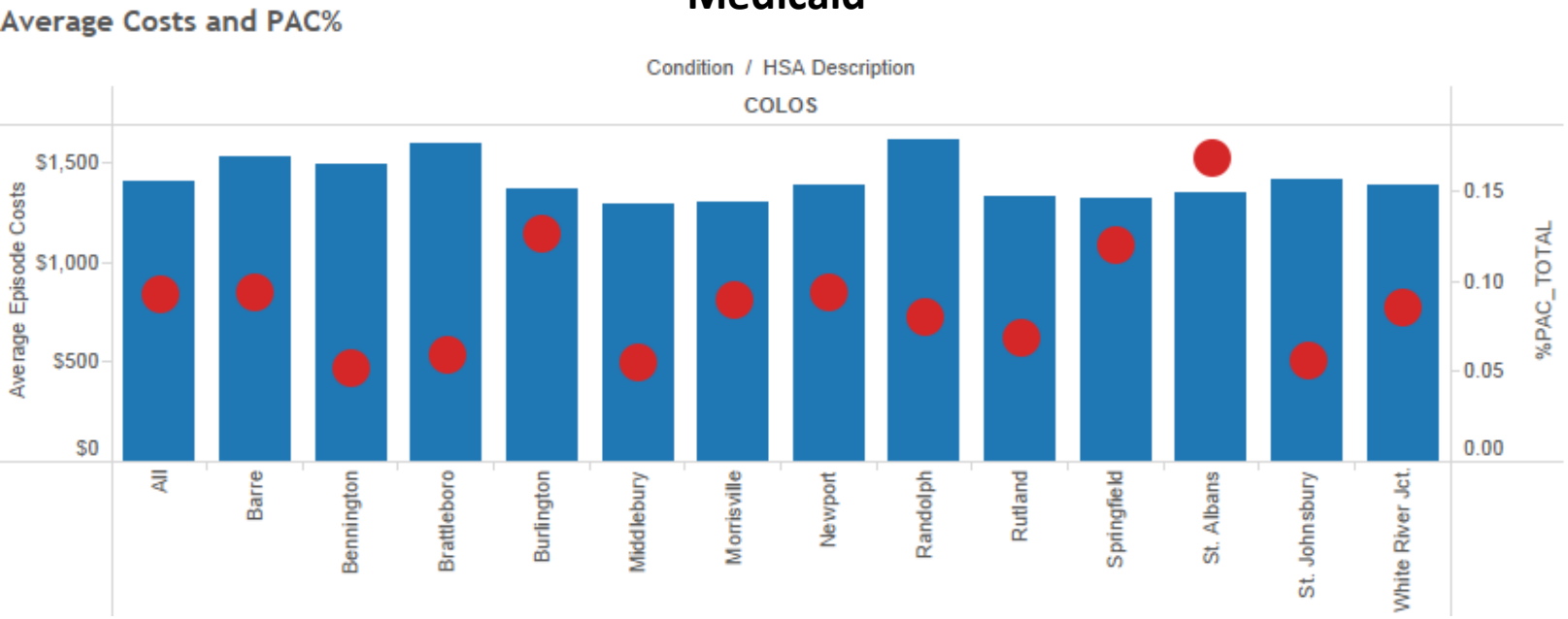

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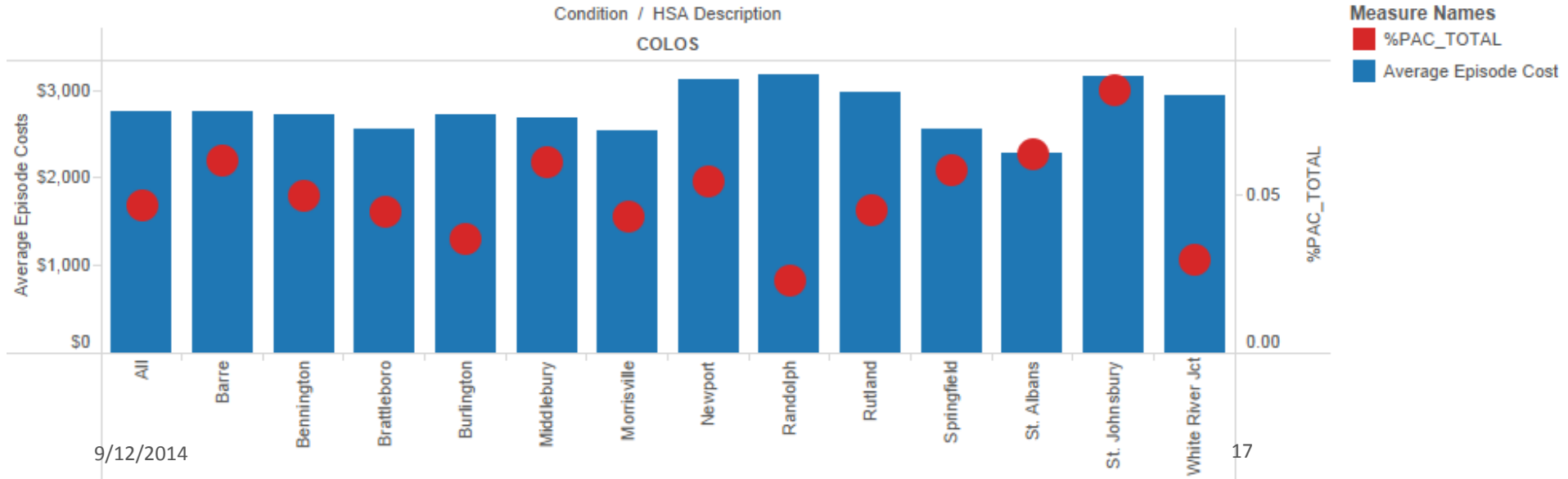

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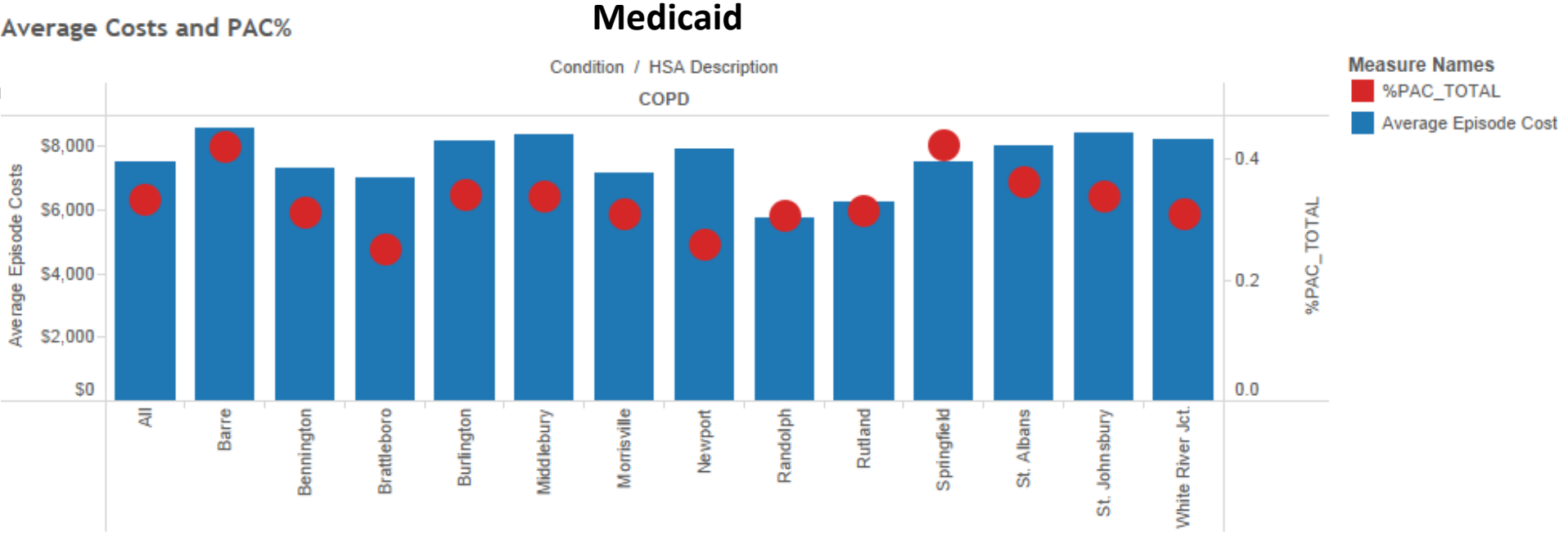

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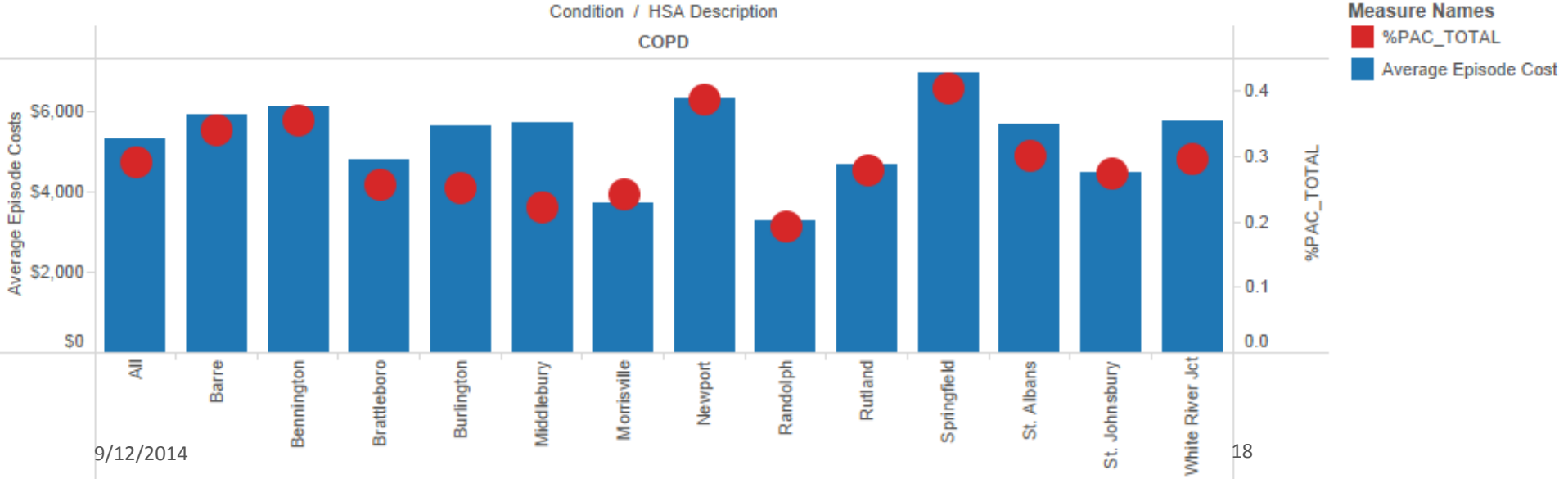

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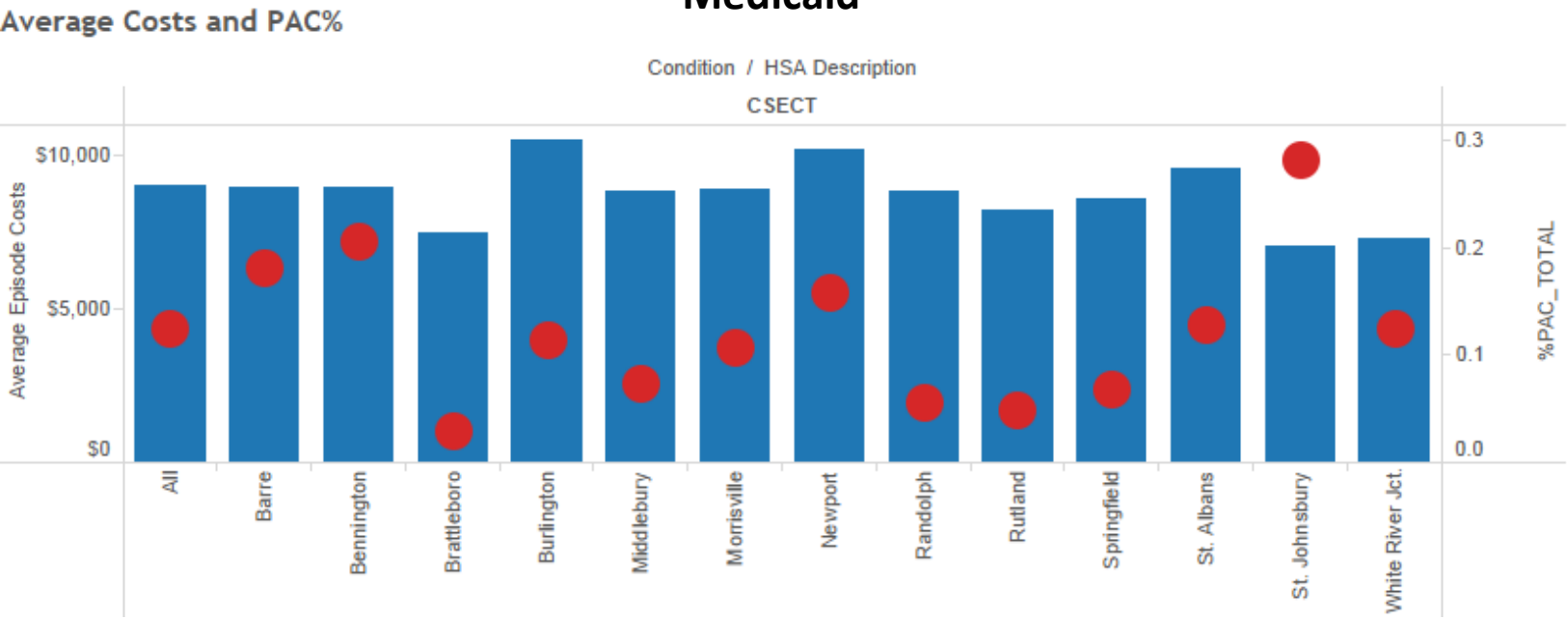

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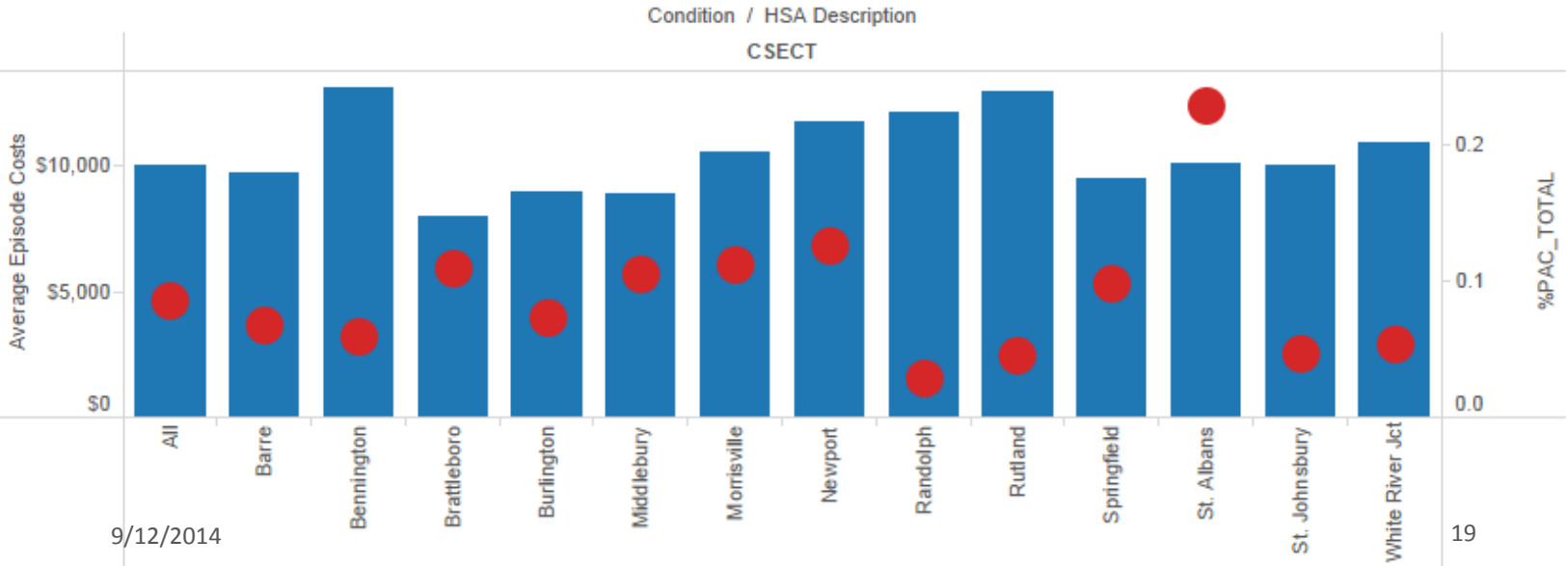

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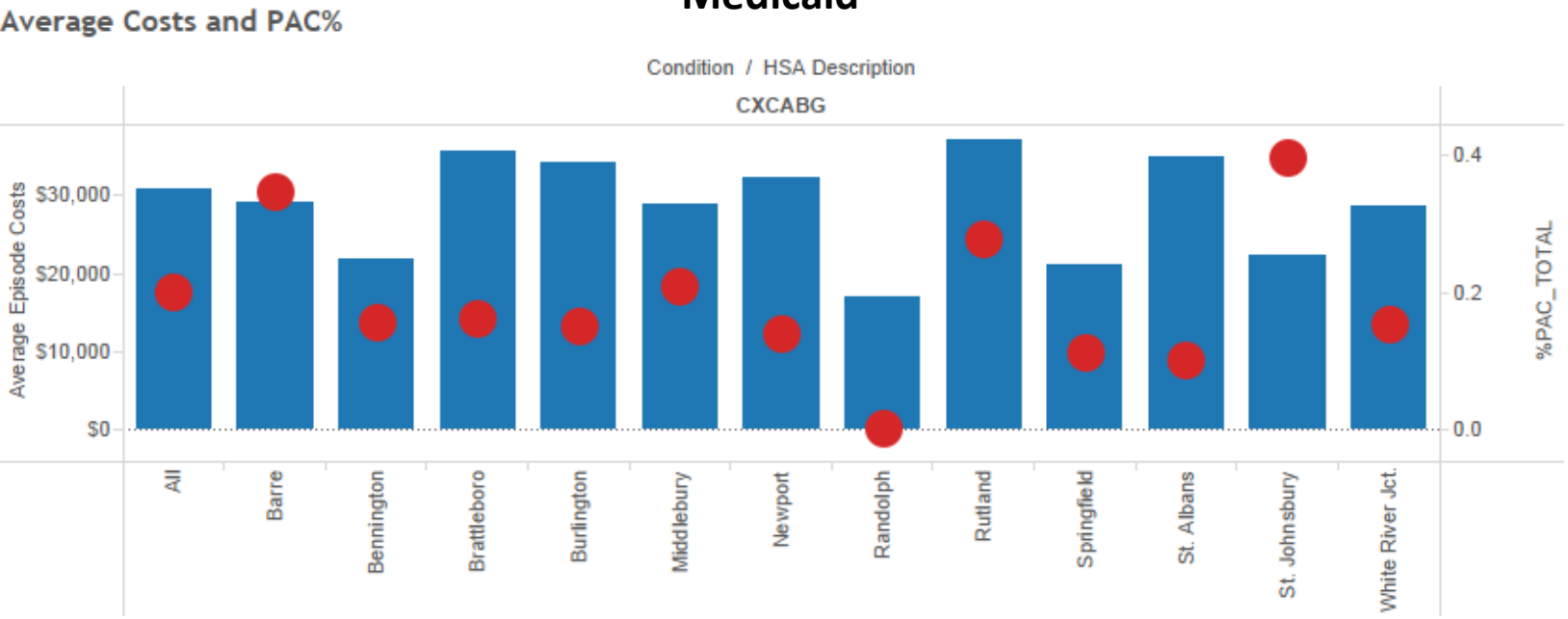

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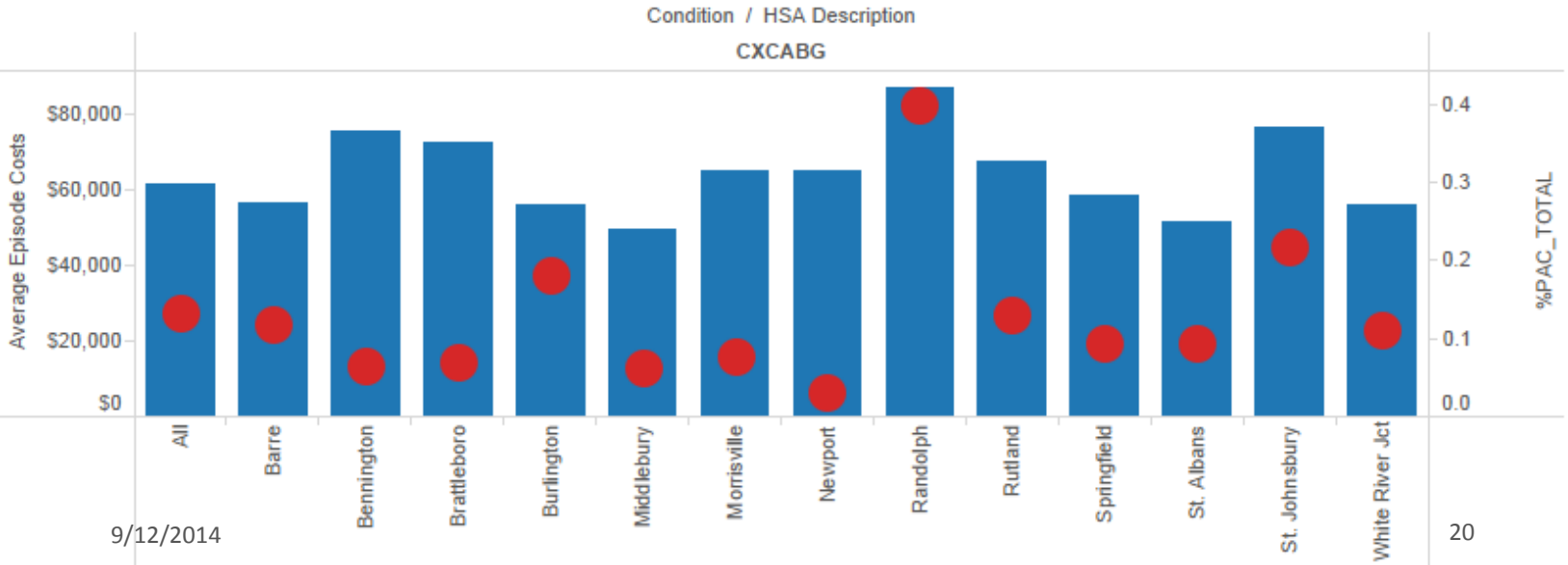

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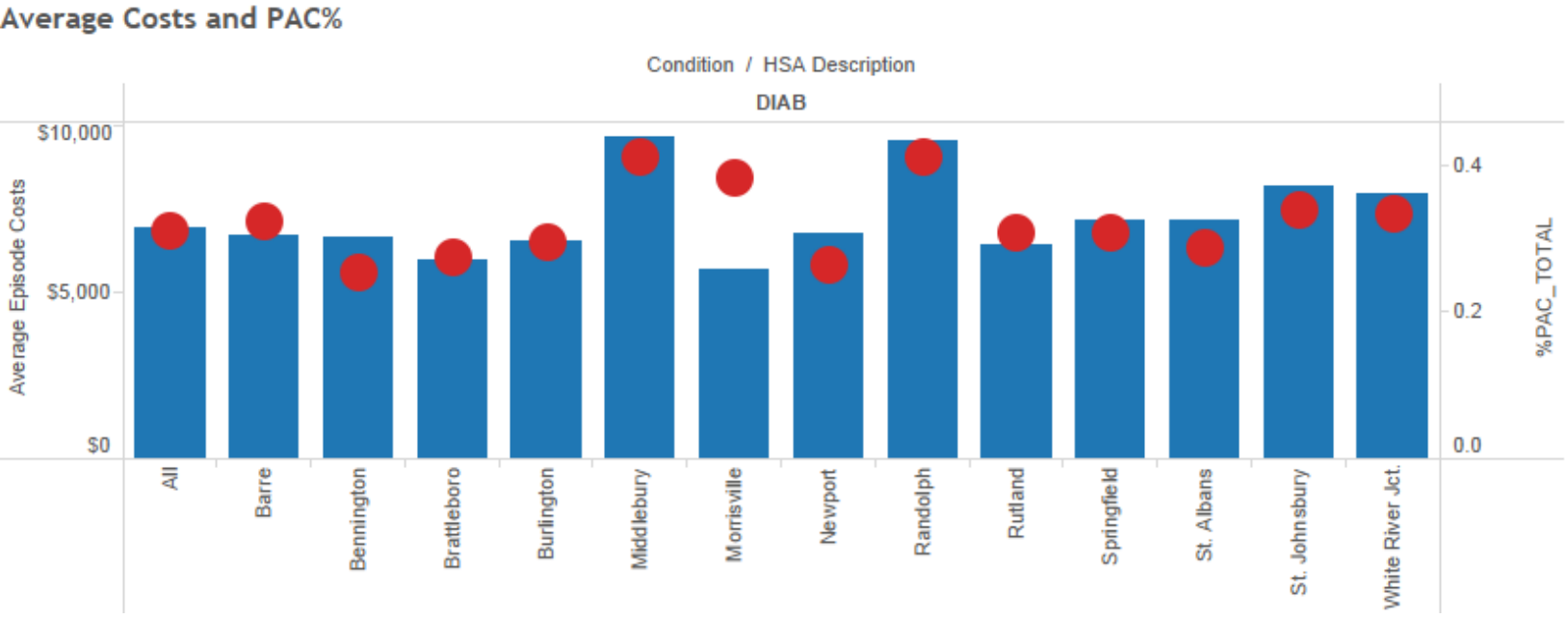

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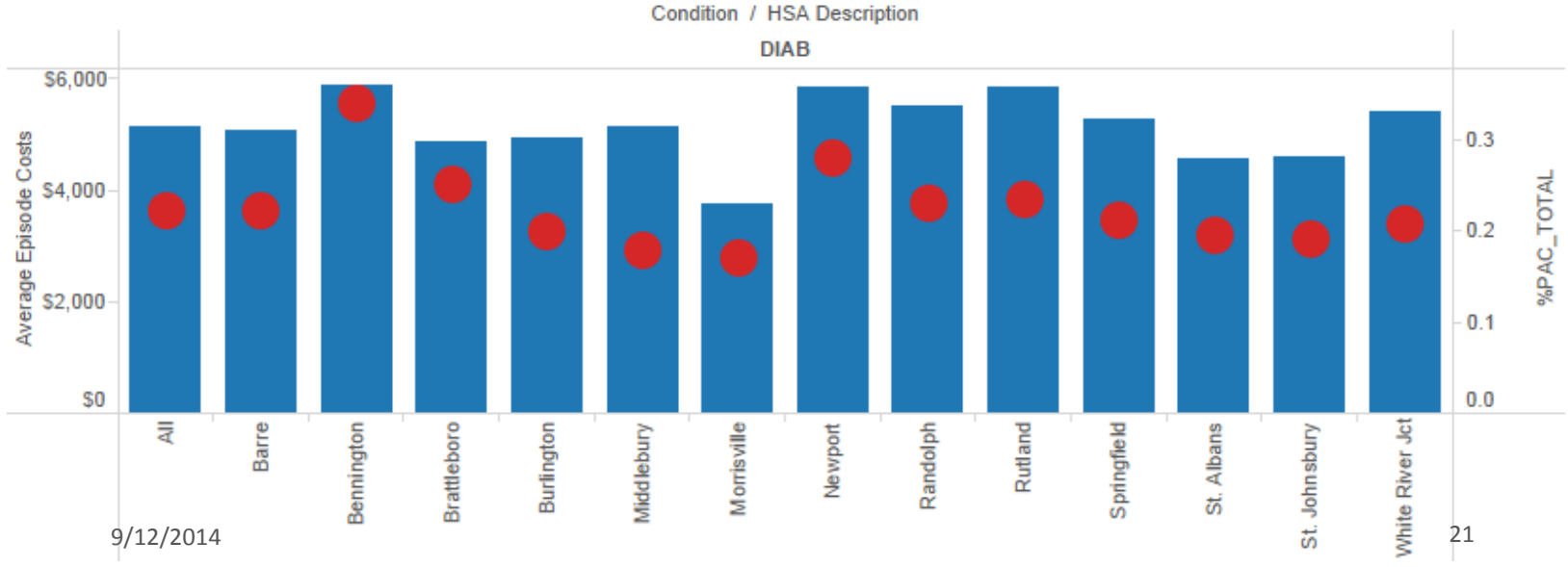

