

Medica Approach to Total Cost of Care

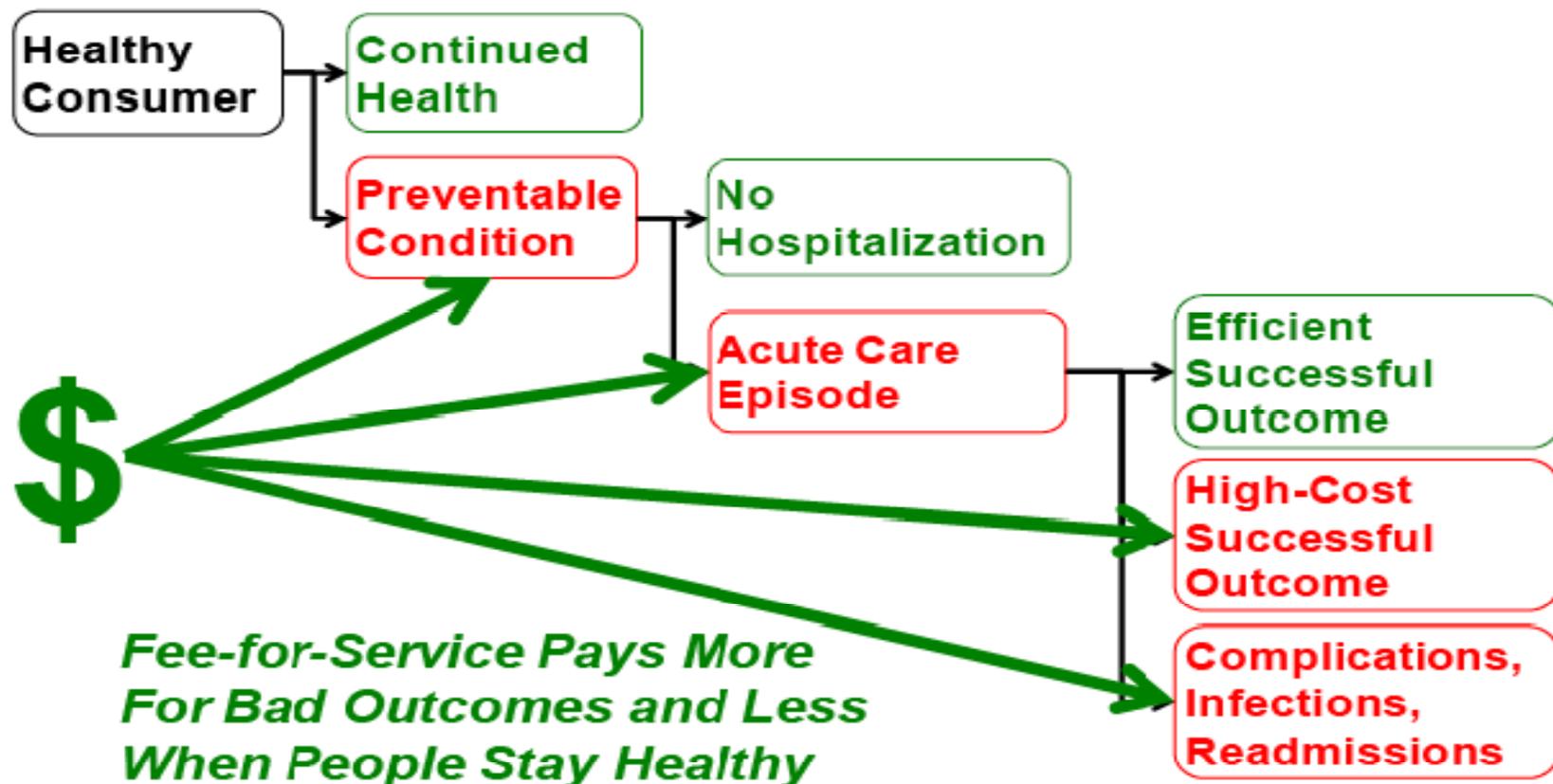
September 8, 2010

Dr. Charlie Fazio, Chief Medical Officer

Agenda

- Evolution of Provider Programs at Medica
- Medical Home, Total Cost of Care and Accountable Care Organizations
- Policy Considerations
- Questions

