

INGENIX®

Symmetry Episode Risk Groups® (ERGs®)

The Society of Actuaries recognizes ERGs as one of the best risk assessment tools for predicting future health care costs.

Executive Summary

Symmetry Episode Risk Groups® (ERGs®) predict current and future health care usage for individuals and groups by creating individual risk measures that incorporate episodes-of-care methodology, medical and pharmacy claims information, and demographic variables.

- **More valid, health-based payments**
- **Precise comparisons of provider performance**
- **Effective targeting of patients and populations**

Overview

Like many existing risk assessment methodologies, Episode Risk Groups use basic inputs such as the diagnoses recorded on medical claims and demographic variables to predict health risk. Significantly, however, ERGs use episodes of care as markers of risk rather than the diagnoses from individual medical encounters.

An Innovative Approach to Risk Assessment

With ERGs, the focus is placed on the key information describing a patient's underlying condition instead of the individual services provided in its treatment. Moreover, because episodes of care can incorporate pharmaceutical data, ERGs also take advantage of the information available from a patient's use of prescription drugs—a feature that is used to a limited extent by other health risk assessment models. The result is a powerful, cost-effective, and practical alternative to health risk assessment.

Incorporating Episodes-of-Care Methodology

The ERG system incorporates Symmetry's patented Episode Treatment Groups® (ETGs®) illness classification and episode building system. By assigning individual medical services to unique episodes of care and characterizing these episodes, ETGs define clinically-based units that can be combined to construct a profile of risk for an individual. ETGs are able to prioritize related medical conditions, allowing focus on that condition best describing the mix of services required for the ongoing evaluation.

How It Works: An Integrated Approach

Using medical and pharmacy claims information—as well as demographic data—as inputs, the ERG software generates individual health risk scores. The ERG risk scores are based on risk-adjusted episodes of care created by the ETG grouper. This allows for a seamless drill down from an ERG score into the episodes that are contributing to a patient's risk. This capability greatly enhances the analytic value of the ERG scores because one can gain a better understanding of what is driving a patient's risk. ETG and ERG software are integrated, so the outputs from both products can be produced with one run of the software.

Key Benefits

An innovative technology to better risk adjust costs, identify patients at risk and improve care, ERGs can boost the effectiveness of network and care management programs and enhance the efficiency of underwriting. This leading analytical tool for assessing current health care risk and predicting future health care risk in individuals and groups features:

- **Predictive ability based on sound methodology**
 - **Clinical relevance offering clinicians a basis for understanding different patient conditions and overall level of risk**
 - **Appropriate incentives for efficient and quality care**
 - **Retrospective and prospective models**
 - **Administrative practicality: diagnostic and procedural information health plans collect as part of claims transaction**
- **process will support ERG methodology**
 - **Systematic and logical clinical approach to creating episodes of care enhances understandability**
 - **Better understanding of variations in medical costs and practice and how they relate to differences in health risk**
 - **Single, comprehensive solution for health risk assessment and episode-of-care methodologies**

Four Easy Steps to Better Risk Assessment

- 1 Using enrollment data, medical and pharmacy claims information and the ETG methodology, an individual's health care services are assigned to appropriate treatment groups.
- 2 Each ETG is categorized into an Episode Risk Group (ERG), a grouping that combines episodes of similar clinical and risk characteristics.
- 3 A clinical and risk profile is created for each individual with age, gender and ERGs as inputs.
- 4 A risk score for each person is computed by combining weighted ERG scores and demographic variables. Each individual risk score predicts a member's current and future need for health care services and associated costs.

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