



Strategic Pricing Initiatives 2022 and Forward

GETTING RID OF "IT DEPENDS...." IN PRICING

- Publish <u>easy-to-understand</u> pricing
- No surprise billing
- Eliminate reimbursement for re-admissions
- Reduce payments for high-cost items
- All Inclusive Pricing

SURPRISE BILLING

 Some or all services in an episode considered out-of-network

- Unexpected 'un-bundling' of services
- Charges for some (or all) services out of line with expected norms

SURPRISE BILLING

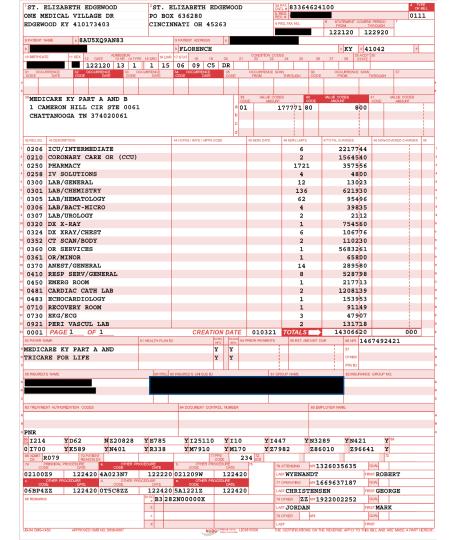
Out of area ED visit – 20 yr old college student

WHY MOVE TO ALL INCLUSIVE PRICING?

INPATIENT BILLING IS COMPLEX AND NOT PATIENT/CONSUMER-FRIENDLY

- Patient Bills are built from all activity that takes place during an episode of care and can take 6+ days to compile
- Variability of charges within DRGs is SIGNIFICANT
 - "Outlier" cases are unpredictable and expensive for patients and health plans
 - "Transparency and patient guidance is impossible with such extreme variability

NO MORE SHOCK CLAIMS (OUTLIERS) FOR INPATIENT CARE AT ST. ELIZABETH



WHAT A **TYPICAL** INPATIENT CLAIM LOOKED LIKE IN 2020

8593012000		6280	b. MED. # H45263 5 FED.	TAX NO. 6 ST		of Bill
8 PATENT NAME 9 1 1 1 1 1 1 1 1 1	TYPE 15 SRC 16 DHR 17 STAT 1 2 13 01	ADDRESS a 18 19 20 21 CODE DATE CODE	CONDITION CODES 23 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		c d d 22 ACDT 30 28 22 ACDT 30 COURAENCE SPAN THROUGH 37 ROM	
OUNC CHOICE PLUS P O BOX 740800 ATLANTA, GA 30374-080	0	a b c	DDE AMOUNT	7771 80 8	CODES 41 NALUE CODES CODE AMOUNT	
877 - 842 - 3210 49 REM.CO. 43 DESCRIPTION 0100 ALL INCLUSIVE RAT		RATE / HIPPS CODE	45 SERV. DATE 46	SERV. UNITS 47 TOTAL C 8 12	HARGES 48 NON-COVERED CHARGES 2 9 2 0 7 4 0.0 (
0001 PAGE1 OF 1		CREATION DATE	030920 7	OTALS 12:	292074 000	5
50 PAYER NAME UHC CHOICE PLUS	51 HEALTH PLAN ID 87726	S2 REL. NSO SASO 54 Y Y	PRIOR PHYMENTS 11146669	55 EST. AMOUNT DUE 5 0 0 0 0	57 OTHER PRV ID	
58 INSURED'S NAME	69 RREL 60 INSURED'S	UNIQUE ID	61 GROUP	NAME	62 INSURANCE GROUP NO.	
IS TREATMENT AUTHORIZATION CODES A089372867		2764771 003	36650995	TRS	ME	
ET214 YE871 YE2511 Z87891 Z7902 Z794 PADMIT IZ49 TOPATIENT REASON DX	O YI493 NK Z8249	71 PPS 23 /	12 60		YI119 Y 68	
02100A9 011320 4A023N	7 010920 06B	P4ZZ 011320	LASTL 77 OPE		FRESTJAMES P	
021209W 011320 5A1221 IO REMARKS	81C0B3 282N00 b	1122 010920	78 OTH		FRSTUAMES P QUAL FRST QUAL	
9-04 CM9-1450 APPROVED OMB-0938-1	0 d d 0997 FORM CMS-1450 (08-19)	NUBC "National Uniform LICS!	79 OTH LAST THE CEP 910506		FIRST E APPLY TO THIS BILL AND ARE MADE A PAR	T HERE

