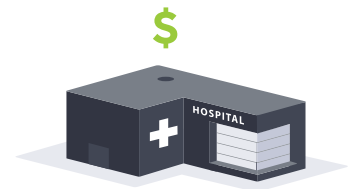


# How We Save You Money



We use a 5-step process to calculate the volume-weighted, DRG-adjusted change in med/lab/rad cost per inpatient discharge.

**1. IllumiCare uses the health system's wholesale cost of medications and cost accounting variable costs for lab and radiology tests.**



**2. With those, IllumiCare calculates the "cost" of every order for a medication, lab and radiology test.**



**3. IllumiCare sums those costs for each admission and captures the DRG assigned to that admission.**



**4. For each "Intervention Period" IllumiCare compares the average cost per discharge for each DRG, versus the Baseline Period for each DRG.**



**5. IllumiCare then volume weights those discharges in the Intervention Period to calculate "Total Savings."**

DRG 389	\$1,247 pre	\$1,234 post	x 86 patients	(\$1,060)
DRG 391	\$2,435 pre	\$1,977 post	x 143 patients	(\$65,437)
<b>DRG 392</b>	<b>\$1,502 pre</b>	<b>\$1,469 post</b>	<b>x 337 patients</b>	<b>(\$11,153)</b>
DRG 393	\$2,557 pre	\$2,120 post	x 74 patients	(\$32,347)
DRG 395	\$1,086 pre	\$1,011 post	x 19 patients	(\$1,424)