Medical Home and Total Cost of Care



Medical Home and Total Cost of Care

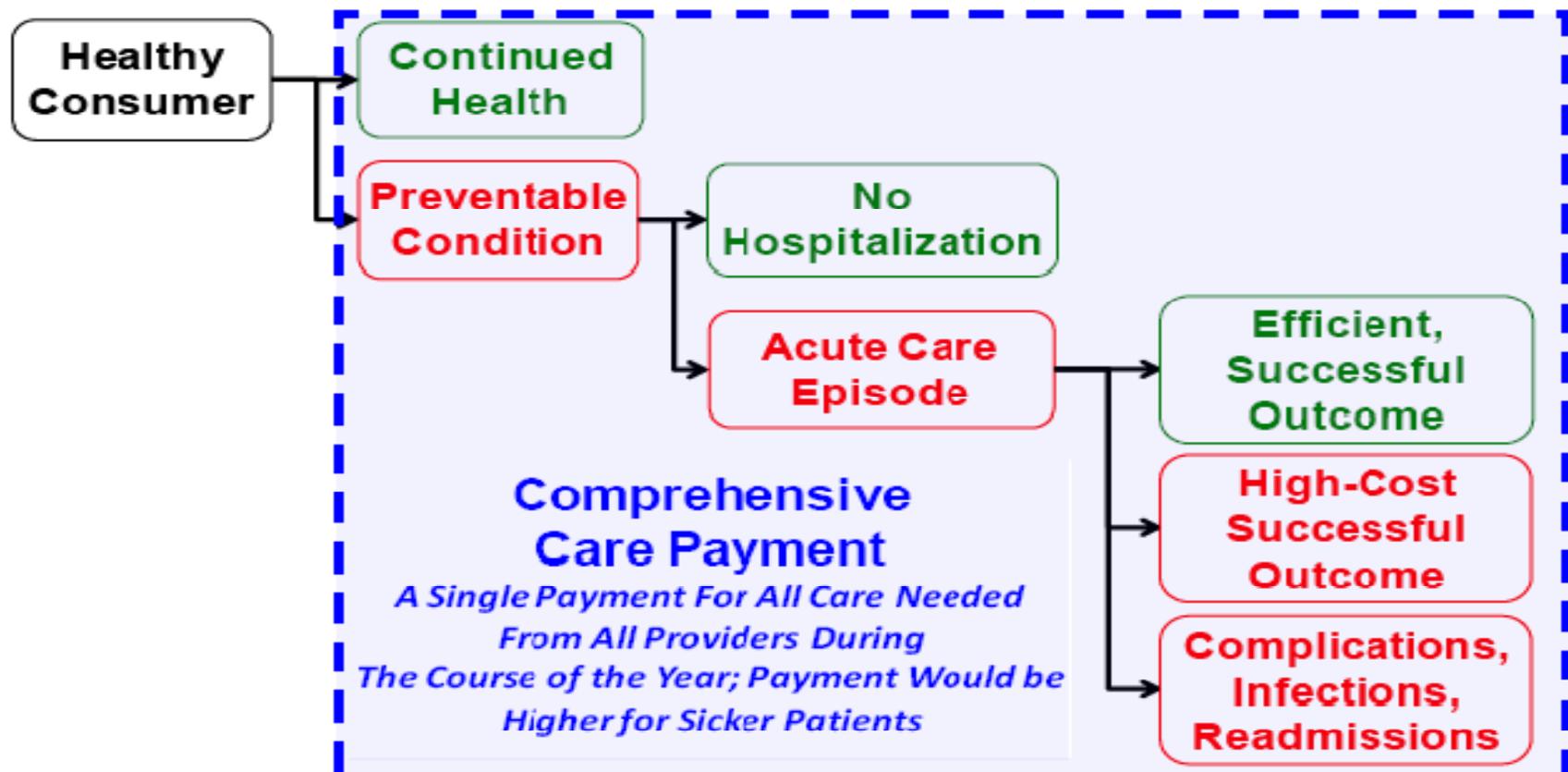
Supports for Care

- Disease management
- DIAMOND; clinic-based chronic care management
- Health coaching

