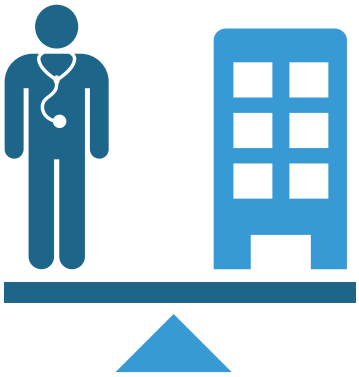

MedInsight GlobalRVUs

MedInsight® GlobalRVUs is a unique software tool designed to help health plans, ACOs, and other at-risk organizations measure provider efficiency and unit price. GlobalRVUs assigns relative value units (RVUs) to all services, including physician, hospital, DME, lab, and prescription drug data. Use of RVUs is a common practice with healthcare payment schedules. GlobalRVUs from Milliman, however, goes beyond the typical RVU-based methodologies, such as Medicare's physician RBRVS system and inpatient DRG weighting. Existing systems are limited in that they focus on a particular type of provider, such as physician or inpatient hospital, and do not allow the user to aggregate unit costs across provider types. GlobalRVUs solves this disconnect by providing an RVU-based system that covers all healthcare services based on Medicare relativities.

How GlobalRVUs Works

Licensing GlobalRVUs will allow you to assign RVUs to your claims data in order to support a variety of analyses (e.g., resource use, unit price, trends). The method in which the GlobalRVUs software assigns RVUs depends on the service type. Physician claims are assigned RVUs based on standard Medicare physician fee schedules (RBRVS). Hospital claims, on the other hand, are DRG-grouped and then assigned RVUs. Prescription drug claims use average wholesale price (AWP), estimated discounts, and dispensing fees to assign RVUs that are consistent with Medicare RBRVS and Milliman's RBRVS for Hospitals™.

GlobalRVUs includes the following:

- A repricing process to assign Medicare's RBRVS physician RVUs to physician claims
- Milliman's RBRVS for Hospitals, which contains RVUs for both inpatient and outpatient hospital services that were designed to be consistent with Medicare's RBRVS
- RVUs for prescription drugs based on MediSpan AWP, adjusted for average market discounts, dispensing fees, and rebates to be consistent with the physician and hospital RVUs
- RVUs for Anesthesia, Ambulance, DME, Lab, and Parenteral/Enteral Nutrition using Medicare fee schedules for a complete set of RVUs that can be applied to claims data sets

The Unique Value of GlobalRVUs

The GlobalRVUs tool provides value in a variety of ways. The following are key use cases that GlobalRVUs can be used for:

Analyzing provider contracts: GlobalRVUs includes the Hospital Evaluation and Comparison System (HECS) so that users can compare hospital contracts on a case mix and severity-adjusted basis. HECS produces a number of negotiation analytic reports that allow the user to compare a hospital with a peer group, compare systems, compare with Medicare and operating cost benchmarks, and review trends. The physician component allows you to compare physician groups and allows for unit cost aggregation of hospital and physician services. This provides clients with an effective method for identifying the most efficient providers, and it empowers the user with robust information for provider contracting and negotiation.

Establishing tiered or narrow networks: GlobalRVUs allows the user to evaluate pure case mix and severity-adjusted unit price, LOS efficiency, population efficiency, and trend drivers. This information can be very useful when developing narrow networks based on the most efficient providers.

ACO reporting and medical group profiling: GlobalRVUs allows clients to separate unit cost versus utilization efficiency. Rolling claims up to the physician group level allows the client to drill down on risk-adjusted per-member-per-month amounts (PMPMs) to separate unit cost and efficiency. The benefits are deeper drill-downs on cost and efficiency by type of service, which prove highly useful for ACO reporting.

Setting and analyzing global risk targets: For ACOs that need reliable sources for setting risk targets, GlobalRVUs can help. The methodology also can be leveraged to analyze opportunities for improvement, such as identifying high-cost specialists or hospitals.

Developing bundled payments: GlobalRVUs enables clients to understand and remove unit cost biases in the experience data. This enables episodes of care to be developed and facilitates bundled payments, an important consideration in the move toward shared risk between payer and provider.

Substitute for data gaps/proxy pricing: Oftentimes, certain claim data lacks complete financial information. When situations like this occur (e.g., no dollars on the claim), GlobalRVUs can serve as a substitute or proxy for charge levels, enabling clients to conduct more useful analysis on the data, such as utilization efficiency analyses (e.g., episodes and PMPM) and case mix studies.

Implementing GlobalRVUs

GlobalRVUs can be attached to any data set easily using the Milliman software. In addition to an interface to run the RVU assignment software, we provide a series of reports, available through Microsoft Excel, that allow clients to review the quality of the data input, ensure that the RVUs have been properly assigned, and review the sample claims with the RVU assignments.

Figure 1 demonstrates how GlobalRVUs analyzes efficiency by provider. This can then be refined to review performance by type of service or for sub-populations (e.g., clinic within a medical group, chronic conditions).

The risk-adjusted PMPM allowed is the total cost of care (TCOC) that most shared savings arrangements use. The GlobalRVUs give you critical insights into the drivers of TCOC, allowing for a new understanding of this important healthcare metric.

FIGURE 1: COMPARISON OF DELIVERY SYSTEM

PRIMARY CARE GROUP	RISK-ADJUSTED PMPM ALLOWED	RELATIVE COST	PMPM RVUS	CONVERSION FACTOR	RELATIVE UNIT PRICE	UTILIZATION EFFICIENCY
AREA AVERAGE	$373.70	1.000	6.175	$60.52	1.000	1.000
GROUP A	$344.38	0.922	6.196	$55.58	0.918	1.000
GROUP B	$421.67	1.128	6.447	$65.41	1.081	1.044
GROUP C	$344.95	0.923	5.902	$58.45	0.966	0.956
GROUP D	$371.92	0.995	6.042	$61.56	1.017	0.979
GROUP E	$366.31	0.980	5.908	$62.00	1.024	0.957
GROUP F	$393.11	1.052	6.439	$61.05	1.009	1.043