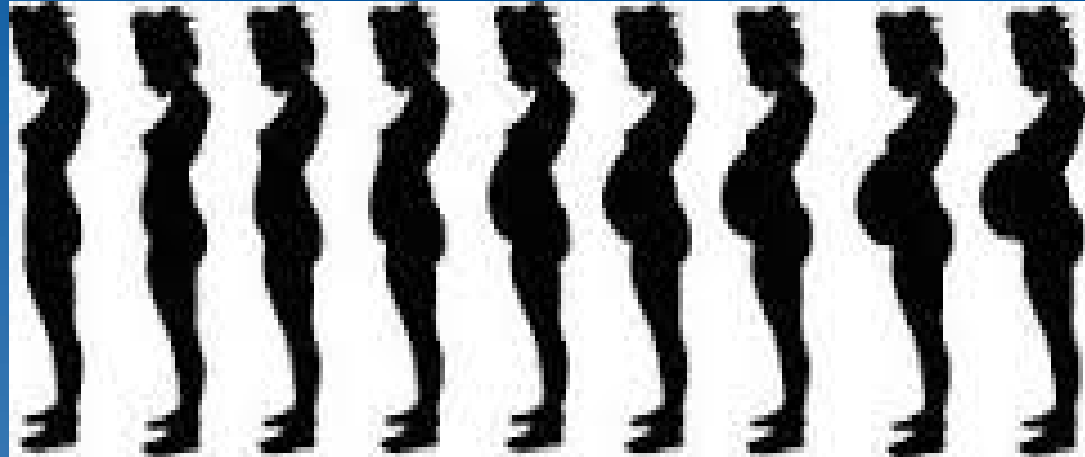


Episodes of Care

A Model for Maternity Care



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HCP LAN
Maternity Multi-Stakeholder Action Collaborative
Kick-off Meeting
December 1, 2016

The Time for Change is Now

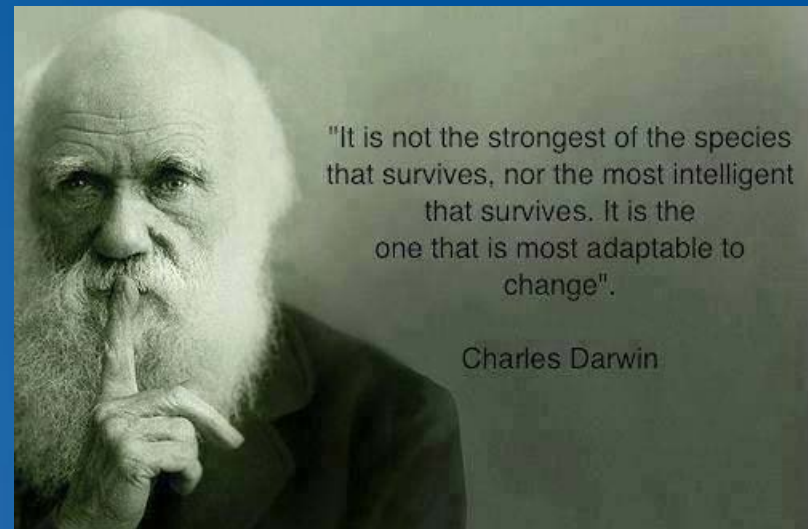
Current system of paying for volume, regardless of outcomes, has led to unsustainable growth

Opportunity to:

Reward for optimal outcomes & patient experience

Create accountability

Reduce overall costs



Fee for Service vs Value Based Care

Fee for Service

Focus is on all of the care provided by a particular provider

Value-Based Care

Focus is on all of the care provided to a particular patient *across the full healthcare continuum*

Why Maternity?

Opportunity to improve outcomes for mothers & babies, & reduce overall cost

- C-section Rates
 - WHO: Ideal rate for caesarean sections to be between 10-15%*
 - US rate of C-section is more than double that rate
 - Risks Associated with High Rates of C-section
 - Increased rates of infection for mother and baby
 - Future pregnancy complications
 - Longer hospital stay & readmissions
 - Extended recovery time
 - Maternal mortality
 - Increased cost
- Duplicative & Unnecessary Testing
 - False negatives/positives
 - Unnecessary stress
 - Additional increased cost
- Coordination of Care & Support Across the Continuum
- Full term vs Early Elective & Pre-term

Episodes of Care

Value-based model designed to engage specialists and refocus health care delivery and reimbursement on quality and value rather than volume.