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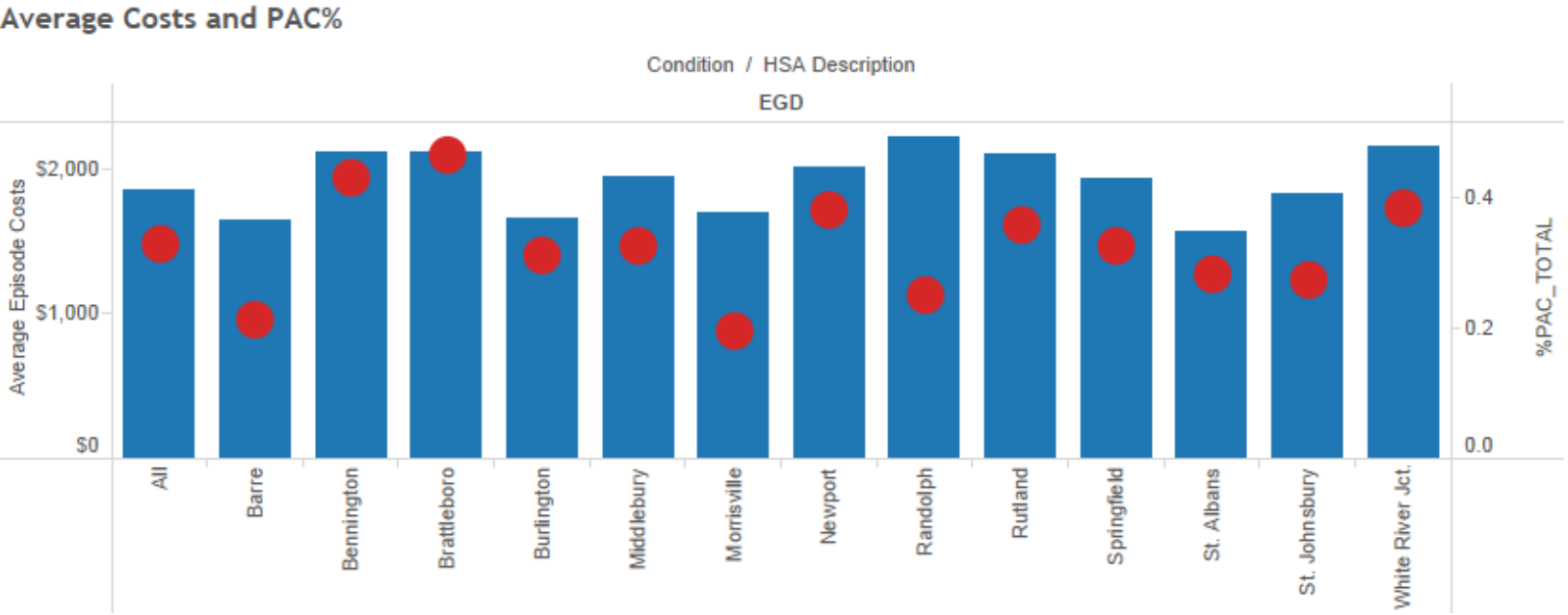

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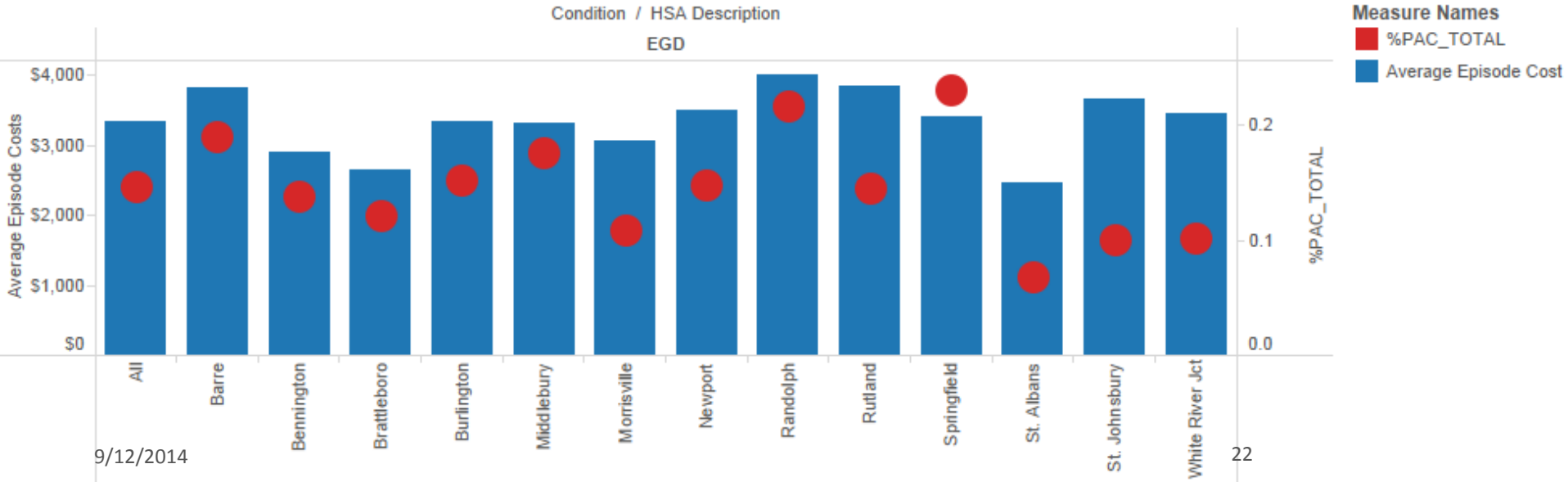

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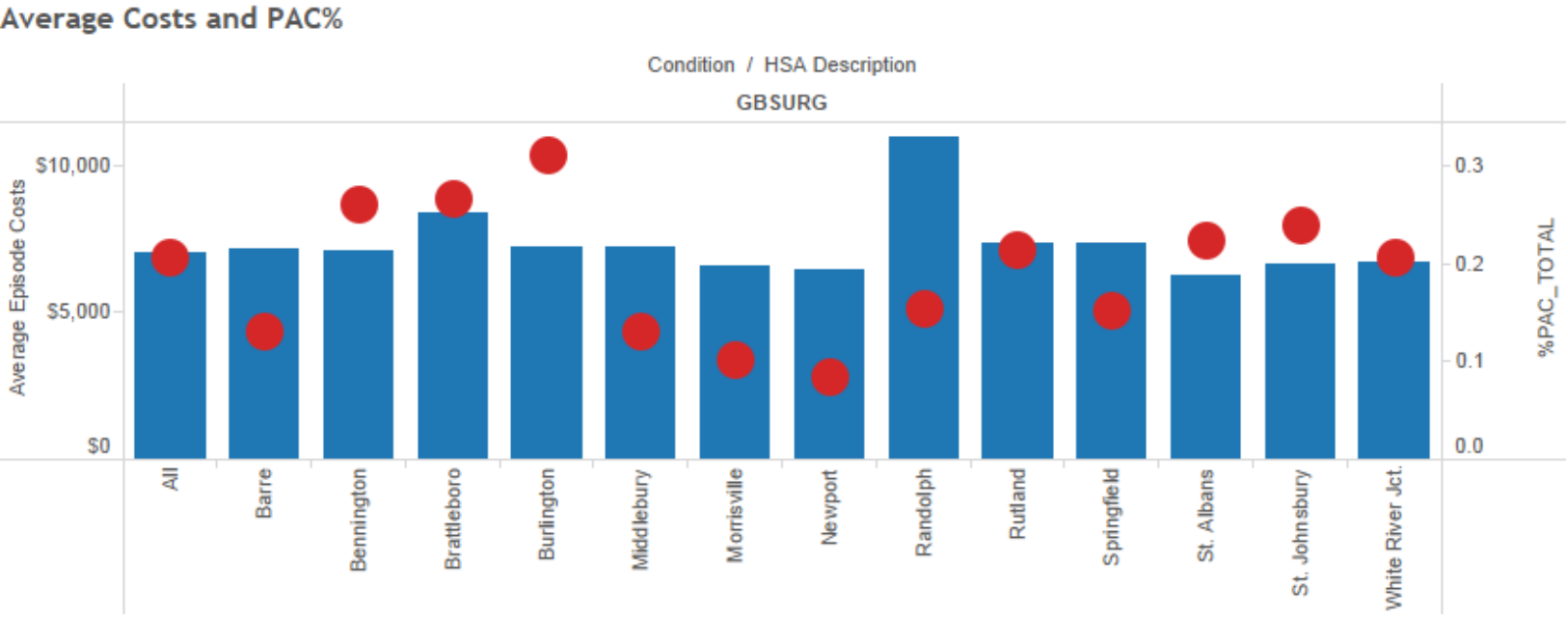

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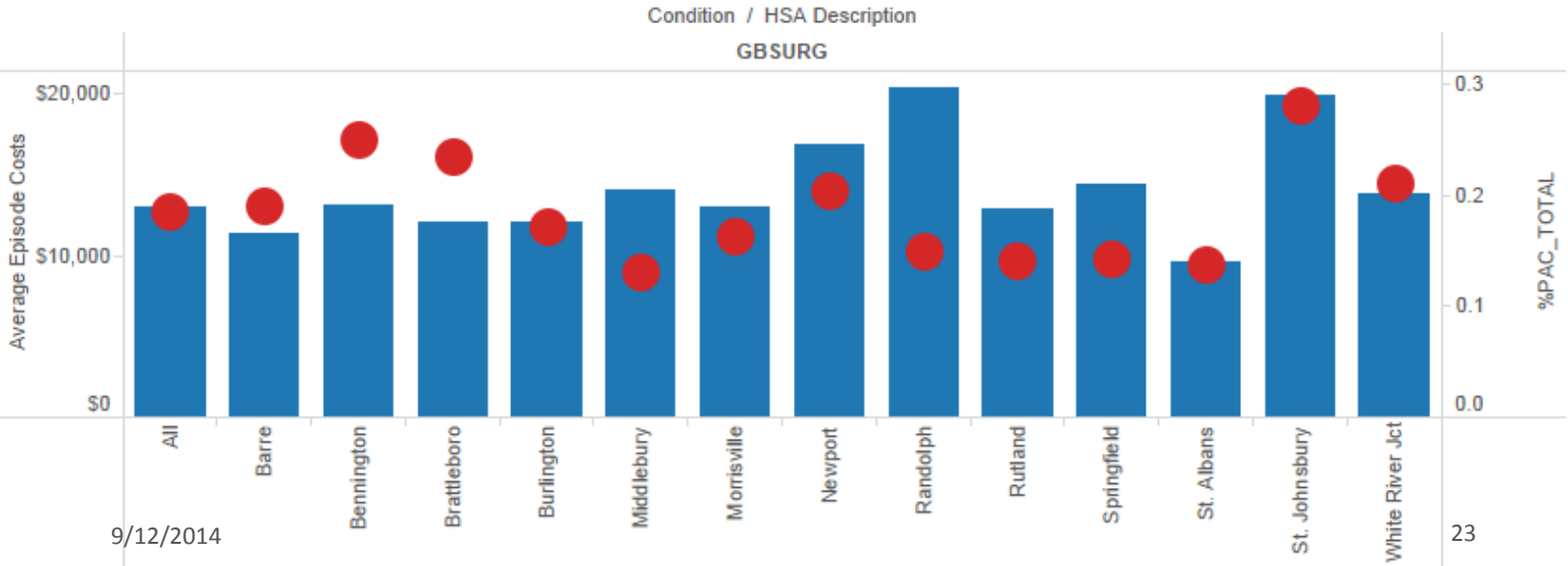

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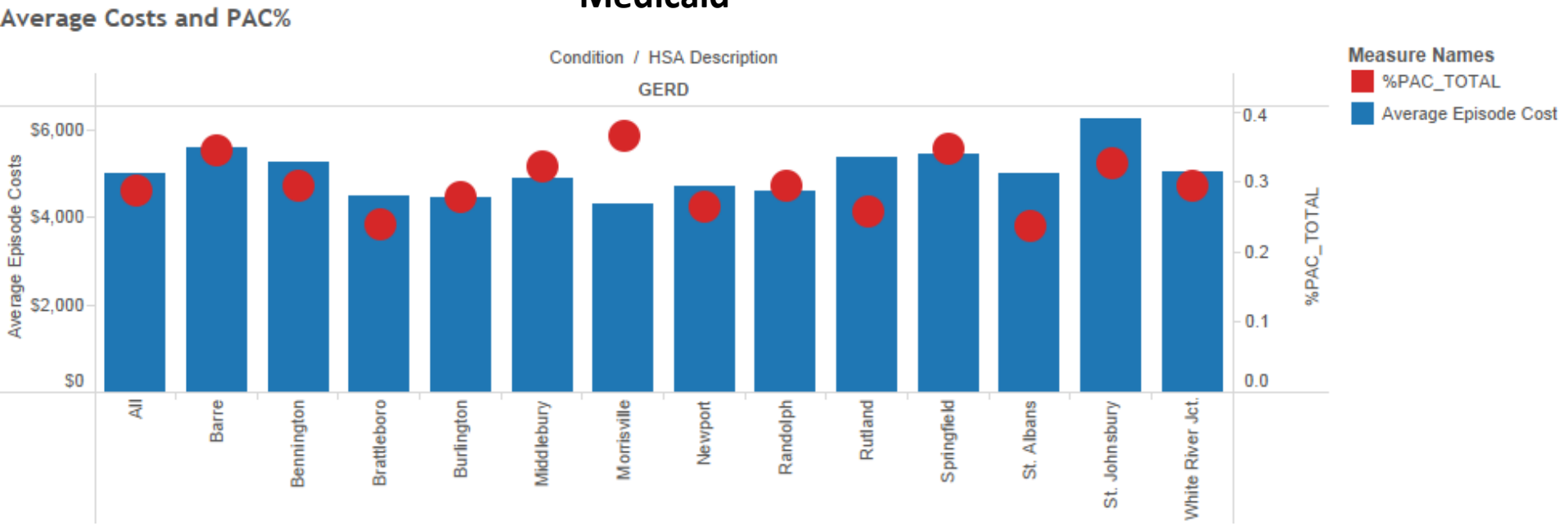

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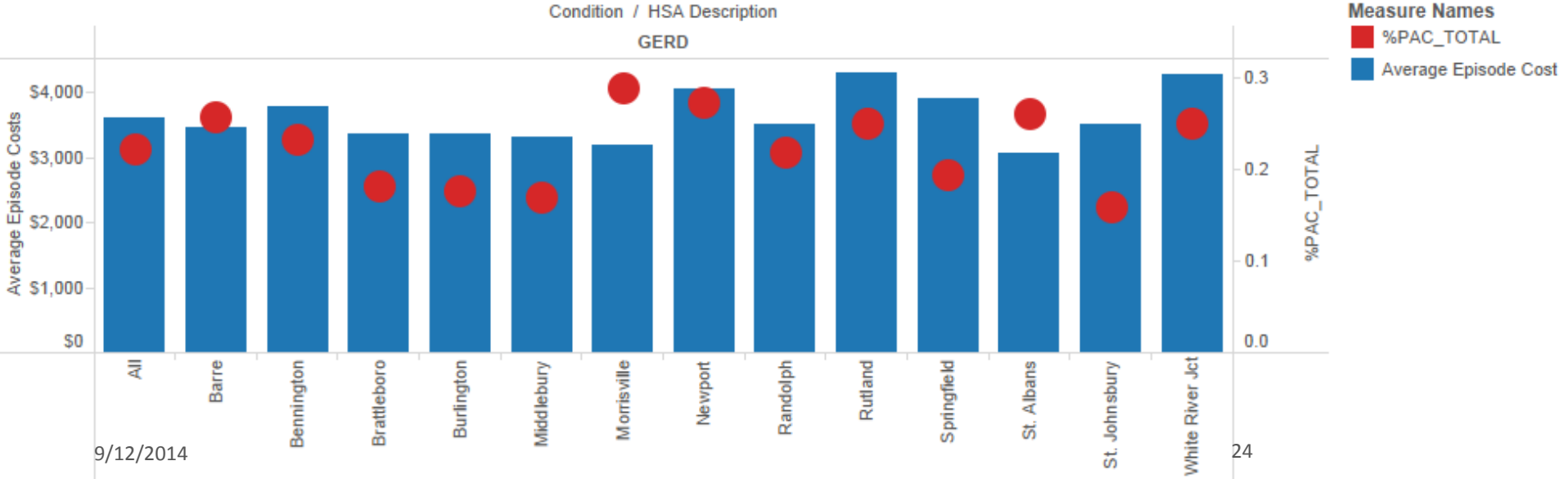

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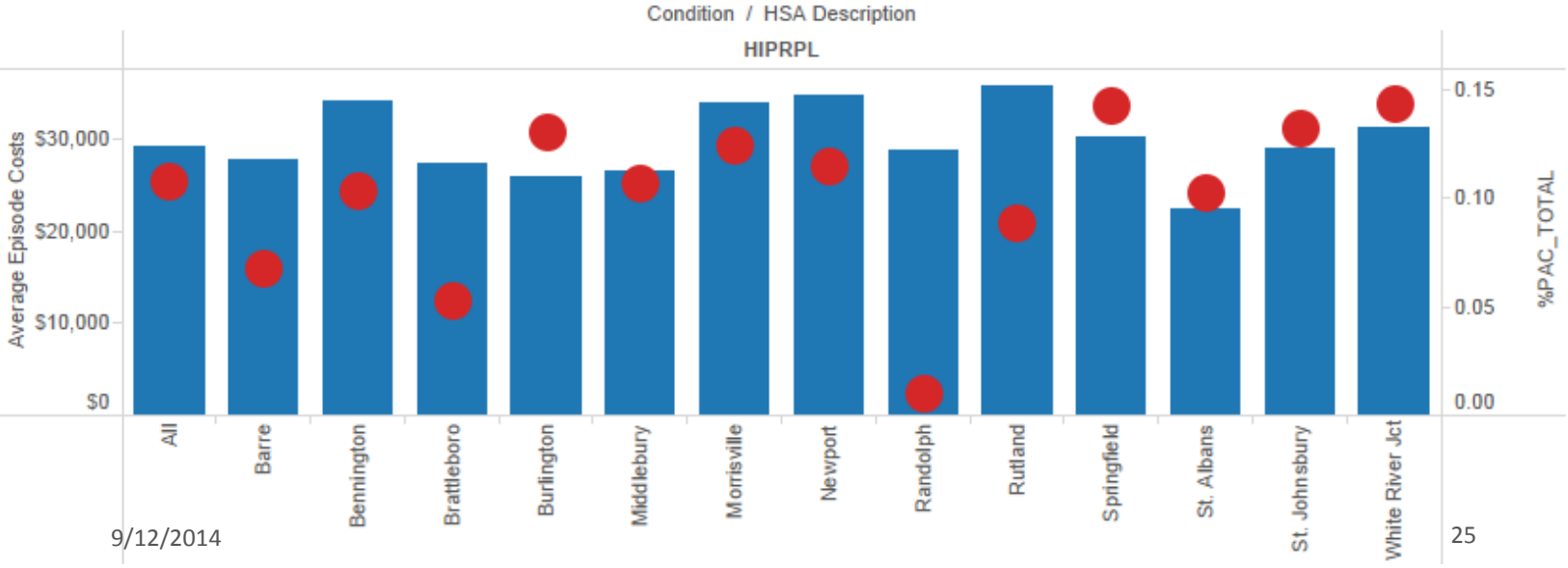

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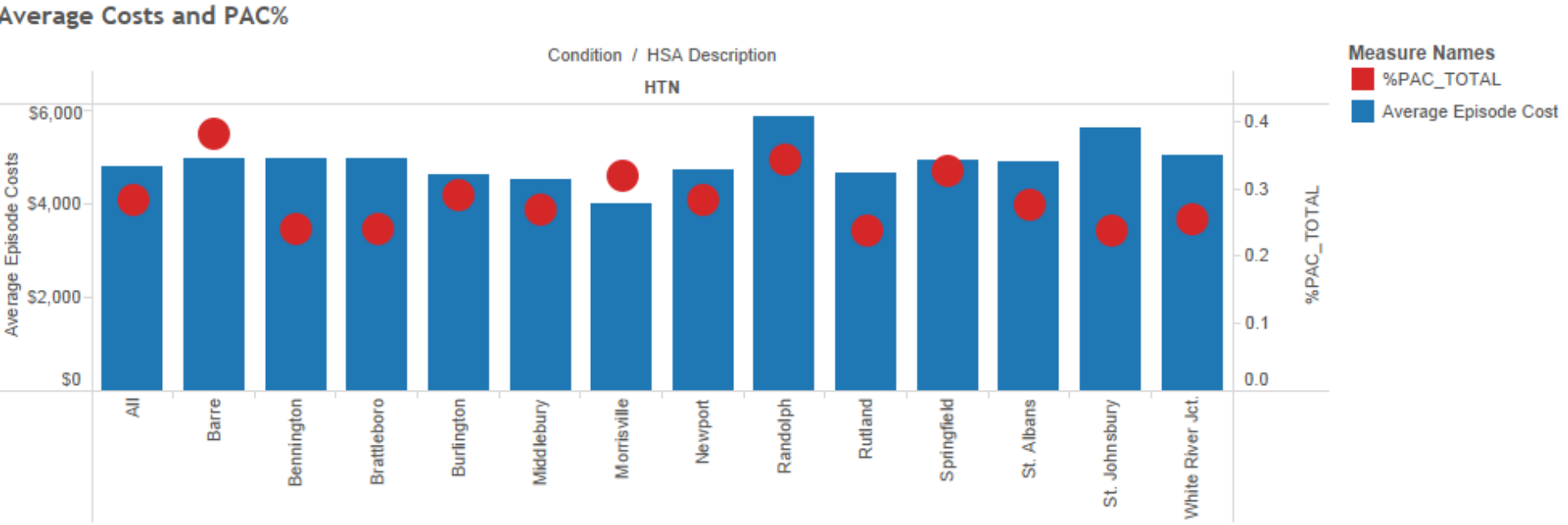

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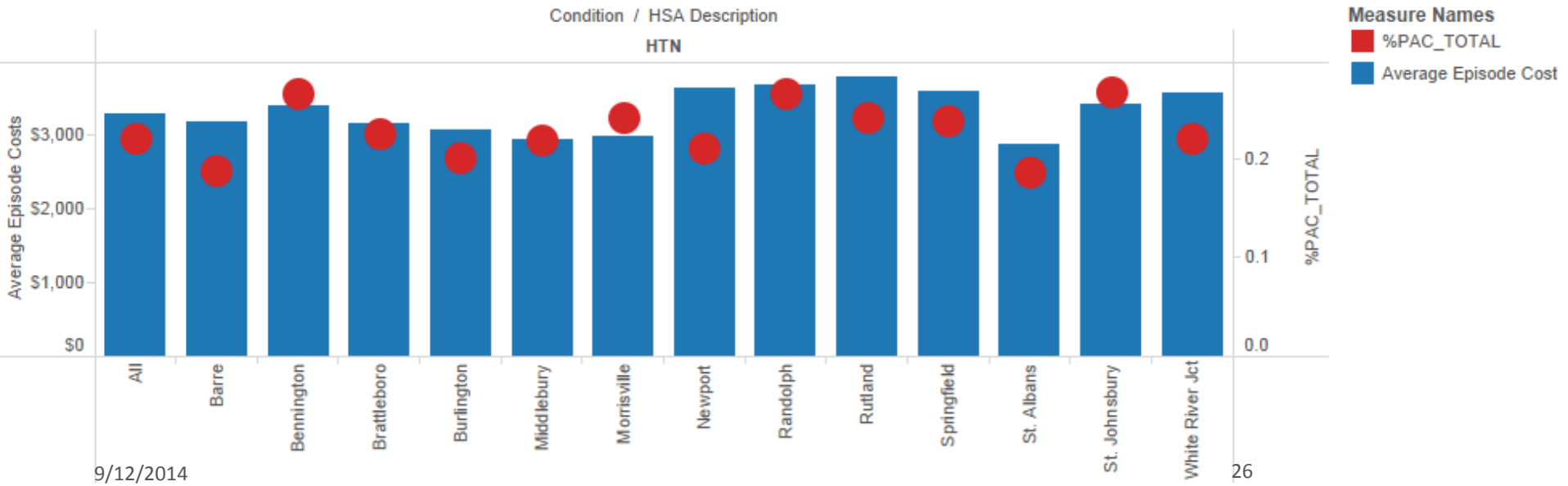

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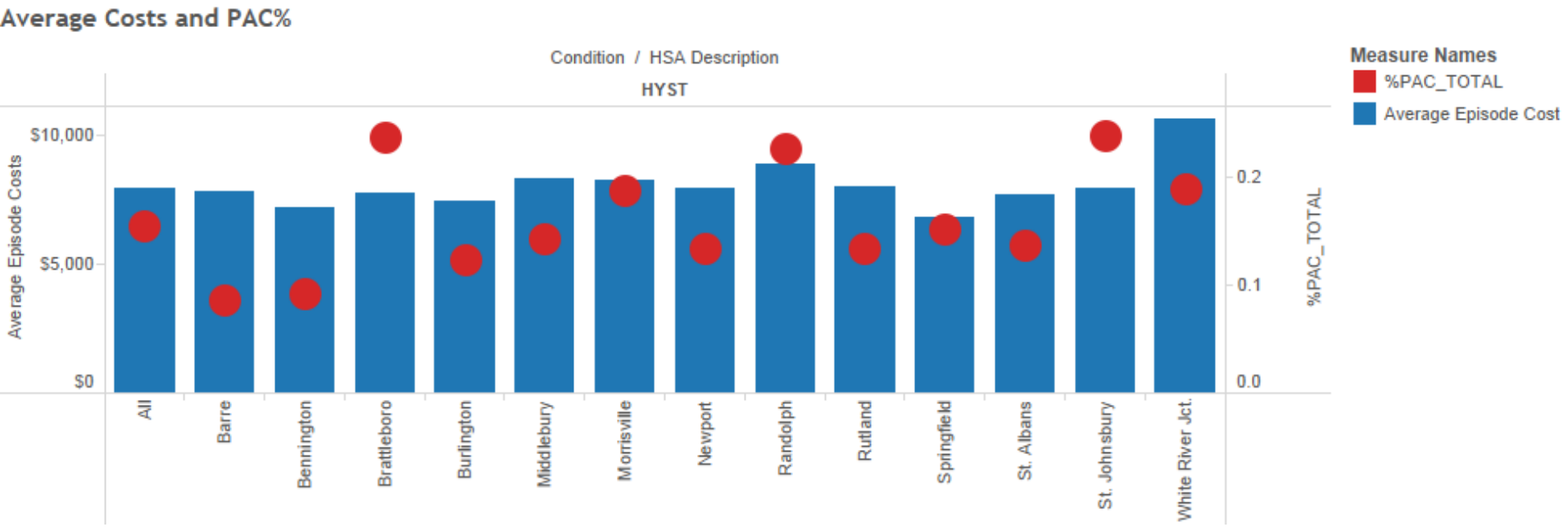

