



maryland
health services
cost review commission

The Episode Quality Improvement Program

February SIG Subgroup Meeting

2/12/2021

EQIP Overview

- The HSCRC plans to start a voluntary, episodic payment program for specialist physicians, EQIP, in 2022. Key tenets include:
 - Physician ownership of performance
 - Upside only risk with dissavings accountability
 - AAPM/value-based payment participation opportunities for MD physicians
 - Alignment with other payer episode payment program
- EQIP will utilize the Prometheus Episode Grouper approach, for the first performance year specialties include:
 - Gastroenterology
 - Orthopedics
 - Cardiology
- For more information on policy and participation, please contact madeline.jackson@Maryland.gov

Update on EQIP Timeline

- HSCRC staff plan to keep this group updated on timelines and key policy decisions over the next six months
 - Additional meetings, outreach and information will also be developed to inform the physician community
- **Key Dates***
 - July 2021: Recruitment Start
 - August 2021: CMS Vetting, Contracting and Episode Selection
 - September 2021: Deadline for physician participation start 1/1/22
 - January 2022: Program Start

*Note: These dates are based on preliminary planning and do not reflect final clearance from CMMI

EQIP Policy and Methodology

HSCRC/CMS Policy

- Shared Savings/Incentive Payment calculation
- Target Price Methodology
- Risk Adjustment
- Quality Measures
- Reporting and Monitoring (via CRISP)
- Participation Specialty Areas
- CMS Policy (including QP status)

Focus for Today's Discussion

Prometheus Episode Grouping

- Episode Definitions and Triggers
- Episode Attribution
- Related Cost Methodology
- Performance Calculation

Change Healthcare Team



Andrei Gonzales, MD

AVP, Value Based
Payments



Holly Stocker

Director of Client
Services, Value Based
Payments



Liz Sheehan

Director of Business
Consulting, Value
Team



John Hutchinson

Senior Sales Executive
Value Based Payments

Change Healthcare Value Based Program

Innovating Value Based Payments Since 2012



Our Customers

Serving all lines of business

- Anthem
- Aetna
- AmeriHealth Caritas
- Cigna
- CareFirst
- New York State Dept. of Health
- Colorado Dept. of Health
- FL Blue
- Gateway Health
- Independence Blue Cross
- BCBS Horizon
- NJ Health



Our Experience

We analyze claims for

- 74M+ Members quarterly
- \$750B in Claims

Delivering

- 225M episodes of care
- 7-day data turnaround

Speed to Market

- 45-60 days to go-live

Flexible

- SaaS- modularly deployable



Customer Results

- **\$245M+** in retrospective shared savings payments in 3 years
- **9%** improvement on hip and knee costs
- **4%** savings on pregnancy costs
- **94%** of MA patients in for a comprehensive visit
- **7%** reduction in inpatient hospitalization

33%

Our customers represent, at minimum, 1/3 of
U.S. commercially insured lives

Prometheus Analytics® Value Proposition

Prometheus Analytics® provide critical insights required to drive the shift to Alternative Payment Models and Care Models designed to address rising healthcare costs.

Prometheus Analytics® cover 60%-70% of U.S. Healthcare Expenditures

Forecasted Growth of U.S. Healthcare Expenditures 2018 - 2027¹



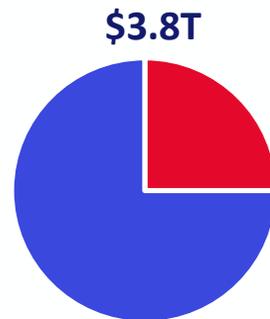
The estimated expenditures for services covered by the Prometheus Analytics® is projected to range from \$3.6T to \$4.2T by 2027

¹ Centers for Medicare and Medicaid Services
² American Medical Association

Prometheus Analytics® target an Estimated \$15.3B of Potential Savings

Estimated Cost of Waste in the US Healthcare System²

2018 U.S. Healthcare Spend



\$760 billion to \$935 billion estimated cost of waste in the U.S. healthcare system

\$15.3B projected potential savings from interventions Prometheus Analytics® identify that reduce waste from overtreatment, low-value care, failure of care delivery and care coordination

³ Health Care Payment Learning & Action Network
⁴ Assumes 5.5% year over year increase

Prometheus Analytics® support 92% of Payments tied to Value-Based Care

Percentage of U.S. Healthcare Payments Tied to Value-Based Care³



In 2017, 31.3% of payments tied to VBC comprised of shared-savings, shared-risk, procedure-based episodes, and condition-specific episodes managed by Prometheus Analytics®

