

Value-Based Payment for Delivery:

Optimizing Outcomes for Patients, Providers, and Payers

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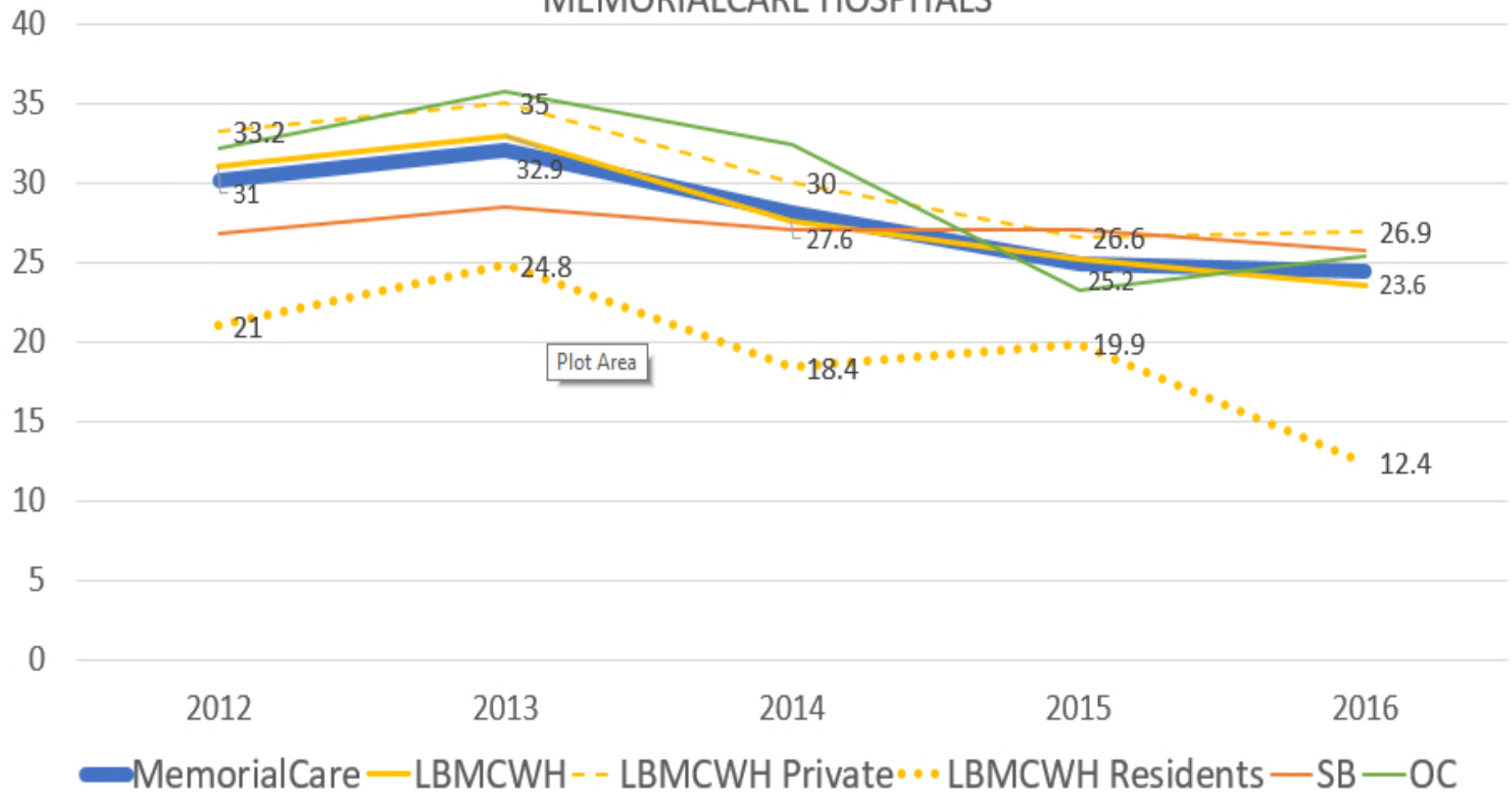
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MemorialCare's NTSV Experience



