

FOR IMMEDIATE RELEASE:

New Healthcare Payment System Offers 3.5 Billion in Cost Savings

CHICAGO, Ill., May 29, 2008 (SEND2PRESS NEWSWIRE) -- MPA, a Chicago-based firm specializing in the analysis of healthcare data, announces their initial roll out of the GlobalPRIME(TM) Payment System -- a healthcare payment system that supports a risk-adjusted global fee for warranted care of a clinical episode.

*(LOGO 72dpi: Send2Press.com/mediaboom/08-0521-MPA_72dpi.jpg)

The need to reform the American healthcare system, termed "toxic" by the Institute of Medicine, has been the recent focus of politicians, corporations, healthcare professionals, and the press. In March, a report from the board of trustees of Medicare and Social Security projected that Medicare will be insolvent by 2019.

GlobalPRIME(TM) was designed in response to this growing demand for healthcare payment reform. The system overcomes the deficiencies of fee-for-service, capitation, and current episode-based payment systems by realigning financial incentives to reward providers for quality care and economic stewardship.

Under GlobalPRIME(TM), providers agree to receive a single payment for treatment of a clinical episode and of any associated adverse events that may occur. Payment is adjusted based on patient risk at the beginning of an episode so that providers receive more money for treating sicker patients. This system allows providers increase their margin by improving the quality and efficiency of treatment.

Payers no longer need to micro-manage the provision of health care. The global fee structure penalizes providers for over-utilization. However, providers attempting to maximize profits through under-utilization suffer expenses associated with the treatment of complications resulting from ineffective care.

"Incentives in our current healthcare system are horribly misaligned," Gregory Pine, CEO of MPA, says. "GlobalPRIME(TM) realigns the incentive structure so providers inherently do well by doing right. This is critical to the success of any effort to reform the healthcare system."

Each GlobalPRIME(TM) payment has four principal components: reimbursement for episode-specific services required by scientific evidence and professional consensus; payment for individualized services reasonably employed in the care of a specific episode; margin for the provider; and a warranty that covers the cost of episode-specific adverse outcomes based on the experience of efficient and effective providers.

In general terms, GlobalPRIME(TM) resembles the payment approach recently adopted by Geisinger for the care of CABG patients and lauded in the national press. However, unlike the Geisinger model, the warranty explicitly recognizes the costs of adverse outcomes. In addition, base payments and warranties are increased based on patient risk to reflect additional costs of caring for riskier patients. A "stop-loss" provision also is established to protect providers from excessive costs associated with catastrophic events.

Eventually, GlobalPRIME(TM) will cover the full range of clinical care, from routine and preventive care to the management of complex clinical conditions. However, the initial roll out focuses on high-cost, high-volume inpatient surgical procedures. By the end of 2008, GlobalPRIME(TM) will cover more than 25 of these, representing over \$70 billion, nationally, in healthcare costs.

MPA has currently completed 15 modules, including CABG, hysterectomy, total knee and total hip replacement. Based on 2005 HCUP data, national adoption of these modules would result in an estimated first year cost savings in excess of \$3.5 billion.

About MPA

MPA is a leading analytic consulting firm with 20 years experience measuring and improving risk-adjusted clinical outcomes. As leaders in developing and applying innovative analytic methods, the firm has served, among others,

HealthMarket, Cleveland Healthcare Quality CHOICE, the Anthem Blue Cross/Blue Shield Coronary Services Network, CMS, AHRQ, SCIOS, Cardinal, the American Association of Oral and Maxillofacial Surgeons, and hundreds of hospitals throughout the country.

MPA's work has been published in JAMA, the American Journal of Surgery, Circulation, Medical Care, Physician Executive, and more. Over the past 10 years, the firm has focused on the association of quality and cost, emphasizing health care payment reform, and episode-based reimbursement.

For more information, visit MPA's web site at: <http://www.consultmpa.com>.

All trademarks acknowledged.

Send2Press(R) is the originating wire service for this story.

NEWS SOURCE: MPA

#

//RELEASE END//

MEDIA ONLY CONTACT(S):

[contact info not for publication online or in print]

Charles Parrott
of MPA
+1-773-643-1700
cparrott@consultmpa.com

.....

Plain Text Copy, and Story Permalink:
<http://www.Send2Press.com/mediadrome/2008-05-0529-002.txt>

Release PDF:
http://www.Send2Press.com/mediadrome/news_2008-05-0529-002.pdf

Get our full-text news via RSS:
<http://www.Send2Press.com/RSS2/rss.xml>

.....

Text provided by news source (and/or the source's authorized agency), who is solely responsible for accuracy and legality of content transmitted.

.....

This news story from Send2Press Newswire may be redistributed and re-posted in part or in whole by members of the media. Copr. (c) Send2Press, a unit of Neotrope(R). For news aggregation sites, blogs, and bureaus, you must retain Send2Press as the original wire service source. You may capture and self-host images linked to in above release, but do NOT stream from our server.

.....

The original version of this release was issued on behalf of the above organization (the "news source"), by Send2Press(R) Newswire, a unit of Neotrope(R). <http://www.Send2Press.com>.

.....

May 2008 // Press Release / S-NAB