

## 3M™ Clinical Risk Grouping Software

- Clinically precise tool for longitudinal care coordination
- Addresses total cost-of-care management, quality outcomes measurement and improvement, and provider and health plan profiling
- Can help form the basis for effective chronic disease risk adjustment

### What are the 3M™ Clinical Risk Groups?

3M CRG methodology is a categorical clinical model that uses standard claims data (i.e., inpatient, ambulatory and pharmaceutical) to assign each patient to a single, mutually exclusive risk category.

There are 402 base CRGs. Many of these CRGs have multiple levels of severity of illness, resulting in 1,474 potential discrete 3M CRG assignments.

### Accounting for clinical complexity

Clinical complexity presents a challenge for population health management, regardless of whether you are a payer, provider or part of an ACO. In your populations, some individuals are healthy while others may have multiple chronic conditions. No two patients are exactly alike, including those with the same diagnosis. Each patient has distinct healthcare needs, depending on his or her health status. Population health management—including equitable payment—requires that providers take this clinical complexity into account.

### Risk adjusting individual burden of illness

The 3M Clinical Risk Software groups data to risk adjust for each individual's burden of illness. The 3M Clinical Risk Groups (CRGs) help relate the historical clinical and demographic characteristics of individuals to the amount and type of health care they have used recently and would be expected to use in the future.

The 3M software uses expert clinical logic to assign each individual to a single, mutually exclusive severity-adjusted risk group. Each individual 3M CRG builds the foundation for both a payment system and a care coordination system. And because 3M CRGs are clinically based, they also create a language that links the clinical and financial aspects of care.

### Key benefits

3M CRGs can provide a comparative and detailed population-based understanding of disease severity, which can help you design care coordination strategies and best practices to control costs, maintain quality and improve outcomes.

3M CRGs can also be used to help you:

- Minimize financial incentives for preferentially selecting low-cost patients
- Set fair rates to discourage adverse risk selection and reward cost-effective treatment of high-risk individuals
- Align best practices with reimbursement
- Profile utilization patterns and evaluate the appropriateness of capitation rates

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Because the 3M Clinical Risk Software groups individuals into clinically similar classes, it can be used as a powerful management tool to help you profile providers as well as measure and improve quality of care and outcomes.

## Strong clinical foundations

The 3M CRGs can be used to measure and manage population health. The categorical severity adjustment incorporates claims data, pharmaceutical data and functional/mental health status when assigning risk groups, which can help you identify individuals with multiple chronic co-morbid conditions and determine their severity of illness. Because they carry clinical as well as financial relevance, the 3M CRGs help:

- Track and improve outcomes by reducing potentially preventable events, such as avoidable initial hospital admissions and ER visits
- Track the prevalence and progress of chronic disease
- Analyze the clinical efficacy of treatments
- Determine the medical costs and risks of groups of individuals
- Monitor several aspects of quality of care

## A tool for both prospective and retrospective analysis

Like the DRGs from the Centers for Medicare & Medicaid Services (CMS), 3M CRGs provide a means of adjusting payment amounts according to clinical characteristics and resource demands.

The CMS DRG grouping process addresses a specific inpatient hospital admission, while the 3M CRG grouping process profiles an individual over a period of time, typically a year. Although DRGs and 3M CRGs are both classification systems, DRGs are used as a retrospective tool, while 3M CRGs may be used both prospectively and retrospectively. With the predictive capability of 3M CRGs, payers can set rates that both encourage providers to care for high-risk, sicker patients and also drive care coordination improvements that can help yield better outcomes.

## Call today

For more information on how 3M software and services can assist your organization, contact your 3M sales representative, call us toll-free at **800-367-2447**, or visit us online at **[www.3m.com/his](http://www.3m.com/his)**.

## External validation of the 3M™ Clinical Risk Groups (CRGs)

The 3M CRGs have undergone extensive independent validation and are used in population health initiatives by several state data commissions, health departments and commercial payers for:

- Quality outcomes and total cost-of-care management for managed care and accountable care organizations (ACOs) in state Medicaid programs, such as Texas and New York
- Outcomes-based payment programs used by commercial payers and regional/national health plans, including many Blue Cross® Blue Shield® organizations
- Public performance reporting and All Payer Claims Database analysis by state agencies, including the Utah Department of Health and the Texas Health and Human Services Commission
- Population health and episodes-of-care analyses for the Medicare Payment Advisory Commission (MedPAC)
- Comparisons of quality and utilization in special needs delivery programs, such as HIV, mental health and substance abuse

3M also uses 3M CRGs as an integral component of the 3M™ Patient-focused Episodes Software and 3M™ Population-focused Preventables Software.



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