# **S** solventum



## Solventum™ Payment Transformation Programs (PTP)

- Reduce payment variation and improve financial trend and growth projections
- Standardize reimbursement based on local or national costs and create equitable resource allocation based on case mix
- Support performance improvement programs that reward quality and efficiency

#### Bundled software and services

Solventum PTP combines our patient classification systems that group and risk adjust claims with consulting support to develop payment policies and monitor results. You get:

- A team of experts with more than four decades of experience with payment transformation
- Robust data gleaned from processed claims for more than 53 million covered lives

## The challenge: Making the costs clear

Healthcare payers are pressured to control costs while maintaining or enhancing the quality of care. With many factors contributing to high costs — such as the illness burden of a population and the changing regulatory landscape — it can be challenging to know where to start.

When reimbursement rates do not align with the true cost of providing care, healthcare payers may also struggle to accurately project financial trends and determine incentives or performance improvement programs. The complexity of gathering and analyzing data can stand in the way of reducing payment variation.

#### The solution: Closing the payment variation gap

Solventum PTP can help by pulling together claims data to provide visibility into actual costs and payment. Payers can gain insight into similar healthcare providers for similar services and use this information to create a baseline from which to determine where costs can be controlled.

Ultimately, aligning payment with the true cost of providing care enables payers to:

- Deliver equitable compensation across healthcare provider and care settings
- Provide incentives for inpatient and outpatient cost control
- Predict expenditures and hospital revenue
- Support performance improvement programs that reward quality and efficiency

### How it works: Four steps to develop a performance-based payment strategy

## 1

#### Group and risk adjust claims data

First, Solventum consulting services group your data using the <u>Solventum™All Patient Refined Diagnosis Related Groups</u>
(APR DRGs) Classification System for inpatient claims and the <u>Solventum™ Enhanced Ambulatory Patient Groups</u> (EAPGs)

Classification System for outpatient claims. These methodologies consider granular patient characteristics, allowing you to adjust for clinical health risk and level of resource consumption.

## 2

#### Develop payment policies and metrics

Together, we discuss your business goals, parameters and key strategic decisions, such as which healthcare providers to include, types of claims to exclude, potential peer groups for payment, outpatient service bundling and more. Once policies are defined, we create the building blocks of the payment system using Solventum APR DRG and Solventum EAPG relative weights, outlier thresholds based on costs, transfer payment metrics and other measures integral to your goals.

## 3

#### Model the impact and prepare hospitals

Next, we simulate different models using your new payment metrics to project revenues and margins for each hospital, health system and peer group. You can also examine effects by service type and severity of illness (SOI). You can share these reports with contracted hospitals to educate them on anticipated impacts.



#### Keep payment metrics up to date

Economic and technology changes can affect costs and case mix index (CMI). We work with you annually to revisit payment policies, weights and hospital impacts and update as necessary.



#### Features and benefits

- **Proprietary, proven methodologies.** More than 30 state and federal agencies use Solventum APR DRGs to measure inpatient SOI and risk of mortality (ROM) for inpatient payment and reporting.
- Data cleansing and enrichment. We analyze your claims data for completeness, correct formatting and line-level costing to give you confidence your rates are sound.
- Pay for performance. Within inpatient payment models, incorporate programs that target reductions in potentially
  preventable readmissions (PPRs) and potentially preventable complications (PPCs).



### **Contact Solventum today**

For more information on how our software and services can assist your organization, contact your Solventum sales representative, call us at 800-367-2447, or visit us online at **Solventum.com**.

