



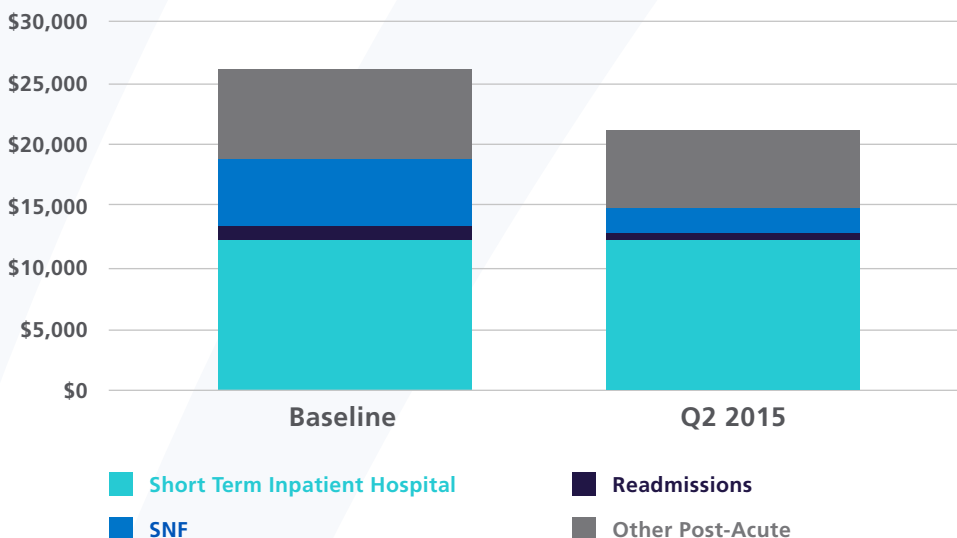
Bundled Payment: Are You Ready for CMS Mandates?

Whether or not your healthcare organization has participated in the CMS bundled payment program before, you may find yourself facing bundled payment mandates in the near future. CMS' intention to shift 50% of Medicare payments to value-based payment by 2018 suggests just how important it is for your organization to gain experience in bundled payment.

Veralon can assist you in initiating bundled payment programs or optimizing existing programs. We have helped clients to achieve bundled payment savings, put redesigned care protocols in place, improve patient care, and create partnerships with post-acute care providers. We can help you to do the same.

Veralon can also provide the data infrastructure to support performance monitoring and incentive payments.

Achieving Reduced Cost Per Episode



WHY VERALON?

Experience with Value-Based Payment

Veralon staff have years of experience supporting clients in bundled payment and shared-risk arrangements. We speak and publish on value-based payments nationally.

Deep Knowledge of Financial Modeling

The Veralon team has performed hundreds of healthcare financial feasibility and modeling assignments; our modeling holds up to scrutiny. We can model the impacts of bundled payment programs on funds available to share with physicians, and on your bottom line.

Knowledgeable in Care Management Design

Veralon's financial professionals can add important perspective to a clinical redesign team. All of our BPCI clients have achieved costs below target.

Data Analysis and Management Skills

Veralon offers Quanto, an interactive web-based data analysis tool, for identifying cost drivers, top performers, and opportunities for improvement. Quanto integrates claims, cost accounting, quality, and other data, giving users one place to track results, identify opportunities for improvement, calculate incentive payments, and aggregate results across all value-based contracts.



Veralon clients are successful with bundled payment. For example, our clients with major joint replacement bundles have reduced readmissions up to 60%, decreased SNF stays up to 30% and increased home health as the first post-acute setting by up to 25%.

Select Target Episodes

Veralon can help you select the most promising target episodes, by diagnostic group and span of care, addressing questions including:

- What type of index admissions offer the greatest potential to reduce costs?
- Where do SNF days add most significantly to episode costs?
- Where are readmissions most common?

Identify Opportunities

We can assist in finding specific opportunities for savings within the care path for each type of target episode, by analyzing:

- Claims data
- Cost accounting data
- Other financial data
- Quality data

Model Financial Impact

Financial modeling is critical to determining the impact of bundled payment and the potential for gainsharing with physicians. Veralon can model:

- Direct contract results, and the indirect financial impact of:
 - Reduced utilization
 - Improved clinical care and operations
- Net financial impact
- Estimated potential savings available to share with physicians

We can design and administer gainsharing models. We can also check and reconcile final payment/savings computations prepared by CMS or health plans.

Provide Guidance on Care Redesign

Care redesign is most effective when your clinical experts and Veralon's financial experts work together. We can:

- Provide financial input into design, so savings will be sufficient to realize incentive payments
- Facilitate working committee sessions
- Present financial results to quarterly committee meetings

Prepare for Partnership with Post-Acute Care (PAC) Providers

PAC providers will have significant influence on the success or failure of most bundled care payment initiatives.

Veralon can help you identify appropriate PAC partners if they are not in place, and facilitate regular meetings with relevant PACs, to engage them, share data, and change practice patterns.

Define Data Infrastructure

Veralon will create specifications for the data infrastructure required to support performance monitoring and incentive payments.

- Determine specific data analytics needed to support the bundled payment contract
- Identify the most appropriate quality metrics and standards for improvement