3M Science. Applied to Life.™

Empowering a state benefit plan to solve its toughest challenges

Combating the rising cost of health care to continue recruiting and retaining the best talent for state government requires innovative solutions. The best solutions not only address cost but also help improve quality of care for your employees and their families.

Avoid costly, preventable negative outcomes

Problem:

Unnecessary care is costly for employers and puts members at risk. Almost 30 percent of all health care in the U.S. is unnecessary or wasteful, costing $340 billion per year.[1]

Solution:

Use your own plan's data, empowered by **3M™ Potentially Preventable Events (PPEs)**, to develop sophisticated utilization management and care coordination policies that address PPEs, including complications, readmissions, admissions, emergency department visits and ancillary services.

Correctly identify the members most at-risk for high cost care

Problem:

Case management and care coordination systems cannot identify members at-risk of needing high cost care.

Solution:

Instead of simply identifying members with a recent acute crisis or hospital stay, use **3M™ Clinical Risk Groups (CRGs)** to group members by severity of illness, comorbidity, utilization frequency and social determinants of health (SDoH) to find the true at-risk members who are likely to need frequent or high cost care.

Predict future health care utilization and cost

Problem:

The skyrocketing price of health care makes budgeting difficult for state governments, where plans unexpectedly need to cut benefits, increase premiums, or return to the legislature to shore-up reserves.

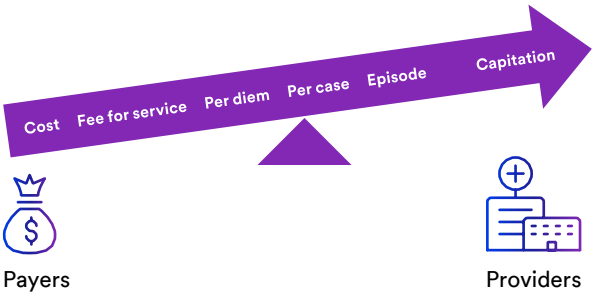
Solution:

Use your claims data, including pharmaceutical claims and the functional health status of each member, empowered by 3M CRGs, to understand your population and accurately predict future health care utilization and cost.

Reduce overuse of care, contain costs and improve care quality

Problem:

The rapidly escalating cost of health care makes it difficult to retain robust benefits for state employees. Under a traditional fee-for-service payment model, benefit plans reimburse for each service delivered to a member, resulting in state plans bearing the burden of controlling costs by defining services they will not authorize.



Solutions:

- Reduce waste by transitioning from a fee-for-service payment model for inpatient care to a model whereby a hospital receives a risk-adjusted payment for an entire inpatient stay, powered by **3M™ All Patient Refined DRG (APR DRG) Software.** This payment model inherently holds the provider financially accountable for care quality during the hospitalization and prevents benefit plans from having to pay for complications or unnecessary services.
- Transition from a fee-for-service payment model for outpatient care to a fee-for-visit model, empowered by **3M™ Enhanced Ambulatory Patient Grouping (EAPG) System.** The tool offers multiple options to fit your policy needs including, packaging ancillary services, discounting multiple procedures within the same visit and paying or not paying for multiple visits in the same day.
- Develop a bundled payment model that incorporates all inpatient and outpatient care for a full episode, empowered by **3M™ Patient-focused Episodes (PFE) Software.** A bundled payment is a fixed amount paid for the treatments, costs and resources associated with different medical conditions among multiple care providers throughout a member's episode. Payment bundling discourages unnecessary care, motivates quality care, and encourages care coordination among providers caring for the same member.

Reduce maternal mortality for your members

Problem:

