3M’s unique solution for value-based health care

Part 1: Helping your organization navigate the journey from volume- to value-based health care
The paradigm shift in today’s healthcare setting

The shift in health care today is significant and impacts all participants, from payers to providers to patients. Payment models are changing, performance is being recognized and rewarded, and delivery systems are transforming.

50% of delivery systems say they will be in the insurance business in the near future.¹

45% of hospitals are already part of an accountable care organization (ACO).¹

State Medicaid programs are leveraging their position to change the way care is delivered and paid through Delivery System Reform Incentive Payment (DSRIP) transformation projects, where hospitals will improve care for low-income patient populations.
New questions are emerging in health care

How do you track the health of a patient and the performance of a provider?

What is the role of a health plan?

What does a new claims payment system look like in a value-based payment world?

What will happen to the fee-for-service model?

How complicated is the journey to value-based health care?

How do delivery systems pivot from focusing on diseases and patients to focusing on populations and wellness care?
The journey from volume-to value-based health care

Volume-based health care

The current fee-for-service, volume-based model is fairly straightforward. It’s top-down: The payers or insurance companies pay the providers who treat the patients. In general, the more care that is provided, the more money providers collect. One problem with the volume-based model is the incentives between providers, insurers and patients are misaligned.

Value-based health care

A value-based system aligns the goals for each party, but the interactions get more complicated. In population health, relationships, responsibilities and transactions are multi-directional and fluid. What was provider revenue is now their cost. The core measurement is no longer units of service, but population count. Providers will be paid according to how healthy their patients are.
Helping you navigate the journey to value-based health care

Helping customers navigate the journey to value-based care is part of what we do every day at 3M. We help both providers and payers manage changes in payment, clinical documentation and coding, applying in-depth experience with proven tools and methods.

No matter where you are in your journey, 3M understands the terrain.

**Current location**
3M can help determine where you are in the journey in terms of quality, cost and more.

**Comparisons**
3M can compare your organization with others, giving you clarity for your own journey.

**Calculating the route**
3M can help calculate your route to each milestone and destination, despite the roadblocks.

**Next steps**
3M can provide the map and tools to help you understand what to expect down the road.
Signs to watch for while navigating the way

What problem are you trying to solve?
How do you enable value-based care at scale through new payment and practice models that focus on population health?

What do you need to know to solve the problem?
A data-informed process can establish the current state and identify gaps needed to move toward a value-based model.

How do you work together to make it happen?
Collaboration and alignment, including transparency via information sharing between payers, providers, physicians, patients, etc.

What systems are needed for strong performance?
Workflows, tracking systems, tools and community referrals for services across the continuum of care.

How do you know if the problem is solved?
A secure data platform provides real-time and longitudinal data, delivering insights about progress along the journey to value-based health care.
The route to success for value-based health care

The route to value-based health care has a few landmarks along the way. Each landmark is critical to a safe and successful arrival at your destination.

What does success require?

- **Aligned incentives**—Payment/compensation policy that links payment and performance
- **Security of information**—Transparency with confidence that shared data is secure
- **Aligned participants**—System, hospital, ambulatory care, patient and provider
- **Sustainability**—Metrics, benchmarks and risk management
What to expect at each landmark along the journey

**Data and analytics**
The journey’s first landmark is a thriving system with data from multiple sources. 3M uses claims and EHR data, enhances and risk adjusts it, and provides insights in both real-time and longitudinal perspectives.

**Transparency**
The second landmark requires securely sharing data between payers and providers. Value-based care requires transparency into provider costs and quality outcomes to measure real performance. Success depends upon a true partnership with all involved.

**Human capital**
The third landmark requires coordinated efforts. 3M has the people, expertise and partnerships to help you put in place the organization and actions for delivery of high-quality, high-value care.

**Workflow processes and tools**
The fourth landmark reminds us that everyone needs help—payers, providers and patients. 3M products and services help you streamline processes, create workflows and establish tracking systems that deliver results in a value-based healthcare environment.

**Value-based health care**
This destination is not an easy or quick trip, but is essential for your success.
3M’s unique road to value-based health care

**Total cost of care (payer)**
- Populations and patients: 50 million covered lives

**Value/quality measurement**
- Classification based on cost and quality metrics

**Access to benchmark data**
- Clinical records processed via the 3M™ 360 Encompass™ System

**Ability to collaborate and execute (provider)**
- Applications to manage population health
Collaborating to deliver value-based health care: A case study

Wellmark® Blue Cross® and Blue Shield® of Iowa and Wheaton Franciscan Healthcare

For more than a decade, 3M has been a strategic partner with Wellmark Blue Cross and Blue Shield of Iowa along its journey to value-based care.

The first step was to create and implement a new inpatient payment program (using 3M™ APR DRGs) to more accurately reflect care and costs coupled with a primary care physician pay-for-quality initiative.

Wellmark developed a five-year standardized ACO contract for health systems that included an approach for member attribution, a model for shared savings, financial targets, and a quality incentive payment that is based on the 3M™ Value Index Score (VIS). Wellmark built a foundation of collaboration, provider engagement, and transparency as it began this first payment transformation initiative, which has been a hallmark of Wellmark’s ongoing success.

After two years, Wellmark demonstrated results through Wheaton Franciscan Healthcare (WFH). WFH was one of the first four health systems to become part of the Wellmark ACO contract. After its first year, WFH met and exceeded its established targets on quality measures (key domains of 3M VIS), enabling it to share in the savings and making it eligible for a quality incentive payment.

- Exceeded targets on quality measures (improved 3M VIS scores)
- Decreased PMPM* beyond payer expectation
- Improved outcomes

*Per member per month cost
Experience matters in today’s healthcare world

3M helped the state of Maryland save $105 million over a two-year span by reducing the incidence and cost of potentially preventable complications (PPCs)*

5,000+ healthcare provider customers*

Colorado
From the Accountable Care Collaborative Annual Report, Colorado Department of Health Care Policy and Financing (November 2013):

$44 million in gross savings
$6 million net reduction in total cost of care for program enrollees
15–20% reduction in hospital readmissions (relative to a comparison population prior to program implementation)

50 million lives covered through 3M’s payer data assets*

300 thousand physicians reported by the AHA Guide for the states from which 3M manages or receives payer data *

63 health plans and payers with whom 3M has relationships or from whom 3M accepts data*

$105 million

*Data on file
Putting it all together for your organization

The road to value-based health care may be bumpy at times, and the journey will take time and effort. But wherever your organization may be along the road, 3M can help you travel it successfully.

3M provides a start-to-finish solution that can be scaled and used to harness critical assets in key areas to deliver value-based success for the payer, provider and government sectors.

3M has the tools to help you understand how the healthcare environment is changing and how you can be successful in mitigating disruptions to your business. Our expertise and analytics solutions can help you manage the total cost of care and overall health of a population, while measuring provider performance and helping you achieve success under the value-based model.

To learn more about 3M’s approach to value-based health care, contact your 3M representative today. You can also call 800-367-2447 or visit us online at www.3m.com/his.

Read Part 2 of 3M’s unique solution for value-based health care: The era of “and”