

Objective of Awardee Conveners

Enable CMS and at-risk providers to organize and finance health care delivery around a patient's episode of care

What an Awardee Convener Does



Awardee Convener Facts

- Special Purpose Entity , like an ACO or IPA
- 62% of BPCI Participants
- Lowest Cost of Entry and Admin
- Episode Initiators who work with Awardee Conveners adopt more episodes covering more patients
- Serve Hospitals, Physician Group Practices, SNFs and HHAs
- **Participating with an Awardee Convener made Participants more likely to continue in the model and less likely to withdraw from a Clinical Episode**

Remedy At a Glance

585

ACUTE CARE
HOSPITALS

12%

OF U.S. ACUTE
CARE HOSPITALS

426

SKILLED NURSING
FACILITIES

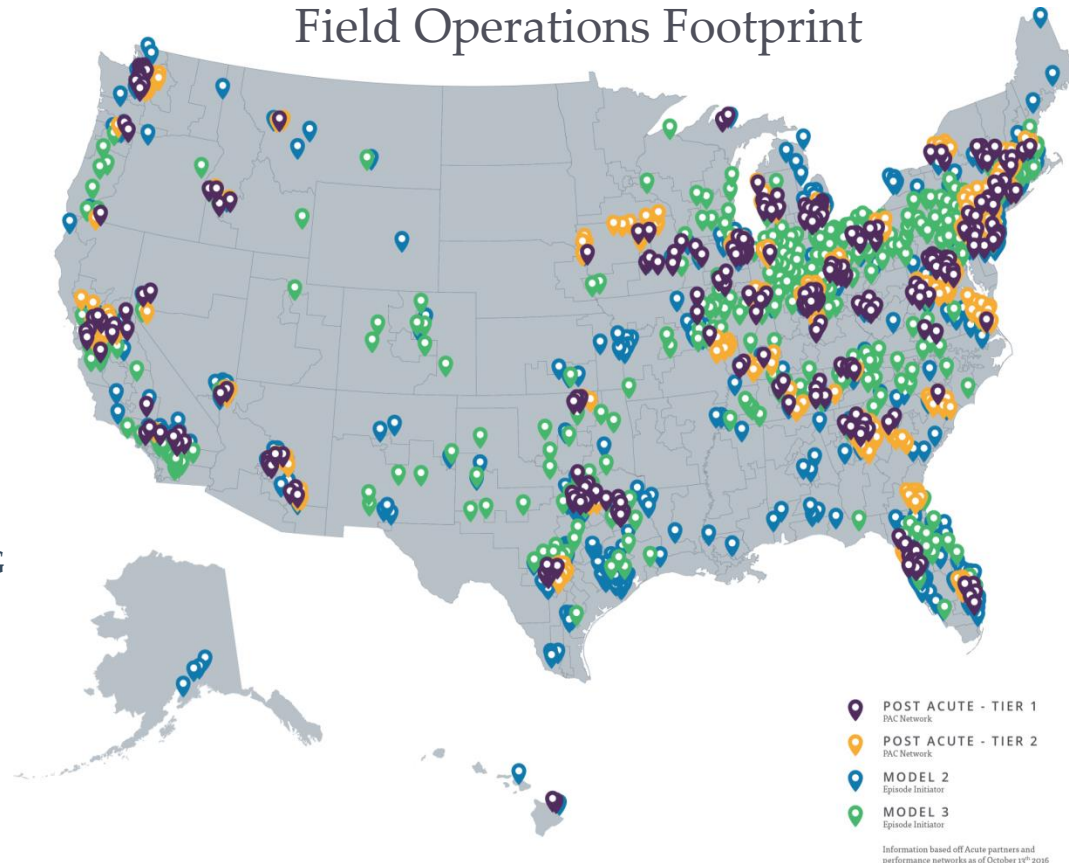
67

HOME HEALTH
AGENCIES

143

PHYSICIANS GROUPS

Field Operations Footprint



45

STATES
OPERATIONAL

295,375

ANNUAL
BPCI EPISODES

\$5.7bn

MEDICARE
FFS SPENDING

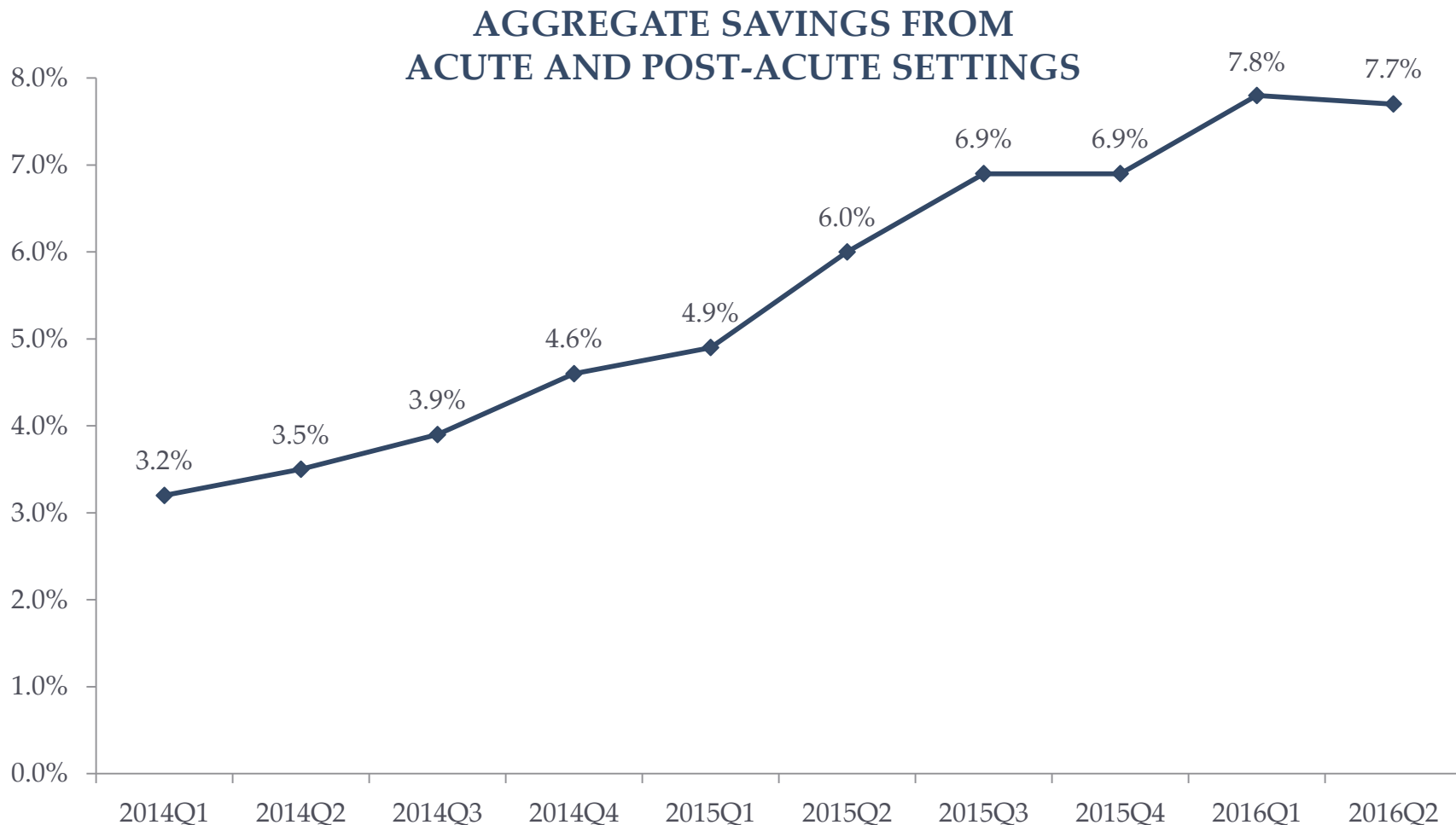
\$120mm

ANNUAL
SAVINGS FOR CMS

315

EMPLOYEES

Remedy's Proven Record: Reducing Spending



Source: Q2 2016 reconciliation, all clients

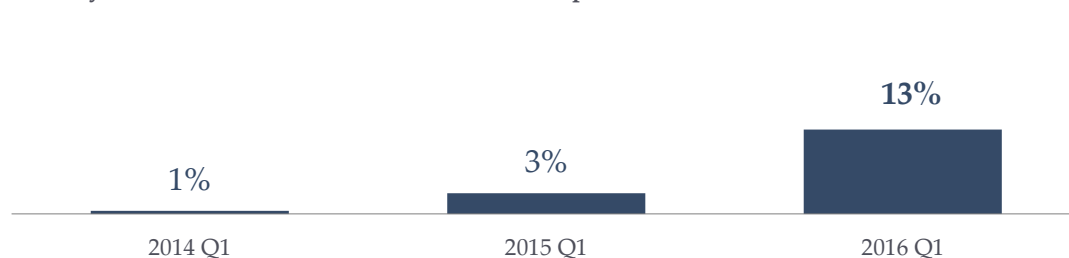
Improving Patient Outcomes

Case Mix Adjusted Performance Metrics



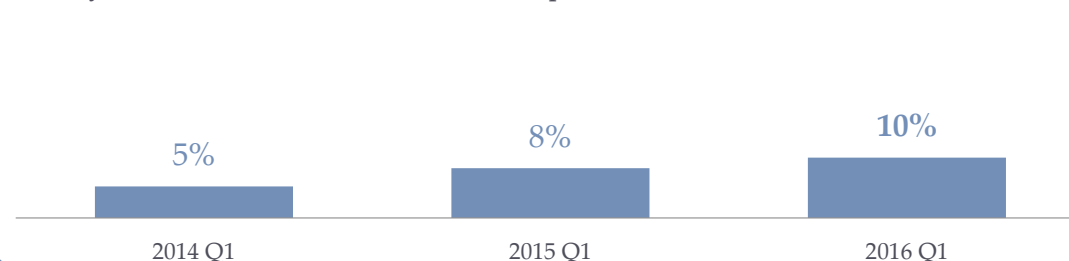
**13% Reduction
in SNF
Admissions**

Remedy SNF utilization % reduction over baseline period



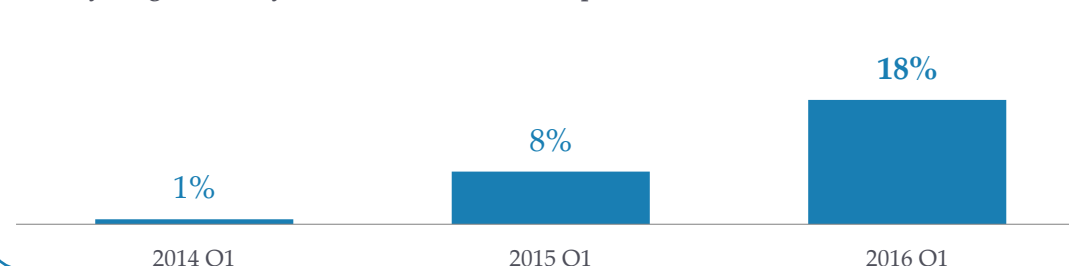
**10% Reduction
in
Readmissions**

Remedy readmissions % reduction over baseline period