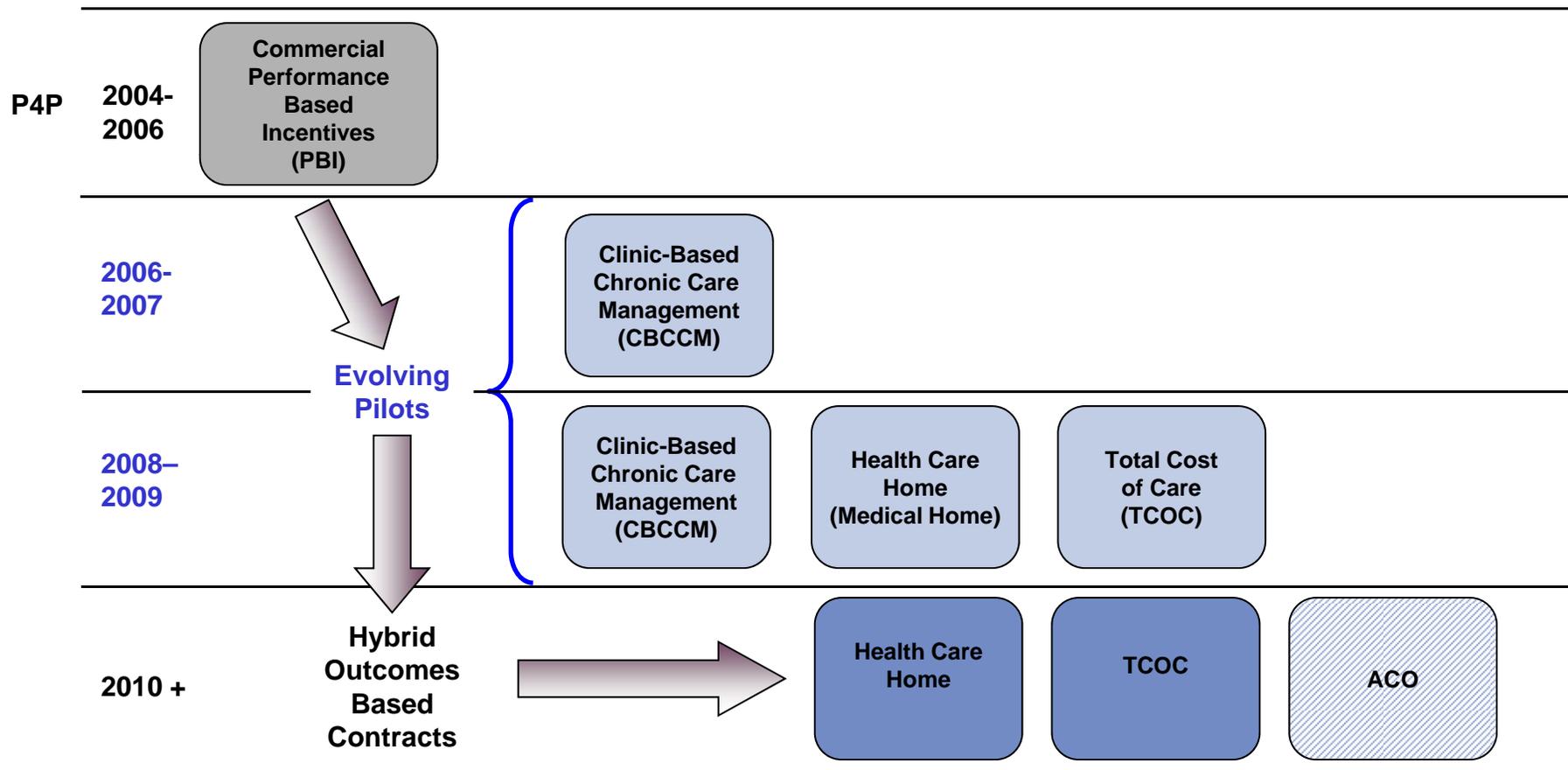
Payment for Care

- Pay for Performance
- Health Care (Medical) Home
- Risk-adjusted total cost of care

Medical Home and Total Cost of Care



Evolution of Provider Programs at Medica



Clinic Based Chronic Care Management Pilots

■ Conclusions

- A “high touch,” care coordination model led to:
 - More office visits at a lower cost
 - Fewer inpatient stays
 - More prescription fills
 - A decrease in overall cost
- Many clinics also showed positive Minnesota Community Measurement results.

