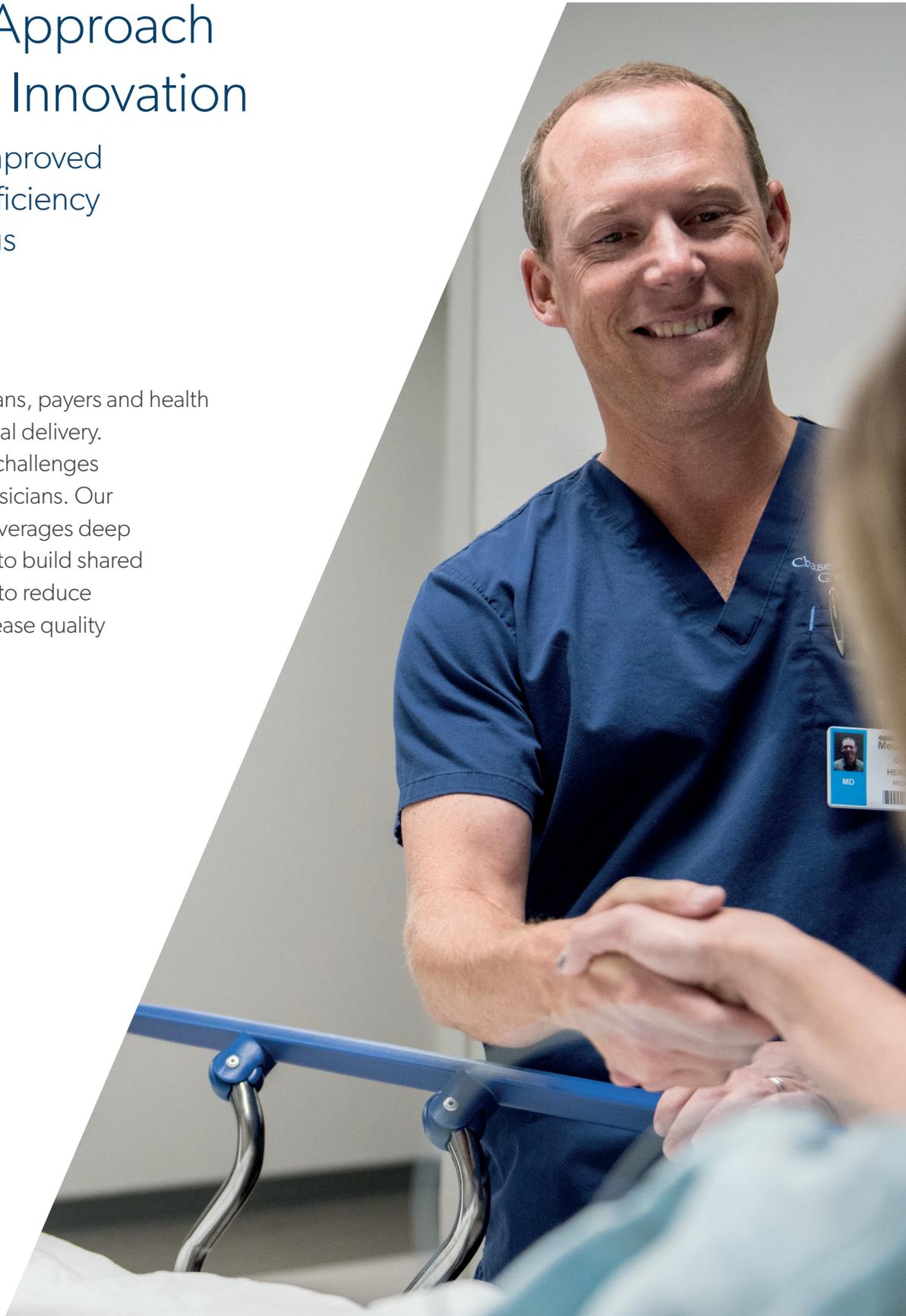


# A Leading Approach to Payment Innovation

SCA Empowers Improved  
Care, Increased Efficiency  
and Shared Savings

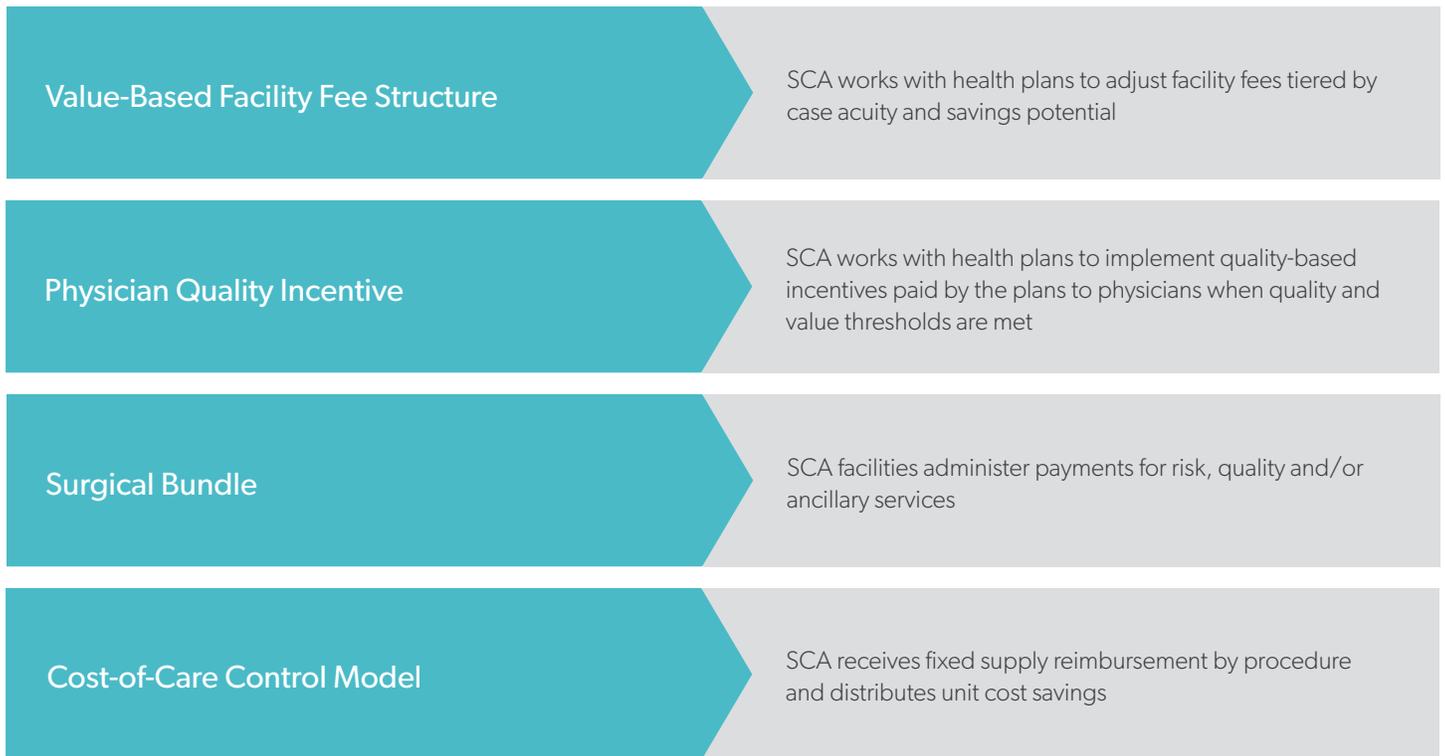
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SCA partners with physicians, payers and health systems to optimize surgical delivery. We understand the many challenges facing today's leading physicians. Our differentiated approach leverages deep expertise and experience to build shared savings models designed to reduce health care costs and increase quality of care.



# Shared Savings Approach

We coordinate shared savings in a variety of ways including:



## VALUE-BASED FEE STRUCTURE

A Midwest ASC was operating in a market dominated by a high cost health system that threatened physicians' ability to remain independent. The existing ASC fee structure was not supportive of clinically appropriate case migration, which resulted in ASCs remaining out-of-network or in partnership with high-cost health systems.

### Program structure

Transitioned facility to in-network status via a value-based facility fee schedule

### Program results

**\$225K**

savings in the first three months; on track to hit target of \$1M annually

ASC volume is up

**98%**

driven by migration from higher cost care settings

Improved facility's reputation by communicating its advantages to referring physicians

Preservation of physician independence

## PHYSICIAN QUALITY INCENTIVE

For an ASC in the Southeast, physician employment and strict CON laws hindered independent ASC viability. To promote and optimize the use of ASCs for appropriate services, SCA worked with a commercial payer to develop an incentive structure for surgeons.

### Program structure

Aligned the underlying economics for surgeons who improved quality and cost-of-care for clinically appropriate outpatient surgeries

### Program results

**114**

surgeons enrolled

**900**

cases moved to high-quality, lower-cost setting

achieved payer cost-of-care savings of

