Arkansas Department of Human Services (DHS)  
Division of Medical Services (DMS)  
07/20/2012

To Whom It May Concern:

3M HIS is pleased to provide an informational response in preparation for a potential Request for Proposal (RFP) that will support an efficient and scalable model for launching, administering, and maintaining an episode based payment system to providers.

We believe the 3M HIS methodology may serve as the basis for transitioning from a fee-for-service payment model to models that pay for value and patient outcomes, based on episode-based payment.

The 3M HIS response to the RFI provides an understanding of:

1. Currently available episode component capabilities, including technology, infrastructure, intellectual property (i.e., algorithms and other business rules), know-how, etc. related to the design and/or administration of episode-based payment that DMS may consider using.

   The attachment labeled “Patient Focused Episodes” addresses these issues.

2. The extent to which vendors are willing to develop and offer to DMS one or more components related to the design and/or administration of episode-based payment, anticipating that vendors may commercialize these components to other payers over time.

   3M HIS has a thirty year history of working successfully with CMS and over 25 states in payment system design and reporting quality outcomes.

Based on this extensive experience in working with states and the federal government, 3M HIS would be willing to share our experiences and work with the Arkansas Department of Human Services (DHS) in achieving its ambitious episode based payment program.

Our plans are to release a commercially available episode based payment grouper this year. We would appreciate an opportunity to discuss our plans with you as you prepare for a potential RFP.

Sincerely,

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