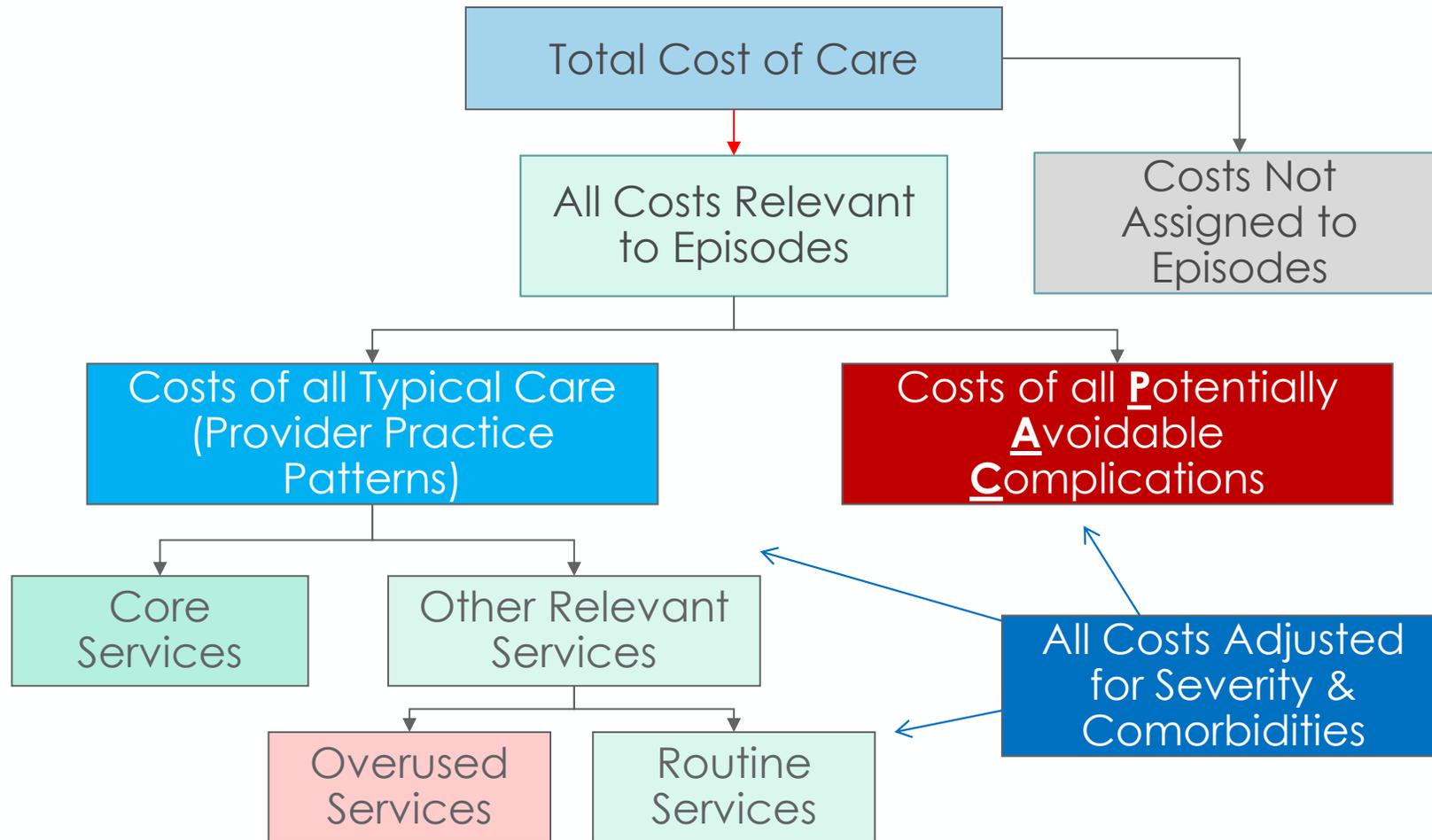
Acquisition of The Industry Standard PROMETHEUS Analytics®

- **Why?** Change Healthcare's objective is to continue to promote and enhance the PROMETHEUS methodology as the industry standard
- **Validate Episode Definition & Measurement:** Evidence-based clinical validity, with perceived neutrality, supporting diverse market use cases
- **Unparallel Clinical Excellence & Influence:** Creation of an Advisory Council, composed of a selected set of customers, to serve as a feedback loop for the continued development and improvement of the PROMETHEUS standard
- **Emphasize Clinical Excellence:** Acquisition included technology and the supporting resources;
 - Invested in 6 additional clinical coders
 - Hired a new CMO, Dr. Summerpal Kahlon
- **Continued Investment in EOC:** Technology investment to advance delivery of the standard to industry via standardized API