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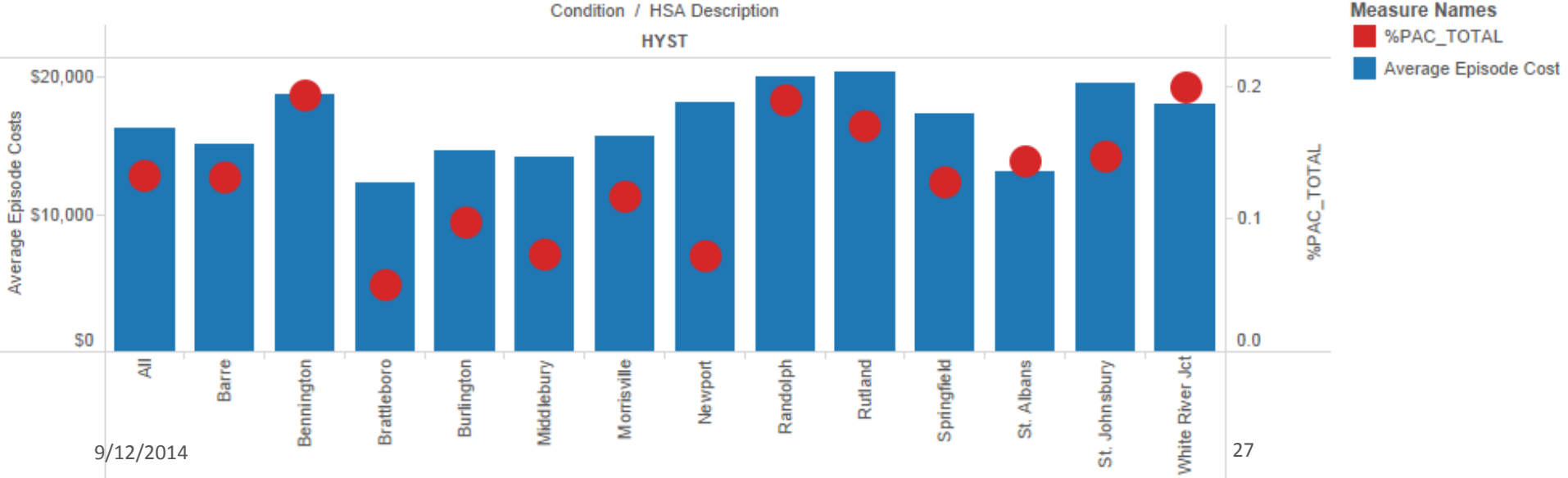

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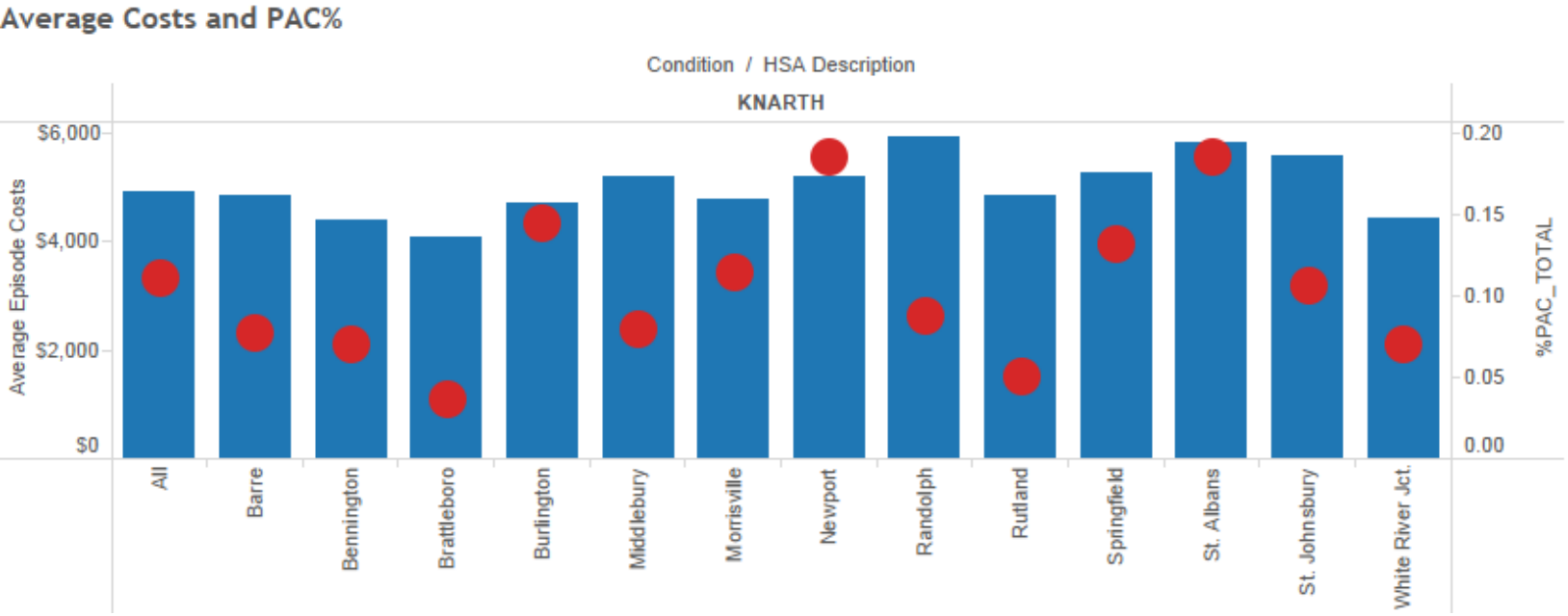

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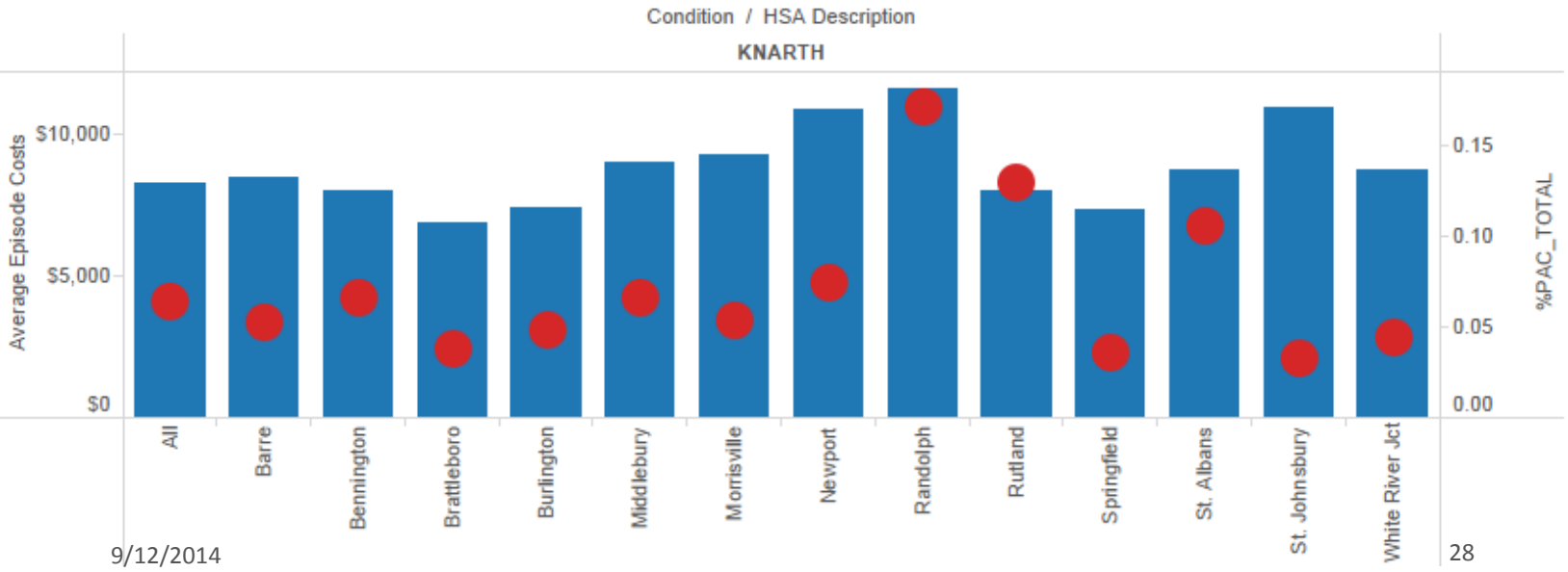

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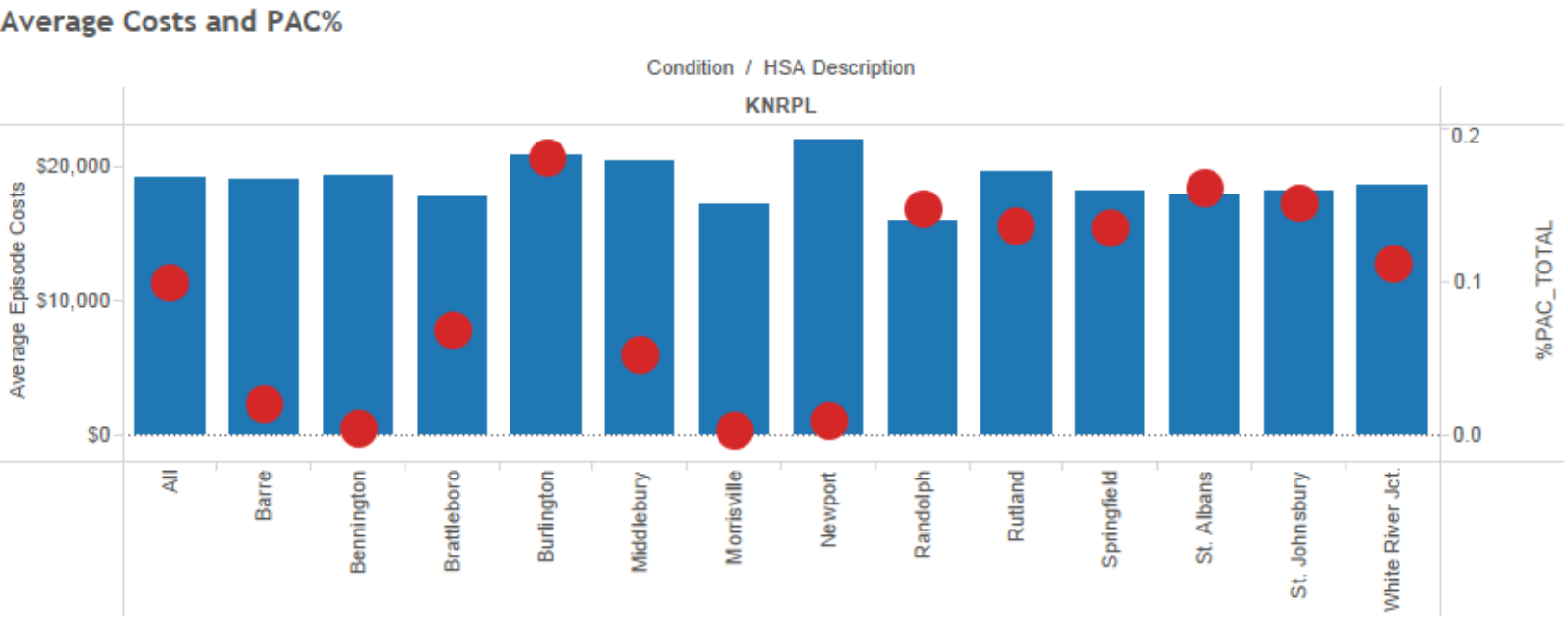

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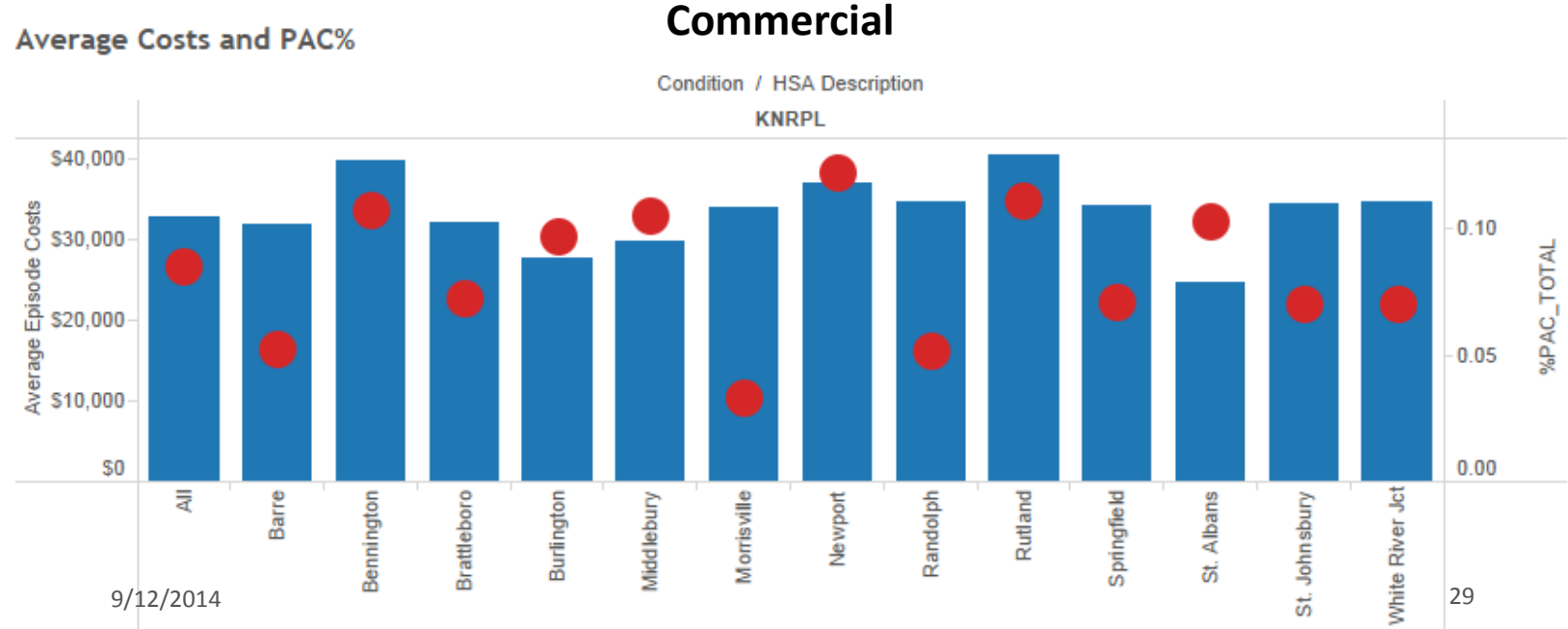

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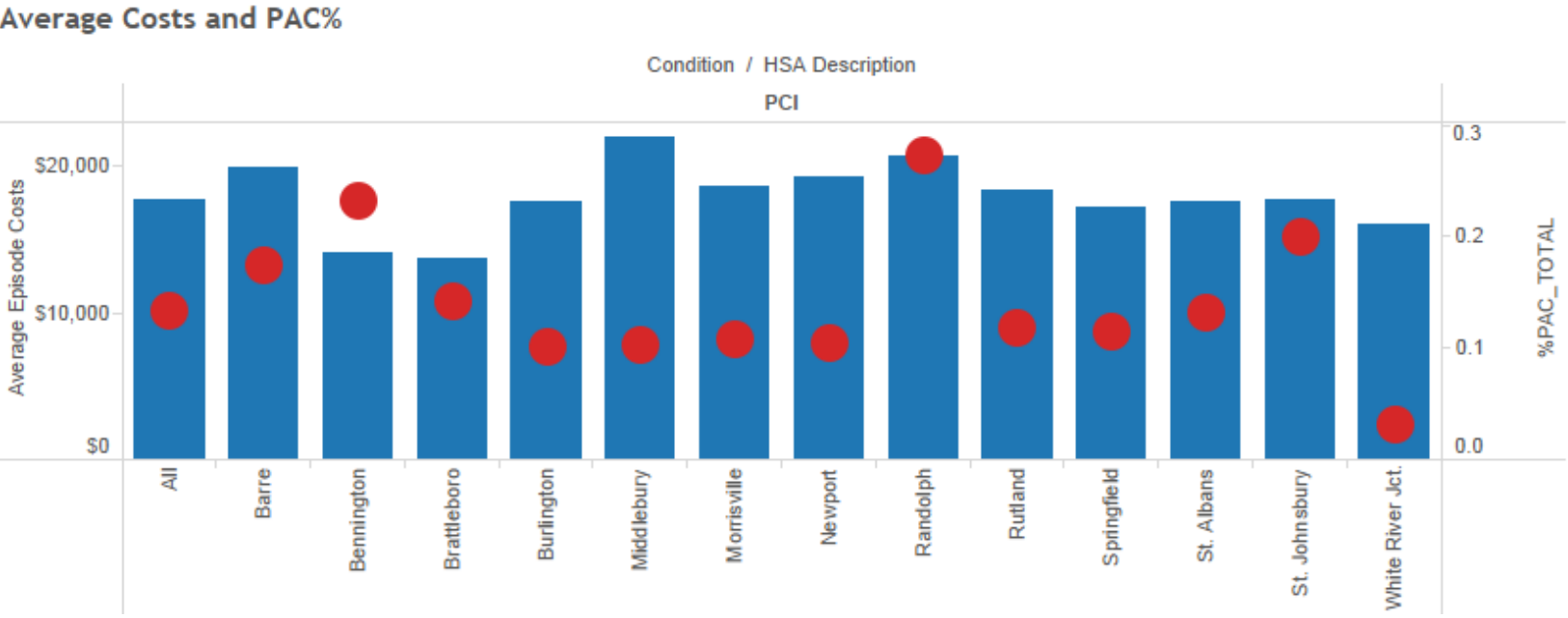

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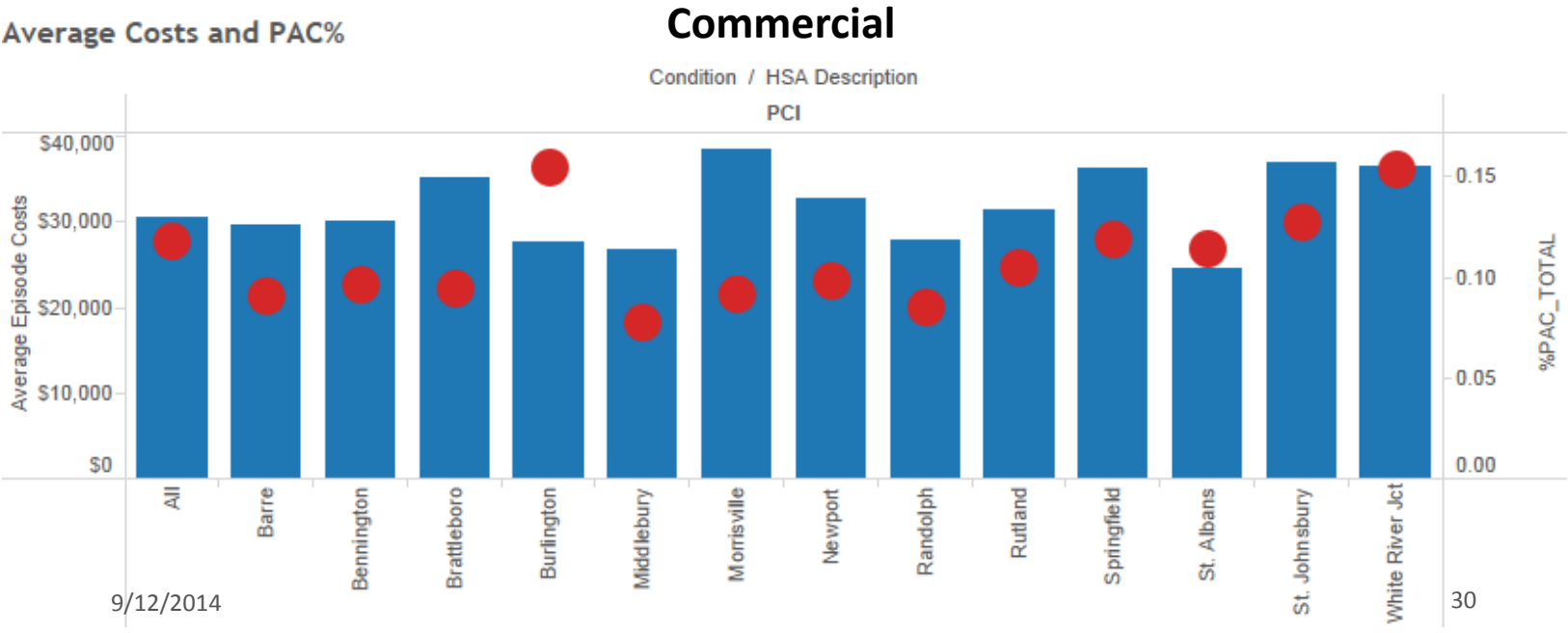

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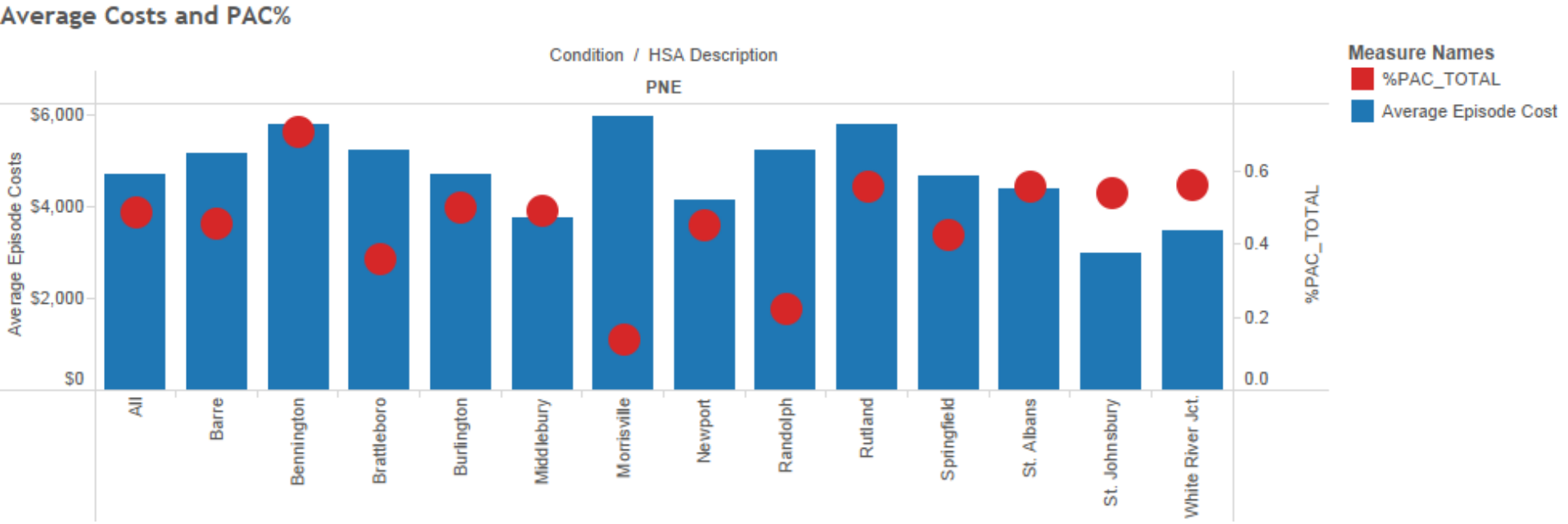

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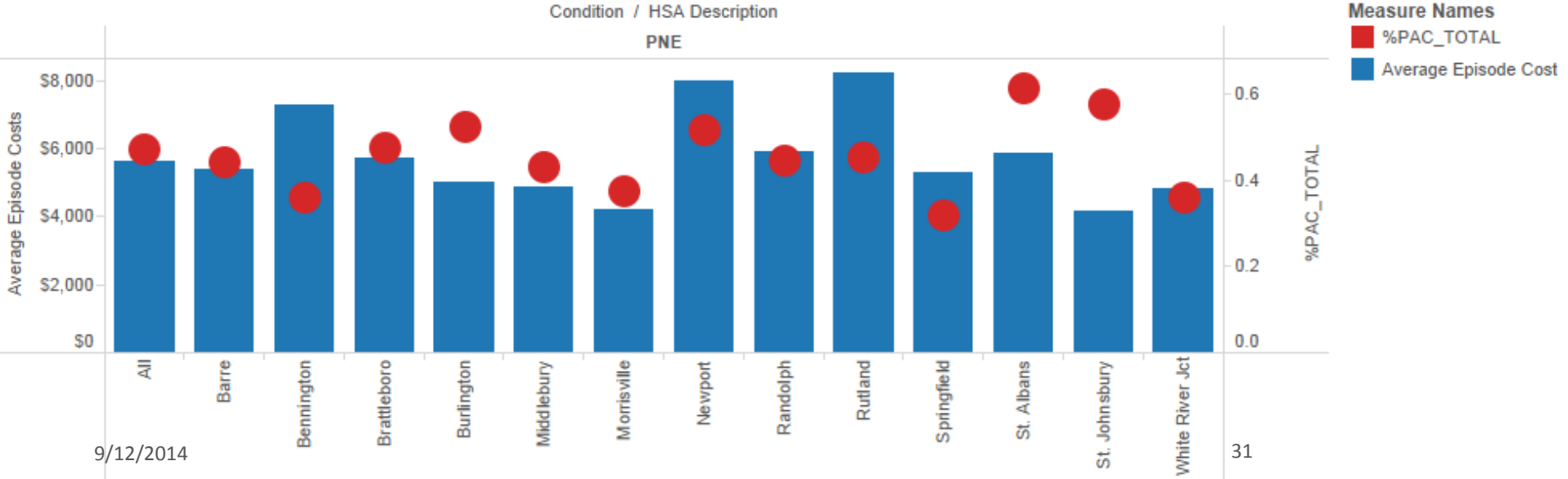

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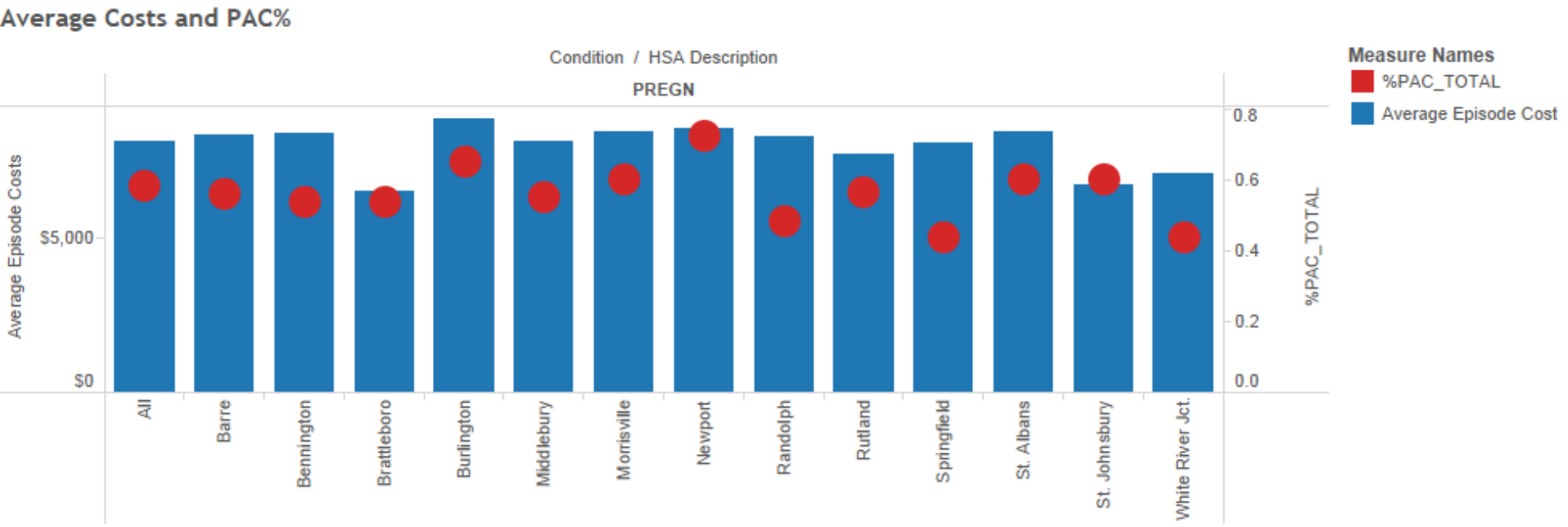