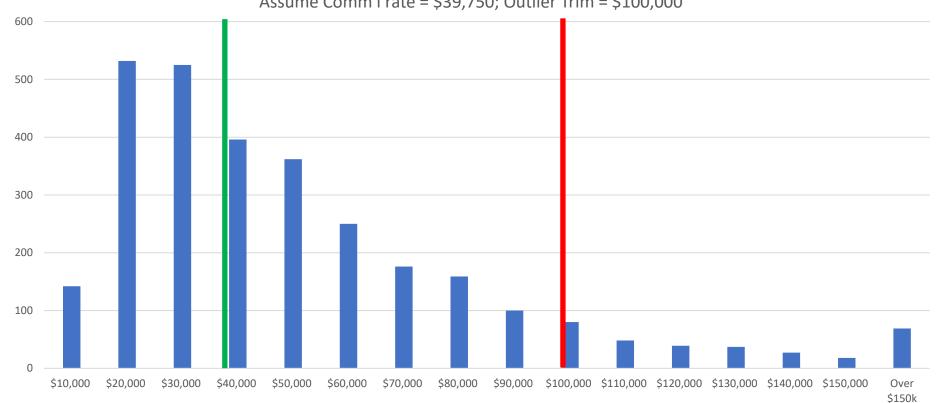
OUR NEW INPATIENT CLAIM NOW HAS JUST ONE LINE...

AND WILL MATCH WHAT WE SHOW ON THE WEB

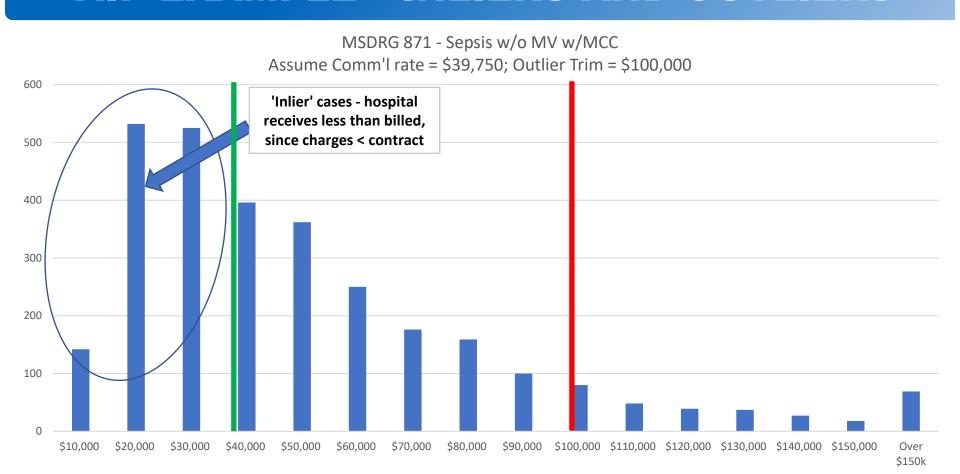
MS- DRG	MS-DRG Description	Charges
231	CORONARY BYPASS W PTCA W MCC	\$ 193,873.52
232	CORONARY BYPASS W PTCA W/O MCC	\$ 141,341.27
233	CORONARY BYPASS W CARDIAC CATH W MCC	\$ 183,423.73
<mark>234</mark>	CORONARY BYPASS W CARDIAC CATH W/O MCC	\$ 122,920.74
235	CORONARY BYPASS W/O CARDIAC CATH W MCC	\$ 138,935.41
236	CORONARY BYPASS W/O CARDIAC CATH W/O MCC	\$ 95,127.05