Provider Tools for Managing Health and Cost

MEDICA
Provider Risk Report
Apple Valley Medical Center
Quarter 2, 2009

MEDICA Provider Risk Report Quarter 2, 2009

Overview of Patient Risk

This page provides a risk analysis of the MEDICA members who have been identified to your clinic. Members are identified to your clinic if at least 10% of their average care was received at your clinic.

Demographics:

- 1623 selected patients
 - 24.3% (596) Women
 - Average age = 62.9
 - Average LOS spent = 15.144 days
 - CT spend by category

High Risk Patients

Patient ID	Name	Gender	Age	LOS	CT Spend
1000000001	John Doe	M	65	12	\$1500
1000000002	Jane Smith	F	58	15	\$2000
1000000003	Bob Johnson	M	72	10	\$1200
1000000004	Alice Brown	F	60	18	\$2500
1000000005	Charlie White	M	68	14	\$1800
1000000006	Diana Green	F	55	16	\$2200
1000000007	Frank Black	M	70	11	\$1400
1000000008	Grace King	F	62	17	\$2100
1000000009	Henry Lee	M	66	13	\$1600
1000000010	Ivy Hill	F	59	19	\$2600
1000000011	Jack Adams	M	71	9	\$1100
1000000012	Karen Baker	F	63	16	\$2000
1000000013	Liam Clark	M	67	12	\$1500
1000000014	Mia Evans	F	57	17	\$2100
1000000015	Noah Foster	M	73	10	\$1300
1000000016	Olivia Grant	F	61	18	\$2300
1000000017	Peter Harris	M	69	11	\$1400
1000000018	Quinn King	F	56	19	\$2700
1000000019	Ryan Lee	M	74	8	\$1000
1000000020	Sarah Miller	F	64	15	\$1900
1000000021	Timothy Moore	M	68	13	\$1600
1000000022	Uma Nelson	F	58	17	\$2100
1000000023	Victor Ortiz	M	72	10	\$1300
1000000024	Wendy Parker	F	60	18	\$2300
1000000025	Xavier Quinn	M	70	11	\$1400
1000000026	Yara Reed	F	59	19	\$2700
1000000027	Zoe Stone	F	62	16	\$2000
1000000028	Adam Taylor	M	66	12	\$1500
1000000029	Bella White	F	57	17	\$2100
1000000030	Connor Young	M	71	9	\$1100

Evolution of Provider Programs at Medica

High Risk Patients

Below is a list of your highest risk patients. These are patients whose CRI scores indicate that they are at a very high health risk in the coming 12 months. Your highest risk patients appear at the top of this list.

First Name	Last Name	Age	Sex	12-Month Tot Allow	CRI	Hos Dom	Frail	# Chronic Conds	Asthma	Arthritis	CHF	COPD	CRF	Depress	Diabetes	Hyplip	Hypertn	IHD	LBP
Name	Name	45	F	\$20378.52	31.6			6	Yes	Yes			Yes		Yes		Yes		
Name	Name	54	F	\$24793.52	30.2	yes		6		Yes			Yes	Yes			Yes		
Name	Name	49	F	\$194479.12	29.7	yes	Yes	12		Yes				Yes	Yes		Yes		
Name	Name	73	M	\$17240.43	17.9	yes		6			Yes			Yes		Yes	Yes		Yes
Name	Name	52	M	\$44674.14	15.3		Yes	6		Yes						Yes	Yes	Yes	
Name	Name	58	F	\$86787.17	14.9			2						Yes					
Name	Name	73	M	\$16950.32	14.1		Yes	4			Yes		Yes	Yes					Yes
Name	Name	55	M	\$5948.3	12.7	yes		3	Yes								Yes		
Name	Name	65	F	\$4146.38	12.5			1	Yes										
Name	Name	54	F	\$32237.07	11.4			3		Yes			Yes						

Medica's Approach, cont.