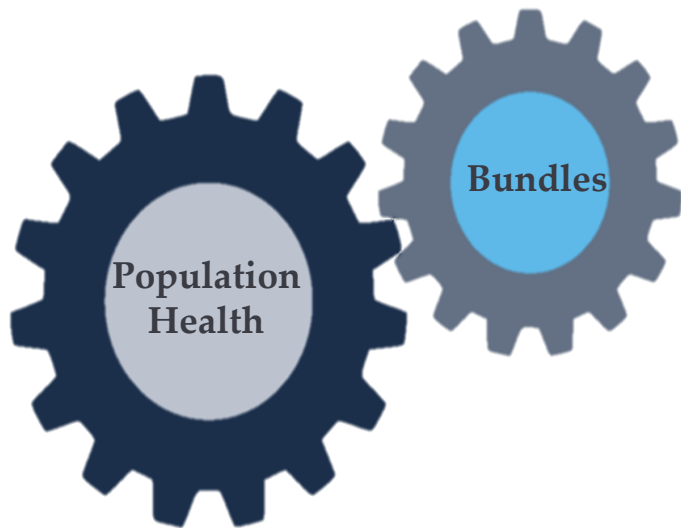


**18% Reduction
in Post-Acute
Lengths of
Stay**

Remedy Lengths Of Stay % reduction over baseline period



A Powerful Combination: Bundled Payments and Population Health



Bundles Integrate into Population Health

- Redesign care around the patient
- Align incentives to improve outcomes and lower costs
- Organize Integrated Practice Units by condition
- Create platform for PCPs to select episode teams

*Primary Care Physicians are best positioned to control Chronic Care Spending
Specialists are best positioned to influence Episode of Care Spending*

Observations

- **CMS doing a great job**
 - Rapid adjustments to improve program – collaborative and open
 - Having a dramatic impact on health care thinking
 - Program design is largely sound. Biggest challenges have been data related
- **All types of organizations can be successful**
 - Physician Groups generally modify workflows faster and have better performance, although hospitals and SNFs can both be very successful
- **Participants are successful with Surgical and Medical Episodes**
 - Over 70% of medical episodes accrete through the E.R.
 - High performing programs are distinguished by strong leadership, adoption of systemic care redesign across multiple episodes, implementation and use of workflow and decision support tools, and creation of post-acute performance networks

Financial Considerations

- **Working Capital:**