PROMETHEUS Payment Model – Rewarding Providers for Efficient, High Quality Care

- Launched in 2006 with support from RWJ Foundation, maintained by HCI3/Altarum
- Evidence-informed Case Rates (ECR)
 - Comprehensive budget for treatment of an illness, condition or procedure
 - Payment for all providers in an episode
 - Adjusted for severity and complexity of the patient's condition
- Potentially Avoidable Complications (PAC)
 - Complications that could be avoided with improved care coordination
 - PAC allowance based on ECR, payments either to offset costs or reward avoidance
- 97 episodes
 - Medical and pharmacy claims data, provider file, member eligibility
 - Episodes grouped into clinically relevant families
 - Leveling used to associate and budget for related episodes like CAD, CABG and Angioplasty

PROMETHEUS Cost Analysis



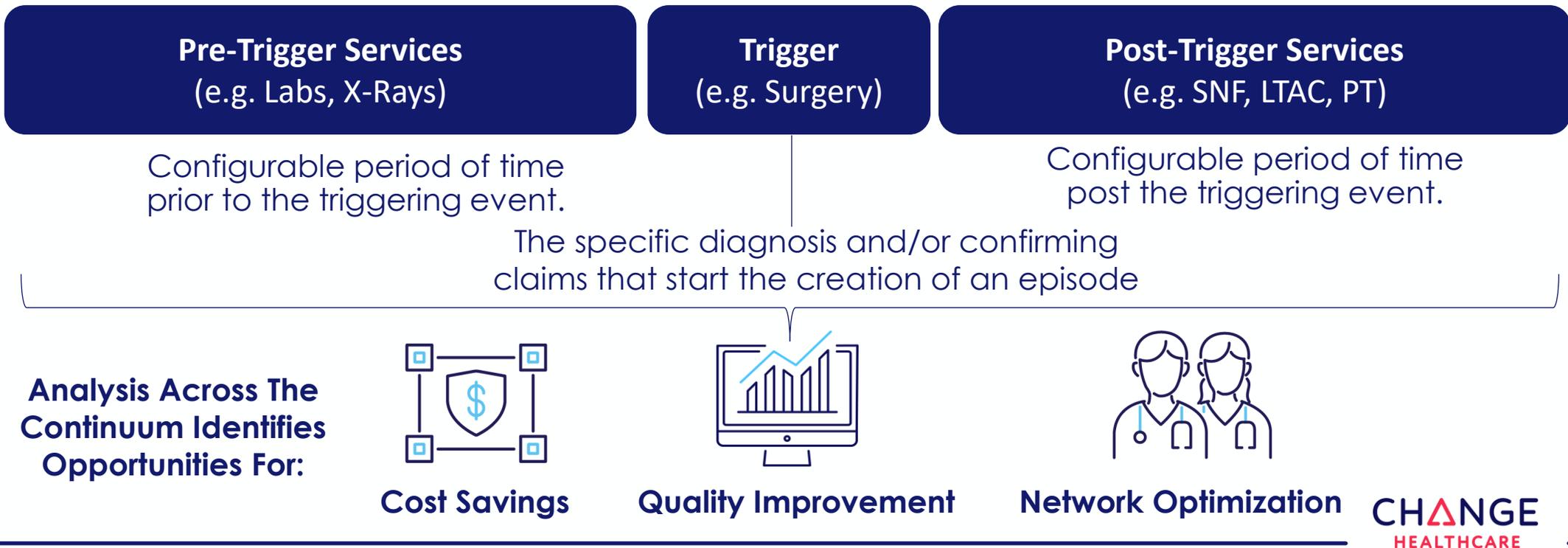
PROMETHEUS Payment Model - Basics

- ECRs are grouped into four categories:
 - Chronic Condition – care for a chronic medical condition
 - Acute Medical – care for an acute medical condition
 - Procedural (Inpatient (IP) or Outpatient (OP)) – a major procedure and its follow-up care; the procedure may treat a chronic or acute condition
 - Other Condition – care for pregnancy and cancer episodes
- In addition, there is a generic episode type:
 - System-related Failures – Inpatient and follow-up care for a condition caused by a systemic patient-safety failure

Episode Of Care Definition Fundamentals

- Value-based mode designed to engage specialists
- Full spectrum of services related to and delivered for a specific medical condition, illness, procedure or health care event during a defined time period
- Coordination, communication, collaboration across the continuum of care