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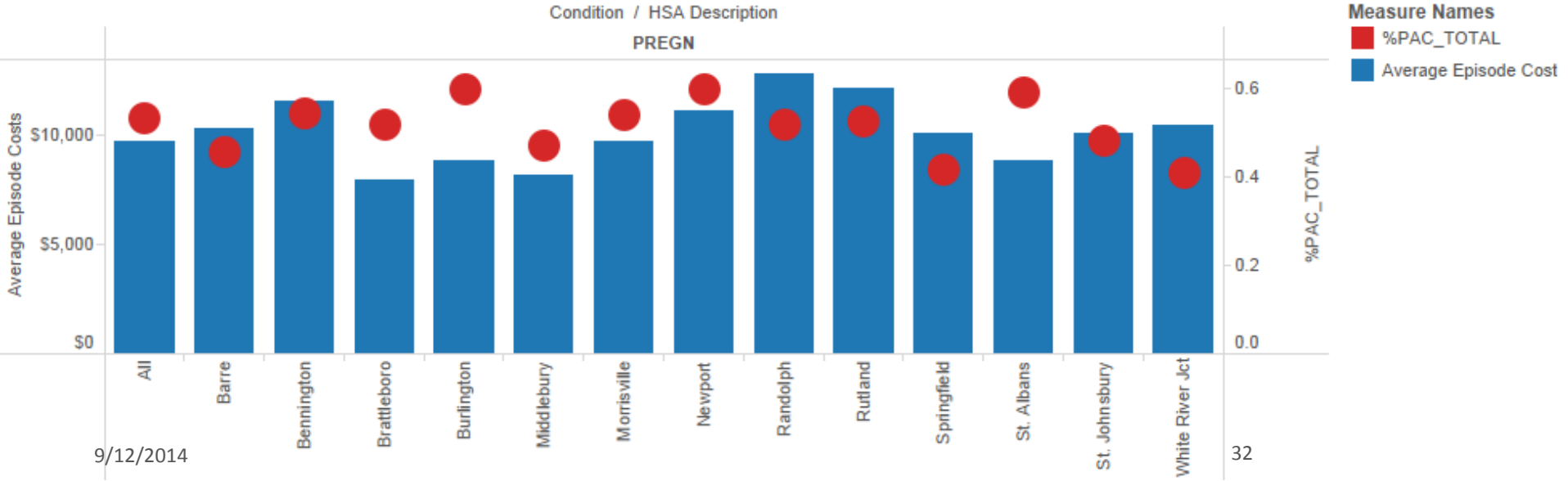

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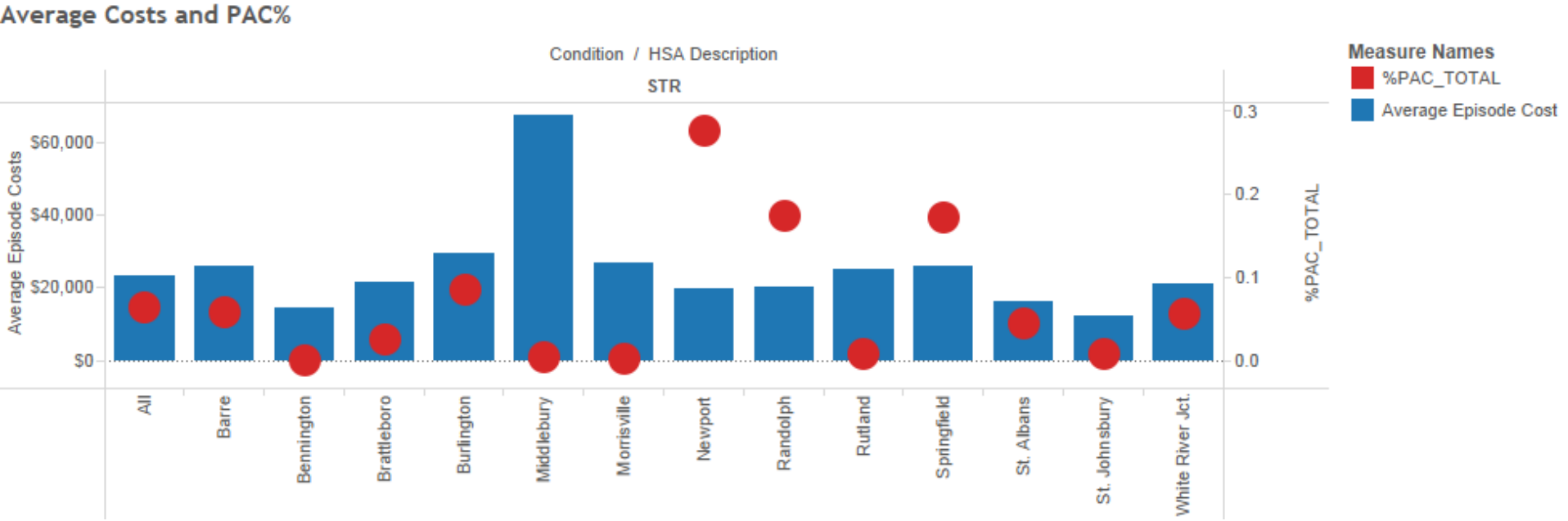

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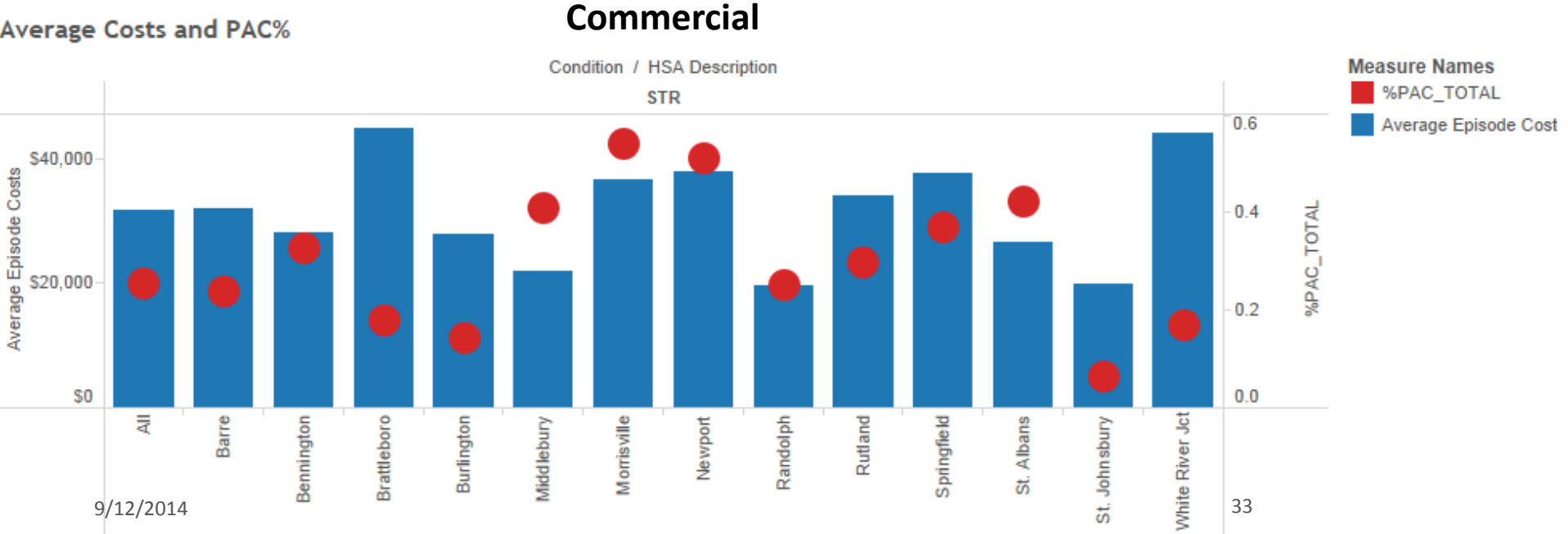

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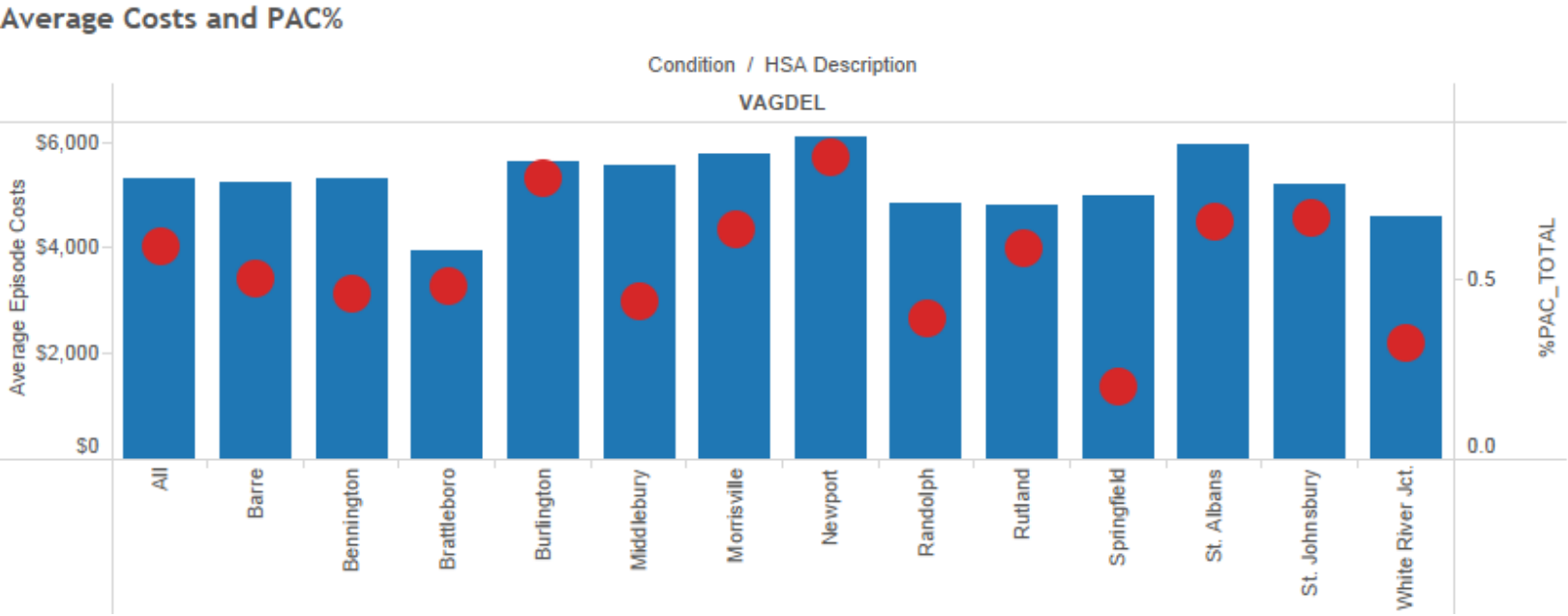

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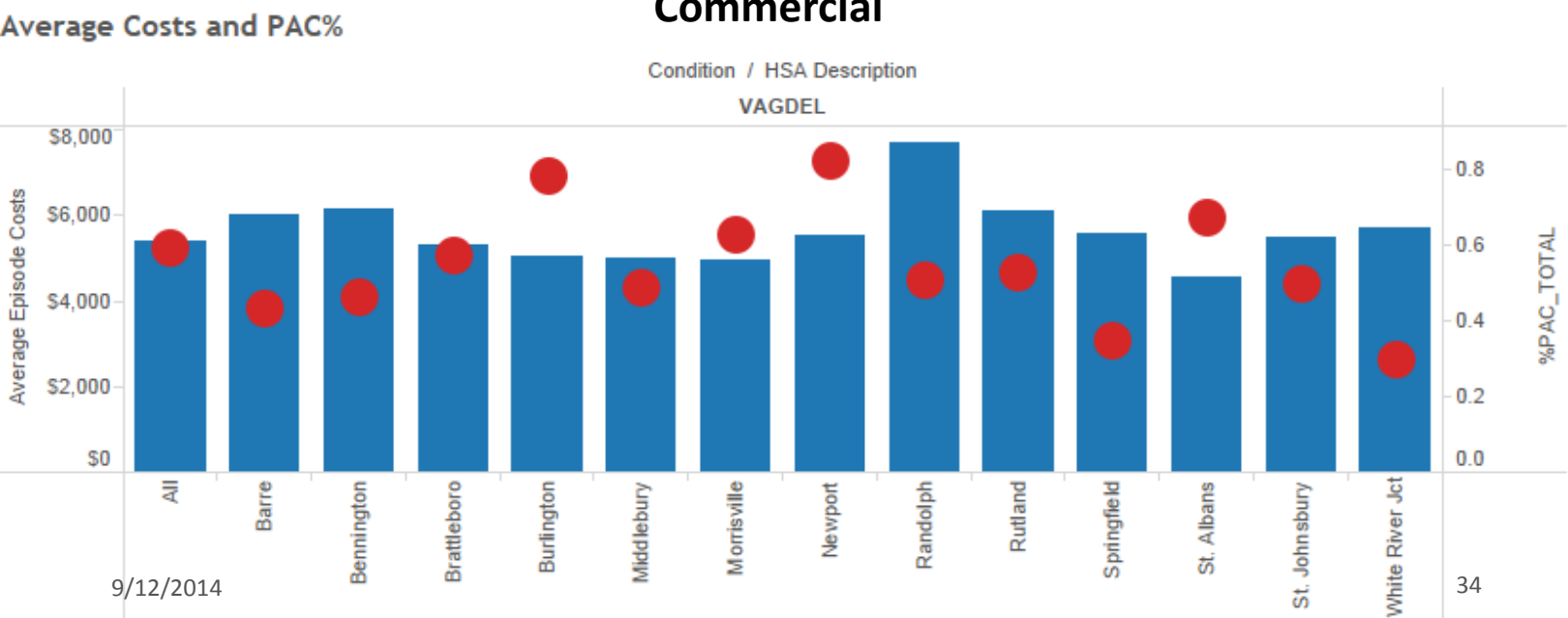
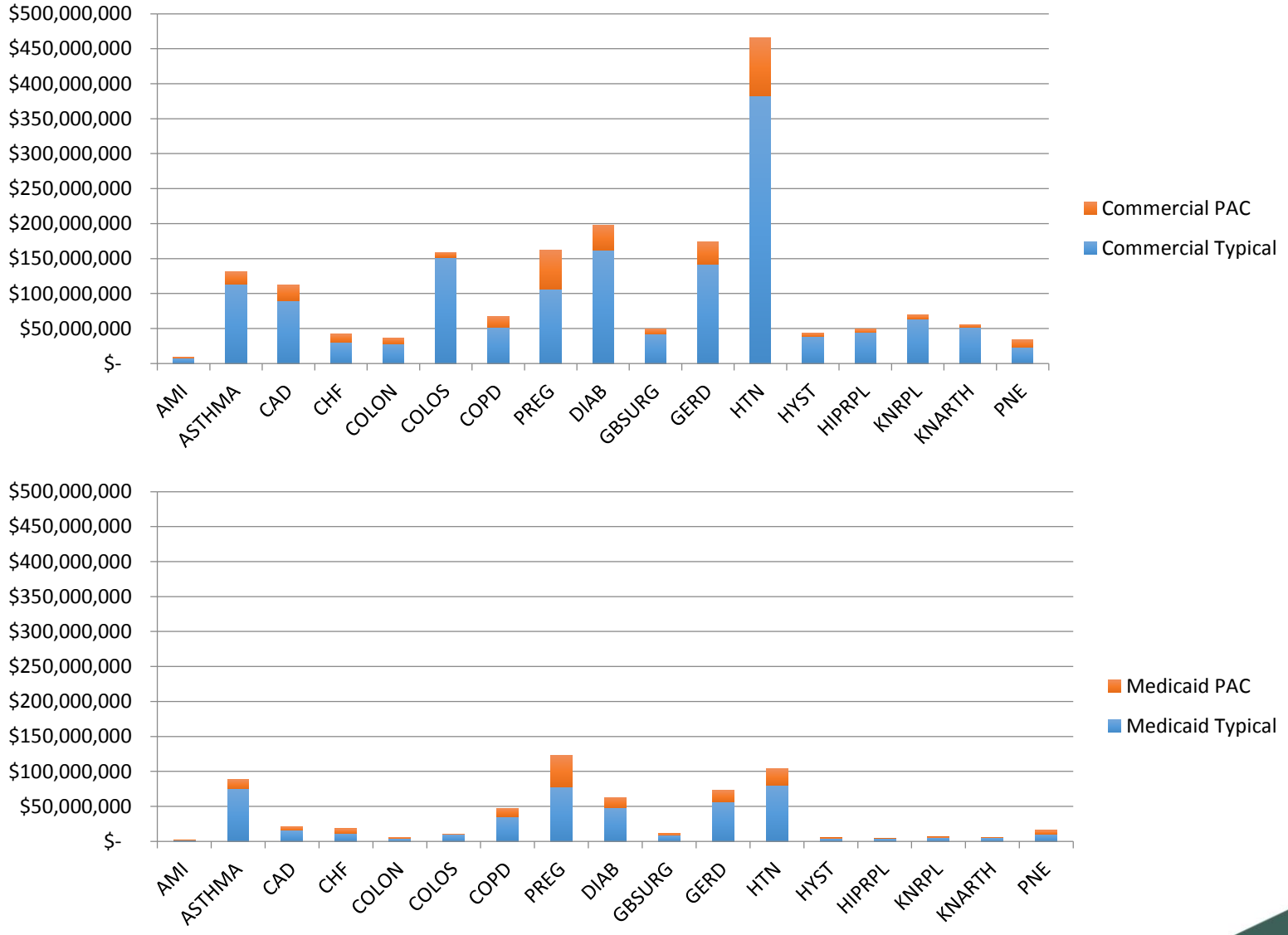


Data Book Slide 36

PAC COSTS

Total Typical And PAC Costs

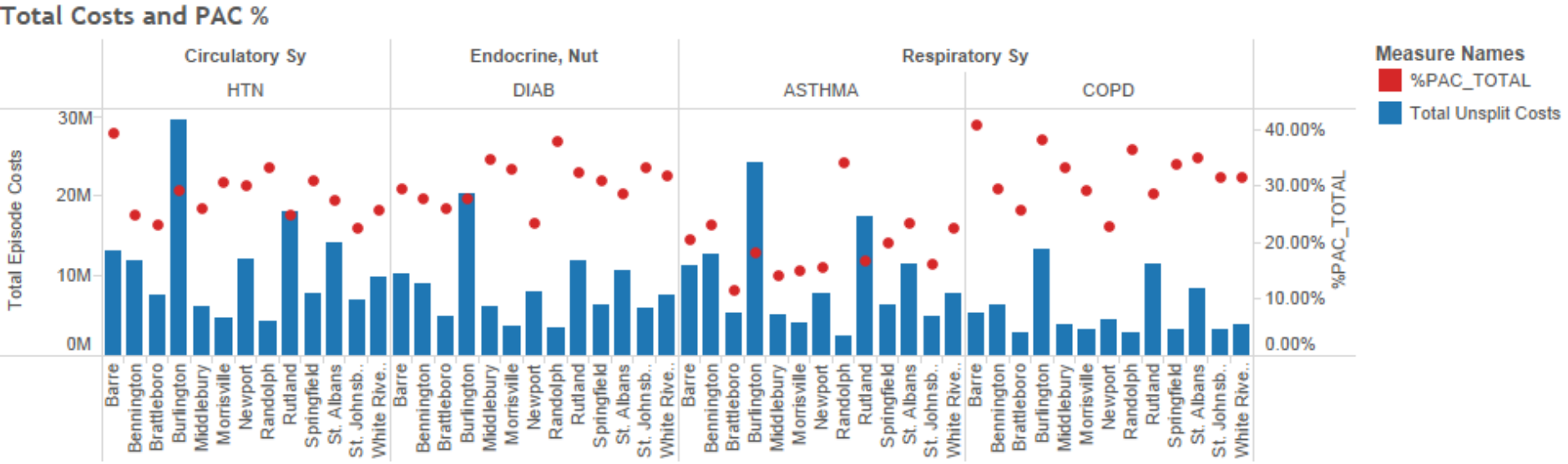


Data Book Slide 38

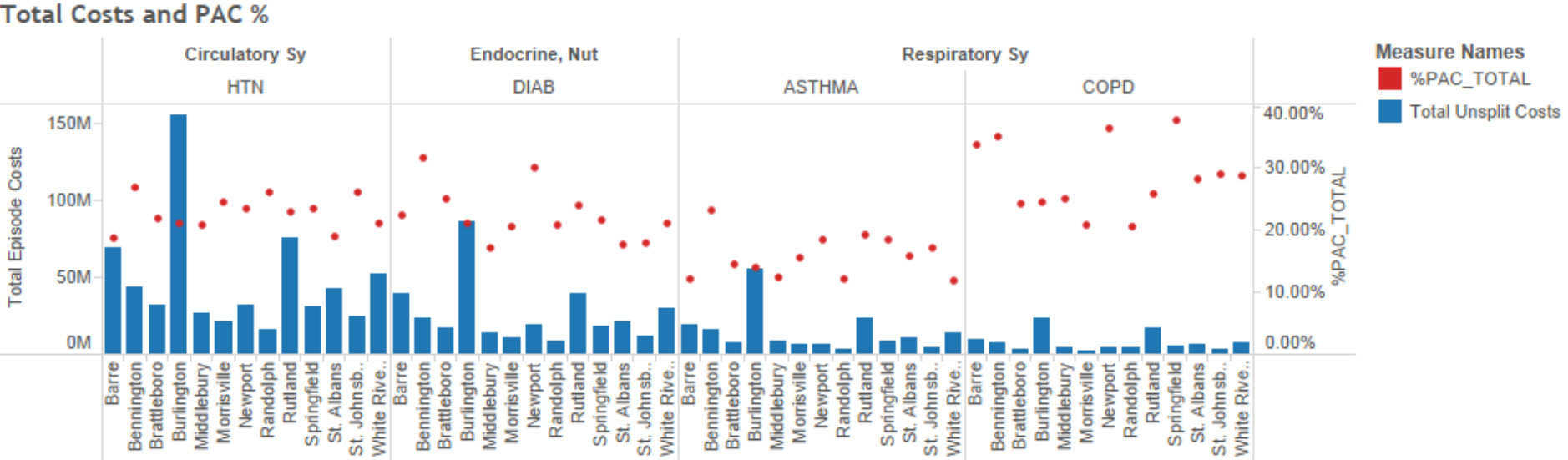
CHRONIC CARE VARIATION

Payer Variation Chronic Conditions

Medicaid



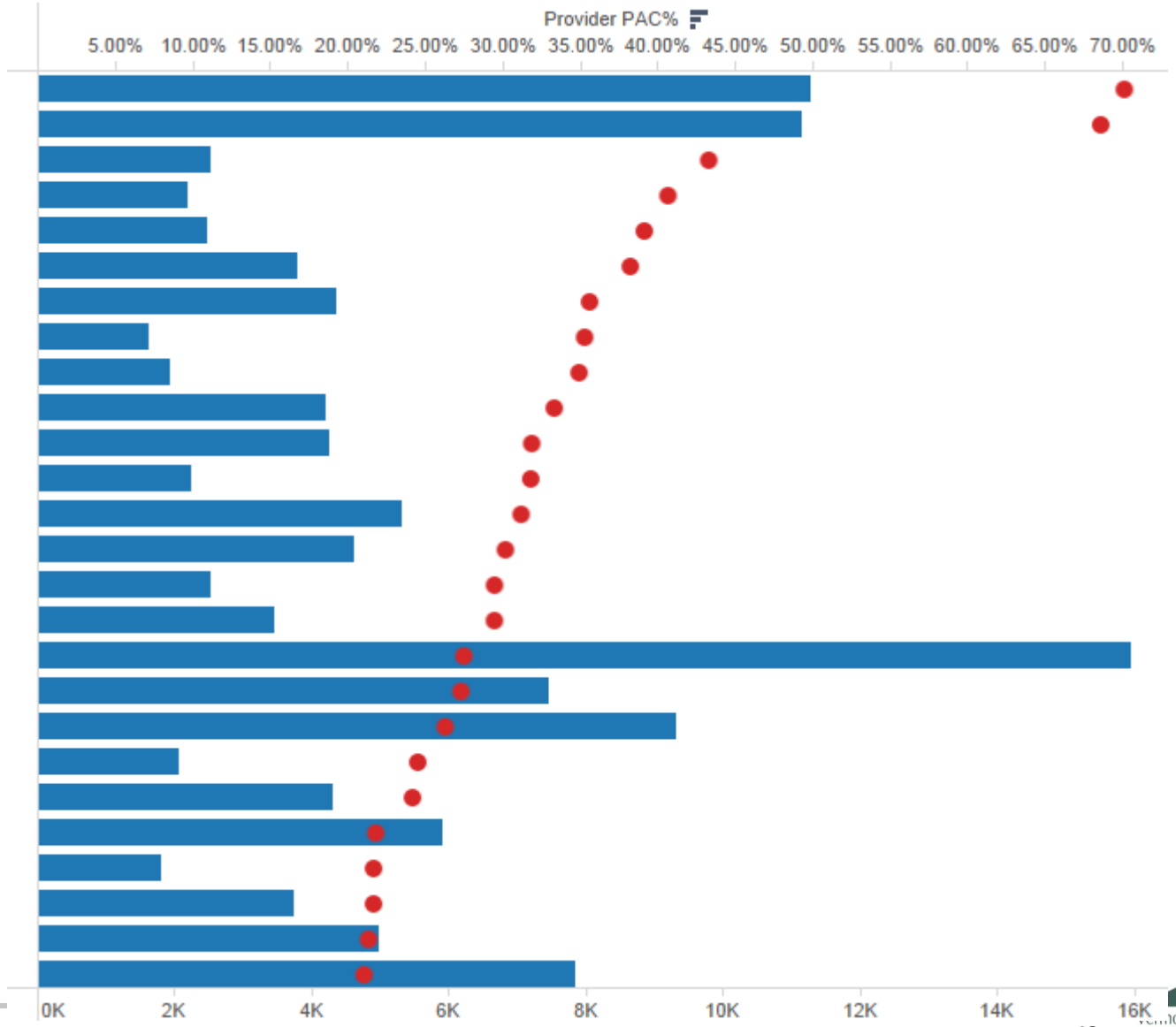
Commercial



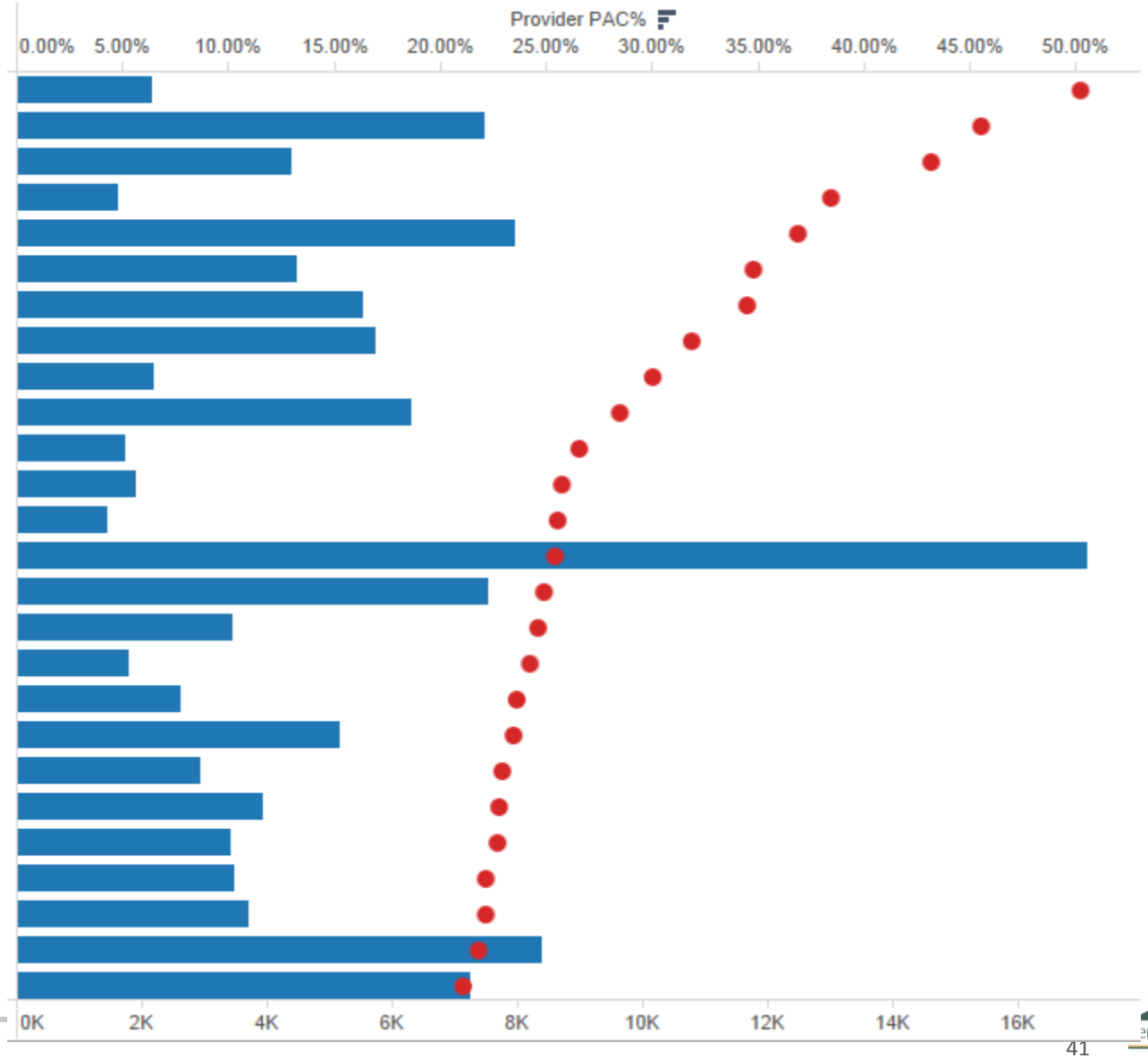
Data Book Slides 40-67

PROVIDER COST AND PAC

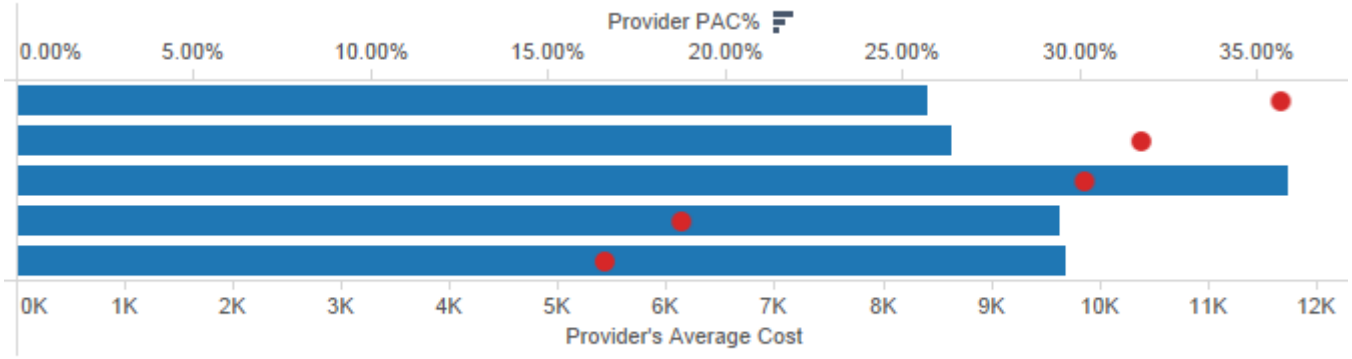
26 Providers with highest PAC % Asthma - Medicaid