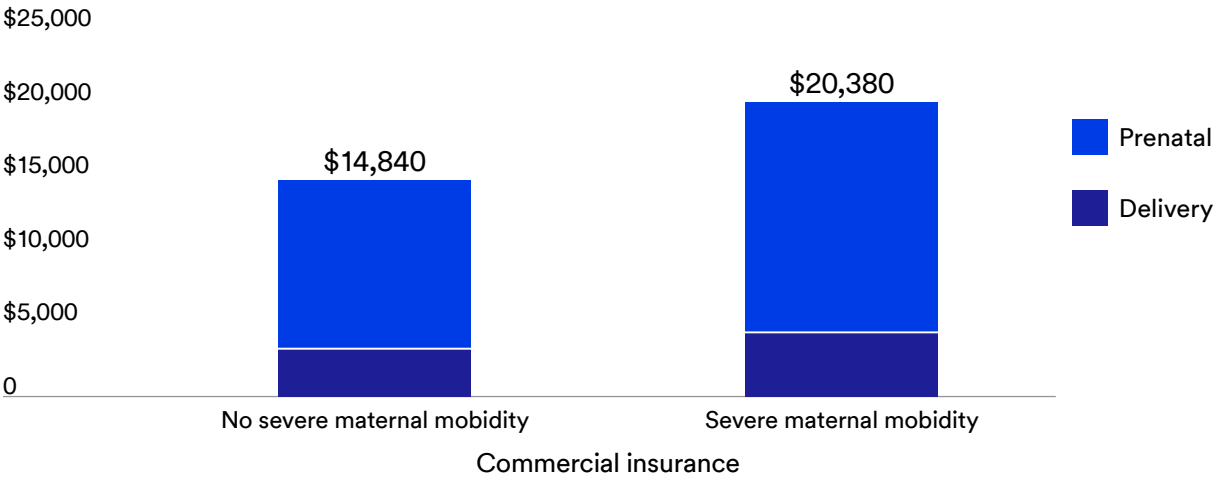
More women are dying of maternal causes each year in the U.S. In 2020, 861 women died of maternal causes, compared with 754 in 2019, and with 658 in 2018. The correlating mortality rates are 23.8 death per 100,000 in 2022, 20.1 deaths in 2019, and 17.4 in 2018.[2] These numbers are staggering and moving in the wrong direction. Further, health care costs increase significantly for these women.

Solution:

Use your claims data, empowered by **3M™ Potentially Preventable Complications (PPC) Grouping Software, 3M™ Potentially Preventable Readmission (PPR)** and **3M™ Potentially Preventable Admissions (PPA),** to understand care variations by provider, health care system or member demographics. Bring this data and understanding to dialog with outlying providers. Such dialog has resulted in reduced preventable events for payers around the country.[4]

Births that involve severe maternal morbidity are far more expensive than births that do not.

U.S. means costs without and with severe maternal morbidity, by timing and insurance type, 2013.[3]



$70M saved
20% reduction in readmissions
–Minnesota Medicaid*

Source: McCoy, et. al. Reducing Avoidable Hospital Readmissions Effectively: A Statewide Campaign. Joint Commission Journal on Quality and Patient Safety. 2014

$35M saved
in reduced preventables
–Wellmark Iowa*

Source: https://www.desmoinesregister.com/story/news/health/2016/07/26/wellmark-sees-35-million-savings-aco-contracts/87537846/

$88M projected
sustainable **annual savings** with reduced preventables
—Texas Medicaid*

Source: Dollar estimates from 3M based on data from Texas HHSC, Combined Report on Quality-Based Payment and Delivery Reforms in Medicaid and the Children's Health Insurance Program, Report to the Texas Legislature, Feb. 2017, and Texas Association of Health Plans, Senate Bill 760 Public Stakeholder Forum, June 6, 2016. See also Millwee B, Goldfield N, Turnipseed J. Achieving improved outcomes through value-based purchasing in one state. American Journal of Medical Quality. 2017;33(2).

$500M saved
with reduced preventables
–New York Medicaid*

Source: https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/2021/docs/2021-08-24_final_summative_rpt.pdf

51% reduction
in two years throughout state's all-payer hospital system
–Maryland*

Source: https://hscrc.maryland.gov/Documents/Updated%20APM%20results%20through%20PY5.pdf

1. INFOGRAPHIC—The Cost of Low-Value Care - ACHP (citing William H. Shrank, "Waste in the US Health Care System," JAMA (JAMA Network, October 15, 2019), https://achp.pub/JAMA-LVC.
2. Eugene Declercq and Laurie Zephyrin, Severed Maternal Morbidity in the United States: A Primer (Commonwealth Fund, Oct. 2021). https://doi.org/10.26099/r43h-vh76
3. Kimberly K. Vesco et al., "Costs of Severe Maternal Morbidity During Pregnancy in U.S. Commercially Insured and Medicaid Populations: An Observational Study." Maternal and Child Health Journal 24, no. 1 (Jan 2020): 30–38.
4. New York Medicaid (DSRIP) Potentially Preventable Admissions and Readmissions 2014-2018. New York Department of Health. Delivery System Reform Incentive Payment (DSRIP) Amendment Request. Albany, NY: NYDOH, Sept. 17, 2019.

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