Episode Example: Procedural Episode



Episodes of Care Definitions

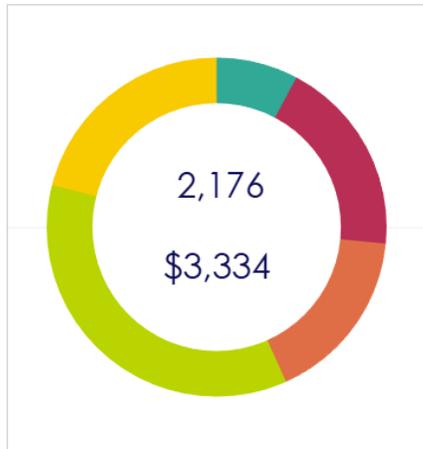
97 Standardized Prometheus Definitions

Acute	Procedural		Other
Acute Myocardial Infarction	Bariatric Surgery	Knee Replacement & Knee Revision	Breast Cancer
Hip/Pelvic Fracture	Breast Biopsy	Lung Resection	Colon Cancer
Pneumonia	CABG, Valve Rep, Complex Heart Surg	Lumbar Laminectomy	Gynecological Cancers
Stroke	Cataract Surgery	Lumbar Spinal Fusion	Low and High Risk Pregnancy
Upper Respiratory Infection	Colon Resection	Mastectomy	Lung Cancer
	Colonoscopy	Pacemaker / Defibrillator	Newborn
	Coronary Angioplasty	Prostatectomy	Preventive Care
	C-Section	Shoulder Replacement	Prostate Cancer
	Gall Bladder Surgery	Tonsillectomy	Rectal Cancer
	Hip Replacement & Hip Revision	Transurethral resection prostate	
	Hysterectomy	Upper GI Endoscopy	
	Knee Arthroscopy	Vaginal Delivery	
Chronic			
Allergic Rhinitis/Chronic Sinusitis	Chronic Obstructive Pulmonary Disease	Gastro-Esophageal Reflux Disease	Schizophrenia
Arrhythmia / Heart Block / Condn Dis	Congestive Heart Failure	Glaucoma	Substance Abuse Disorder
Attention Deficit/Oppositional	Coronary Artery Disease	Hepatitis C	Trauma & Stressors Disorders
Asthma	Depression	Hypertension	Ulcerative Colitis
Bipolar Disorder	Diverticulitis	Low Back Pain	
Crohn's Disease	Diabetes	Osteoarthritis	

Total Cost of Care Analysis

ACO Insights For PCP: AA4

Cost By Episode Category



Cost Breakdown

Typical	\$3,477,047
Typical With Comp	\$1,035,194
PAC	\$2,743,093
Total	\$7,255,333

PMPM Comparison to Market

Understand Referral Patterns for Key Episodes

EpisodeTable

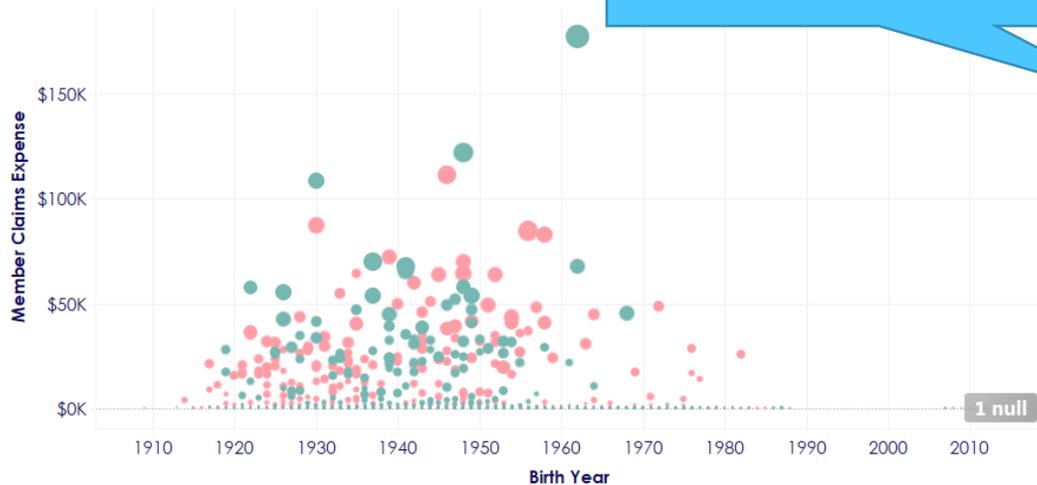
		Avg Cost	Tot Cost	Members
Acute	AMI	\$4,898		
	HIFLFR	\$20,843		
	STR	\$26,130		
Chronic	ARRBLK	\$15,647		
	CAD	\$6,912		
	COPD	\$43,579		
	DEPANX	\$38,362		
	DIAB	\$157,331		
	DIVERT	\$35,430		
	GERD	\$16,285		
	HF	\$24,748		
	LBP	\$11		
	OSTEOA	\$6,695		
	SUDS	\$12,219		
er	GYNCAN	\$37,134		
	NBORN	\$6,838		
	PREGN	\$695		
	PREVNT	\$483	\$1	
cedural	BARI	\$43,963		
	COLON	\$33,955		
	CXCABG	\$57,8		
	GBSURG			
	HIPRPL			
	HYST			
	KNRPL	\$26,038	\$937,361	34
	LBRLAM	\$39,895	\$279,265	7
	PCI	\$26,985	\$296,839	11
	PCMDFR	\$23,960	\$47,920	2
	SHLDRP	\$23,158	\$162,109	7
	VAGDEL	\$16,904	\$67,615	4
SRF	ACCHF	\$22,272	\$200,451	7
	ARF	\$26,104	\$26,104	1
	ASPPNE	\$17,652	\$70,606	4
	CDIFF	\$40,514	\$81,028	2
	CELUTS	\$14,481	\$43,443	3
	COMPLC	\$20,423	\$122,537	6
	DEVICE	\$39,924	\$239,544	4
	DMUNC	\$16,371	\$16,371	1
	DVTPE	\$21,796	\$43,593	2
	EMBOL	\$39,356	\$39,356	1
	GIRID	\$13,129	\$91,902	4