AIP EXAMPLE - INLIERS AND OUTLIERS

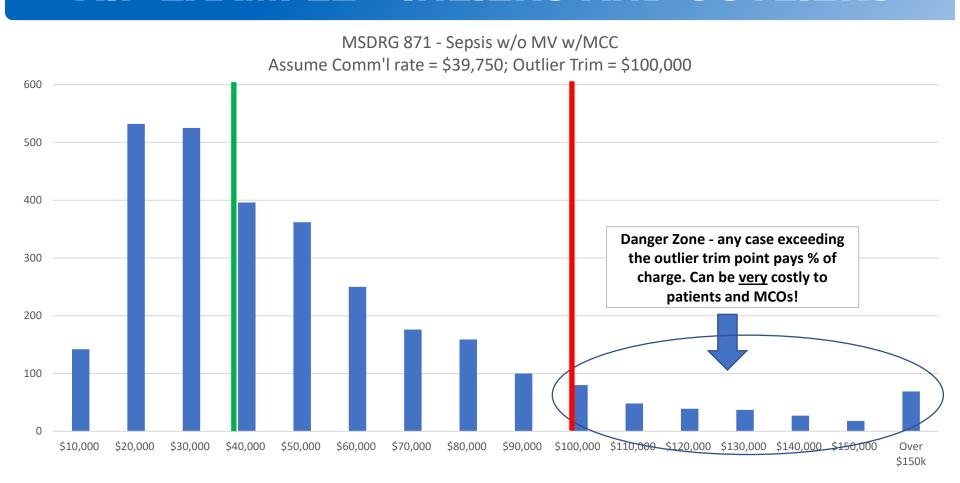




AIP EXAMPLE - INLIERS AND OUTLIERS

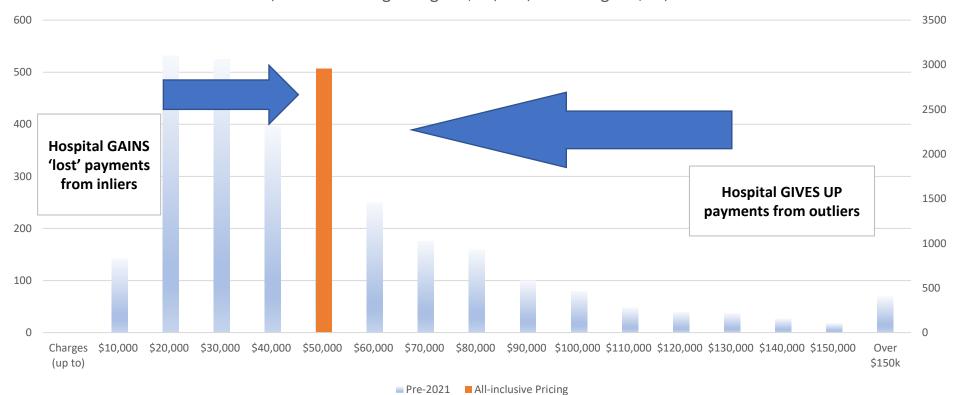


AIP EXAMPLE - INLIERS AND OUTLIERS



AIP EXAMPLE - REDUCED CHARGE VOLATILITY

MSDRG 871 - Sepsis w/MCC 2,960 cases - Avg Charge = \$47,160; AIP Charge = \$44,108



AIP EXAMPLE - PREMATURE TWINS - JUNE/JULY 2021

							Expected	Expected	
			MS-DRG	Total	Charges	Charge	Payment	Before All	Expected
LOS	MS-DRG	MS-DRG Description	Weight	Charges	Before	Difference	Amount	Inclusive	Difference
53	790	EXTREME IMMATURITY	5.6671	\$133,800	\$345,253	(\$211,453)	\$122,735	\$303,478	(\$180,743)
51	790	EXTREME IMMATURITY	5.6671	\$133,800	\$337,008	(\$203,208)	\$122,735	\$296,230	(\$173,495)
Fam	ilv Total			\$267,600	\$682.262	(\$414.661)	\$245.470	\$599.708	(\$354.238)

STRATEGIC PRICING INITIATIVES 2022 & BEYOND

- Expand AIP to Medicare and Medicaid payers (with CMS approval)
 - Requires working with CMS/DMS to create new way of delivering cost report information that typically comes from billing revenue codes
- Expand AIP to Outpatient Care
 - Events such as Emergency Visits, high-tech diagnostics and outpatient surgeries are perfect for AIP but the current OPPS payment mechanisms don't mesh well with AIP and need creative solutions
- Eliminate Charges for Readmissions within 30 days of discharge
 - Our patients have the right to expect that the price they pay will include any re-work