

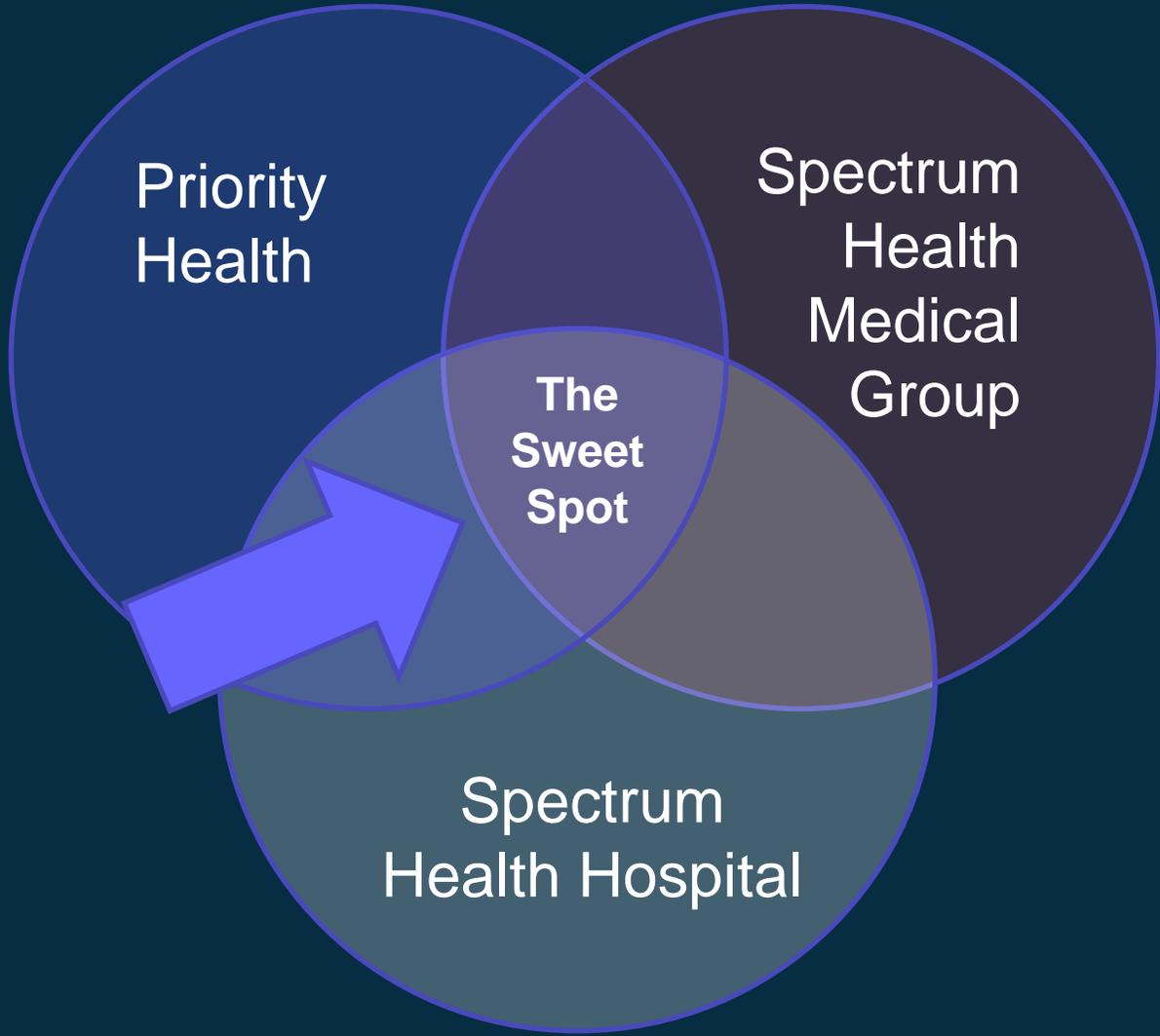


SPECTRUM HEALTH

Episode of Care Payment as a Driver of Integration

May 17, 2011

The Integrated System

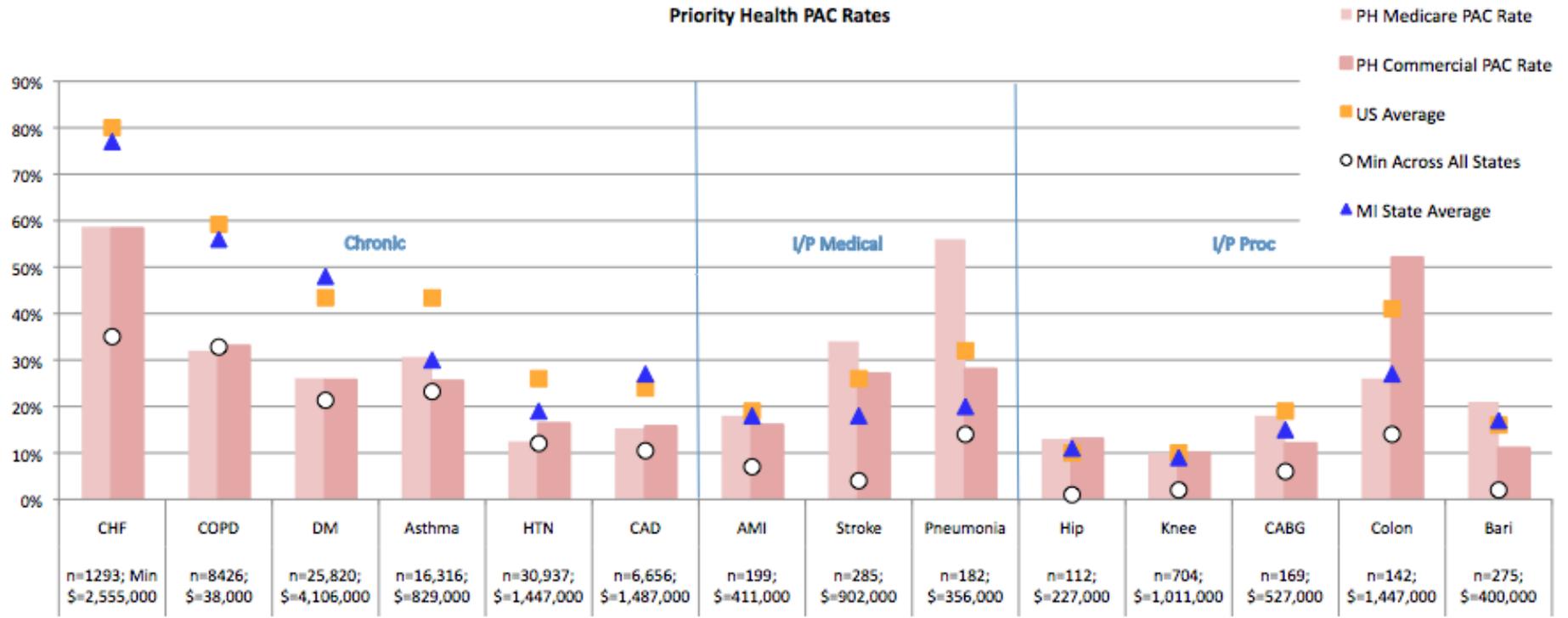


Bundled Payment for Episodes of Care

- Focus on driving out waste + quality
- Collaboration and coordination across the health care system
- Patient-centered risk adjustment
- Data-driven process
- Standardized IT engine for transparent results
- Scalability

