

## 3M™ Patient-focused Episodes Software

- Defines more than several hundred episodes spanning inpatient and outpatient encounters as well as chronic and acute diseases
- Supports provider profiling based on risk-adjusted clinical outcomes
- Computes actual costs and expected resource utilization

### The 3M advantage: Patient-focused design

3M's clinical model focuses on an enrollee's total burden of illness, not separate disease processes. It also uses a categorical clinical model that classifies patients into mutually exclusive categories, creating a uniform clinical language that can help you identify at-risk patients, costs and inefficiencies.

The 3M software calculates weights independently from the clinical model, but also derives relative weights from actual historical expenditures. Plus, it's based on 3M's widely used and proven risk adjustment models and inpatient, outpatient and population grouper methodologies.

### The challenge: Understand the costs and outcomes of longitudinal care

There are many new models for longitudinal care—bundled payment, accountable care and population health management, to name a few. These models require attention to the overall quality and costs of treating patients, many of whom have complex health histories involving heart failure, mental health disorders, or functional impairment.

One way to control costs and improve health outcomes is to better manage the entire episode of care, instead of sub-optimizing each step in the process.

### The solution: Patient centric, not disease specific

The 3M Patient-focused Episodes (PFE) Software defines two types of episodes from analysis of a patient's inpatient and ambulatory care:

- An event-based episode includes all services within a user-defined time window surrounding a trigger event (e.g., hospitalization, a significant outpatient procedure or outpatient medical visits).
- A cohort episode includes services provided to patients who share a common condition, disease or characteristic within a user-defined period (e.g., pregnancy, diabetes or eligible members of a wellness program).

The conventional approach to defining episodes is to focus on the services related to a single disease rather than on the patient as a whole.

But for patients with multiple comorbid conditions, individual services cannot be accurately attributed to a specific disease. Comorbid diseases interact and do not behave independently. The 3M model takes a patient-centric approach to defining an episode of care.

The 3M PFE Software defines an episode based on all of a patient's healthcare encounters and claims during a specified period, regardless of whether the services are associated with the same diagnosis. A patient may be assigned to zero, one or many episodes (both event-based and cohort) during an analysis period, but only one event-based episode at any point in time.

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## Risk-adjusted measures of cost and outcomes

In assigning episodes, the software considers the burden of a patient's chronic illness and risk-adjusts the episode assignment. The software also analyzes actual costs and determines expected resource use during an episode. This produces actual and expected values that can be used for profiling comparisons or establishing payment levels. The data can also become the basis for evaluating delivery of care and the associated financial impact of post-acute care.

## Assess the risk of chronic illness

The 3M PFE Software leverages the 3M™ Clinical Risk Grouping (CRG) methodology, which differentiates patients based on their overall chronic illness burden within each episode, using all diagnoses, procedures and drug codes prior to the episode. This provides a transparent and clinically precise classification that can be understood consistently among providers. The design of the 3M CRGs is similar to diagnosis-related groups (DRGs), a concept that is already widely used and accepted by health professionals.

## Benefits

- **Improves patient care** by identifying opportunities to lower resource utilization, coordinate care and reward quality improvements
- **Supports bundled payment** with sophisticated algorithms that include risk adjustment, outlier thresholds and empirically derived relative payment weights based on actual historical expenditures
- **Compares provider costs** by calculating expected resource use with consideration for the clinical risk of a patient's chronic illness and co-morbid conditions
- **Expresses episodes and health risk in a clinically meaningful way** so that clinicians and other health professionals can understand and act on information

## Features

The 3M PFE Software:

- Assigns a 3M CRG based on data prior to the start of an episode (prospective) or during the period before the episode end date (retrospective)
- Produces a financial summary by episode and each event type
- Computes relative weights for all event-based episodes and cohort episodes applicable to each patient

The 3M PFE Software allows users to:

- Define the number of days before and after a trigger event to include in the event-based episode window
- Choose which services to include in cost calculations
- Select preferences for trimming or capping outliers
- Evaluate patients in a cohort over an extended period of time (e.g., 180 or 365 days)

## 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)**.



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Published 11/17  
70-2009-9246-2