

HealthQx®

# Assess, Automate and Expand Episode-Based Payment Models

HealthQx® from Change Healthcare helps payers facilitate the implementation and maintenance of bundled payment programs, assess and provide transparency to providers on performance, and expand the use of episode bundles to more types of care. The HealthQx product lets payers analyze patterns in provider claims history and identify outliers at both ends of the spectrum: where total cost of care seems excessive, as well as where high performers deliver quality care at a reasonable cost. The goal: pinpoint the right providers and target the right episodes-of-care.

Because episodes-of-care analysis focuses on total costs, it can identify surgeons whose procedures result in fewer complications and readmissions. Moreover, with that information, health plans can align their incentives to encourage best practices so that other providers might improve.

# Accelerating Your Healthcare Transformation

As bundled payment programs become mainstream, health plans and providers are seeking clinically sound solutions to automate the added complexity of at-risk payment models.

According to Change Healthcare research, payers report they are 58% along the continuum towards full value-based reimbursement (VBR), and are working to scale those programs.¹ Moreover, health plans project bundled payment will grow 6% over five years, edging ahead of capitation/global payment and shared risk growth. And both hospitals and payers project bundled payment will top 17% of medical payment in five years, making it the fastest-growing payment model.¹

That said, just half of payers and only 40% of providers say they're ready to implement bundles, and only a quarter have the tools in place to automate these complex models. The transition from fee-for-service to value-based reimbursement in the form of bundled payment arrangements, whether retrospective or prospective, becomes increasingly challenging as these models go beyond pilot programs.

<sup>1</sup>"Journey to Value: The State of Value Based Reimbursement 2016," https://is.gd/cFHqzG

## **Clinical Credibility**

Understanding medical costs and clinical value is essential because the goals of VBR can be achieved only through transparent and trusted collaboration between payers and providers. That requires a high degree of clinical and financial credibility. To that end, HealthQx is certified by Altarum's Health Care Incentives Improvement Institute (HC13), an independent industry authority.

After the implementation of clinically-validated episode-based reimbursement, HealthQx helps payers monitor projected versus actual results, calculating appropriate levels of reimbursement and suggesting further refinements to the model.

# **Better Quality, Lower Cost**

#### **Increase Speed to Market**

We help support the transition from volume to value by simplifying and reducing the complexity of alternative payment models.

# Increase Provider Engagement and Recognition of Costs and Value

HealthQx's data output and reporting supports transparent, evidence-based discussions about costs and value with providers. The clinically validated episode definitions of HCI3 create buy-in for adoption of VBR programs.

#### **Reduce Medical Costs**

Giving providers the incentive to adopt best practices makes it possible to deliver the same or better quality of care at a lower cost.

HealthQX®

# Pinpoint the Right Episodes of Care; Set the Right Payment

### **Designed for the Future**

Payers can implement our modular platform in phases as they progress from analyzing VBR's cost-saving and care-improvement potential to scaling up implementations.

# Clinically Validated Episode-of-Care Definitions

HealthQx models cover more than 97 HCI3-defined episodes of care, and the episode-of-care definition library is continuously updated with additional episodes and their associated volume, cost, and care variations.

#### **Flexible Provider Attribution**

We connect individual physicians, practices, and facilities to specific care episodes to better understand their quality and cost performance.

#### Streamline Episode Budget Creation

HealthQx quickly determines the average episode cost and provides a detailed view into associated clinical services. Whether with bundled payments or other models, such as Accountable Care Organizations (ACOs), HealthQx helps payers and providers set targets for quality and savings, transforming them into budgets.

#### Runs in the Cloud, Designed for the Future

HealthQx is software as a service, delivered from the cloud and requiring minimal IT overhead.

# Rapid Identification of Episode Relationships

Through our clinical methodology, HealthQx enables the identification of clinically related episodes, increasing the ability to understand the complexity of consumer populations.

# Configurable Episode Dashboards and Reports

The drill-down dashboards and exportable reports are flexible, and easily configured to meet the unique needs of healthcare organizations.

# Configurable Episodes and Analytics

Our episode definitions and analytic tools allow episode triggers, age parameters, and look-back/look-forward periods to be modified to meet specific program needs.

# Monitoring and Reconciliation

After the implementation of a VBR program, HealthQx continually compares actual performance with budgets and targets. This analysis includes benchmarking against top performers, and comparisons between VBR and fee-for-service plan performance.

The Change Healthcare HealthQx product is certified by Altarum's Health Care Incentives Improvement Institute ("HCI3") to be compliant with PROMETHEUS Analytics<sup>©</sup> Version 5.4 and can support the implementation of bundled payment programs including the PROMETHEUS Payment® Model. PROMETHEUS Payment® is a registered trademark HCI3. PROMETHEUS Analytics<sup>©</sup> 2015 HCI3. All Rights Reserved. Up to date information on PROMETHEUS Analytics<sup>©</sup> and the PROMETHEUS Payment® Model may be found at HCl3's website at www.hci3.org.

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#### **About Change Healthcare**

Change Healthcare is inspiring a better healthcare system. Working alongside our customers and partners, we leverage our software and analytics, network solutions and technology-enabled services to help them improve efficiency, reduce costs, increase cash flow, and more effectively manage complex workflows. Together, we are accelerating the journey toward improved lives and healthier communities.

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