STS/EACTS Latin America Cardiovascular Surgery Conference

November 15-17, 2018 Hilton Cartagena | Cartagena, Colombia



New Payment Models & the Role of Industry



Disclosures

Employed by Medtronic

NEW PAYMENT MODELS & THE ROLE OF INDUSTRY

STS/EACTS LATAM

CARTAGENA, NOVEMBER 2018

DR. JASON ARORADIRECTOR OF VALUE-BASED HEALTH CARE





HEALTH CARE FACES A UNIQUE SET OF CHALLENGES

AND THESE REQUIRE A UNIQUE SOLUTION

1. We need to provide health care to everyone at some point in their lives.

2. This health care must be of high quality, because health is one of the key enablers for everything we do.

3. We must do this with finite resources.

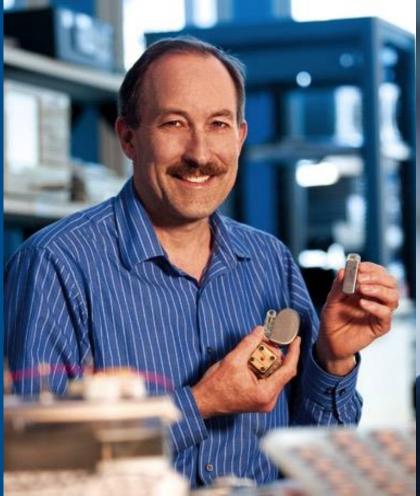
VALUE-BASED HEALTH CARE (VBHC)

EVERY HEALTH CARE STAKEHOLDER HAS THE SAME ULTIMATE GOAL MEDTECH - AIM TO USE TECHNOLOGY TO IMPROVE PATIENT OUTCOMES

THE MEDTRONIC MISSION, TENET ONE:

"To contribute to human welfare by application of biomedical engineering in the research, design, manufacture, and sale of instruments or appliances that alleviate pain, restore health, and extend life."



