

RETHINKING PAYMENT MODELS

Through the HealthPartners and Cigna nationwide alliance, we're better managing your bottom line by developing accountable care organizations (ACOs) across the nation.

By partnering with providers in new and different ways, we're able to accelerate movement toward the ultimate goal of performance-based compensation, with providers at risk for delivering improved health, an optimal experience and affordable care for those we serve.

"We use payment systems that reward value instead of volume — an approach we would like to see adopted nationally to combat rising health care costs."

MARY BRAINERD

Chief Executive Officer and President, HealthPartners

PROVEN RESULTS REDUCING TREND



Northwest Alliance:
An Allina Health and
HealthPartners collaboration

8 percent trend reduction
over the last 24 months

2 percent lower than
market medical trend

MOVING CARE SYSTEMS FROM VOLUME TO VALUE

READJUST

Move from fee-for-service; shared-savings model

PAYMENT FOCUS

Single outcome:
ER use, generic use,
readmissions, etc.

REASSESS

Engage care system in a
plan to improve results;
Share best practices

CARE EPISODE

Knee surgery,
diabetic care, etc.

REDESIGN

Quality incentives with
payments based on
expected costs for an
episode of care

EPISODE- BASED

payment on efficient
care episodes

REFORM

Sharing information,
analytics and
risk with ACOs

TOTAL COST OF CARE RISK

Effective care for
entire population

DELIVERING TOTAL COST OF CARE SAVINGS



Total cost of care (TCOC) is a method HealthPartners developed to measure health care affordability. With TCOC measures, we can pinpoint ways to make health care more affordable — and reduce trend — without sacrificing quality or experience.

Today, TCOC measures are used by:

- Individuals and plan administrators to compare clinics and hospitals based on cost;
- Providers to better understand and manage costs within care systems;
- Health plans to develop new payment approaches and benefit designs.

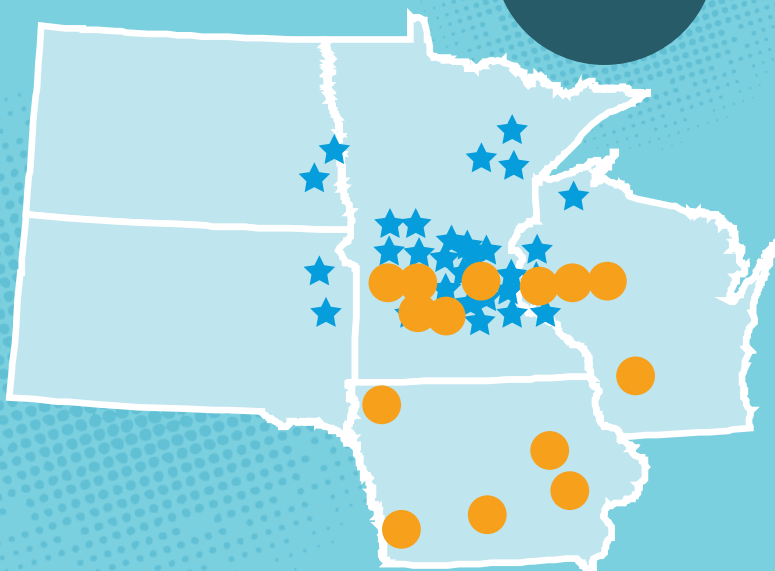
In addition, as part of our triple aim approach, HealthPartners employs strategies to target certain issues of concern within a community such as targeted strategies to better manage low back pain or reducing unnecessary visits to the emergency room.

WITH HEALTHPARTNERS TCOC STANDARDS — THE FIRST EVER TO BE ENDORSED BY THE NATIONAL QUALITY FORUM (NQF) — YOU HAVE A PROVEN MEASURE TO COMPARE COST ACROSS THE NETWORK.

To learn more about total cost of care, visit healthpartners.com/tcoc.

LEADING THE WAY IN PAYMENT REFORM

100+
NATIONALLY



Currently, HealthPartners has partnered with more than 35 care systems to transform their payment structure into a TCOC model within Minnesota. In partnership with Cigna, more than 65 care systems in 24 other states have similar arrangements. These numbers will continue to increase through early 2014.

- ★ Active TCOC initiative
- Pipeline TCOC in discussions