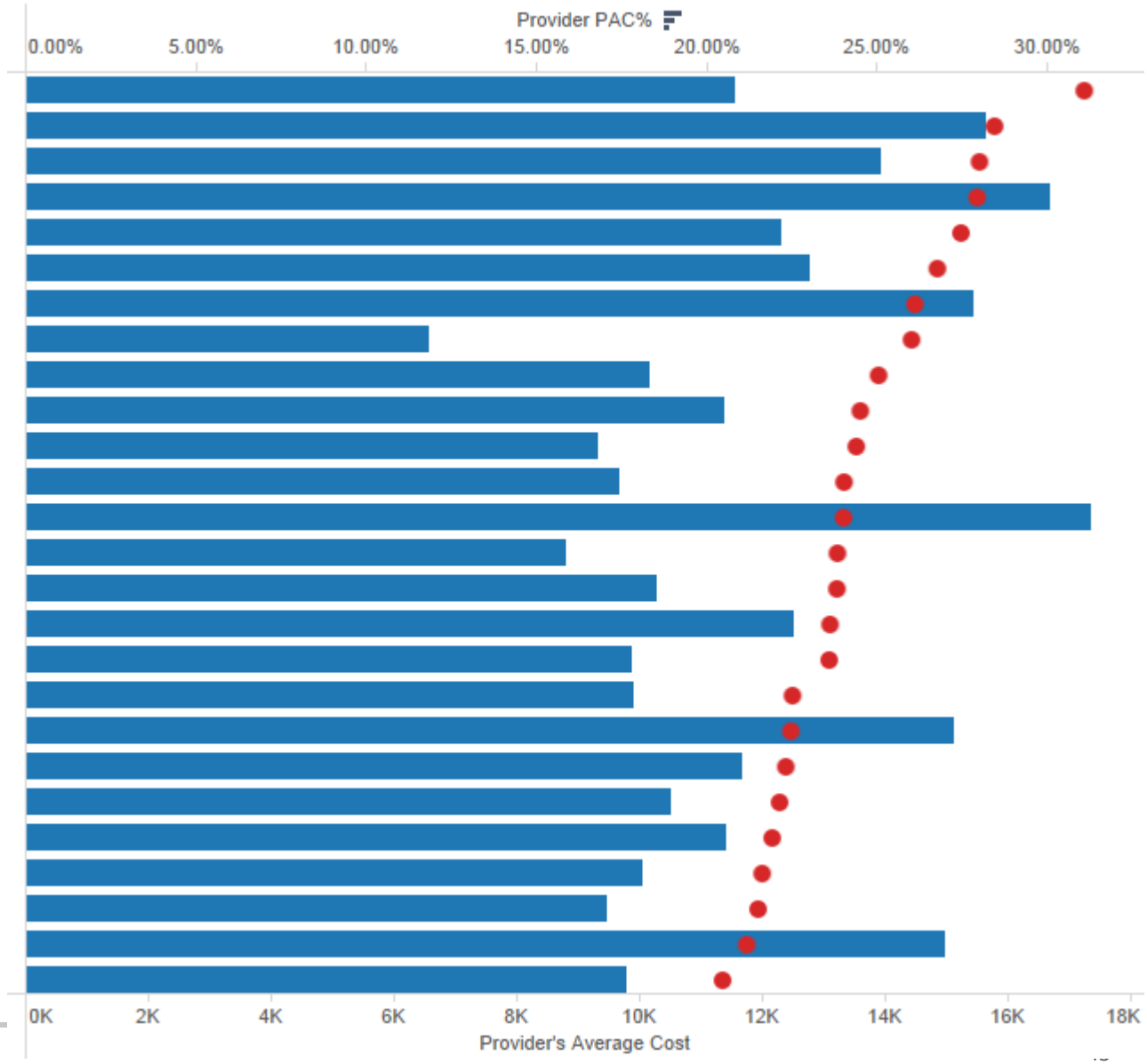
26 Providers with highest PAC % Asthma - Commercial



CAD - Medicaid



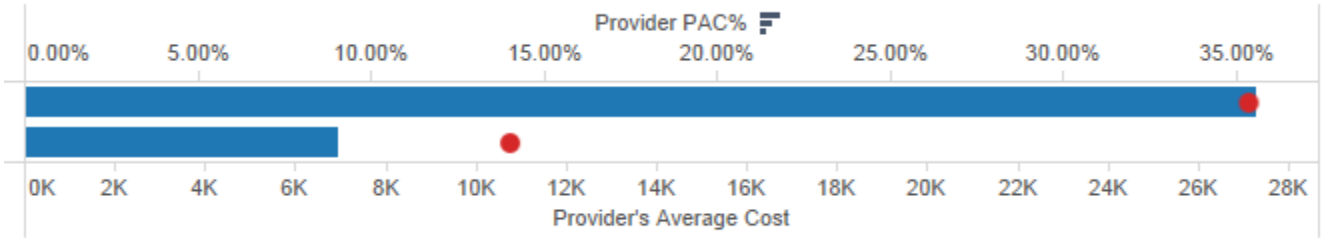
26 Providers with highest PAC % CAD - Commercial



CHF - Medicaid

No Provider with 50+ patients

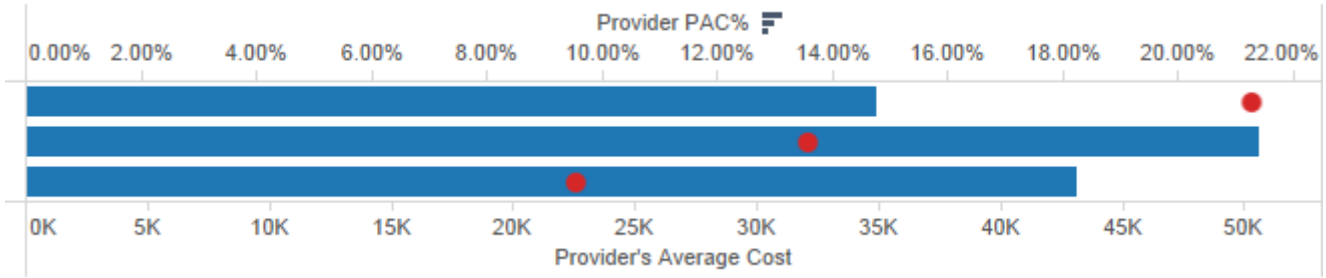
CHF - Commercial



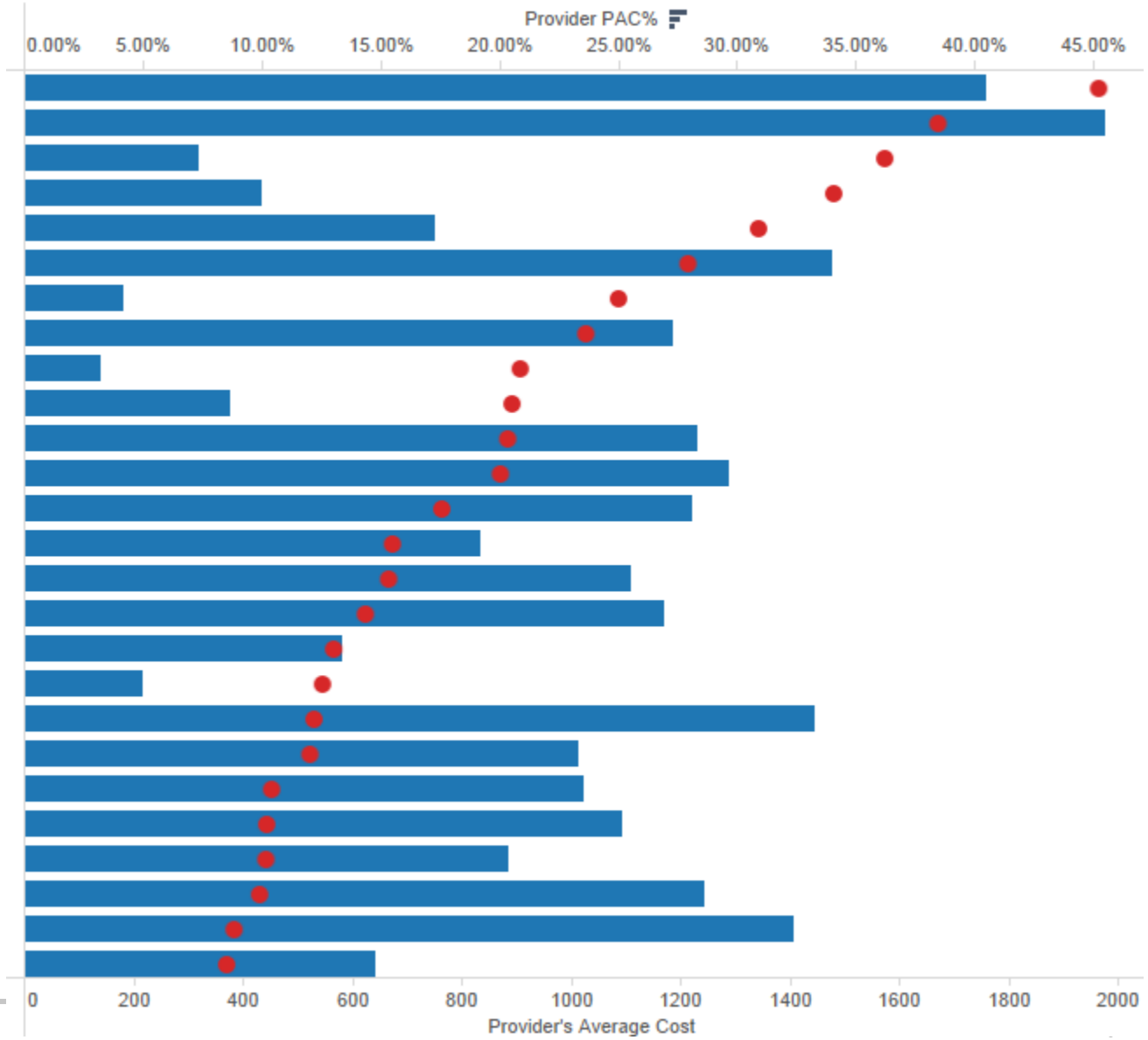
COLON - Medicaid

No Provider with 50+ patients

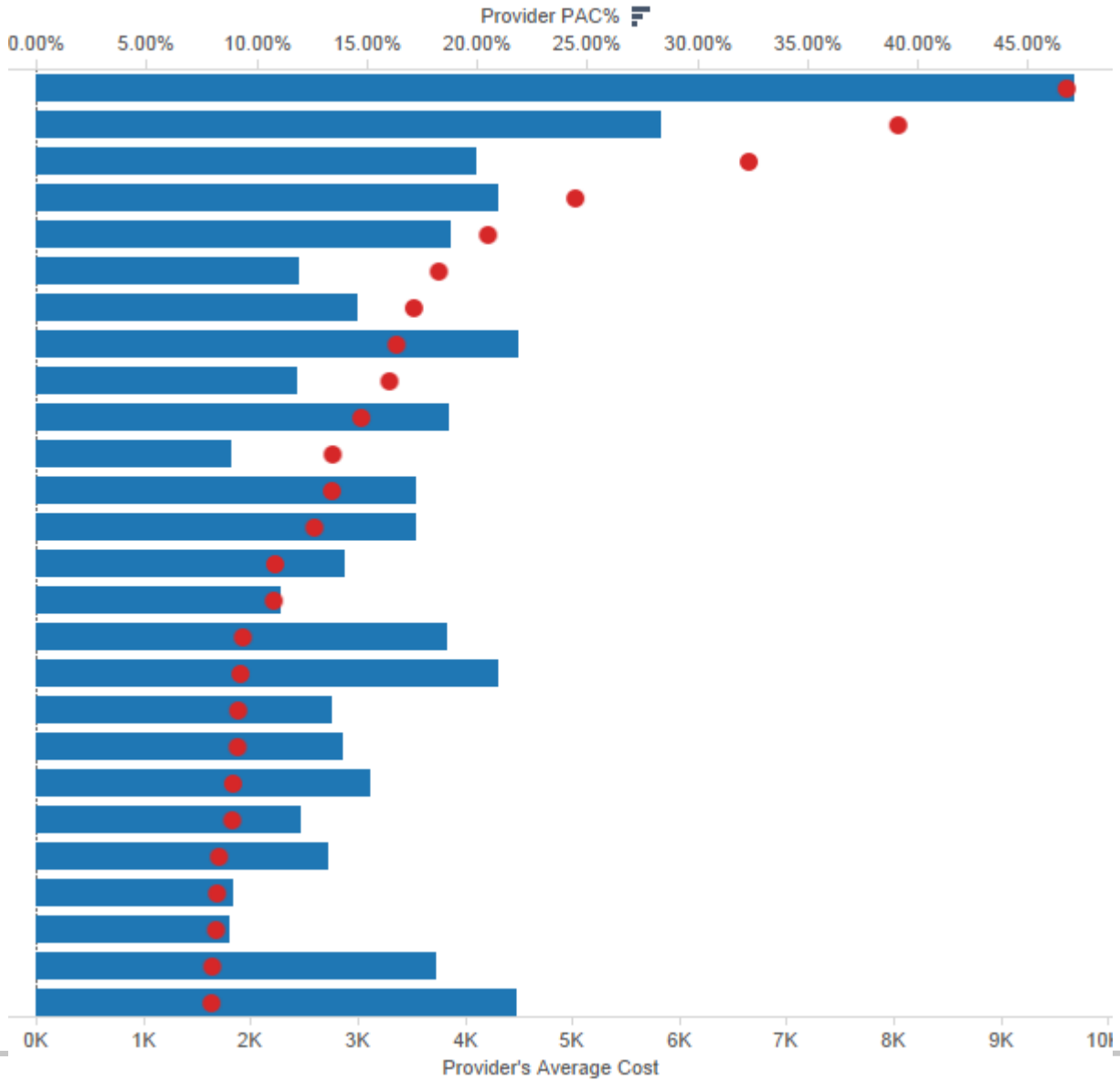
COLON - Commercial



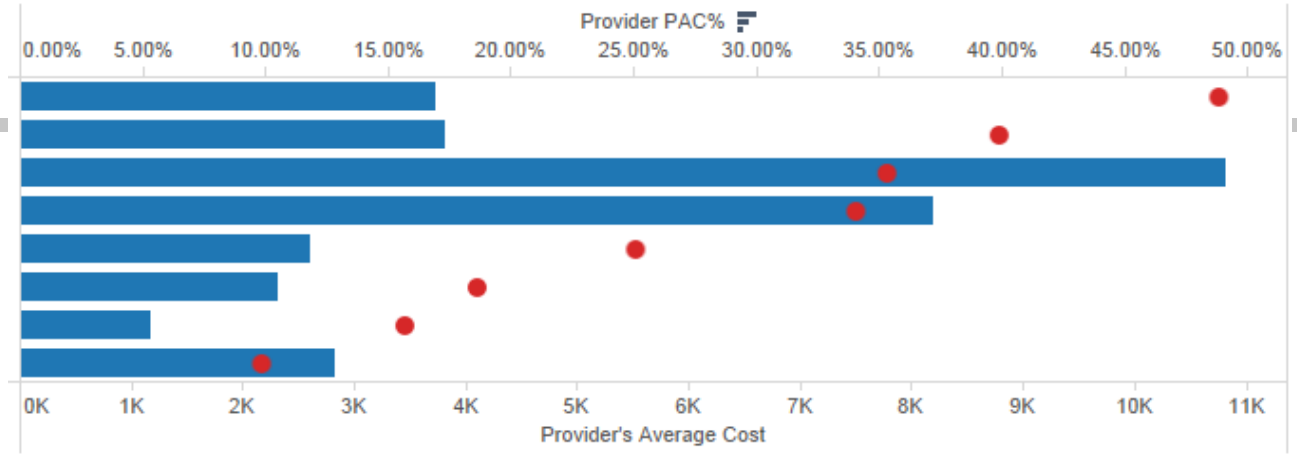
26 Providers with highest PAC % COLOS - Medicaid



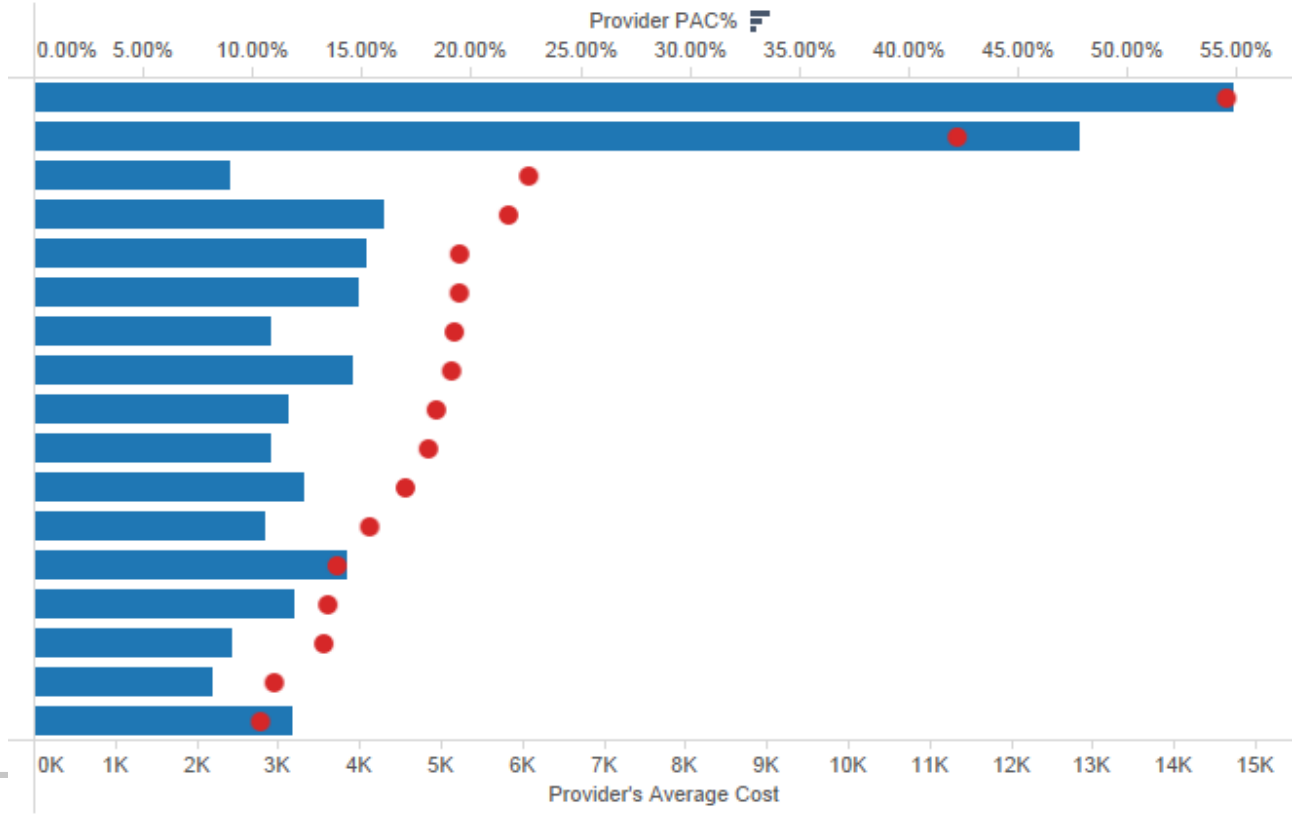
26 Providers with highest PAC % COLOS - Commercial