 - Meaningful incremental costs to launch and operate bundled payments
 - Organizations who separately purchase software, analytics, post-acute network development and management, and administration/reporting incur costs of between 4-6%
 - Spreading this overhead across a very large number of providers – costs drop to 2% or less
- **Reconciliation:**
 - Continuing with quarterly reconciliations is critical, to offset the material working capital requirements to adopt the software, analytics, training and administrative capabilities required
 - Remedy raised \$100M to fund working capital and has yet to recover those start-up costs. It takes time to recover the sunk costs of the development phase

Principles for Successful Bundled Payments

- **Fair and Transparent Pricing and Policies**
 - Stable baseline prices for 3 to 5 years, with quarterly trending
 - Transparency into all pricing data and calculations
- **Encourage widespread participation and large bundle sets**
 - Hospitals, Physician Groups, SNFs
 - Awardee and Facilitator Conveners
 - Incentives for taking risk on more episodes
 - Avoid prescriptions for gainsharing programs
- **Accurate and timely data**
 - Monthly claims data and quarterly reconciliations
 - Use alternatives to PECOS for patient attribution
- **Retain Medicare's Future Flexibility**
 - Precedence rules and contractual provisions should protect Medicare's ability to deploy future payment innovations



remedy partners
THE EPISODES OF CARE COMPANY