

Developing a Business Case for Practice Transformation

For the purposes of this activity, we will build a business case model around performance on a single performance measure: Diabetes - HbA1c Poor Control >9%. To identify the potential impact of your sustainability plan, the business case model calculates the impact – in patients and in dollars – if the lowest three quartiles of practices in your organization performed at the same level as your top quartile of practices.

Results have been provided based on your organization’s most recent cycle of data reporting. Each practice’s performance was assessed and categorized into quartiles.

Your Organization’s Diabetic Population

Provider Organization	Performance Period End Date	Diabetic Population
	Mar 18	6,164

Practice Performance - Diabetes: HbA1c Poor Control >9%

Top Quartile			Lowest Three Quartiles		
Numerator	Denominator	Performance Rate	Numerator	Denominator	Performance Rate
80	726	11.02%	1,634	5,438	30.05%

To calculate potential impact on patients:

1) Multiply the denominator of your lowest three quartile practices by the performance rate of the top quartile. How many total patients would have poor HbA1c control >9%?

Answer:

2) Subtract your answer above from the current numerator value of the lowest three quartile practices. What is the potential number of patients impacted if all practices performed like the top quartile?

Answer:

Each patient whose HbA1c can be reduced below 9% is estimated to save \$1,433 per case. To calculate your potential cost savings:

1) Multiply the per case cost by your response to number 2 above. What are your estimated cost savings?

Answer:

Business Case Reference Materials

Clinical Measures

Diabetes: HbA1c Poor Control >9%: **\$1,433** cost savings per case

Hypertension: Controlling High Blood Pressure: **\$420** cost savings per case

Utilization Measures

Emergency Department Visits: **\$1,200** cost savings per visit

Inpatient Bed Days: **\$3,341** cost savings per day

Imaging for Low Back Pain: **\$650** cost savings per case

Cervical Cancer Overscreening: **\$120** cost savings per case

More details about the source of the cost savings numbers presented above can be found on Box in the PTI Public folder.

<https://pbgh.box.com/v/businesscase>