Episode Acronym: **KNRPL**

Practice..	Distinct count of..	Avg Cost
A13	17	\$27,286
A24	4	\$19,087
A38	2	\$22,616
A45	11	\$31,735

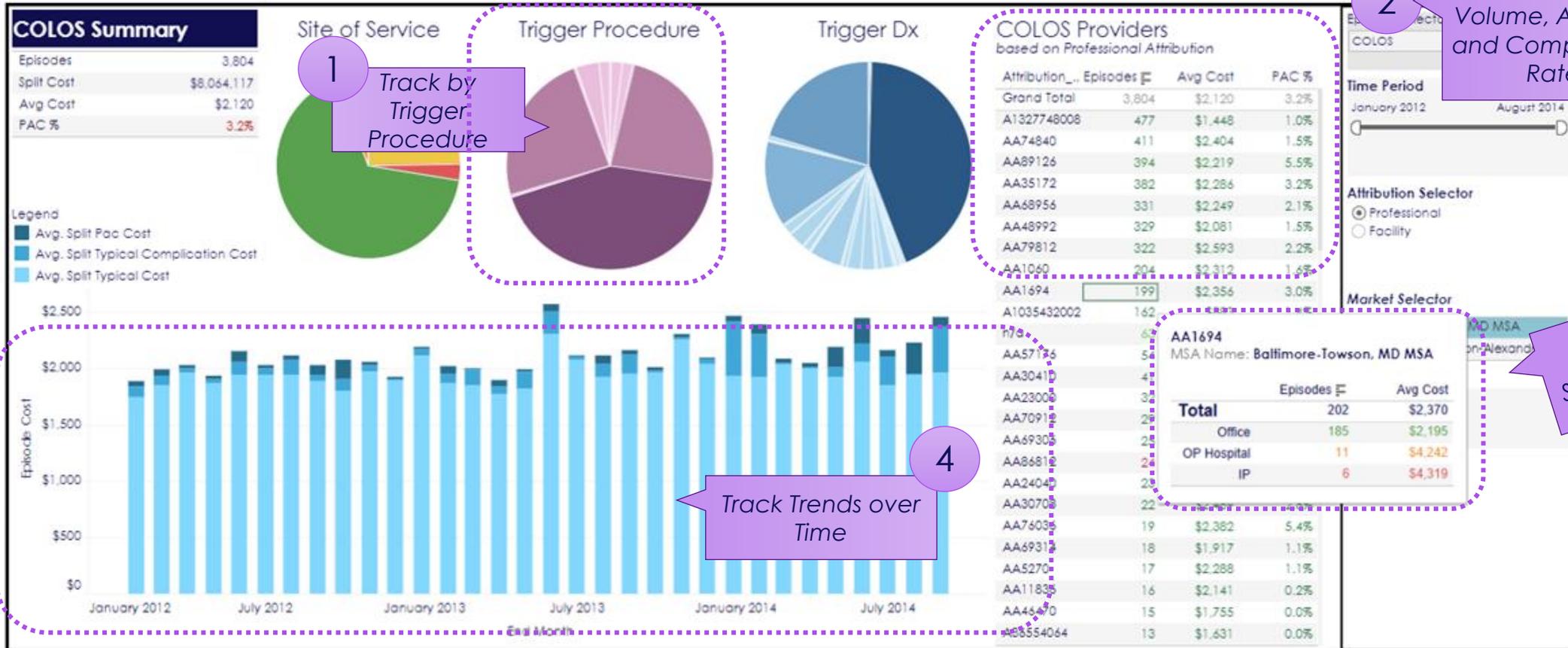
16% Higher Cost

Member Distribution



Colonoscopy Episode of Care

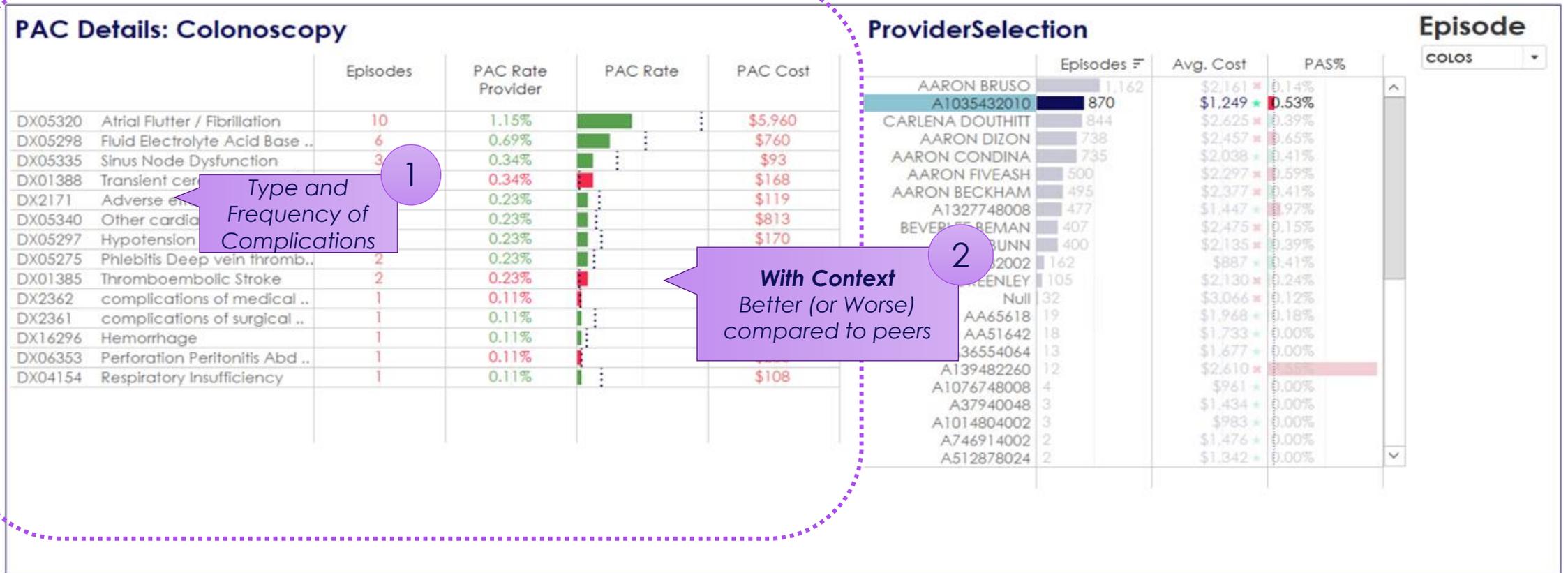
Tracking Key Performance Indicators



Colonoscopy Episodes of Care

Drilling into PACs with Market Benchmarks

- Identifies the opportunity for reducing cost while increasing the quality of care



Colonoscopy Episodes of Care

Drilling into PACs with Market Benchmarks

- Identifies the opportunity for reducing cost while increasing the quality of care compared to peers.

PAC Details: Colonoscopy					ProviderSelection			Episode
	Episodes	PAC Rate Provider	PAC Rate	PAC Cost		Episodes	Avg. Cost	PAS%
DX05298	Fluid Electrolyte Acid Base ..	25	2.96%		AARON BRUSO	1,162	\$2,161	0.14%
DX05320	Atrial Flutter / Fibrillation	22	2.61%		A1035432010	870	\$1,249	0.53%
DX05335	Sinus Node Dysfunction	12	1.42%		DOUTHITT	844	\$2,625	0.39%
DX05297	Hypotension / Syncope	7	0.83%		ON DIZON	738	\$2,457	0.65%
DX2171	Adverse effects of drugs	6	0.71%		CONDINA	735	\$2,038	0.41%
DX04154	Respiratory Insufficiency	6	0.71%	\$1,141	N FIVEASH	500	\$2,297	0.59%