- Evaluate patient disease population data


Clinic ABC: Attributed Members by Single Disease Marker
Per Member Per Month Cost by Single Disease Marker
 Based on Medica Choice Commercial Utilization by Calendar Year
 Excludes Members attributed to a United Platform Employer Group
 Confidential

Focus on biggest patient impact area



	# Patients	\$ Allowed: Physician	\$ Allowed: Outpatient	\$ Allowed: Inpatient	\$ Allowed: Rx	\$ Allowed: Total
Asthma	86	\$84,936	\$43,155	\$11,868	\$84,239	\$224,198
Arthritis	23	\$50,931	\$21,100	\$38,747	\$24,071	\$134,849
Coronary Heart Failure	2	\$6,200	\$1,729	\$0	\$2,067	\$9,997
COPD	1	\$1,678	\$965	\$0	\$331	\$2,974
CRF	0	\$0	\$0	\$0	\$0	\$0
Depression	150	\$153,095	\$77,419	\$17,469	\$148,013	\$395,996
Diabetes	8	\$8,532	\$10,812	\$0	\$6,108	\$25,452
Hyplip	80	\$74,556	\$30,757	\$6,253	\$59,257	\$170,823
Hypertension	67	\$70,707	\$65,257	\$0	\$36,520	\$172,484
Ischemic Heart Disease	0	\$0	\$0	\$0	\$0	\$0
Low Back Pain	126	\$186,050	\$104,750	\$19,822	\$63,130	\$373,751
No chronic condition	958	\$664,455	\$353,249	\$48,189	\$216,327	\$1,282,220
Multiple Conditions	420	\$989,544	\$606,544	\$383,531	\$772,801	\$2,752,421
Two conditions	243	\$499,506	\$330,443	\$127,075	\$325,231	\$1,282,254
Three conditions	108	\$209,649	\$92,849	\$44,066	\$203,734	\$550,298
>3 conditions	69	\$280,390	\$183,252	\$212,391	\$243,837	\$919,870

Physician PMPM	Rx PMPM	Total PMPM	Total ACG-Adjusted PMPM
\$89.60	\$88.86	\$236.50	\$233.46
\$211.33	\$99.88	\$559.54	\$552.36
\$281.83	\$93.97	\$454.42	\$448.59
\$139.85	\$27.60	\$247.86	
n/a	n/a	n/a	
\$98.71	\$95.43	\$255.32	\$252.04
\$98.07	\$70.20	\$292.55	\$288.80
\$87.40	\$69.47	\$200.26	\$197.69
\$97.12	\$50.17	\$236.93	
n/a	n/a	n/a	
\$144.11	\$48.90	\$289.51	\$233.89
\$68.68	\$22.36	\$132.53	
\$208.76	\$163.04	\$580.68	
\$184.12	\$119.88	\$472.63	\$466.57
\$170.17	\$165.37	\$446.67	\$440.94
\$352.69	\$306.71	\$1,157.07	\$1,142.22

*Cost Resource Index (CRI)/Predictive Cost Score for the following time period (calculated using ACG Group); enroll
 †Totals not mutually exclusive for multiple/>1 condition

Medica's Approach, cont.

- Evaluate co-morbidities

Determine significant areas for patient care improvement

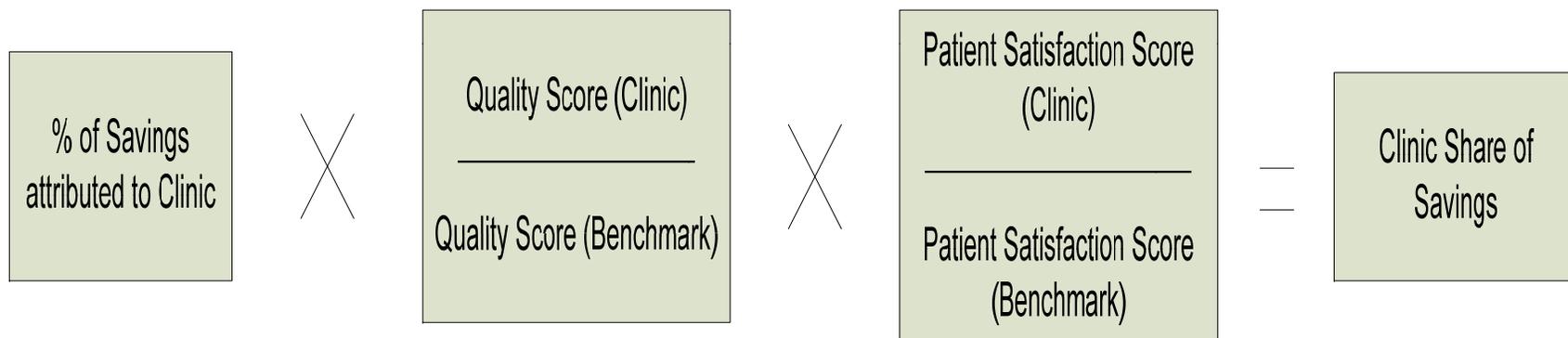
Clinic ABC: Attributed Members (Diabetes) by Each Disease Marker Combination
Per Member Per Month Cost by Single Disease Marker
 Based on Medica Choice Commercial Utilization by Calendar Year
 Excludes Members attributed to a United Platform Employer Group
 Confidential