**\$2.7M**



## SURGICAL BUNDLE

To accelerate clinically appropriate case migration in the Midwest, SCA implemented a surgical bundle that promotes higher quality care and lower costs, and a streamlined approach to the surgical and recovery processes.

### Program structure

- Create a comprehensive bundle that consolidates physicians' fees, facility charges and rehabilitation costs
- Promote clinical benefits that include improved quality and patient care; as well as lower costs

### Program results

in the past five years,  
seven participating  
providers performed

**600+** total joint  
replacement  
procedures

**\$6.3M**

achieved in total savings

## PHYSICIAN QUALITY INCENTIVE (SURGICAL HOSPITAL)

In the Mountain West region, two high-cost health systems significantly impacted the availability of high quality, lower-cost surgical care. SCA worked with a major commercial payer to develop a quality-based value network of surgeons, who are recognized based on clinical outcomes and efficiency.

### Program structure

- Organized current physician partners and organized additional surgeons to participate in the payer's quality-based network
- Aligned the underlying economics of surgeons who improve quality and cost-of-care for clinically appropriate outpatient surgeries at the more efficient surgical hospital setting

### Program results

**90**  
surgeons enrolled

**\$12,000**

savings per episode on average

**2,000**

cases moved to high quality,  
lower-cost setting

## COST-OF-CARE SAVINGS

To lower the cost-of-care for surgical procedures, SCA worked with a commercial payer to implement an internal efficiency program that shares savings with the patient and payer through a fixed reimbursement structure when lower-cost implants are selected for the commercial payer's patients.

### Program structure

50 percent of the total shared savings are placed into a shared savings pool

### Program results

**\$3M or 10%**

cost-of-care  
savings over current  
implant spending

Surgeons gain insight  
from collected data  
and share in generated  
savings

Patients pay less for  
their procedures and  
billing is transparent