DX2361	complications of surgical ..	5	0.59%	\$1,091	BECKHAM	495	\$2,377	0.41%
DX04188	Other Bacterial Pneumonia	5	0.59%	\$16,543	A1327748008	477	\$1,447	0.97%
DX05340	Other cardiac arrhythmias	3	0.36%	\$343	BEVERLEE BEMAN	407	\$2,475	0.15%
DX05308	Pulmonary Embolism	3	0.36%	\$10,499	BETTIE BUNN	400	\$2,135	0.39%
DX04187	Other lung problems	3	0.36%	\$301	A1035432002	162	\$887	0.41%
DX1853	Bacteremia SIRS no organ ..	2	0.24%	\$7,190	AARON GREENLEY	105	\$2,130	0.24%
DX06305	C-Difficile Infection	2	0.24%	\$6,930	Null	32	\$3,066	0.12%
DX05275	Phlebitis Deep vein thromb..	2	0.24%	\$2,434	AA65618	19	\$1,968	0.18%
DX04130	Aspiration Pneumonia	2	0.24%	\$29,611	AA51642	18	\$1,733	0.00%
DX2362	complications of medical ..	1	0.12%	\$1,118	A36554064	13	\$1,677	0.00%
DX19103	Altered mental status	1	0.12%	\$81	A139482260	12	\$2,610	0.00%
DX1846	Opportunistic Infections	1	0.12%	\$12,859	A1076748008	4	\$961	0.00%
DX16296	Hemorrhage	1	0.12%	\$560	A37940048	3	\$1,434	0.00%
DX06353	Perforation Peritonitis Abd ..	1	0.12%	\$398	A1014804002	3	\$983	0.00%
DX06328	Complications of coloste	1	0.12%	\$70	A746914002	2	\$1,476	0.00%
					A512878024	2	\$1,342	0.00%