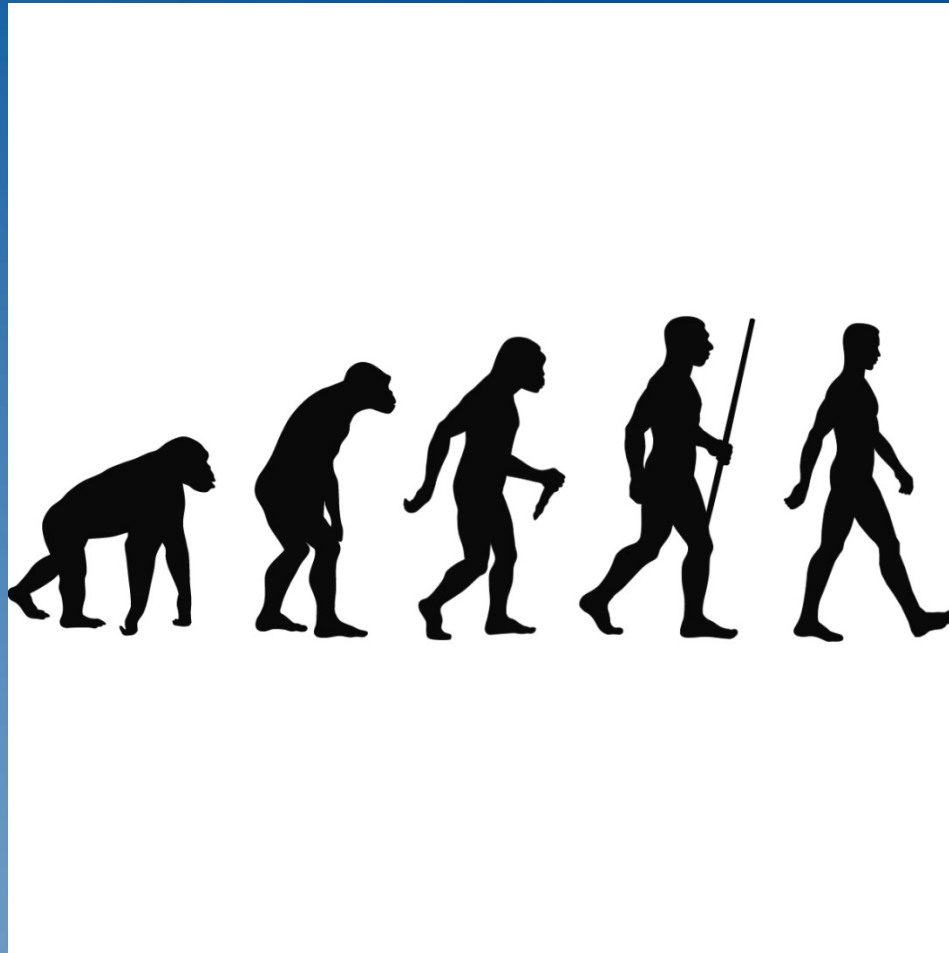
Full spectrum of health care services related to and delivered for a specific medical condition, illness, procedure or health care event during a defined time period.

Primary Goal: Standardize & Optimize Care and Cost of Care



Migration from FFS to VBC is Evolutionary

Time is critical



Retrospective, Upside-Only Model

- All providers of care within the continuum of the episode are *paid at their contracted fee for service rates*
- Episode assessment is made, post episode
 - Quality
 - Patient Experience
 - Total Cost of Care
- If metrics are met, savings are shared
- No-risk environment
 - Opportunity to figure out, together, how to create success in valuebased model
 - Trust & Credibility
 - Transparency