COPD - Medicaid



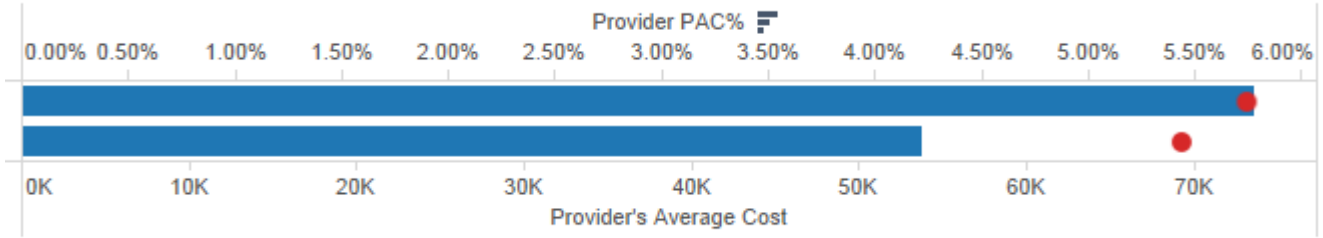
COPD - Commercial



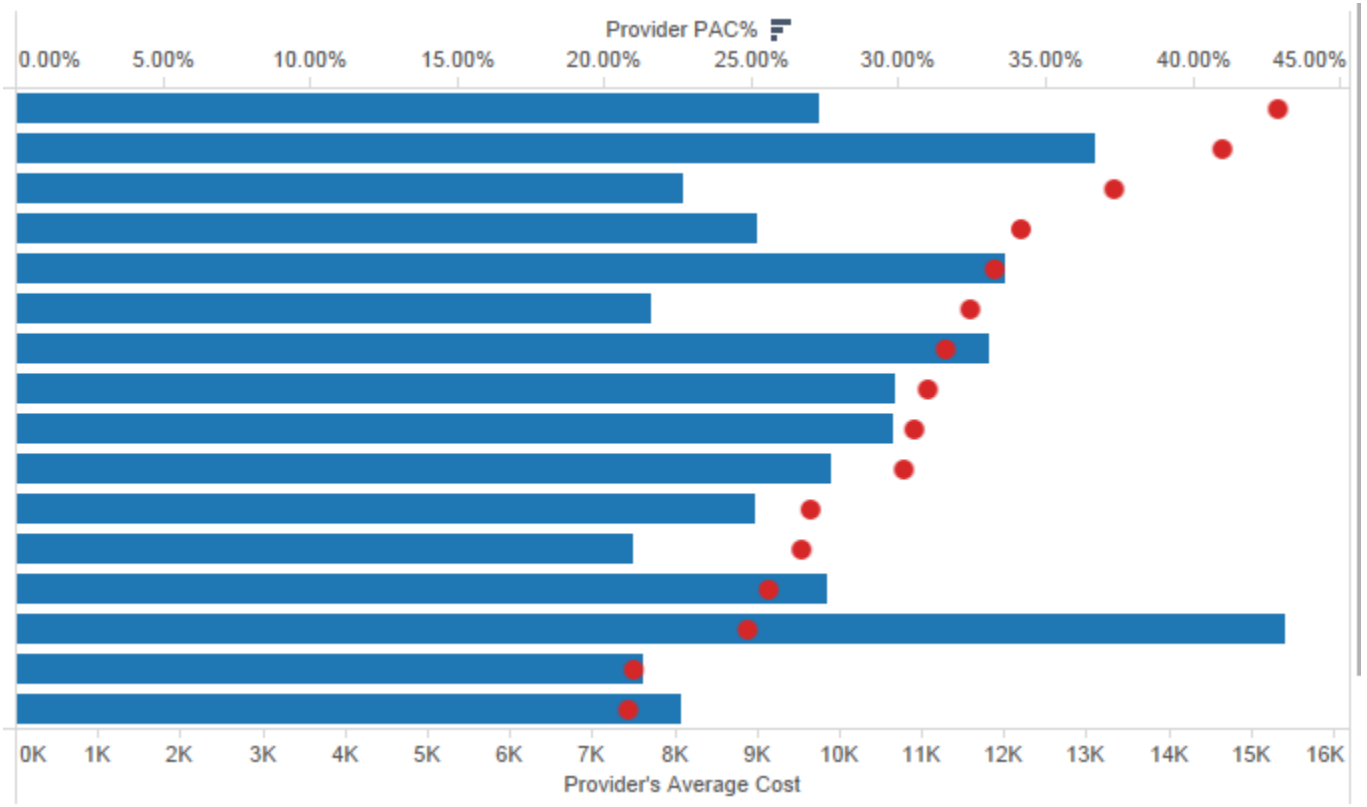
CxCABG - Medicaid

No Provider with 50+ patients

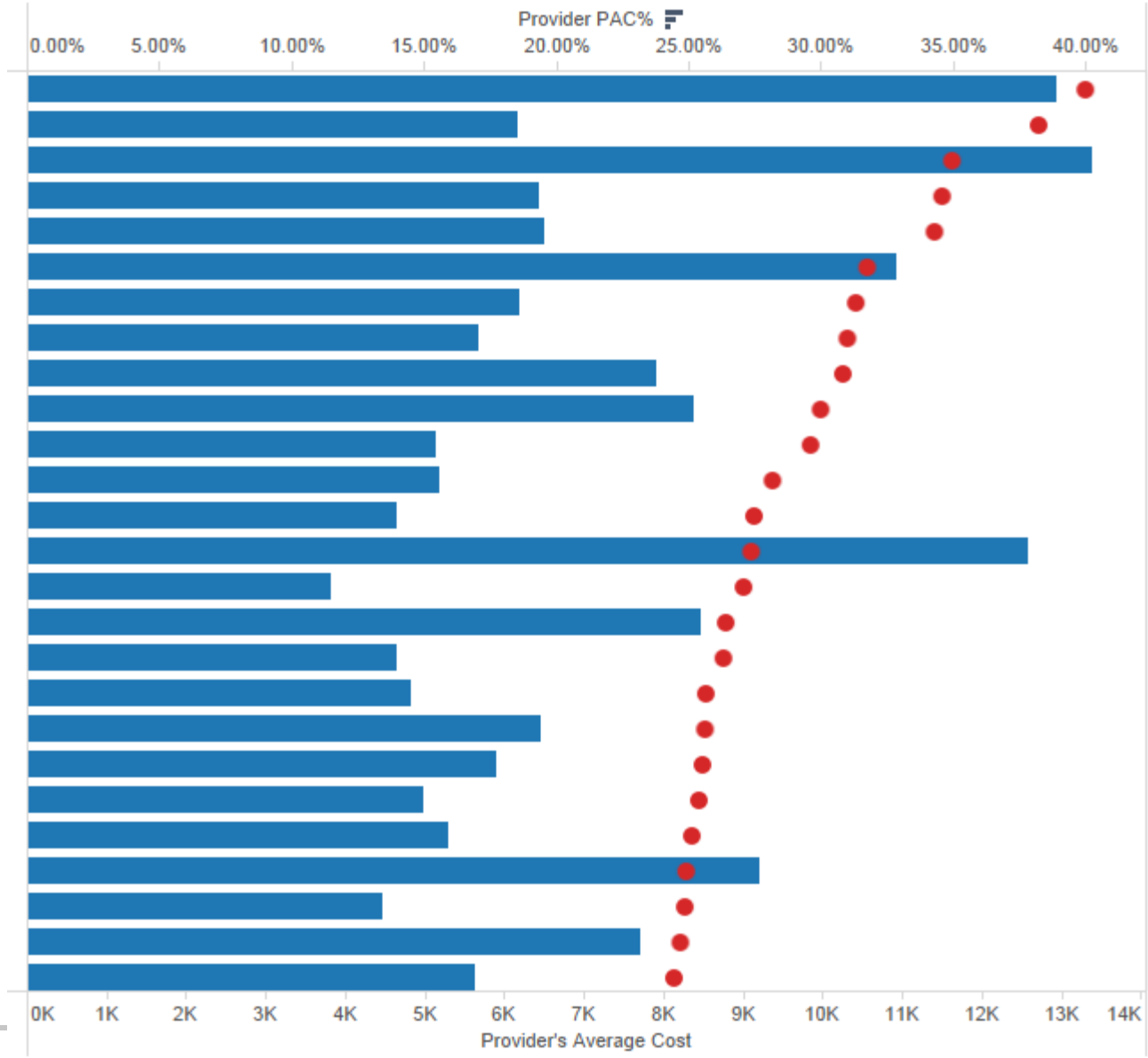
CxCABG - Commercial



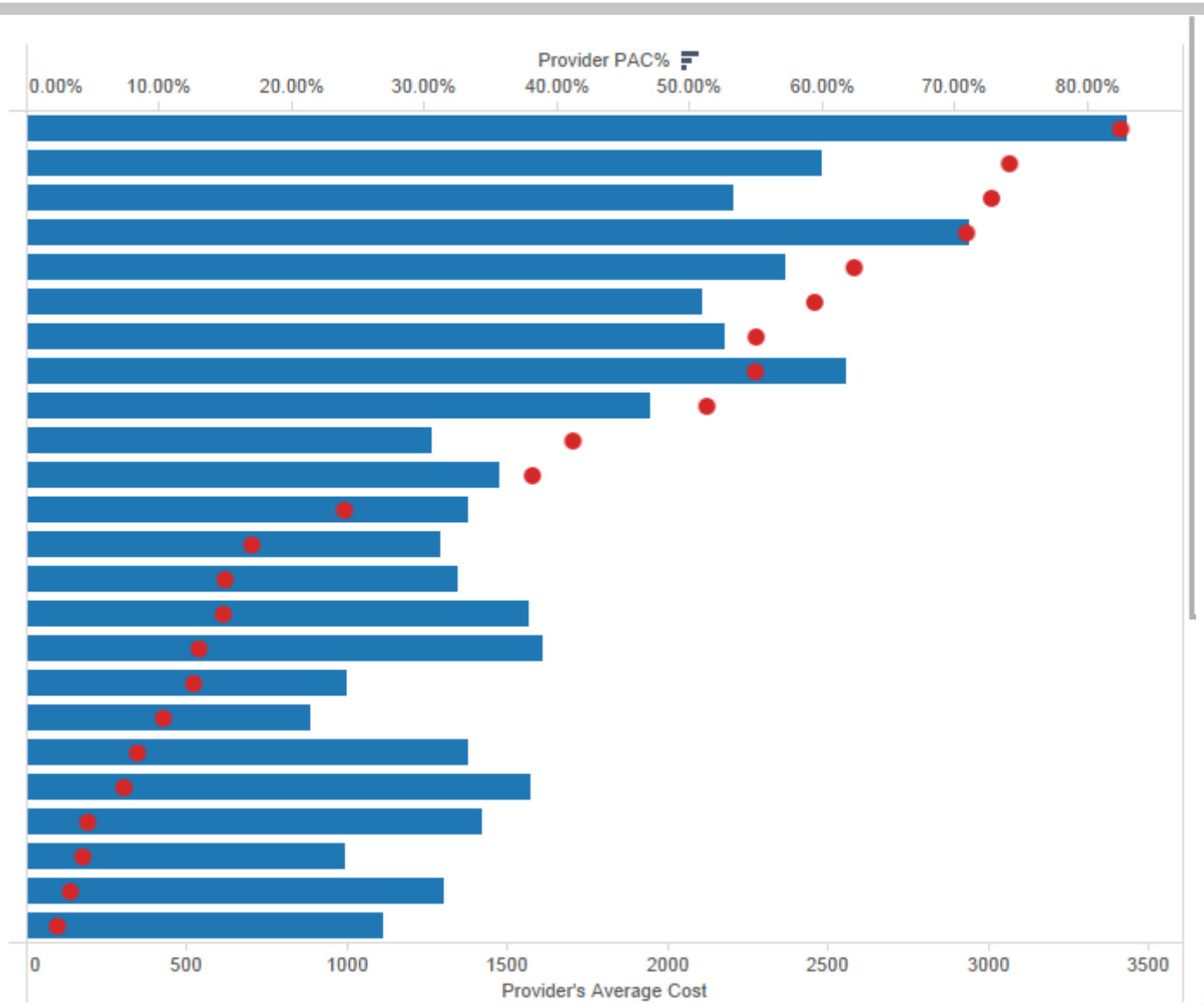
DIAB - Medicaid



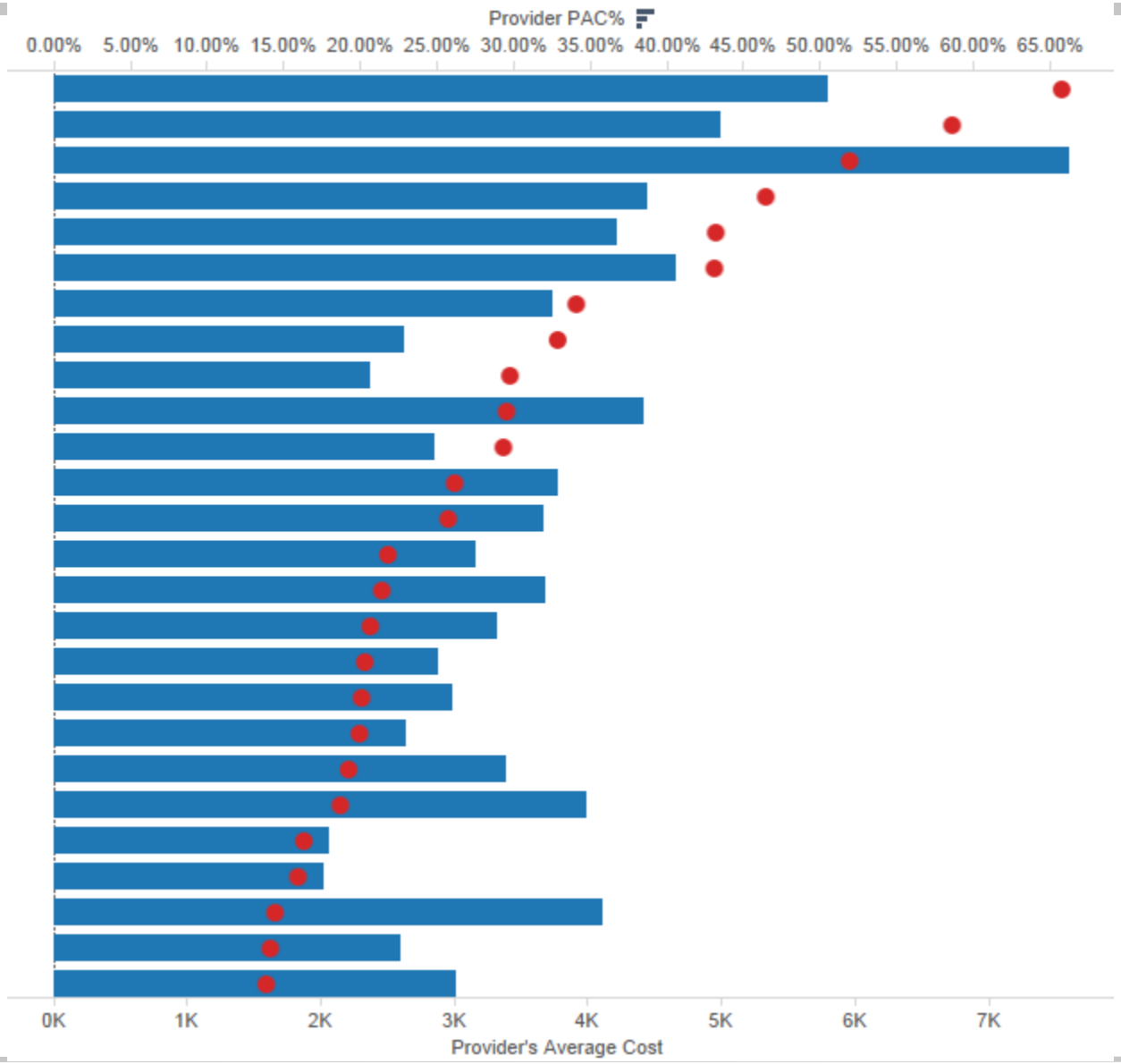
26 Providers with highest PAC % DIAB - Commercial



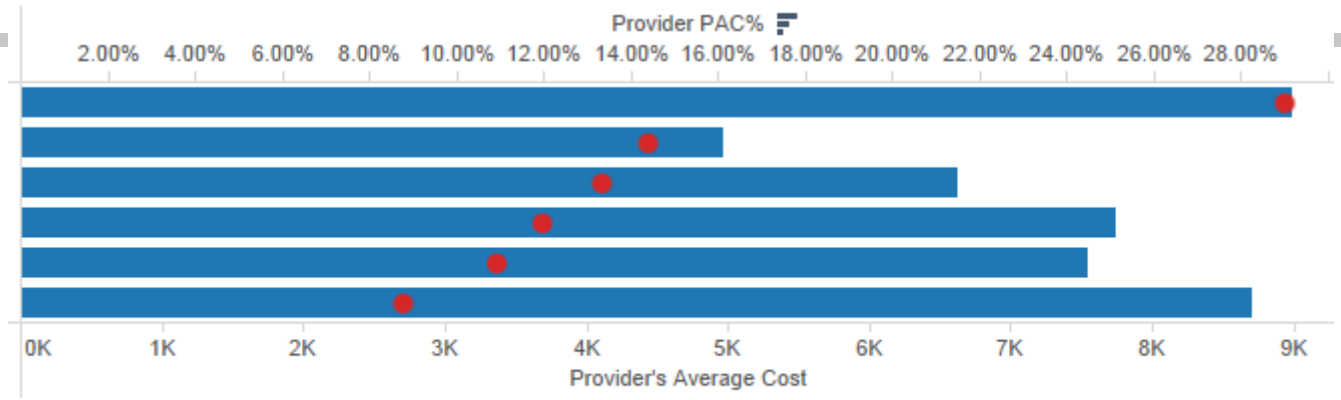
EGD - Medicaid



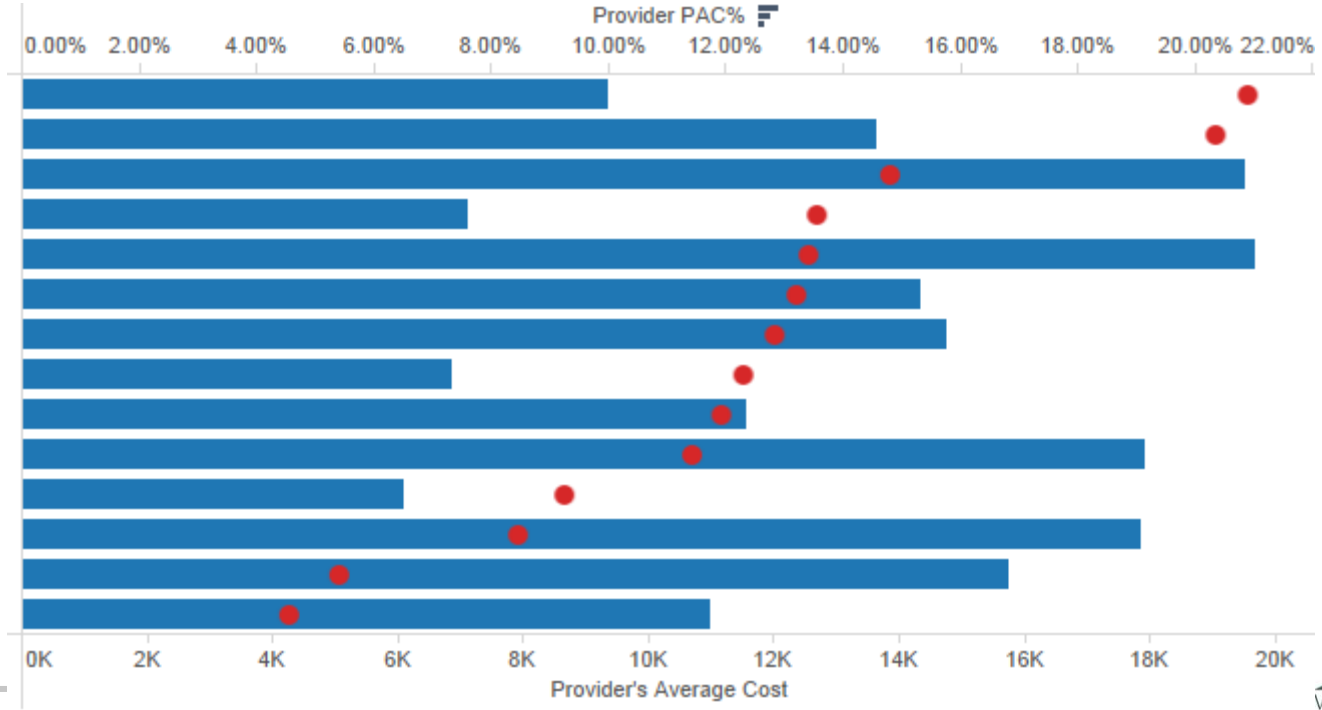
26 Providers with highest PAC % EGD - Commercial



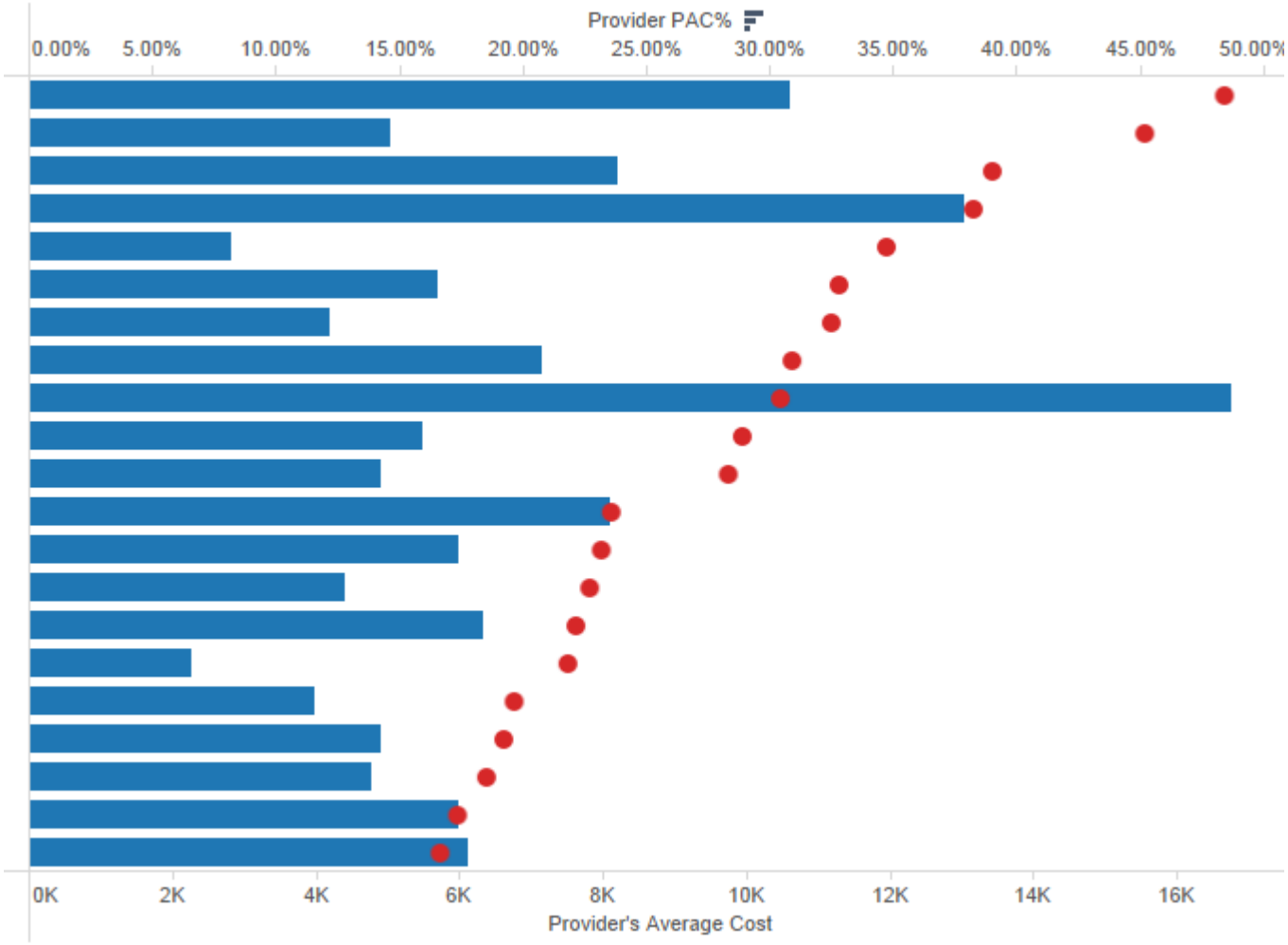
GBSURG - Medicaid



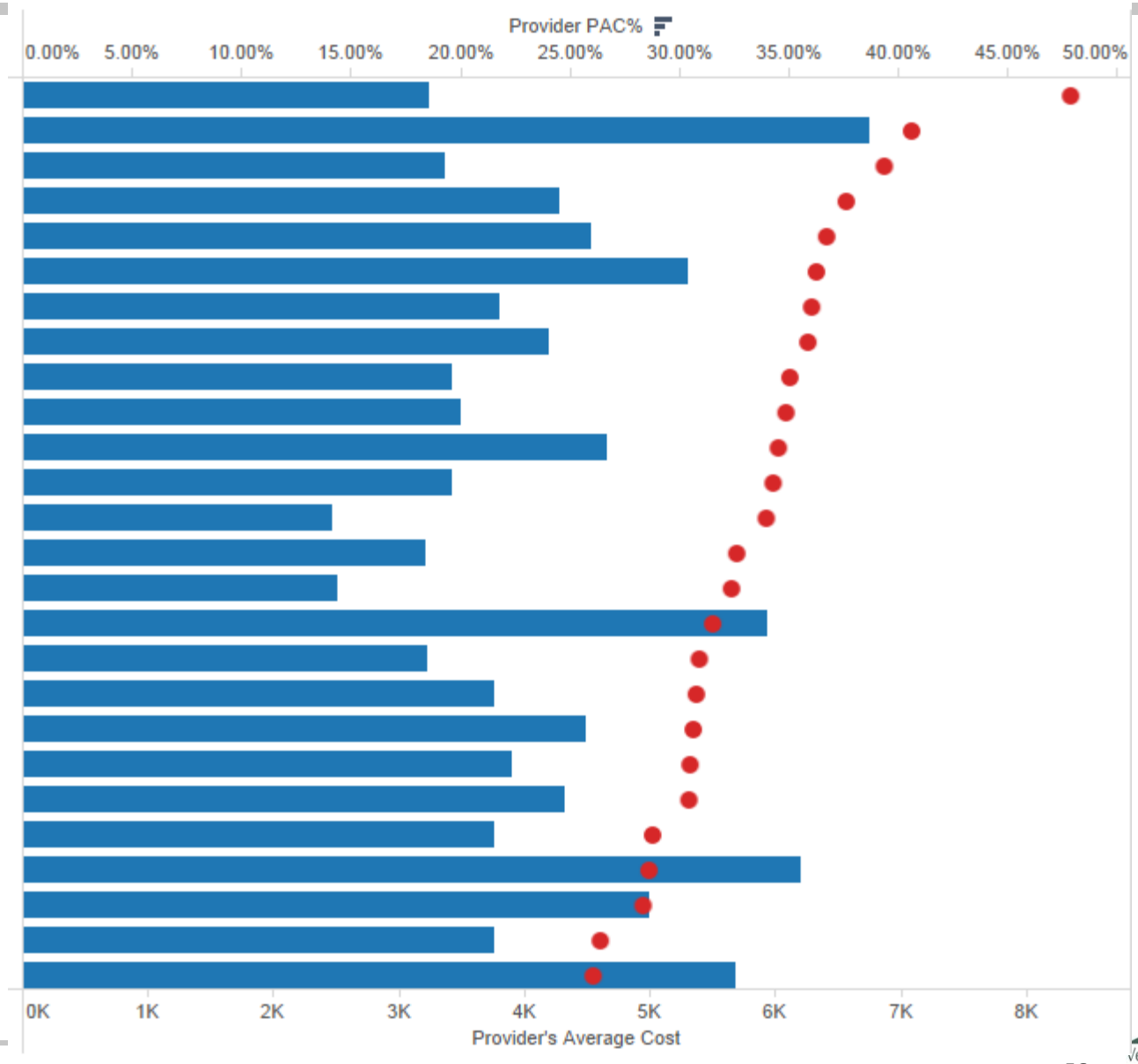
GBSURG - Commercial



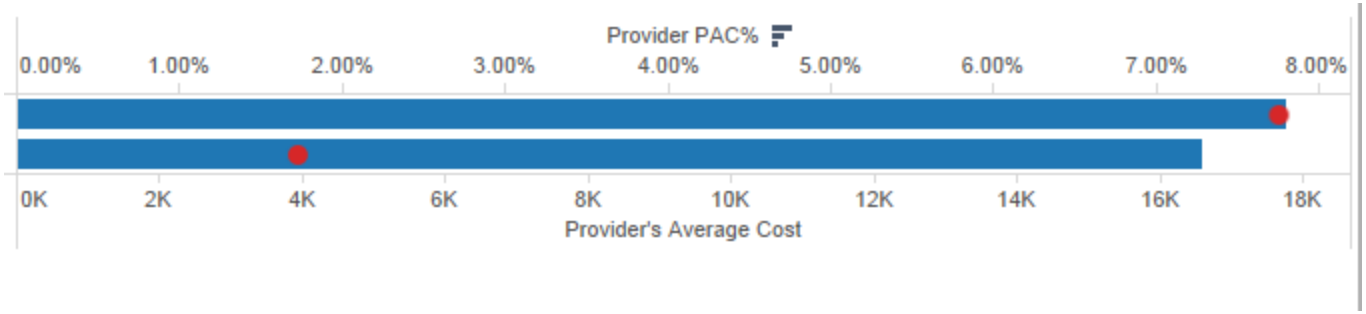
GERD - Medicaid



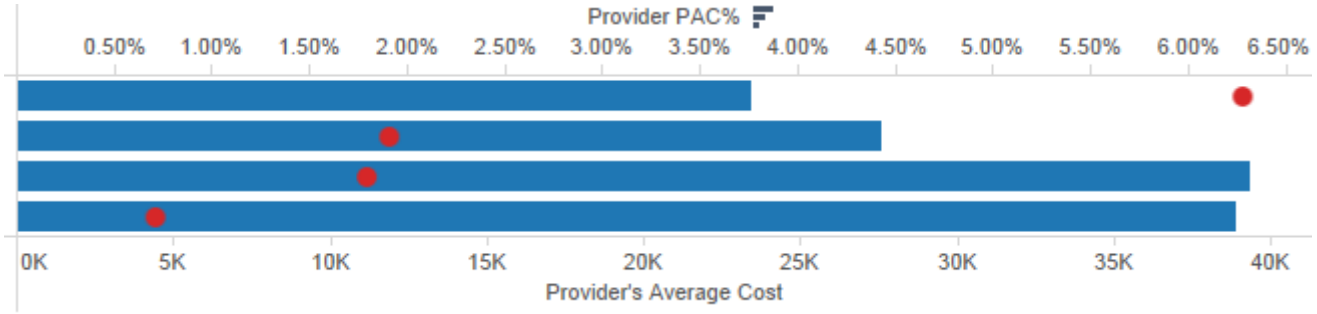
26 Providers with highest PAC % EGD - Commercial