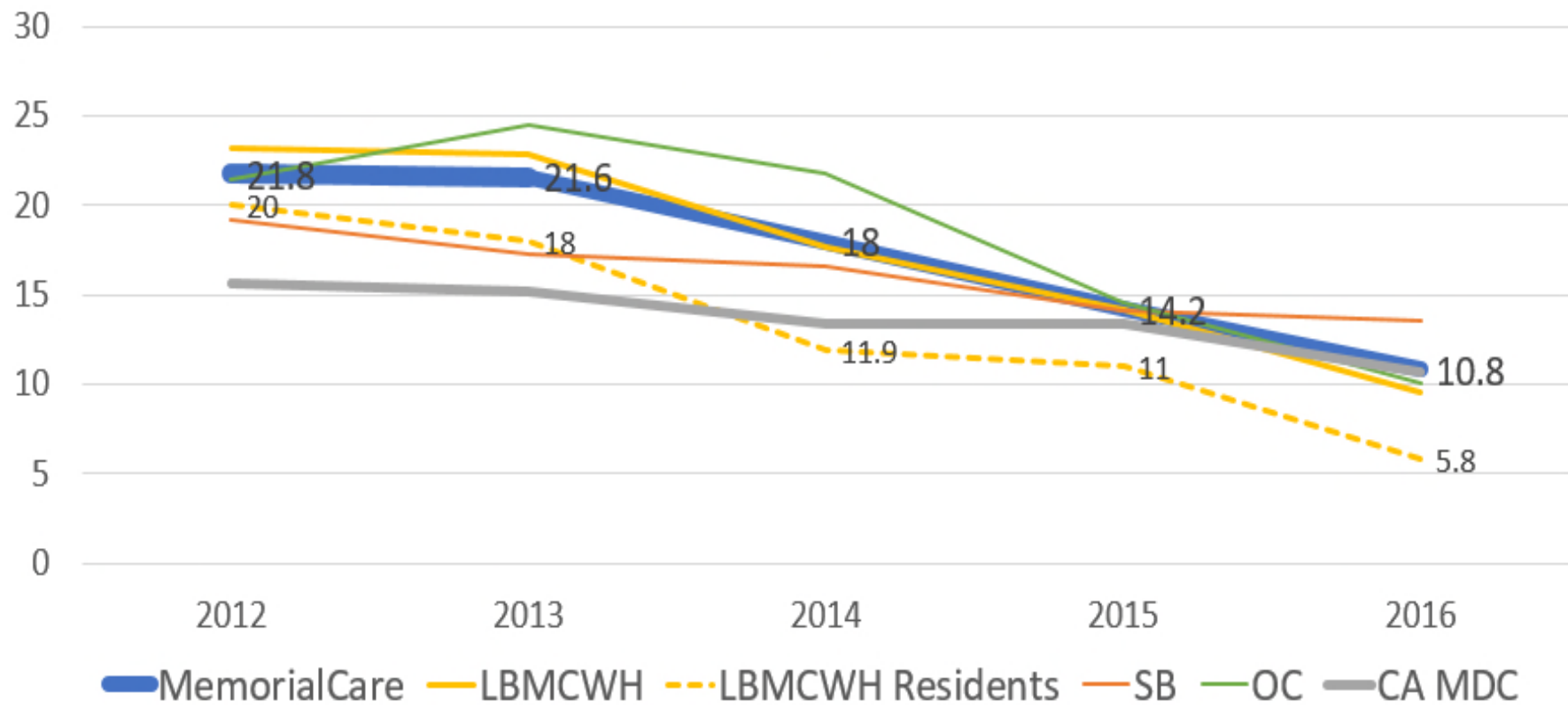
ANNUAL NTSV CS RATES
MEMORIALCARE HOSPITALS



