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

Part 2: The era of “and”
You know the current trends, changes, challenges and implications in health care. Some changes come quickly, while others can take a while. Because change takes time, you can often find yourself somewhere in between. Your hospital may use disparate and interoperable systems for clinical and claims data. Physicians can still manage chronic disease for a single patient and use healthcare analytics data to better treat a patient population.

Today, you are living in the era of AND, where lines are often blurred and transitions can be slow. Wherever you are along the journey, 3M can help.
The world of volume- and value-based health care

Because the journey to value-based health care takes time, your organization will have a transitional period where you are delivering volume- AND value-based health care. But what will the payment structure look like?

Volume-based health care
One problem with the volume-based model is the incentives between providers, insurers and patients are misaligned. Fee for service and volume are about individual services: The more services you provide, the more you get paid.

Value-based health care
In a value-based system, the core measurement is no longer units of service, but population count. Providers will be paid according to how healthy their patients are, held accountable for cost and quality, and measured on performance.
Balancing changes for inpatient and outpatient care

During the past 15 years, there has been a slow but steady trend of healthcare dollars flowing from the inpatient to the outpatient setting. This trend is accelerating. According to MedPAC, inpatient admissions fell 8 percent per Medicare beneficiary from 2004 to 2011, while outpatient volume rose 34 percent during the period.¹

What is driving this acceleration? The Affordable Care Act applies pressure to hospitals to lower re-admissions by reducing payments. The “two midnight” rule from the Centers for Medicare & Medicaid Services (CMS) further blurs the line between inpatient and outpatient by extending observation allowance as an outpatient service to cut down on short hospital stays.

Accountable care organizations (ACOs) are also focused on delivering high-quality care at lower costs, steering more patients to lower-cost care settings than inpatient stays.

Making the most of clinical and claims data

Having access to both real-time clinical data and retrospective claims data allows you as a payer or provider to have a complete picture of the populations you serve and the associated costs. By working with 3M, you have a powerful advantage as you move forward in the journey to value-based health care.

Much of clinical data’s value is its ability to provide real-time information about how a patient is doing. It helps answer the key question, “How well is the patient’s disease under control at this moment in time?” 3M has access to vast clinical data, as over 5,000 hospitals, healthcare organizations and clinics trust 3M for coding, clinical documentation, health data management and analytics solutions.

Claims data provides a retrospective, complete picture of all services a person received for which a claim is generated. Multiply that times many persons, and one can view total cost of care, utilization and access for an entire population across the care continuum. This cannot be captured with real-time clinical data. 3M has experience managing claims for over 50 million covered lives as well as actionable information and tools for providers and payers to help improve performance and manage costs.
Managing diseases and the health of populations

Understanding the whole person is the foundation of population health management. People are not just defined by their diseases. Achieving better health across entire patient segments involves a person-centered approach to care. This includes looking at how all of a person’s conditions, specific diseases and other factors (e.g., socio-demographic) interact with each other to create a more complete view of a person’s health.

3M supports this environment through many of its coding and clinical documentation improvement tools. We also help you better understand the characteristics of your patient population and outcomes that are risk-adjusted.
Data and analytics for the value-based transition

Value-based payment rewards good population health management. **3M uses data and analytics to help our clients manage populations through the care continuum in order to improve population health, lower the cost of care and improve the patient experience.** Through analytics, we can identify opportunities to take action on the system, provider and patient levels.

We start by defining a person’s total illness burden with a **3M™ Clinical Risk Group (CRG).** This segments the population and allows the provider and payer to better understand costs and gaps in various stages along the care continuum. 3M uses claims data to measure the total cost of care for a population segment and also drill down to the individual level.

To give you a complete picture of a person’s health and associated costs, a well-constructed data and analytics platform delivers real-time and longitudinal.
Stand-alone and consolidation

The era of consolidation has begun. Participants must collaborate in new ways to improve population health, manage costs and reap the benefits of better purchasing power, economies of scale and market share. Population health means building relationships with organizations that provide care along the continuum from primary care to acute and post-acute hospital services. Collaboration requires transparency—the secure sharing of information about patients and providers so the right decisions are made.

Some providers want collaboration to manage a population. Health systems are consolidating, often for the same reasons as payers. Can they develop the expertise and put in place the infrastructure needed to manage populations? Do they have the care management tools and provider/patient support programs required to address the needs of the population?

That’s where 3M comes in with access to data, analytics and experience to help you make the shift from disease management to population health management.
Limited visibility and transparency

Sharing information among all participants in health care is an emerging trend. We see this in consumer goods where prices and quality ratings are exposed on websites like Amazon.com® that allow customers to make more informed choices. Everyone involved in health care wants to better understand the value of the care delivered and paid for.

Currently, the view is limited so nobody gets the whole picture—key information that would influence patient choice and provider decisions is often missing.

Sharing this information requires data security, creating the rules and systems that secure the data, and protecting the integrity of the patient/physician relationship.

3M has the experience to enable the data sharing and transparency needed along the journey to value-based health care.
The journey to value-based health care can be arduous. Some payers and providers are at different stages along this path. Most are living in both the volume- and value-based worlds, but the system is moving toward increased accountability of all parties. Performance on quality and cost is tied to payment and reimbursement. Moving forward requires a unique strategy.

By bridging the gap between the worlds of volume and value, 3M can help you no matter where you are in the journey.
Putting it all together for you and your organization

Progress along the road to value-based health care happens once payers and providers are aligned on performance metrics, payment and outcome measures. To be successful, healthcare stakeholders need insight and information to gauge their progress on total cost of care and actionable metrics for population health.

3M leverages its clinical applications and data to assess quality and improve patient care in all settings. **Our unique strategy for value-based care gives providers a start-to-finish solution for effectively managing population health**—a key to success in an “AND” world that’s based on value.

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

Read Part 3: How 3M can help your organization at any stage on the journey to value-based care.