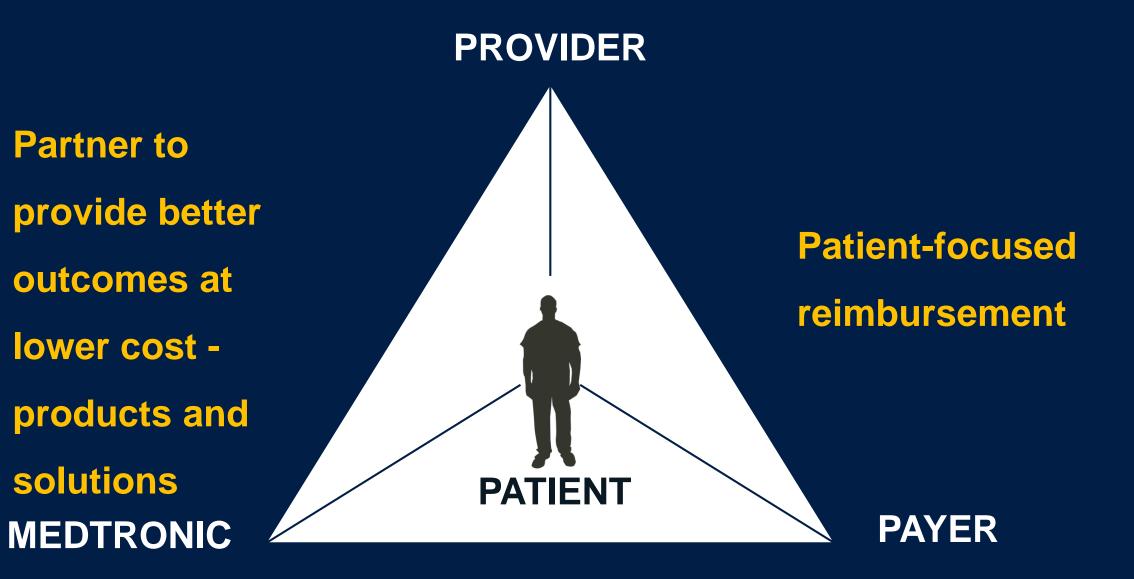




THIS REQUIRES FUNDAMENTAL SHIFTS IN OUR APPROACH TO HEALTH CARE DATA AND STAKEHOLDER INTERACTION

Value = Patient health outcomes achieved
Cost of delivering those outcomes

PARTNERSHIPS



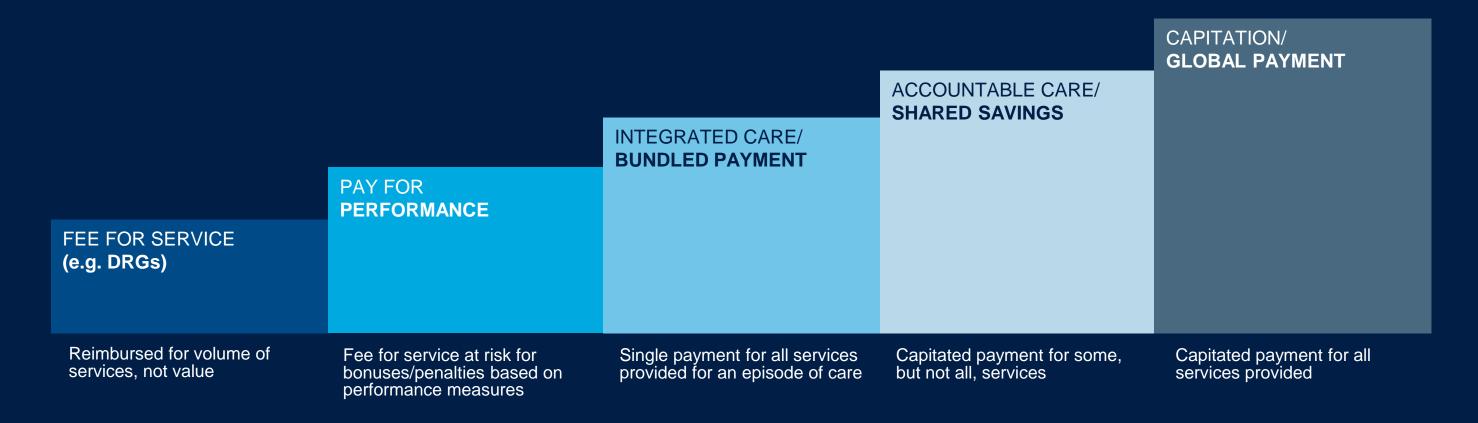
Pay for outcomes rather than volume of services

Partner to

lower cost -

solutions

REIMBURSEMENT CONTINUES TO EVOLVE IN LINE WITH THIS SHIFTING RISK TO PROVIDERS OVER LONGER TIME HORIZONS



PROVIDERS ARE UNDERTAKING INCREASED RISK FOR QUALITY AND COST OVER LONGER VALUE HORIZON

PAYMENT BASED ON END-OUTCOMES, NOT VOLUME OF SERVICES

PRE-OP

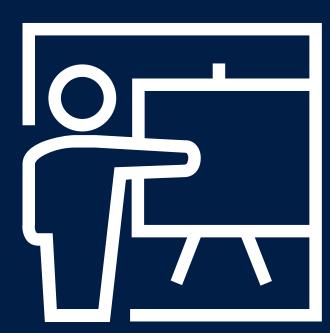
Risk management and patient education



Clinical protocols and standardisation

POST-OP

Proactive case management, remote patient monitoring, and readmission reduction





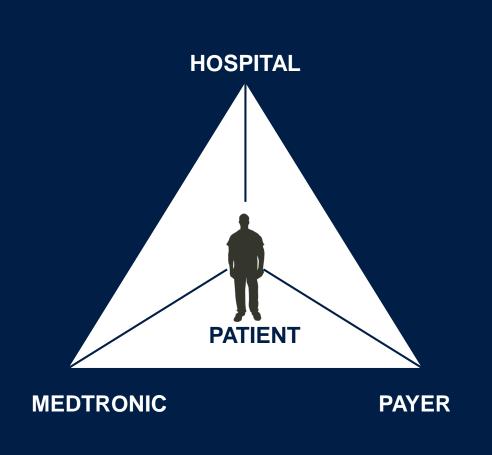


UTCOMES

90-DAY EPISODE

PAYMENT

THIS OPENS THE DOOR TO A WHOLE NEW REALM OF MEDTECH INFINIO BATE ONESS MODELS INVOLVING SHARED RISK ON OUTCOMES AND COST



THERAPY OPTIMIZATION

EPISODIC CARE
BUNDLES

CHRONIC CARE
MANAGEMENT



CORONARY ARTERY BYPASS GRAFT (CABG) MODEL – IN PROGRESS

PROVIDING VALUE ACROSS THE ENTIRE EPISODE OF CARE



CABG PATIENT



EPISODIC CARE BUNDLE

- Provide an integrated offering of services and products to enable hospital success in a 90-day episode payment model
- Share financial accountability for savings from cost reduction and improved outcomes across the CABG episode

THE **EPISODE**.



+/- 9 DAYS

ISOLATED CABG + HOSPITAL STAY



90 DAYS

POST-DISCHARGE

THE VALUE.

Clinical, operational and financial data analytics to identify cost and quality measures for improvement

EPISODIC CARE

ISOLATED CABG +

Care coordination and business process reengineering

Physician-directed product technology and techniques for reducing unnecessary blood use and post-op complications HOSPITAL POST-DISCHARGE

Data analytics and care coordination improvements to reduce readmissions and increase appropriate use of lower cost post-acute care settings or discharge to home

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