MemorialCare's NTSV Experience



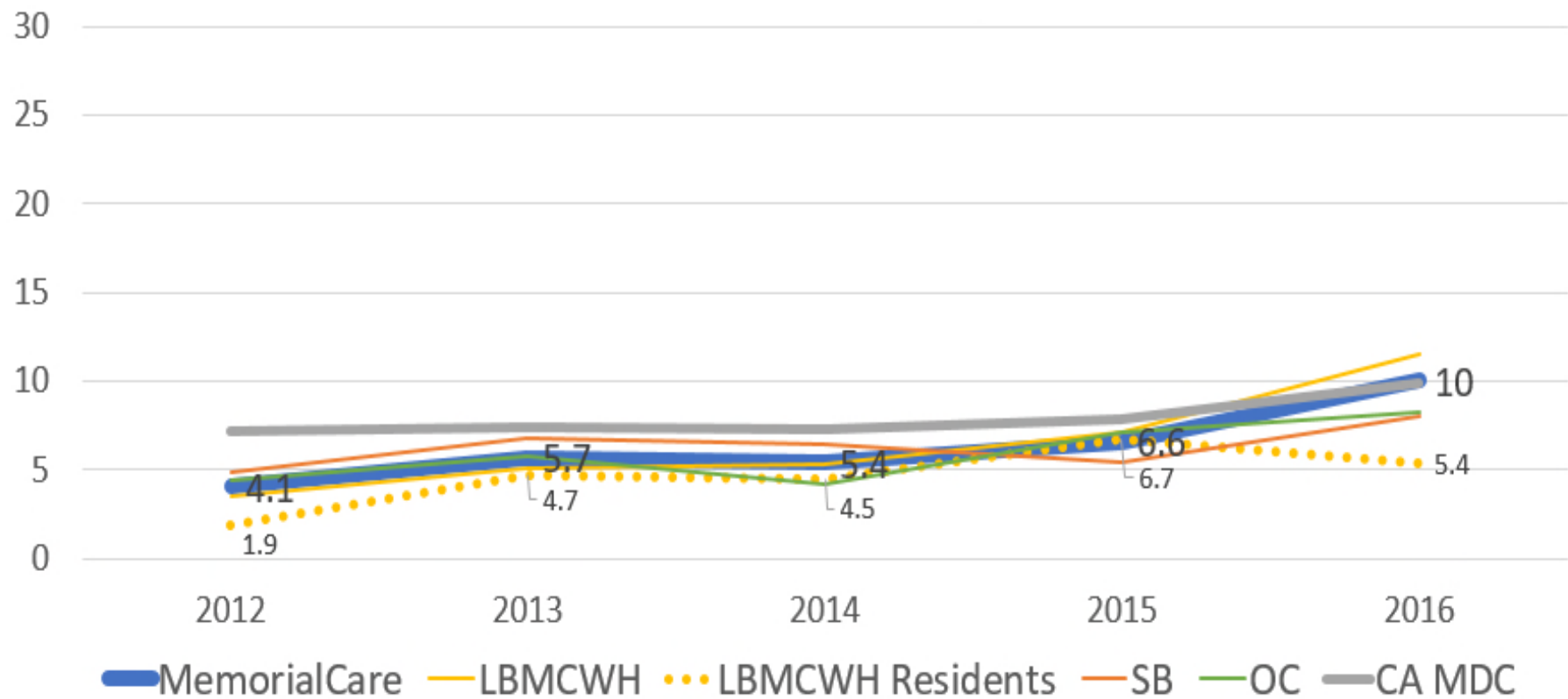
ANNUAL NTSV CS RATES FOR SPONTANEOUS LABOR MEMORIALCARE HOSPITALS



MemorialCare's NTSV Experience



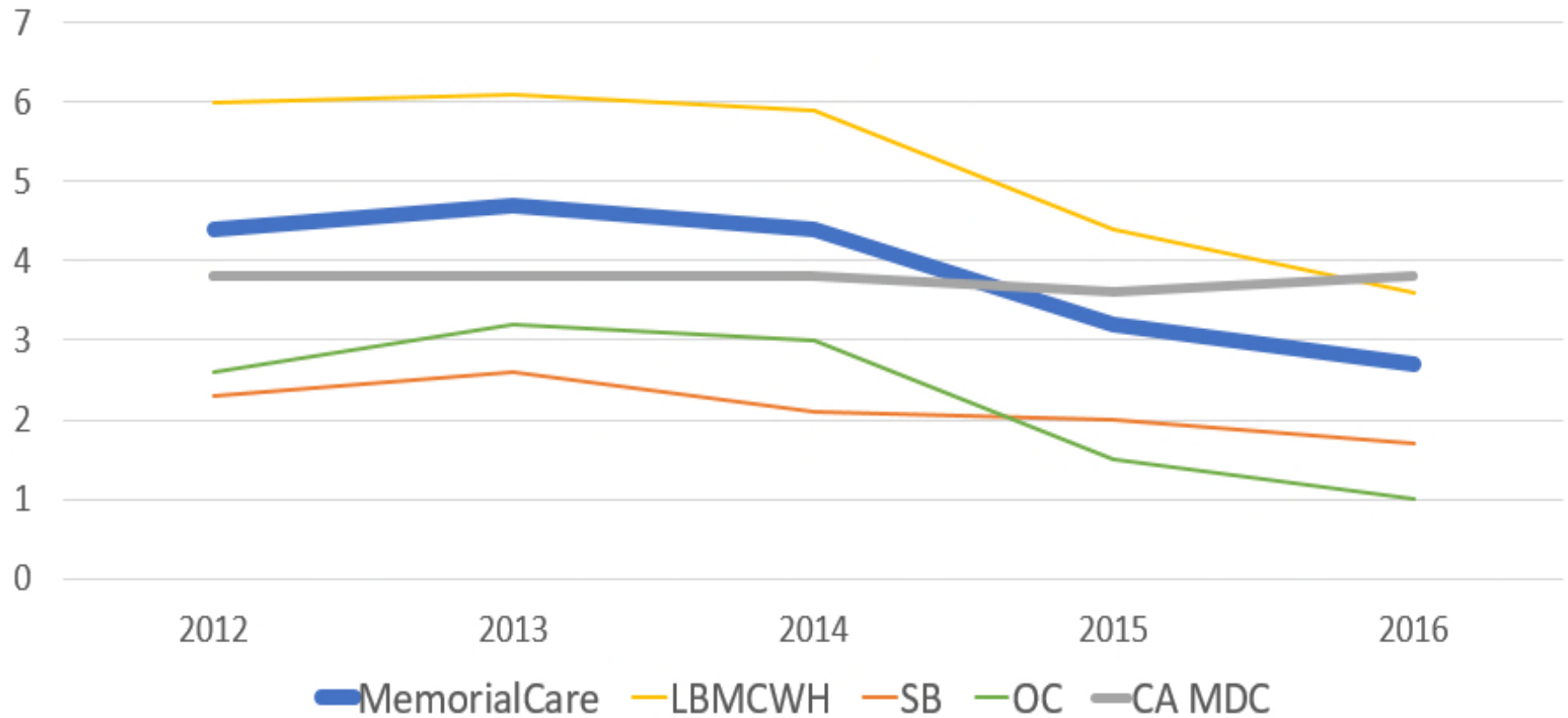
ANNUAL NTSV CS RATES FOR INDUCED LABOR
MEMORIALCARE HOSPITALS



MemorialCare's NTSV Experience



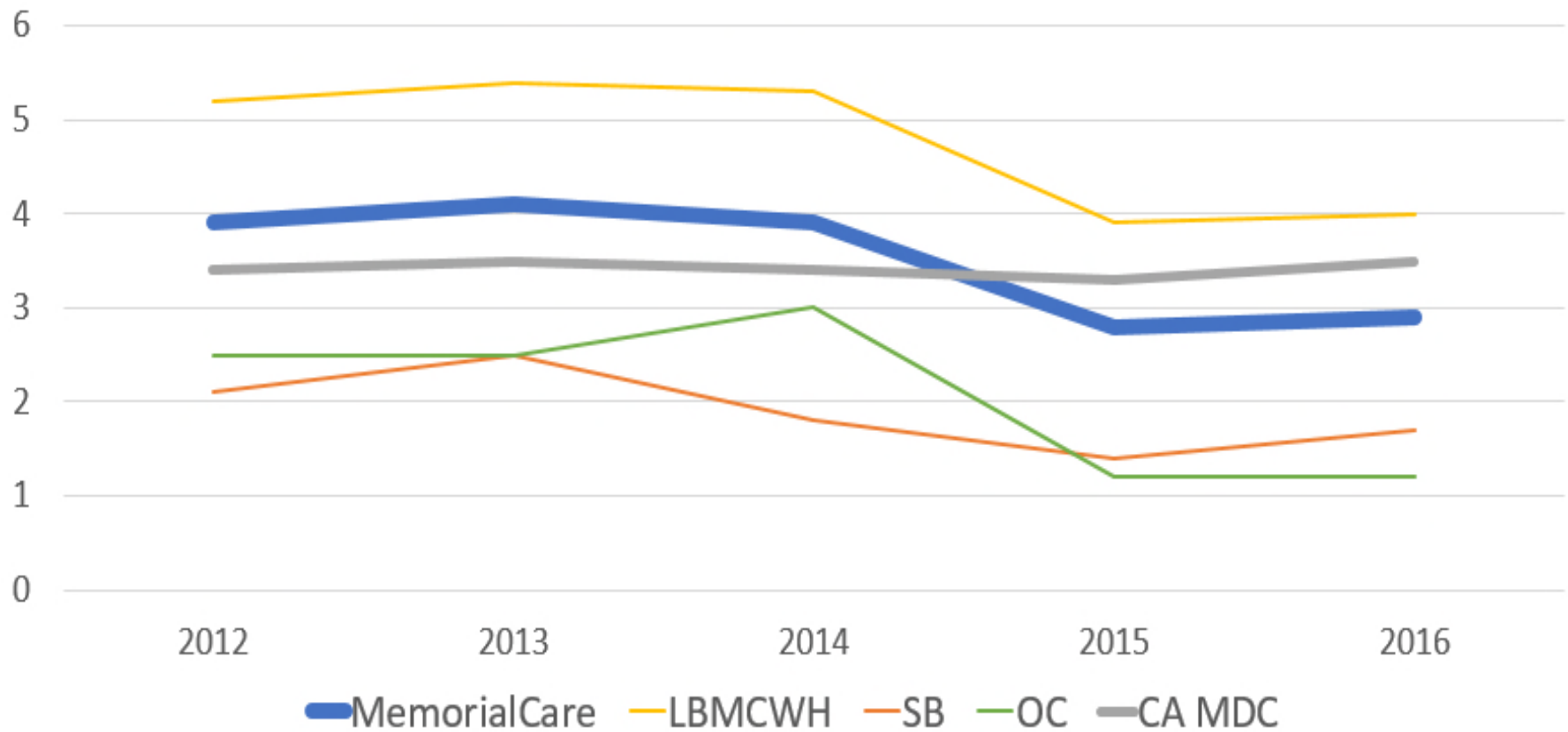
ANNUAL UNEXPECTED NEWBORN COMPLICATIONS (OVERALL)
MEMORIALCARE HOSPITALS



MemorialCare's NTSV Experience



ANNUAL UNEXPECTED NEWBORN COMPLICATIONS (VAGINALLY DELIVERED NTSV CASES) MEMORIALCARE HOSPITALS



Our Focus: Doing the Right Thing for the Patient



- Strong focus on reducing NTSV C-section rates through our Women's Health Best Practice Team
- Evolving payment models to drive improvement in quality and to lower cost
 - Transition from per diem contracts to DRG-based payment, incentivizing shorter LOS (and therefore less C/S)
 - ACO participation
 - Blended rate contract with one major plan

Blended Rate Plan

- Merged C/S rate and NSVD Rate for the hospital
- Group of physician providers identified
- MDs negotiated separately to maintain same payment, but with bonus for achieving a C/S efficiency measure

Our Advice to Payers



- Blended rate is the best way to proceed
- The rate has to be reasonable, and the methodology should not penalize those who have already succeeded in lowering C/S rates
- Even if payors use a blended rate based on historical C/S percentage, they benefit from the reduction in NICU days as providers are incentivized to reduce C/S rate further

Other Considerations

- Laborists can impact repeat C/S rate by allowing trial of labor with prior C/S
- Watch for “balancing measures”, e.g. increase in chorioamnionitis due to allowing longer labor curves, potential for more maternal hemorrhage
- ACO models incentivize providers to reduce total cost (OB + NICU), so better care for the patient, lower cost
- Carefully construct incentive programs for physicians to enable them to benefit from the work they are doing