



USING VALUE-BASED CONTRACTING TO REDUCE COST OF CARE

CASE STUDY

“ After close to 10 years of cost control, this year we realized a **7.1% total cost reduction** creating a true win-win. The client and Skyway both realized 3% savings, plus split an additional 1.1% ”

– Tracey Jaycox
Vice President
Oswald Companies (*Client's Broker*)



OVERVIEW

A local governmental agency offering several traditional insurance health care options to close to 6,000 of their employees also has a direct-to-provider relationship with a local health system and the Skyway network. SkyCare (formerly known as MetroHealth Select) is one of the options provided through this longstanding relationship, and 48% of eligible employees select it to receive great quality care, at a lower cost.



CHALLENGES

Like many other governmental agencies, this client needed to make strategic financial moves to manage budgetary challenges. As their health care partner, Skyway sought to create an innovative solution to avoid a previously agreed upon 3% provider rate increase.



APPROACH

The Skyway population health team worked with the client's broker and used the total cost of care methodology to predict future health care spend. Based on this forecasting, Skyway offered to keep the client at their current fee-for-service rate and added a value-based contract in the form of a shared savings agreement.

In this shared savings model, by taking some of the risk and obligation to control costs, Skyway would recover the first 3% below the determined health care spend, the client would recover the second 3% of health care spend, and both parties would equally split anything over 6%.

To achieve this the Skyway team—part of the MetroHealth Population Health Innovation Institute—provided intense disease management and care coordination with a dedicated team which included a care coordinator and a care navigator. Additionally, a Skyway member liaison specialist assisted members to select a primary care provider and to access other MetroHealth providers they needed.



RESULTS

Using risk scoring to better manage the employee population, Skyway created a workable solution that generated real savings for the client.

Through care coordination, **Skyway reduced the client's total cost of care** by increasing primary care visits, which in turn reduced express care, specialist care, and emergency department visits.

Most importantly, **patient satisfaction was extremely high** with 84% of those surveyed indicating that they would "definitely recommend" their care provider.

Working together—as a true partnership—Skyway and the client shared in their respective 3% savings plus split an additional 1.1%. **Overall, they realized a 7.1% total cost reduction** creating a win-win for both the employer and the MetroHealth System.

These results exemplify what a true direct employer-provider relationship with Skyway can do.

SKYWAY

With more than 25 clients in Northeast Ohio—from municipalities and universities to small businesses—covering close to 25,000 member lives, Skyway was designed to offer top-quality care coverage options, customized to meet your business needs while creating a vibrant, healthy community.