Calculation Methods

MEMBERSHIP FILTERS

I. Members Included
   a. Eligible at time of case management
   b. Enrolled/engaged in case management program
   c. Identified through predictive model or direct referrals

MEMBERSHIP COUNTS

I. Number of Unique Members
   a. Report the unique number of members for the total membership and for each program category
II. Membership Denominator
   a. Referral month use as index
   b. Referral month as cohort
   c. Following members all months past referral month

UTILIZATION STANDARDS

I. Inpatient Admissions
II. ED Visits
III. Other Visits

DETERMINING SAVINGS

I. Managed vs. Non-Managed
   a. Managed
      i. Engaged Members with a Claim
   b. Non-Managed
      i. Not Engaged Members with a Claim
   c. Calculate Case Counts
   d. Calculate Total Paid Amounts
   e. Calculate Average Paid Amounts
   f. Group by Referral Month and Risk Level
   g. Calculate future periods for above categories as defined:
      i. Average per member per category for months following referral

			Managed			Non-Managed		
Referral Month	Risk Level	Savings	Member Count	Paid Amount	PMPM	Member Count	Paid Amount	PMPM
Jun-13	5	$ 200,000	1000	$ 1,000,000	$ 1,000	5000	$ 6,000,000	$ 1,200
Jun-13	4	$ 225,000	1500	$ 900,000	$ 600	7500	$ 5,625,000	$ 750
Jun-13	3	$ 240,000	2000	$ 800,000	$ 400	10000	$ 5,200,000	$ 520
Jun-13	2	$ 300,000	2500	$ 750,000	$ 300	12500	$ 5,250,000	$ 420
Jun-13	1	$ 350,000	3000	$ 700,000	$ 233	15000	$ 5,250,000	$ 350
Jul-13	5	$ 200,000	1000	$ 1,000,000	$ 1,000	5000	$ 6,000,000	$ 1,200
Jul-13	4	$ 225,000	1500	$ 900,000	$ 600	7500	$ 5,625,000	$ 750
Jul-13	3	$ 240,000	2000	$ 800,000	$ 400	10000	$ 5,200,000	$ 520
Jul-13	2	$ 300,000	2500	$ 750,000	$ 300	12500	$ 5,250,000	$ 420
Jul-13	1	$ 350,000	3000	$ 700,000	$ 233	15000	$ 5,250,000	$ 350
Aug-13	5	$ 200,000	1000	$ 1,000,000	$ 1,000	5000	$ 6,000,000	$ 1,200
Aug-13	4	$ 225,000	1500	$ 900,000	$ 600	7500	$ 5,625,000	$ 750
Aug-13	3	$ 240,000	2000	$ 800,000	$ 400	10000	$ 5,200,000	$ 520
Aug-13	2	$ 300,000	2500	$ 750,000	$ 300	12500	$ 5,250,000	$ 420
Aug-13	1	$ 350,000	3000	$ 700,000	$ 233	15000	$ 5,250,000	$ 350
Total----------->		**$ 3,945,000**						

II. Cost Avoidance

a. Calculate Members with Goals Met

b. Assign Goal Categories

i. Risk For Infection

1. Member will verbalize ways to decrease the risk for infection

ii. Treatment Compliance

1. Member will identify possible reasons for noncompliance
2. Member will increase compliance to treatment regimen
3. Member will verbalize compliance with chemotherapy treatment
4. Member will increase compliance to treatment regimen

iii. Medication Compliance

1. Member will verbalize importance of adherence to medication schedule

iv. Healthy Lifestyle

1. Member will attain desirable body weight with optimal maintenance of health
2. Member will verbalize understanding of importance of keeping body well hydrated
3. Member will verbalize lifestyle changes to decrease fluid consumption.
4. Member will verbalize limit intake of caffeine
5. Member will verbalize lifestyle changes to increase fluid consumption.
6. Member will create healthy eating patterns

v. Safety

1. Member will verbalize understanding of safety and hazard precautions

vi. Pain Management

1. Member will verbalize effective ways to use pain relievers.
2. Member will verbalize non pharmacologic methods that provide relief
3. Member will verbalize relaxation techniques to cope with pain
4. Member verbalizes acceptable levels of pain
5. Member verbalizes what may possibly trigger their pain

c. Calculate Average Cost Savings Per Goal Category Per Member

Category	Members Meeting Goad	Average Savings per Member	Savings
Risk for Infection	50	$ 1,000	$ 50,000
Treatment Compliance	30	$ 500	$ 15,000
Medication Compliance	50	$ 1,500	$ 75,000
Healthy Lifestyle	20	$ 750	$ 15,000
Safety	25	$ 250	$ 6,250
Pain Management	10	$ 500	$ 5,000
Total---------->	185	$ 898.65	$ 166,250

III. Clinical Comparisons

a. Clinical Indicators

i. Average length of stay

ii. Days/1000

iii. Admits/1000

iv. Readmission Rates

		Managed					Non-Managed				
Referral Month	Risk Level	Member Count	Ave LOS	Days/ 1000	Admits/ 1000	Readmit Rate	Member Count	Ave LOS	Days/ 1000	Admits/ 1000	Readmit Rate
Jun-13	5	1000	4.2	189	45	20%	5000	4.6	229	49.5	22%
Jun-13	4	1500	4.1	164	40	10%	7500	4.7	217	46.0	11%
Jun-13	3	2000	4.0	140	35	10%	10000	4.7	195	41.3	11%
Jun-13	2	2500	3.9	117	30	10%	12500	4.6	166	35.7	11%
Jun-13	1	3000	3.5	88	25	10%	15000	4.4	137	31.3	11%
Jul-13	5	1000	4.2	189	45	20%	5000	4.6	229	49.5	22%
Jul-13	4	1500	4.1	164	40	10%	7500	4.7	217	46.0	11%
Jul-13	3	2000	4.0	140	35	10%	10000	4.7	195	41.3	11%
Jul-13	2	2500	3.9	117	30	10%	12500	4.6	166	35.7	11%
Jul-13	1	3000	3.5	88	25	10%	15000	4.4	137	31.3	11%
Aug-13	5	1000	4.2	189	45	20%	5000	4.6	229	49.5	22%
Aug-13	4	1500	4.1	164	40	10%	7500	4.7	217	46.0	11%
Aug-13	3	2000	4.0	140	35	10%	10000	4.7	195	41.3	11%
Aug-13	2	2500	3.9	117	30	10%	12500	4.6	166	35.7	11%
Aug-13	1	3000	3.5	88	25	10%	15000	4.4	137	31.3	11%

IV. Annual Pre-Post Comparisons

a. Members identified for referral from year prior to program

b. Members identified for referral from 1st program year
c. Annual Ongoing

Category	Year 0	Year 1	Year 2	Year 3
Member Counts				
Paid Amount				
PMPM				
Managed vs. Non-Managed				
Cost Avoidance				
Ave LOS				
Days/1000				
Admits/1000				
Readmit Rates				

DETERMINING ROI

I. Return on Investment
   a. Calculate the gross savings result
   b. Calculate the program costs
   c. Verified by KEPRO and Client
   d. Calculate ROI = Return on Investment (ROI) is calculated by dividing gross savings by costs
   e. Example Calculation:
      i. ROI = gross savings / costs
      ii. ROI = $2,000,000 / $1,000,000
      iii. ROI = 2.0 (savings of 2 times the investment of $1 million)