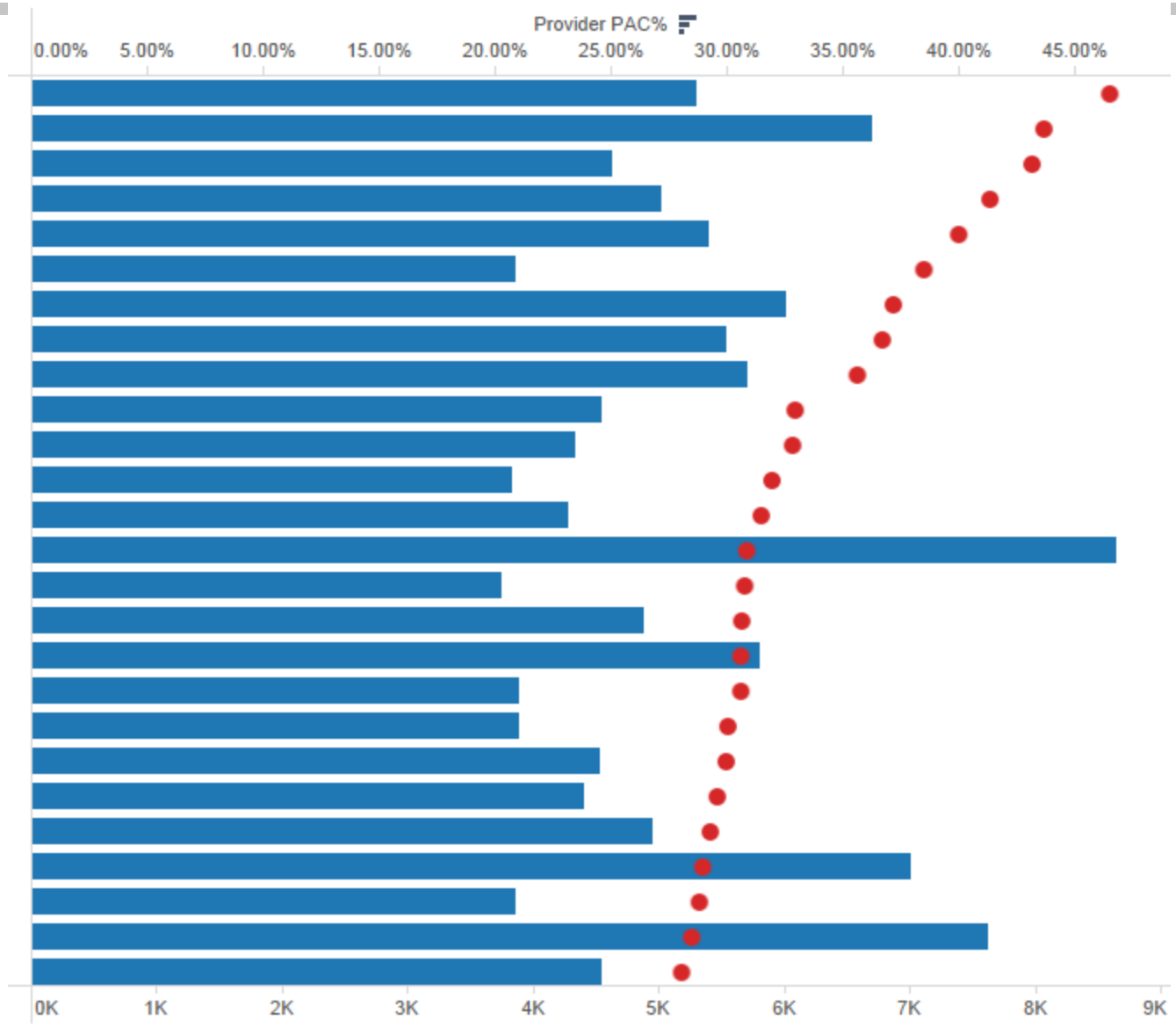
HIPRPL - Medicaid



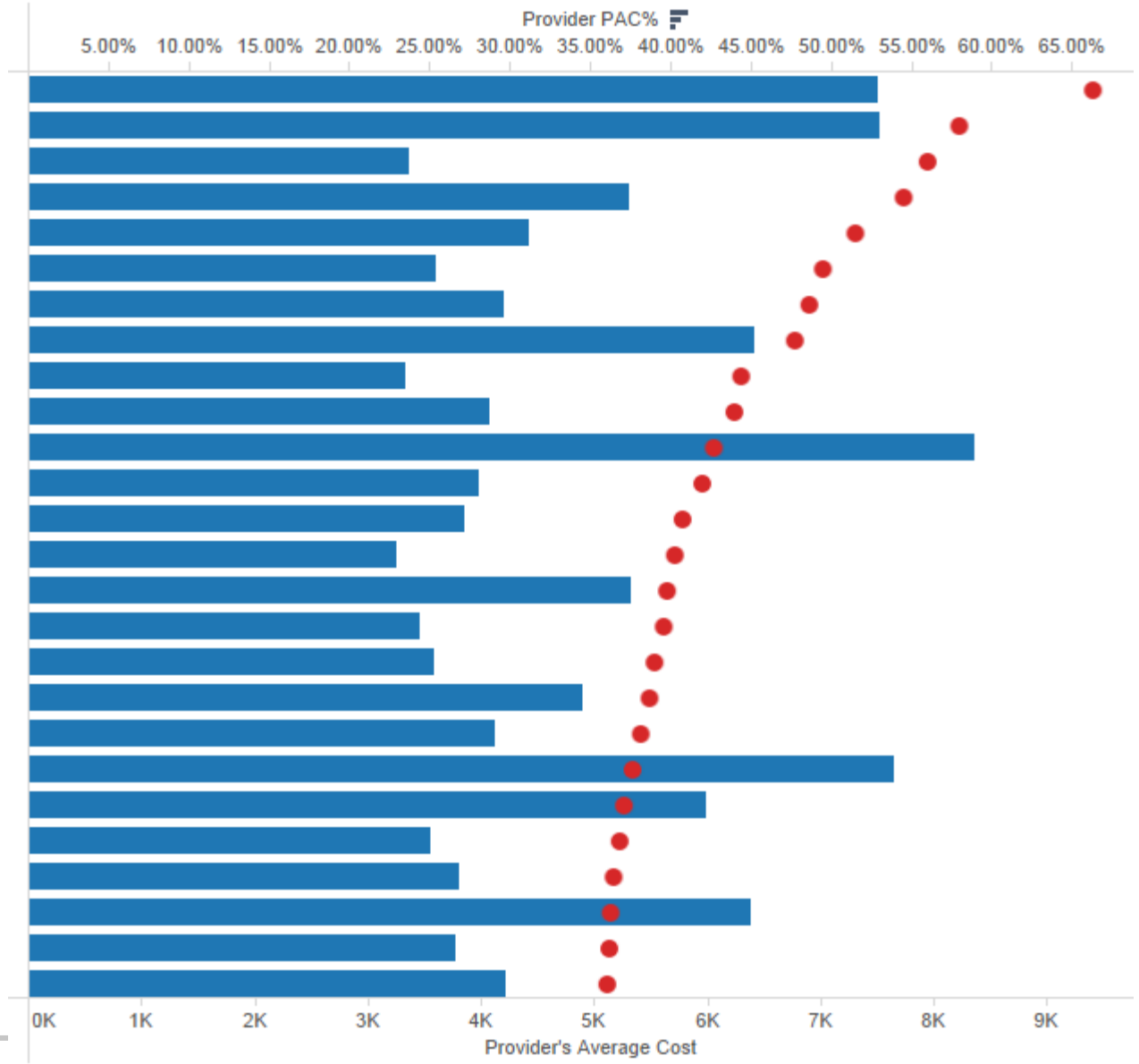
HIPRPL - Commercial



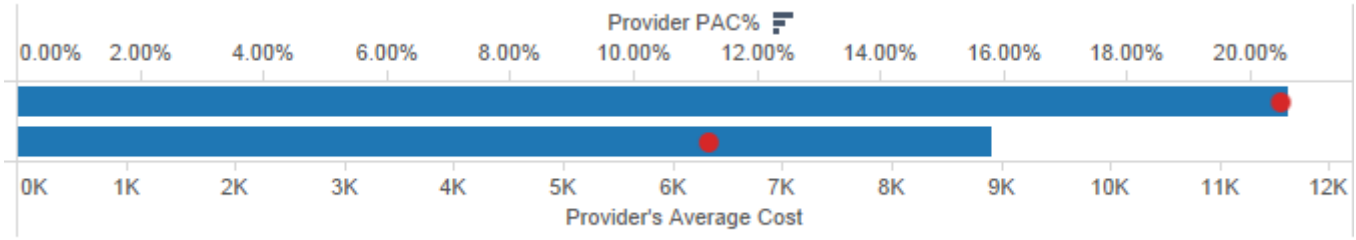
26 Providers with highest PAC % HTN - Medicaid



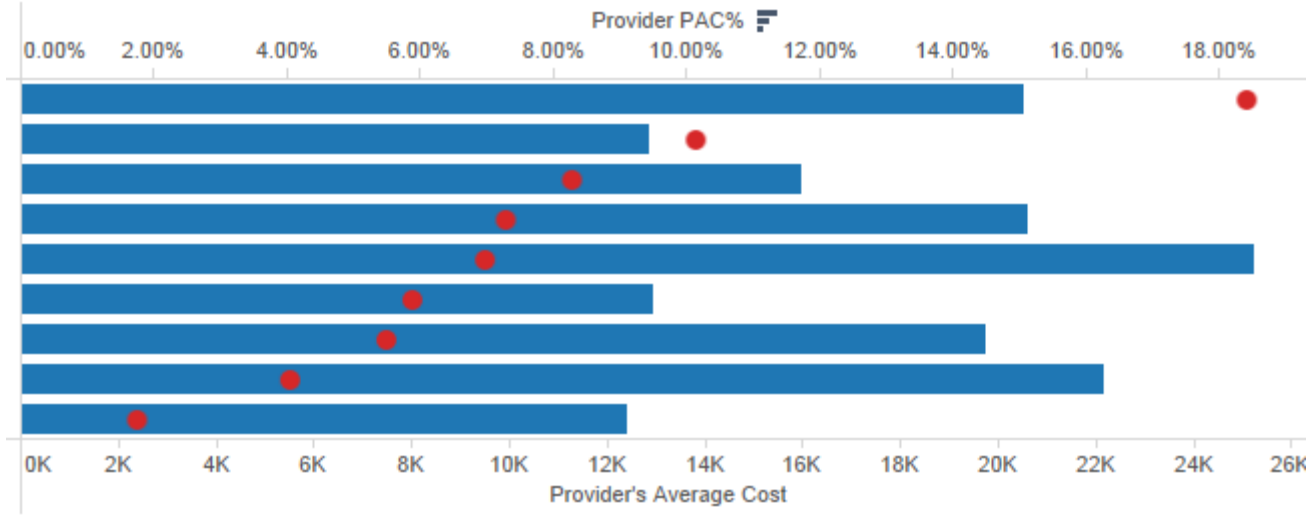
26 Providers with highest PAC % HTN - Commercial



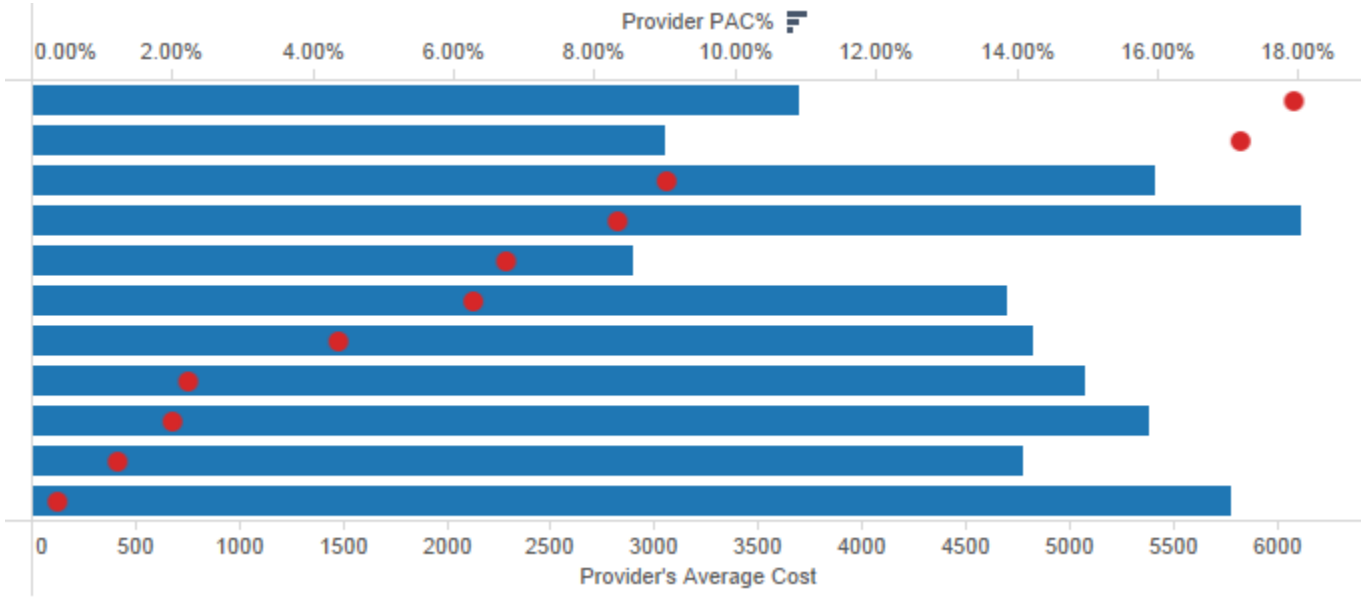
HYST - Medicaid



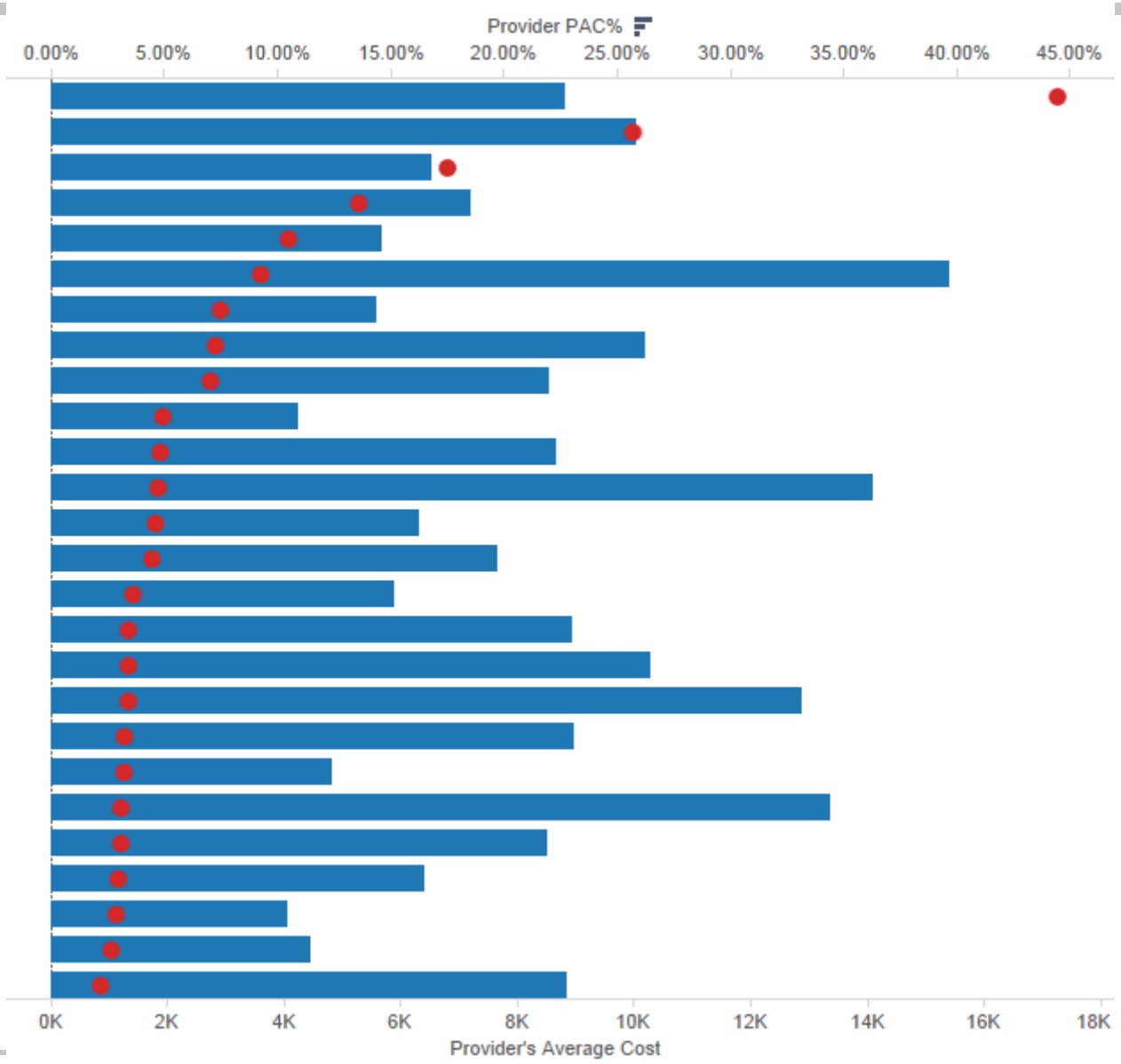
HYST - Commercial



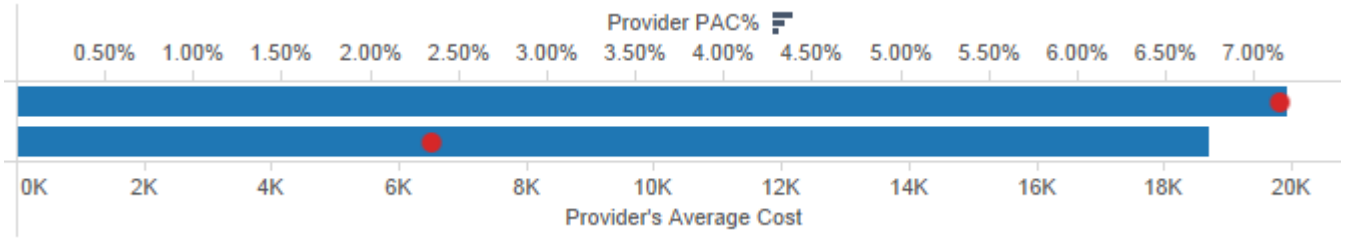
KNARTH - Medicaid



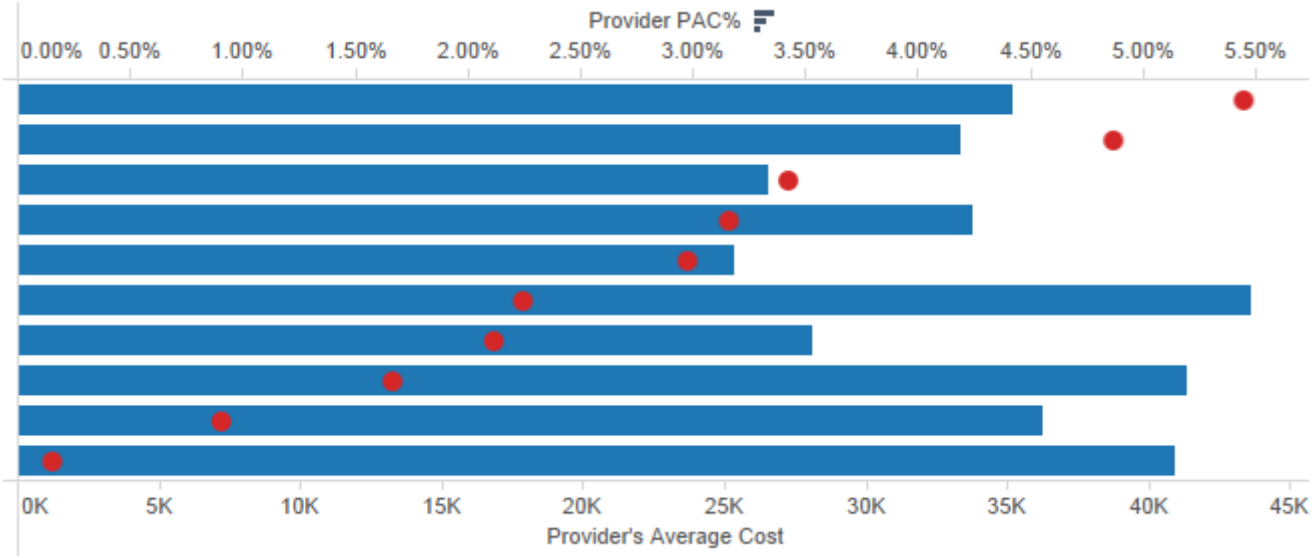
26 Providers with highest PAC % KNARTH - Commercial