	# Patients	\$ Allowed: Physician	\$ Allowed: Outpatient	\$ Allowed: Inpatient	\$ Allowed: Rx	\$ Allowed: Total
Diabetes + Hyperlip + Hypertension	15	\$15,830	\$4,011	\$9,567	\$30,566	\$59,974
Diabetes	8	\$8,532	\$10,812	\$0	\$6,108	\$25,452
Diabetes + Hyperlip	7	\$5,441	\$2,279	\$0	\$6,323	\$14,042
Depression + Diabetes + Hyperlip + Hypertension	6	\$8,007	\$2,521	\$0	\$19,259	\$29,787
Diabetes + Hypertension	5	\$4,617	\$1,318	\$0	\$1,514	\$7,449
Depression+Diabetes+Hyperlip	3	\$4,552	\$4,333	\$0	\$5,493	\$14,378
Diabetes +Hyperlip+Hypertension+Low Back Pain	3	\$4,269	\$1,535	\$4,918	\$9,155	\$19,877
Asthma+Depression+Diabetes +Hyperlip+Hypertension	2	\$8,130	\$9,286	\$0	\$11,405	\$28,821
CHF+Diabetes +Hyperlip+Hypertension	2	\$4,611	\$4,9	\$0	\$11,123	\$16,153
LUPD+Diabetes + Hyperlip	2	\$3,478	\$0	\$0	\$4,196	\$7,674
Depression+Diabetes	2	\$3,856	\$1,515	\$0	\$3,040	\$8,411
Depression+Diabetes+ Hyperlip+Hypertension+Low Back Pain	2	\$2,517	\$156	\$0	\$2,581	\$5,254
Arthritis+CHF+Diabetes+ Hyperlip+Hypertension+IHD	1	\$24,199	\$4,311	\$0	\$5,080	\$33,611
Arthritis+Depression+Diabetes+ Hypertension	1	\$1,793	\$4,033	\$0	\$10,411	\$16,238
Arthritis+Diabetes+ Hyperlip+Hypertension+IHD	1	\$2,274	\$2,231	\$0	\$3,140	\$7,645
Asthma+Arthritis+CRF+Diabetes+ Hypertension	1	\$3,200	\$3,756	\$0	\$33,241	\$40,198
Asthma + COPD + Diabetes + Hyperlip + Hypertension	1	\$1,403	\$2,032	\$0	\$1,246	\$4,681
Asthma+Depression+Diabetes	1	\$1,260	\$2,5	\$0	\$2,294	\$3,769
Asthma+Depression+Diabetes +Hyperlip+Hypertension+Low Back Pain	1	\$5,288	\$161	\$6,972	\$6,473	\$18,898
Asthma+Depression+Diabetes +Low Back Pain	1	\$12,983	\$2,708	\$0	\$810	\$16,531
Asthma+Diabetes +Hyperlip+Hypertension	1	\$1,152	\$42	\$0	\$2,320	\$3,515
Asthma+Diabetes +Hyperlip+Hypertension+Low Back Pain	1	\$993	\$87	\$0	\$738	\$1,818
Asthma+Diabetes+ Hypertension +Low Back Pain	1	\$4,332	\$3,081	\$0	\$1,918	\$9,332
CHF+Depression+Diabetes+ Hyperlip+Hypertension	1	\$3,075	\$1,617	\$0	\$6,714	\$11,471
CHF+Diabetes +Hyperlip+Hypertension+IHD	1	\$366	\$1,807	\$0	\$0	\$2,173
CRF + Depression + Diabetes + Hyperlip + Hypertension	1	\$615	\$180	\$0	\$4,144	\$4,945
CRF+Diabetes+ Hyperlip+Hypertension	1	\$7,645	\$774	\$9,742	\$591	\$18,752
Depression+Diabetes +Hyperlip+Low Back Pain	1	\$1,851	\$2,243	\$6,567	\$1,625	\$12,086
Diabetes +Hyperlip+Hypertension+IHD	1	\$2,497	\$1,652	\$0	\$832	\$4,981
Diabetes + Hyperlip+Hypertension+IHD+Low Back Pain	1	\$13,097	\$3,696	\$48,708	\$2,517	\$68,018
Diabetes +Hyperlip+Low Back Pain	1	\$830	\$218	\$0	\$932	\$2,000
Diabetes +Hypertension+IHD+Low Back Pain	1	\$7,583	\$7,756	\$0	\$0	\$15,339
Diabetes+Hypertension +Low Back Pain	1	\$6,076	\$5,947	\$0	\$354	\$12,379
Total Diabetic-Assigned Attributed Members	78	\$176,103	\$86,874	\$86,474	\$196,151	\$545,603