Partnership is Key to Success

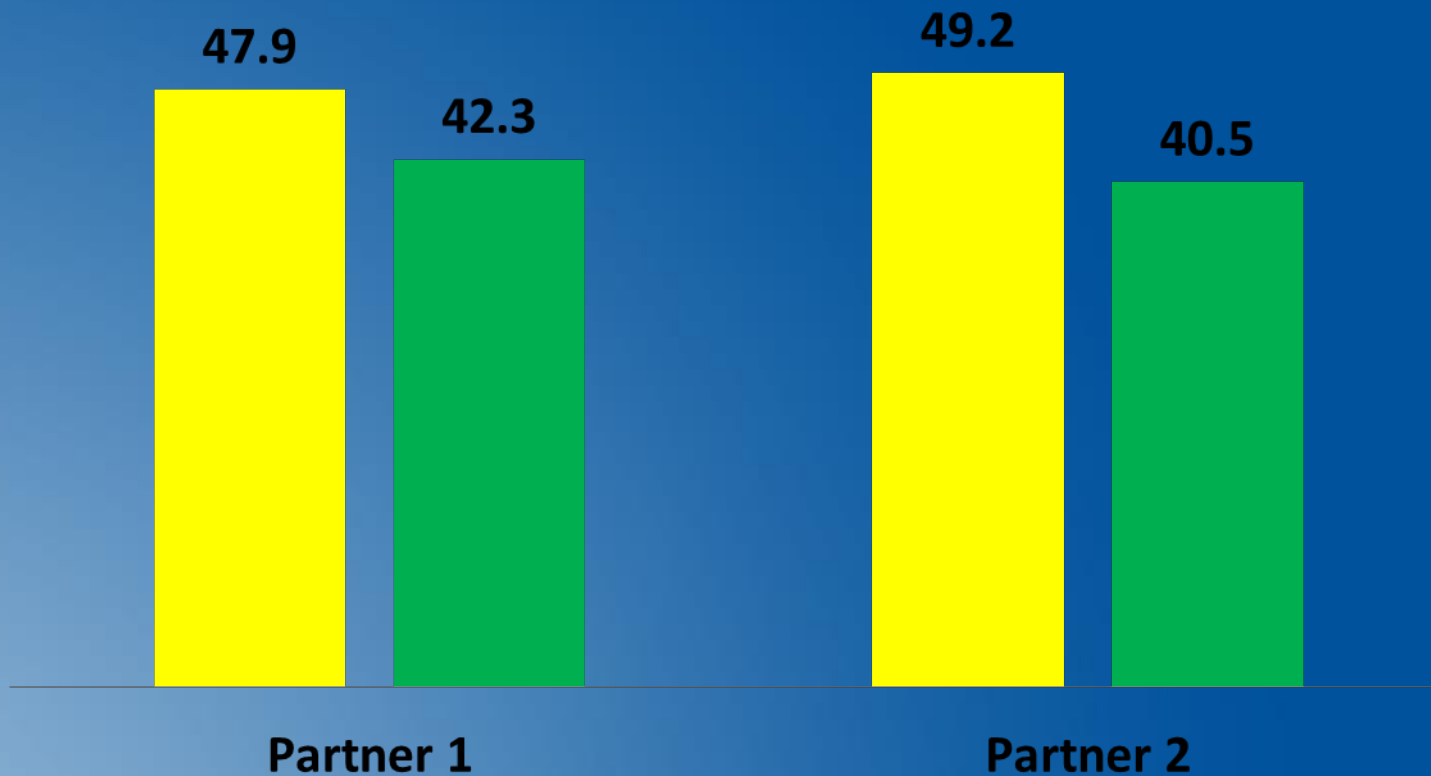
- Collaboration & Simplicity are key
 - Defining episode
 - Establishing quality metrics
 - Creating workable model
- Physicians are the clinical experts in charge of the care
 - Providers make clinical care decisions
- Patient is center stage



Results: Average C-section Rates



■ Before EOC ■ Current Rates



Horizon BCBS NJ's EOC Success

- Retrospective Program has allowed for significant improvement in relationships between Horizon and our providers
 - Completely changed the spirit of the interactions
 - Brought us closer to what managed care was intended to be
- Has allowed for an evolution of change that has resulted in:
 - Improved quality
 - Improved patient experience
 - Reduced overall costs