KNRPL - Medicaid



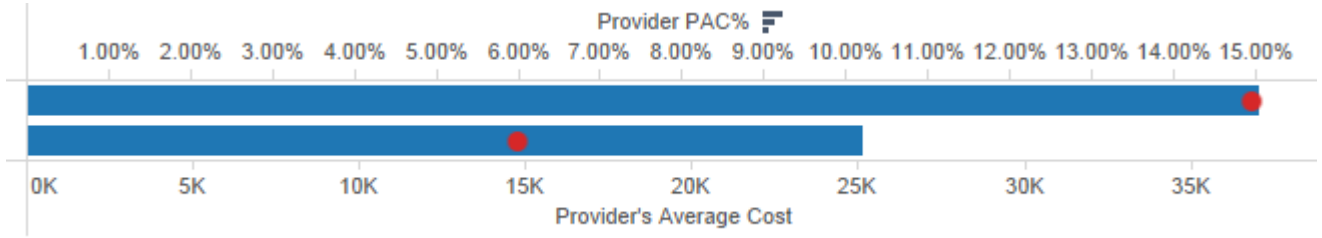
KNRPL - Commercial



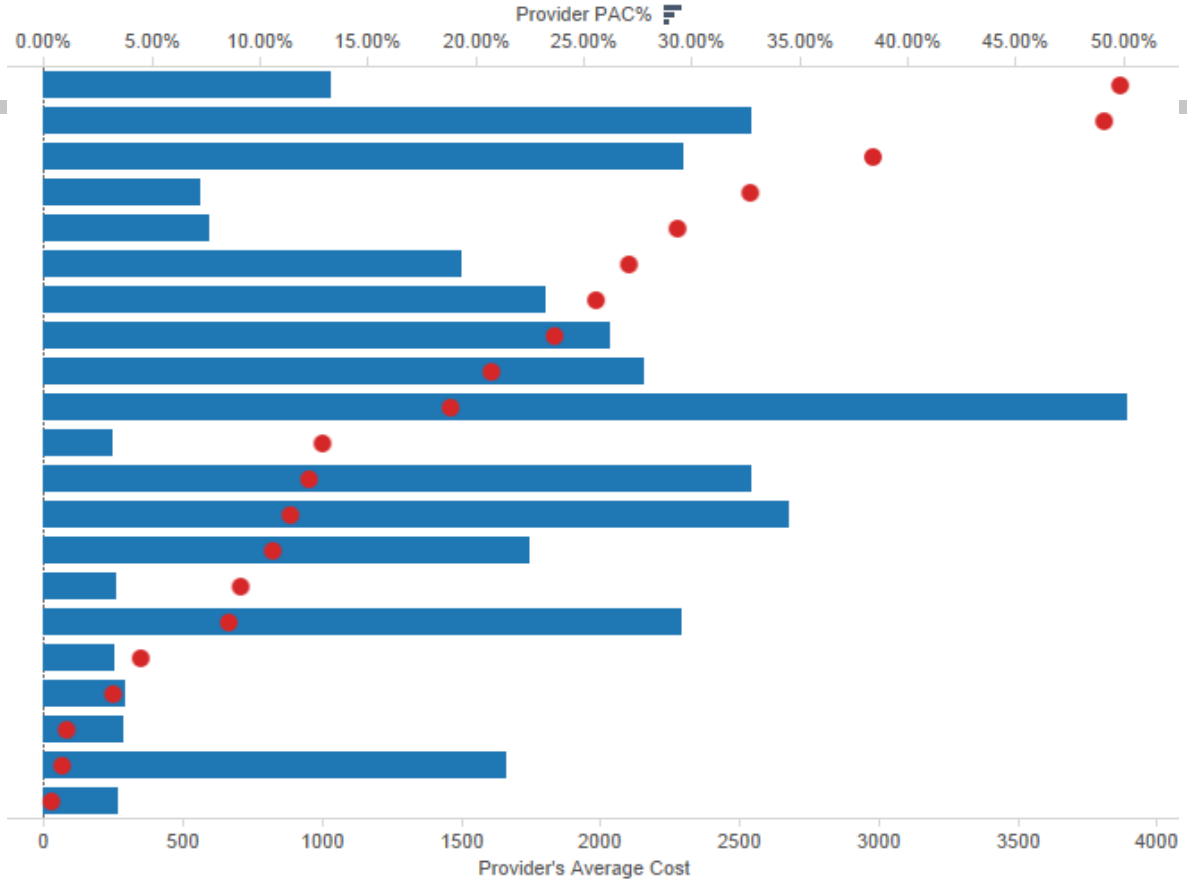
PCI - Medicaid

No Provider with 50+ patients

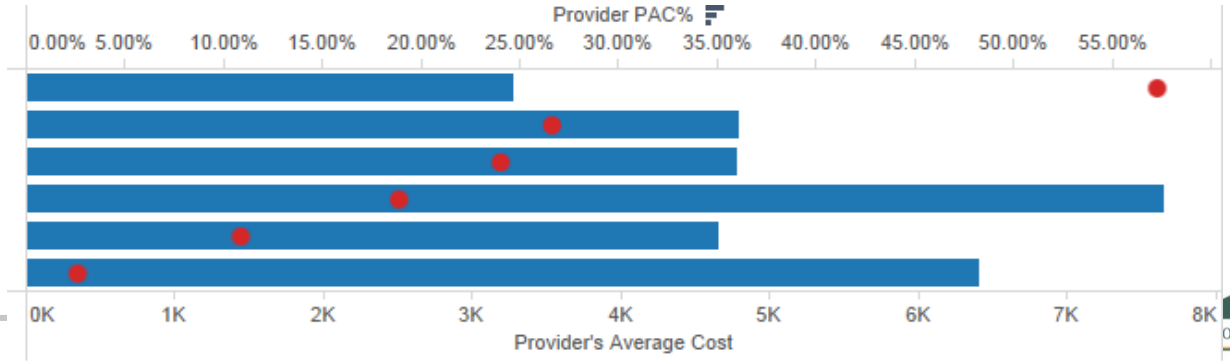
PCI - Commercial



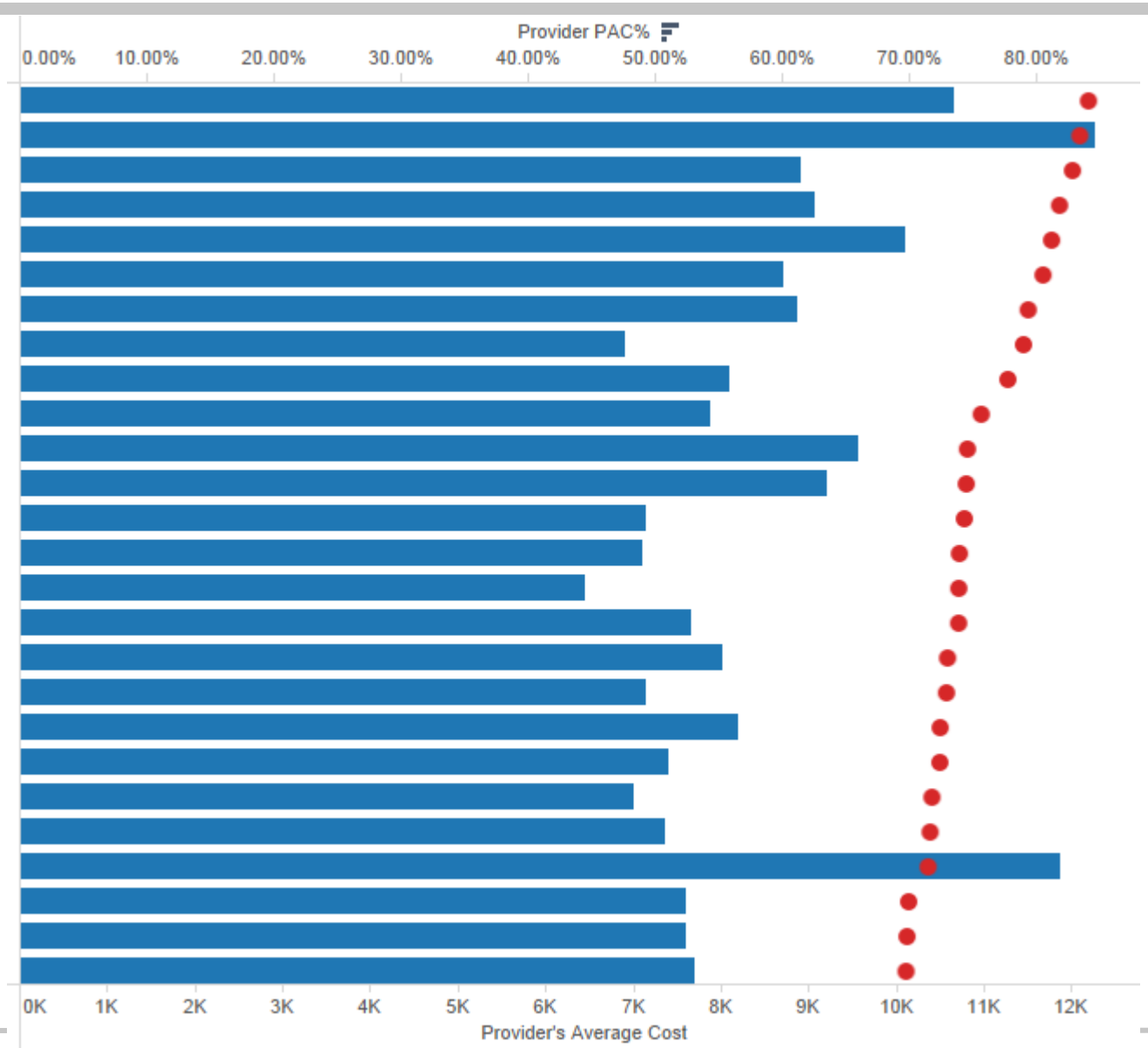
PNE - Medicaid



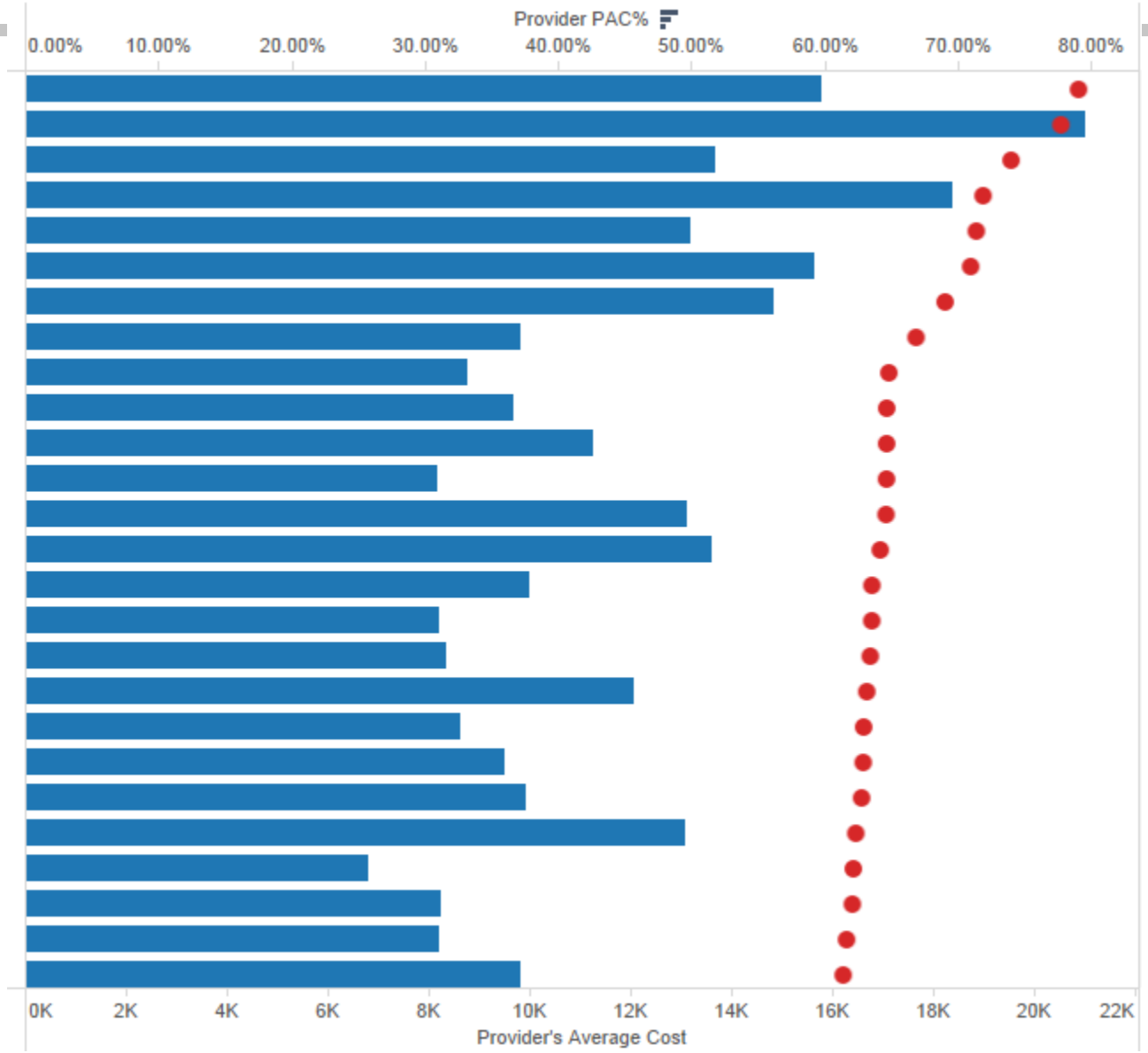
PNE - Commercial



26 Providers with highest PAC % PREGN - Medicaid



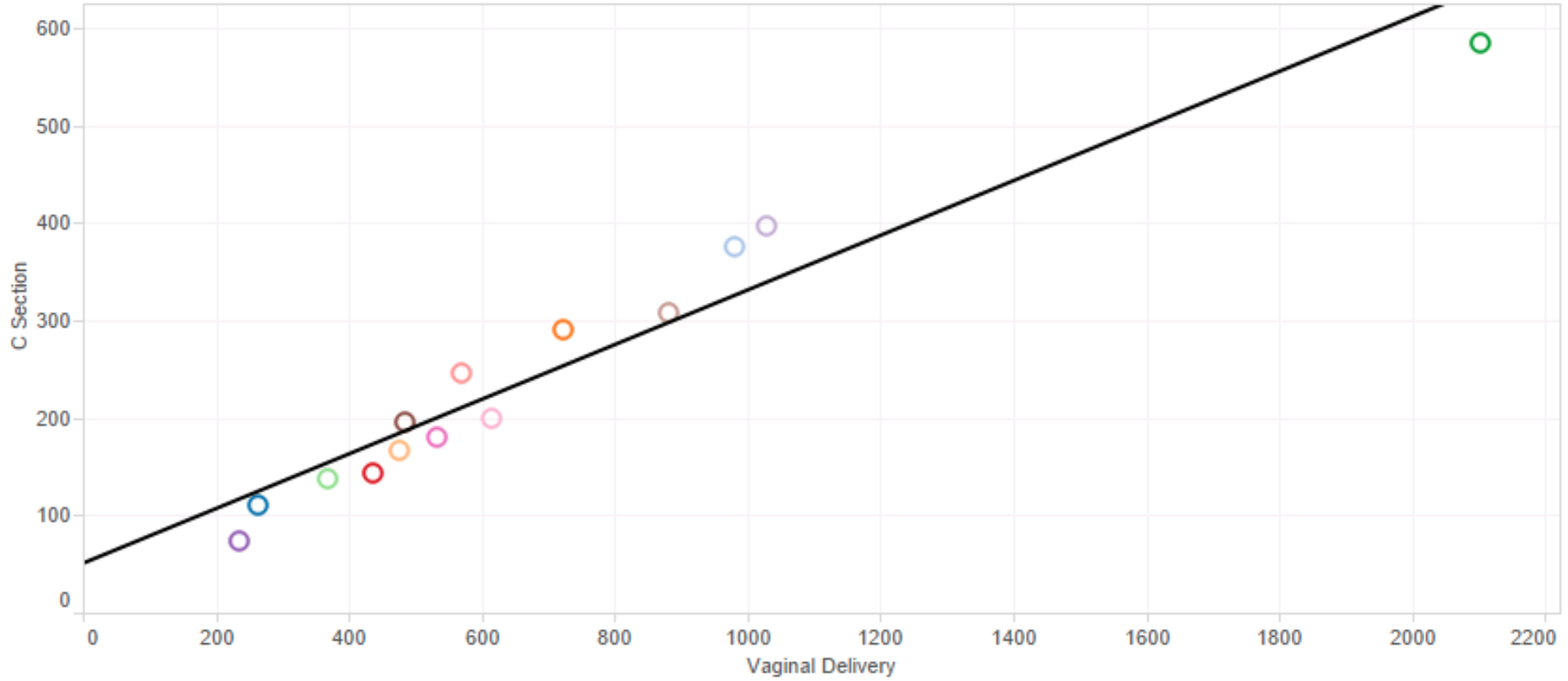
26 Providers with highest PAC % PREGN - Commercial



Data Book Slides 69-72

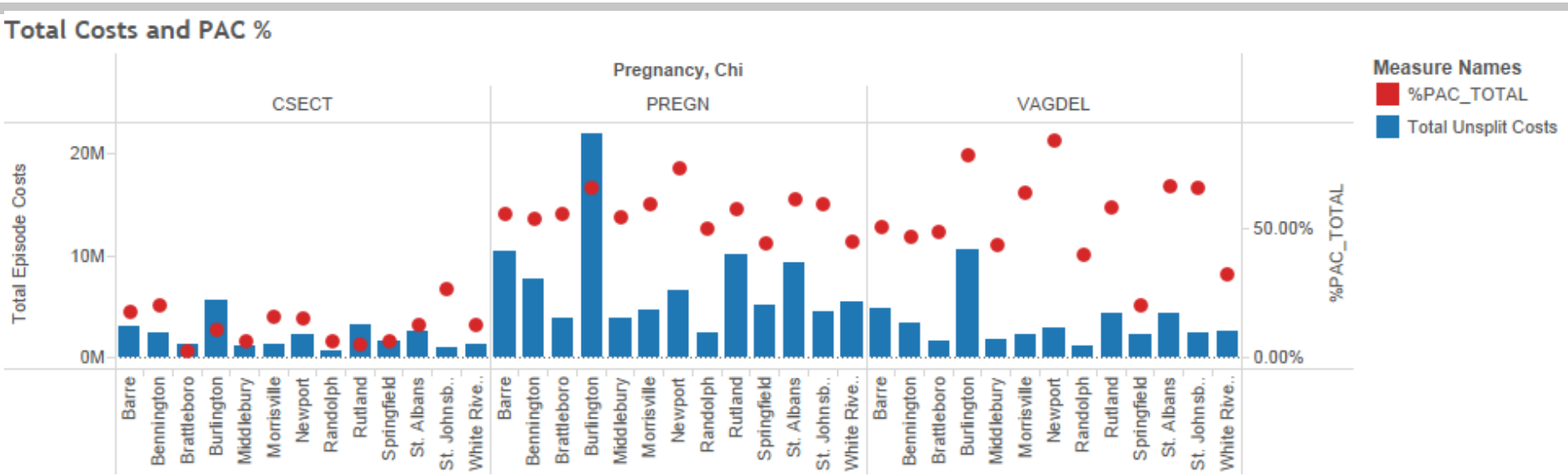
A FOCUS ON PREGNANCY

Number Of C-Sections & Vaginal Births By HSA – Commercial

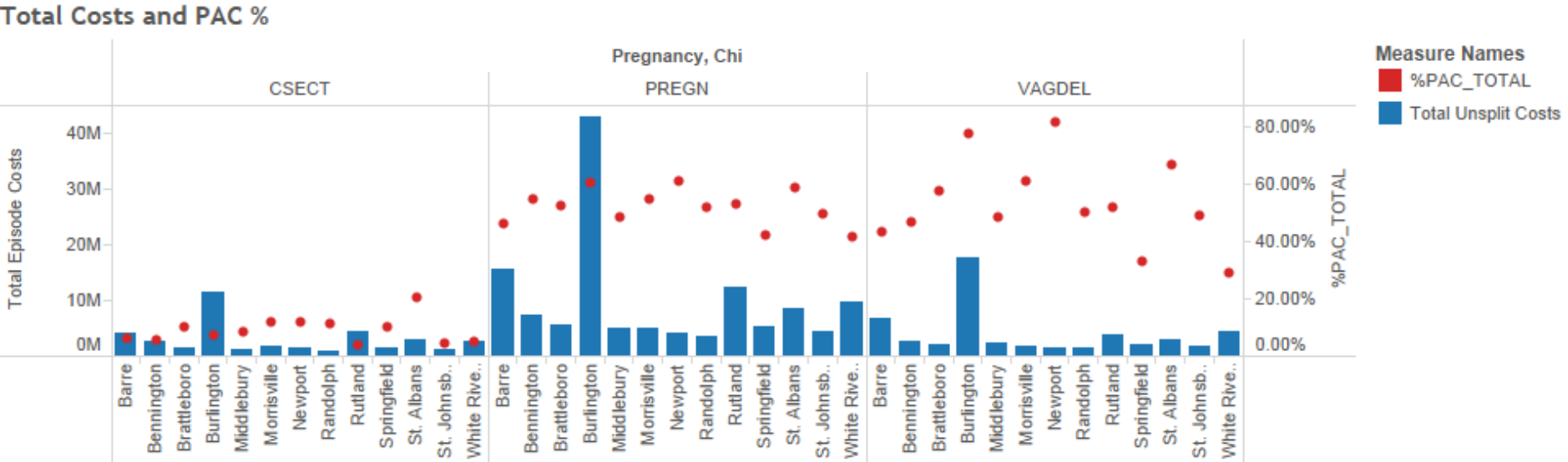


Payer Variation in Pregnancy/ Delivery

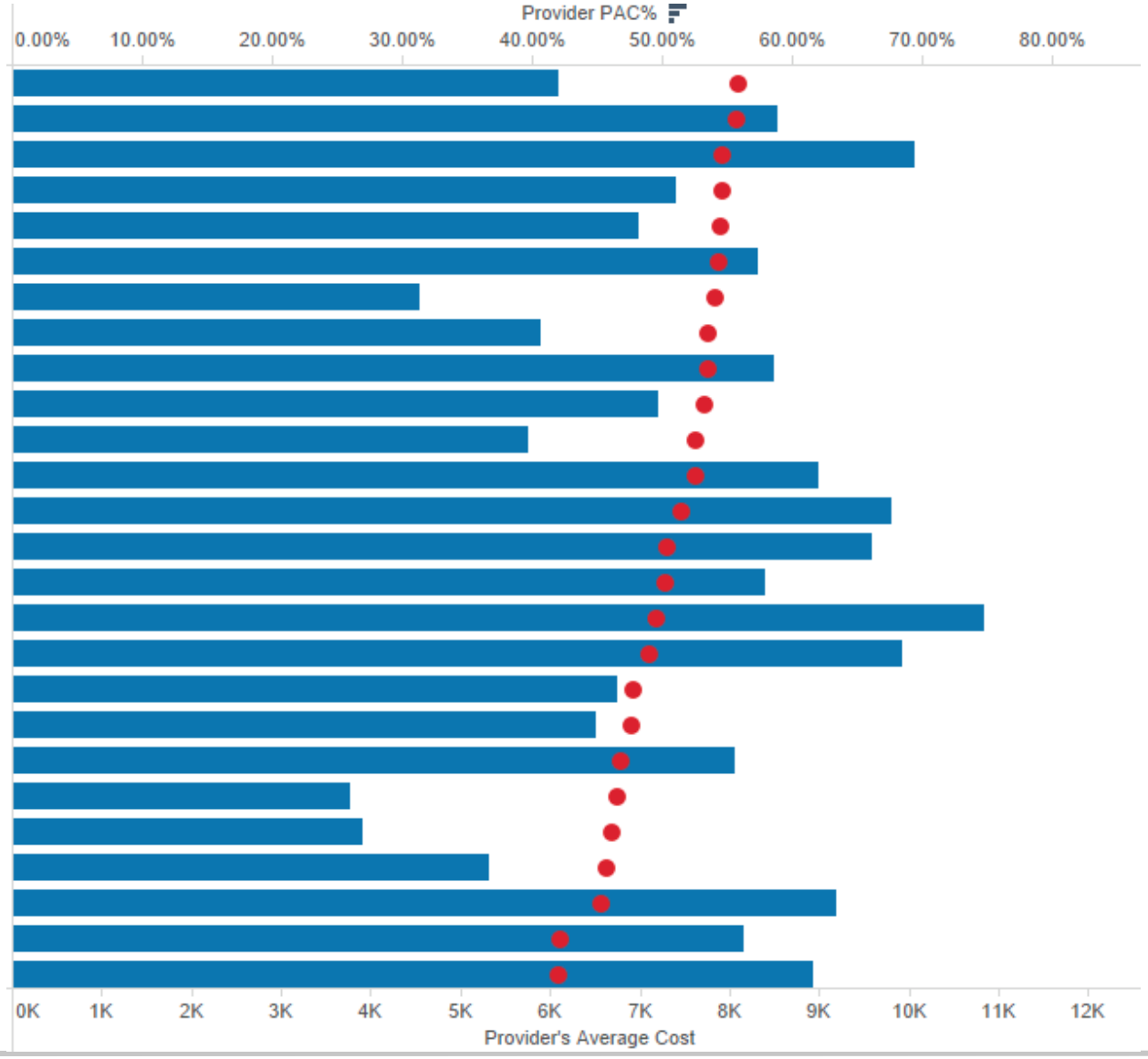
Medicaid



Commercial



Average Pregnancy & Delivery Costs And Pac Rates, By Provider, Commercial



Distribution & Volume of Providers For Pregnancy & Delivery Episodes

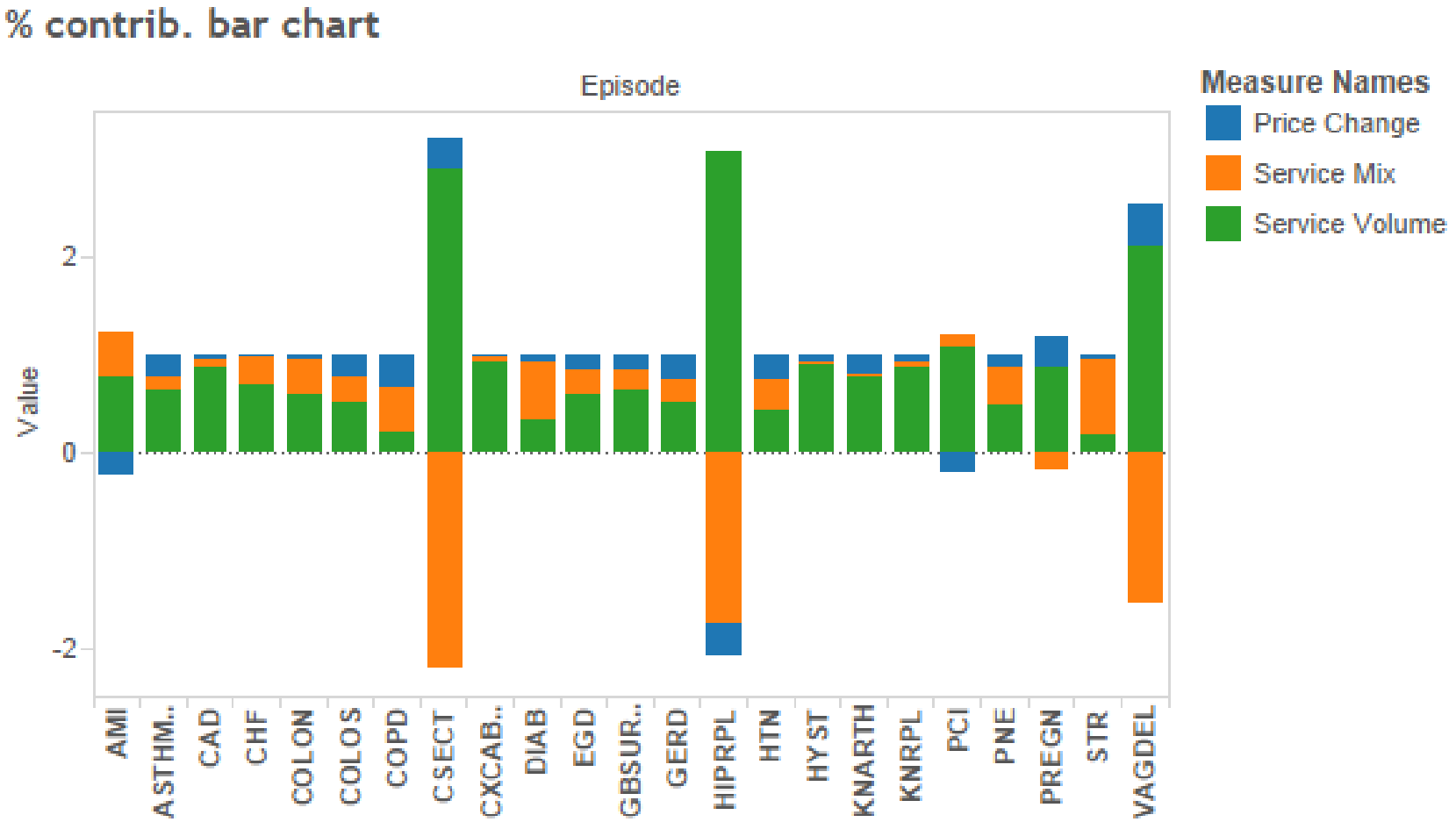
- The X axis represents the average of total episode costs by provider
- The Y axis represents the PAC % -- Note that elective C-section and early inductions are considered PACs
- The size of the bubble represents the volume of episodes
- All plotted providers have at least 30 complete episodes

Data Book Slides 74-75

DRIVERS OF VARIATION WITHIN EPISODES

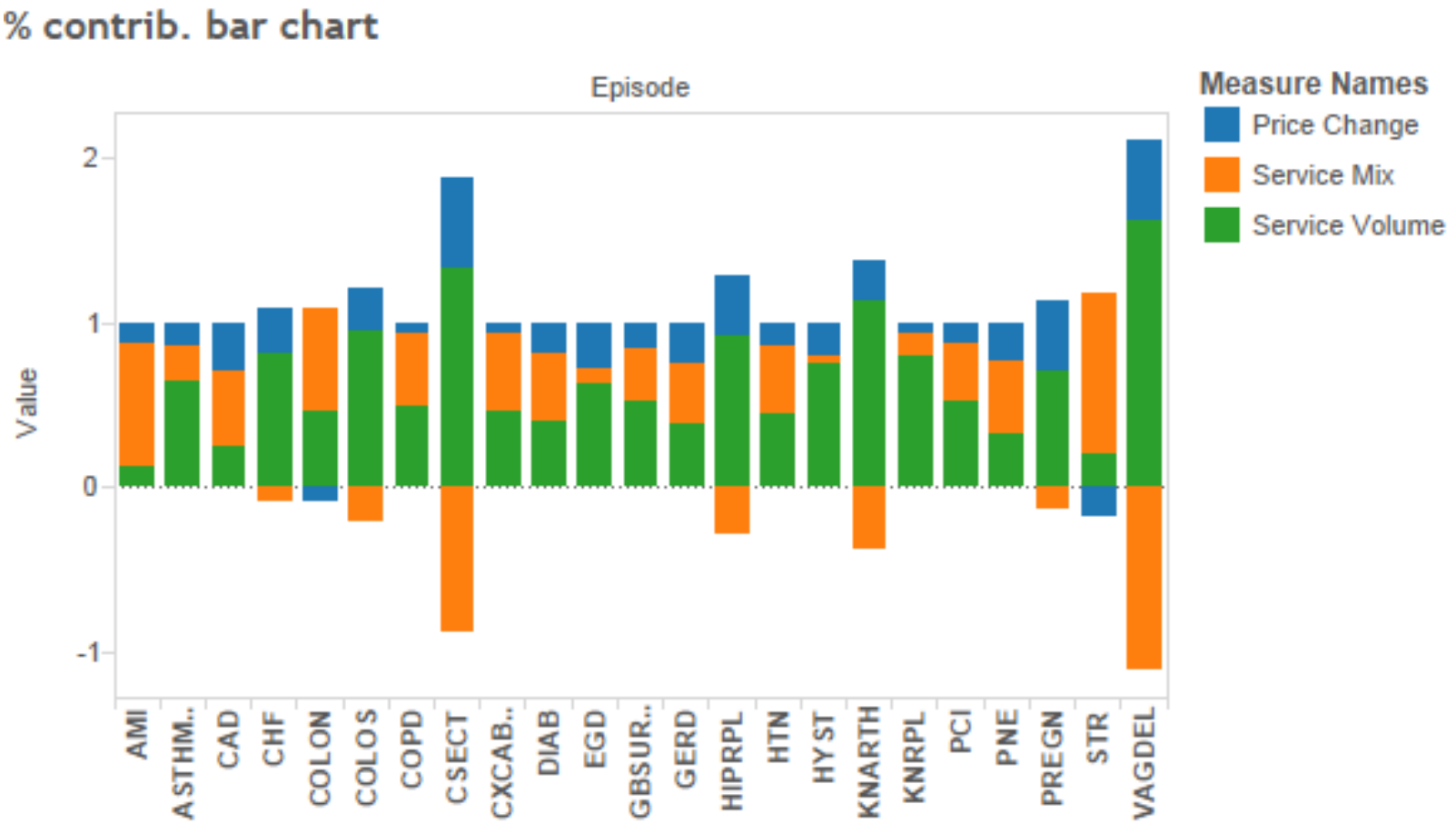
Percent Contribution

Medicaid



Percent Contribution

Commercial



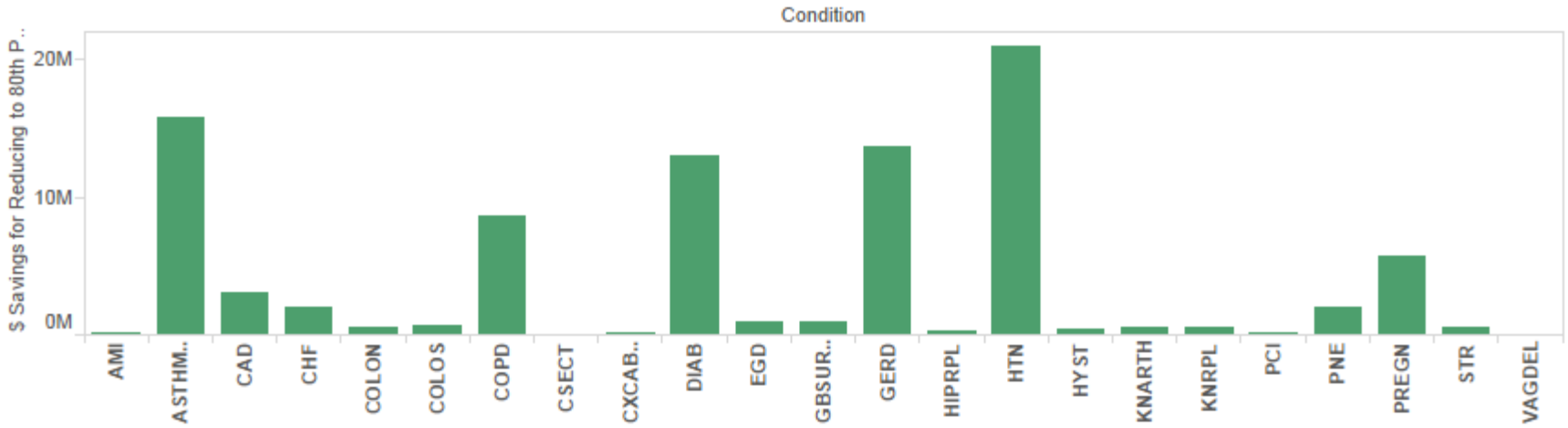
Data Book Slide 77

SAVINGS POTENTIAL

Savings Potential

Medicaid

$ Savings Bar Chart



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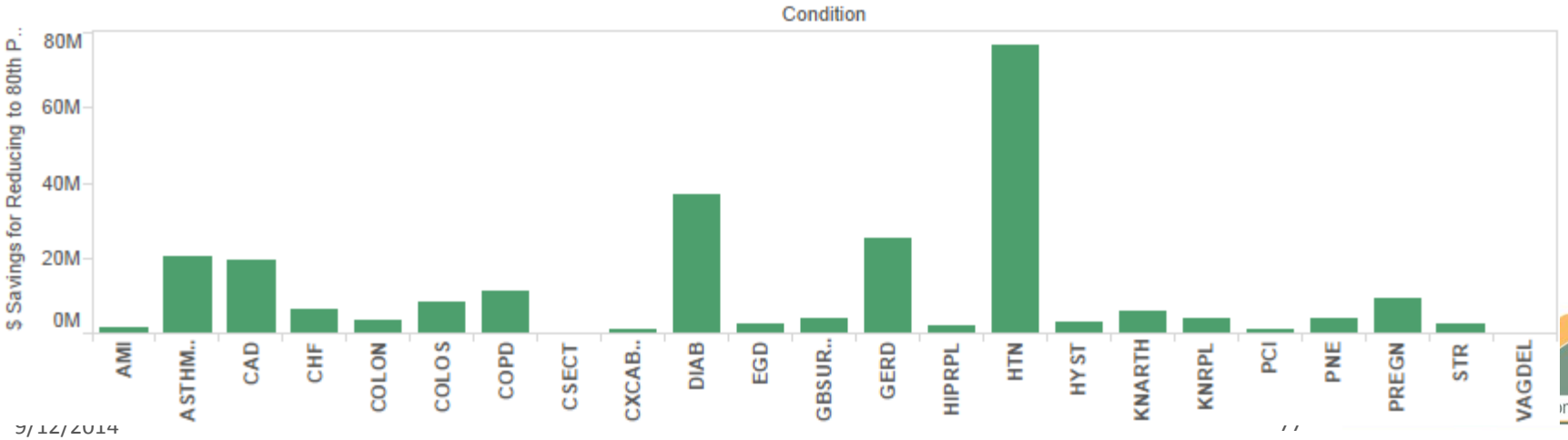
$ Savings Bar Chart