Higher PAC Rate than peers

Trackable Maternity Key Performance Indicators

Select a Report

- ▼ Prod
- ▼ MaternityProgram
- Maternity Dashboard
- Risk Adjustment Insights
- Population Insights
- Shared Savings (Cap @ Fees)
- Specialty Dashboard
- Prospective Partner
- Procedural Insights
- Contract Modeler
- Dashboard Sizing

Track by Prenatal Care

Track Metrics over time

Individual Episode Details

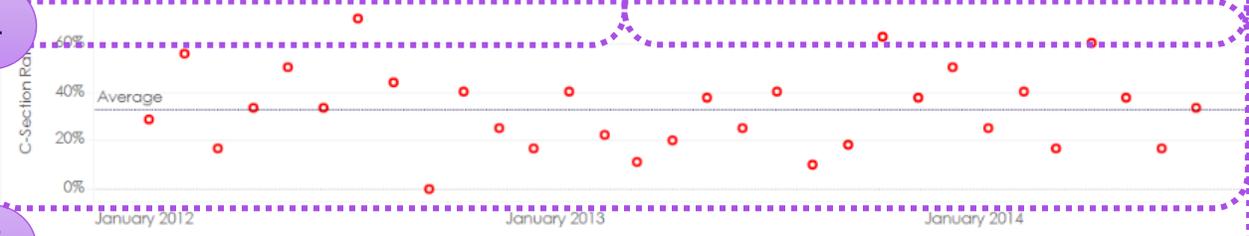
Multiple Providers Episodes Ending between 1/1/2012 and 1/1/2014

By First Prenatal Visit

	Episode Count	Avg Cost	CSection %
1st Trimester	141	\$19,234	27.7%
2nd Trimester	66	\$18,879	28.8%
3rd Trimester	63	\$19,752	47.6%
Grand Total	270	\$19,268	32.6%

By VBP Contract Status

	Episode Count	Avg Cost	CSection %
Contracted	25	\$21,127	44.0%
Not Contracted	245	\$19,079	31.4%



Individual Episode Details

Master Episode Id	Episode End On	Avg Cost	Avg. Prenatal	Avg. Delivery	Avg. Newborn
ex1401_ep1403_1305802_3_2421201002_0001	4/15/2012	\$3,465	\$384	\$3,081	\$0
ex1401_ep1403_1019440_3_2444005668_0004	8/7/2012	\$3,933	\$866	\$3,067	\$0
ex1401_ep1403_749434_3_2606600902_0001	2/2/2013	\$3,963	\$176	\$3,788	\$0
ex1401_ep1403_1305802_3_2646207292_0001	8/19/2013	\$4,026	\$891	\$3,135	\$0
ex1401_ep1403_655640_3_2837000526_0001	7/4/2014	\$4,115	\$1,688	\$2,427	\$0
ex1401_ep1403_1030678_1_2815000782_0000	3/17/2014	\$5,498	\$1,409	\$4,089	\$0
ex1401_ep1403_1236098_3_2418006490_0001	3/30/2012	\$6,106	\$220	\$5,886	\$0

Track Program Participants vs Non-participants

Track and Filter by Practice & Provider

Maternity Provider List
Based on Delivery OBGYN

Attribute of Pract...	Episode Count	Avg Cost	CSection %
NULL	25	14,564	24%
AA82130	9	27,117	67%
AA84086	9	21,064	56%
AA10794	7	20,614	43%
AA31900	6	22,627	33%
AA32310	6	31,243	83%
AA33972	6	20,456	83%
AA62944	6	19,240	17%
AA68070	6	21,239	17%
AA16120	5	17,722	0%
AA2714	5	21,423	60%
AA30892	5	17,809	0%
AA5434	5	24,213	20%
AA57742	5	23,260	80%
AA68698	5	26,000	60%
AA15616	4	24,254	100%
AA22826	4	15,123	0%
AA27168	4	17,518	0%
AA28080	4	17,837	50%
AA29520	4	21,764	0%
AA31392	4	17,675	0%
AA5396	4	20,383	25%
AA72856	4	14,276	0%
AA76184	4	21,506	75%

Value Based Care & Episodes | Custom Episodes

What is the purpose of the episode? Where are the unwarranted variations in the episode? Who is responsible for coordinating care in the episode?