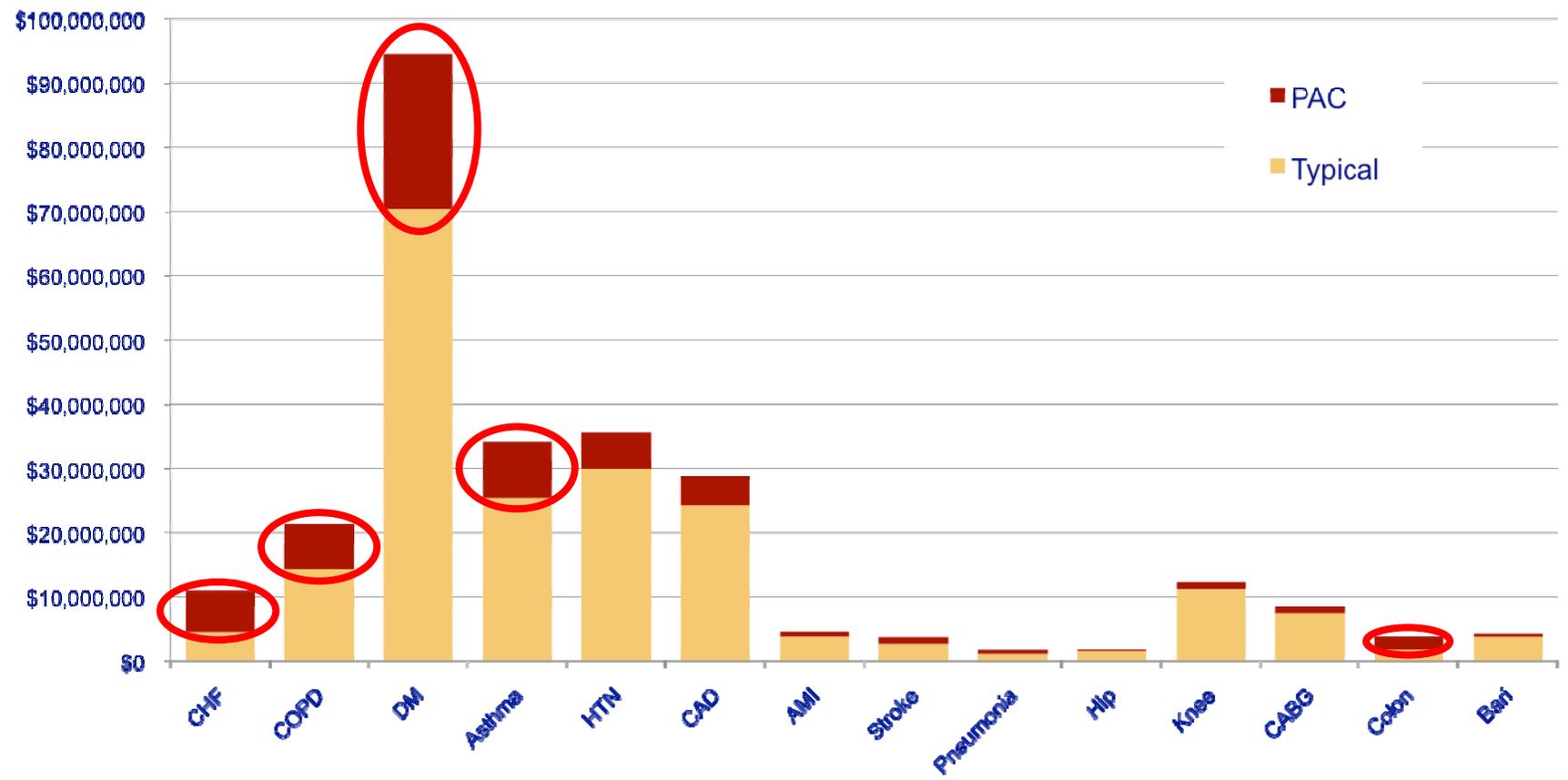
Episode of Care Condition Selection

Potentially Avoidable Complications Rate Comparisons



Episode of Care Condition Selection

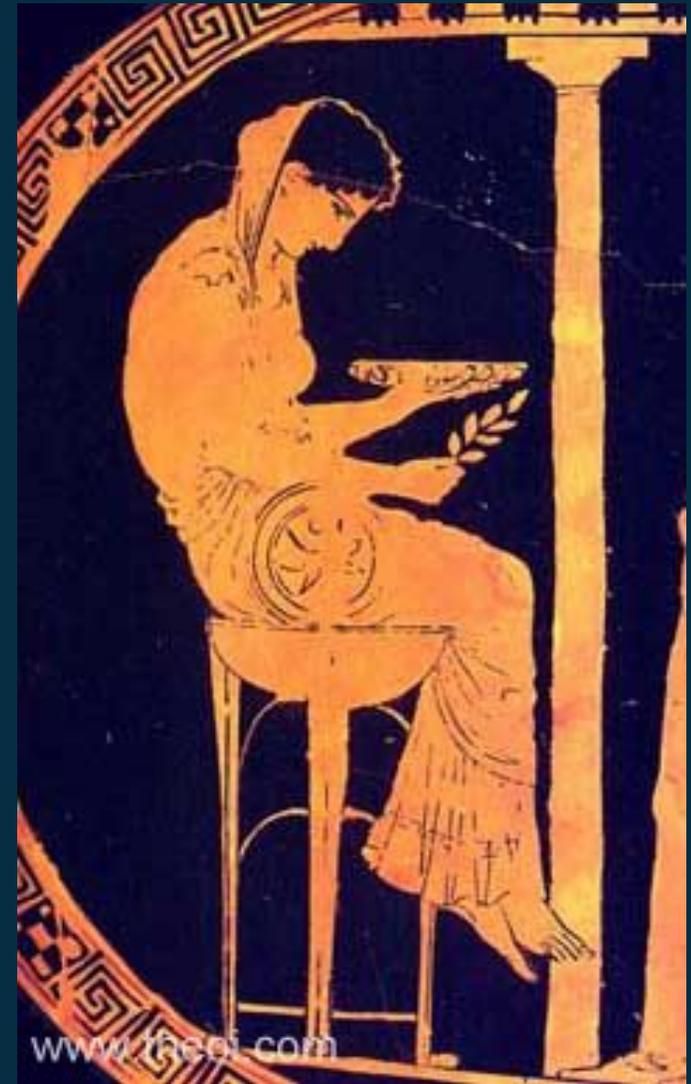
Total Costs Across Episodes



Building an Integrated Delivery System

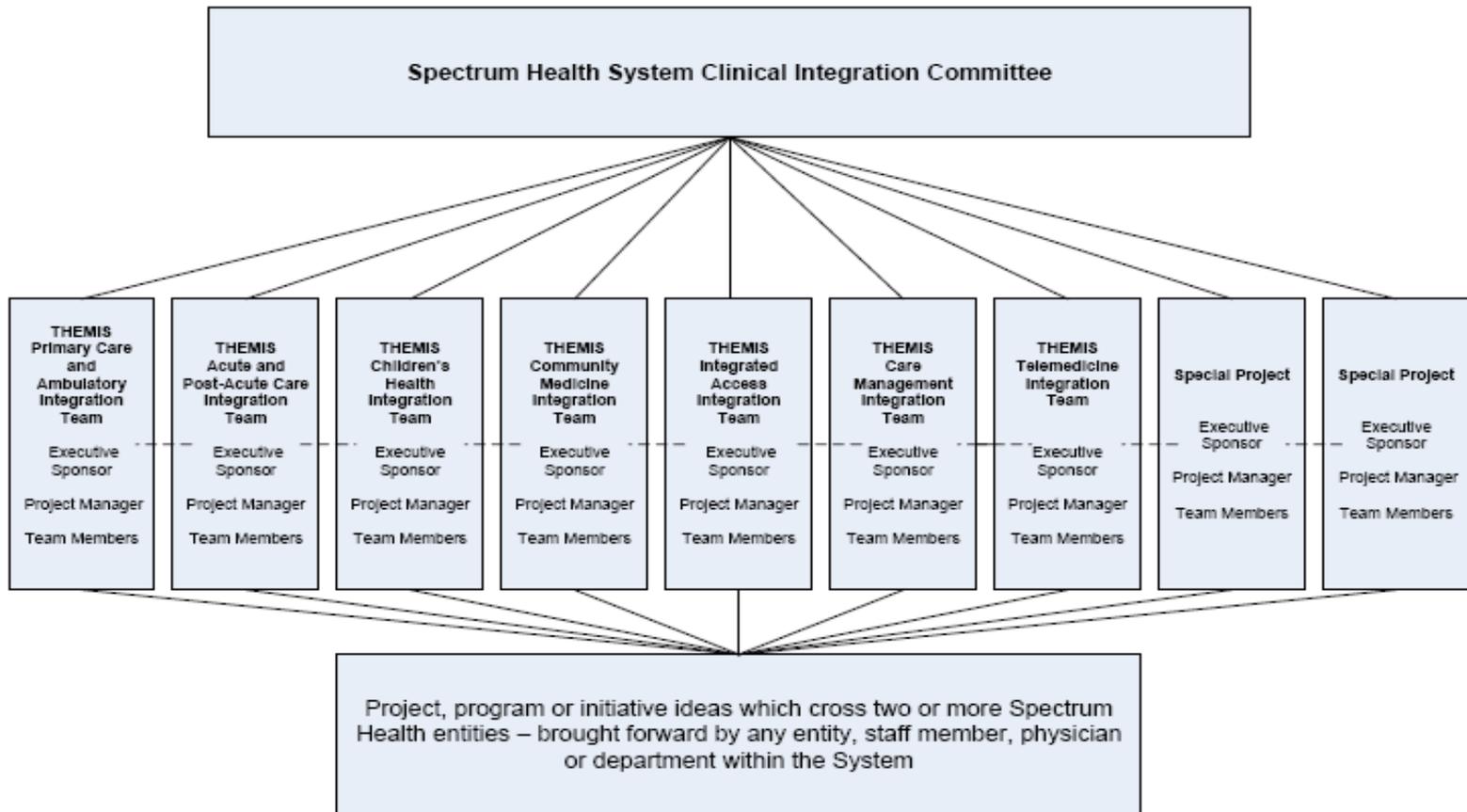
Team-based Healthcare
Energizes Management of
Illness and Sickness

(THEMIS)



THEMIS Integration Teams

STRUCTURE for COORDINATING AND PRIORITIZING
CLINICAL INTEGRATION ACROSS the SPECTRUM HEALTH SYSTEM



Risks, rewards and challenges

- Bundled payments are complicated
- Bundled payment for patient-centered episodes of care is a “game changer”—requiring material changes in both the financing & delivery of patient care across multiple settings
- Transition to the future state has implications for capacity management
- An integrated health system is well positioned for this type of payment reform program—bundled payment can be a major driver of collaboration across a system
- Episode of care bundled payments fit well with accountable care
- Broader adoption of payment reform programs are necessary to optimize success