Physician PMPM	Rx PMPM	Total PMPM	ACG-Adjusted PMPM
\$93.67	\$180.86	\$354.88	\$350.32
\$98.07	\$70.20	\$292.55	\$288.80
\$70.66	\$82.11	\$182.37	\$180.03
\$111.21	\$267.48	\$413.70	\$408.39
\$112.62	\$36.92	\$181.69	\$179.36
\$126.44	\$152.58	\$399.38	\$394.25
\$118.59	\$254.31	\$552.14	\$545.05
\$338.75	\$475.20	\$1,200.88	\$1,185.47
\$192.14	\$463.44	\$673.04	\$664.40
\$144.93	\$174.84	\$319.76	\$315.66
\$183.62	\$144.76	\$400.51	\$395.37
\$139.84	\$143.40	\$291.88	\$288.14
\$2,016.61	\$423.31	\$2,800.88	\$2,764.93
\$149.43	\$87.65	\$1,353.19	\$1,335.82
\$189.48	\$261.69	\$637.05	\$628.87
\$266.69	\$2,770.10	\$3,349.83	\$3,306.84
\$116.88	\$103.87	\$390.12	\$385.11
\$104.99	\$191.16	\$314.07	\$310.04
\$440.54	\$539.91	\$1,574.87	\$1,554.66
\$1,180.29	\$73.65	\$1,502.84	\$1,484.56
\$96.01	\$193.36	\$292.89	\$289.13
\$165.53	\$122.98	\$303.04	\$299.15
\$361.03	\$159.87	\$777.67	\$767.69
\$307.47	\$671.42	\$1,142.05	\$1,127.40
\$40.69	\$0.00	\$241.47	\$238.37
\$51.25	\$345.32	\$412.05	\$406.76
\$637.10	\$49.21	\$1,562.67	\$1,542.61
\$137.61	\$135.45	\$1,007.17	\$994.24
\$208.09	\$69.35	\$415.09	\$415.09
\$1,091.44	\$209.71	\$5,668.18	\$5,668.18
\$83.03	\$93.18	\$200.04	\$200.04
\$842.52	\$0.00	\$1,704.30	\$1,704.30
\$502.16	\$29.68	\$1,031.61	\$1,031.61
\$203.82	\$227.03	\$631.48	\$631.48

\$200.04	\$197.47
\$1,704.30	\$1,682.43
\$1,031.61	\$1,018.27
\$631.48	\$623.38

Shared Savings Model



Policy Issues

- Information critical to trust and to potential reward arrangements
- Flexibility in design is important
- Measurement of a consistent population over time is helpful
- Benefit design helps involve the patient/enrollee in the plan

Questions?