- **Who is performing the care?**

- Could someone else be performing better care, with higher quality and outcomes for a lower cost?

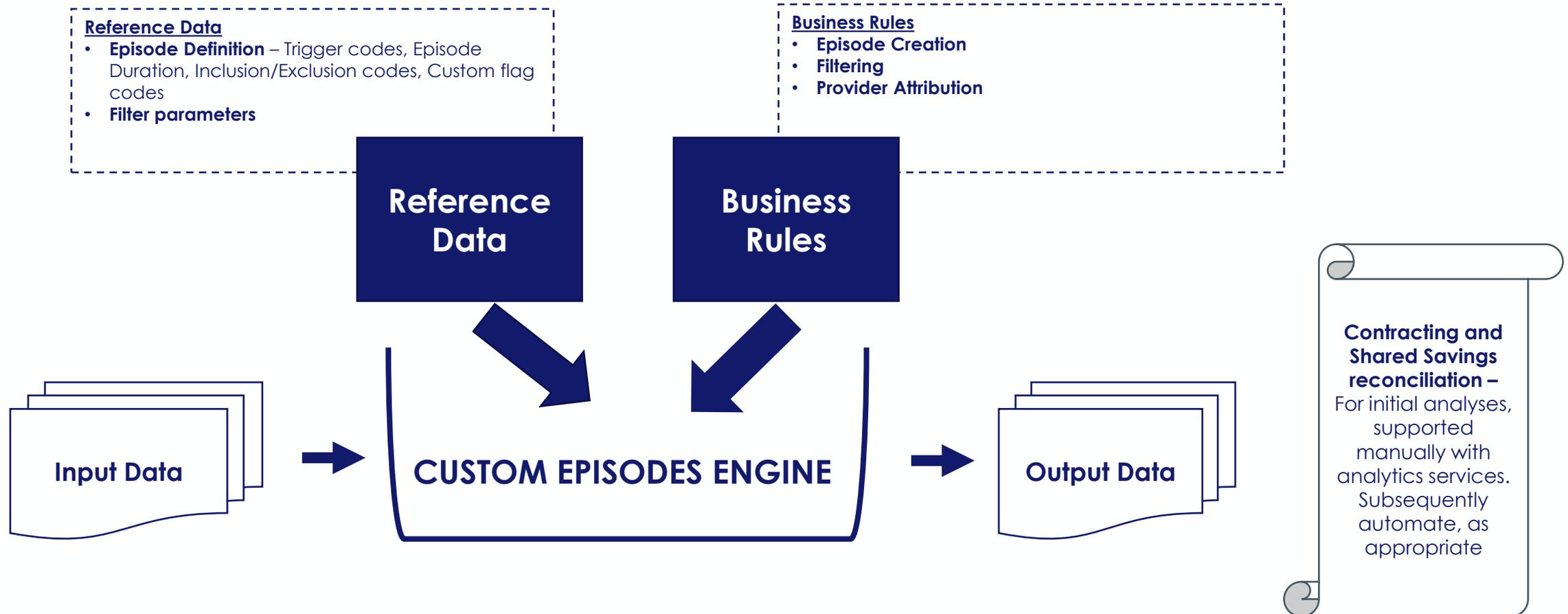
- **Where is this care being delivered?**

- Does site of service matter? Could the same care be delivered in an outpatient setting versus an in-patient setting?

- **Could the care have been avoided completely?**

- If there had been better patient management, education and preventive care, could the event have been less costly?

CUSTOM EPISODES – High Level Design



Q&A

CHANGE HEALTHCARE

Insight. Innovation. Transformation.

HSCRC Staff Proposed Episodes for PY1

Cardiology	Gastroenterology	Orthopedics
Acute CHF / pulm edema	Colonoscopy	Hip Replacement & Hip Revision
Acute Myocardial Infarction	Colorectal Resection	Hip/Pelvic Fracture
CABG &/or Valve Procedures	Gall Bladder Surgery	Knee Arthroscopy
Coronary Angioplasty	GI Bleed	Knee Replacement & Knee Revision
Coronary Artery Disease	Intestinal Obstruction	Lumbar Laminectomy
Heart Failure	Pancreatitis	Lumbar Spine Fusion
Pacemaker / Defibrillator	Upper GI Endoscopy	Shoulder Replacement
Shock / Cardiac Arrest		