Developing High-Performing Networks

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Agenda

• The Importance of Post-Acute Care
• Developing a High-Performing Network
  o High-level project plan
  o Data sources
• A Partnership for Success

5 “Must-Haves” for health systems to succeed in value-based care

1. Ability to identify and manage the highest-risk/need patients early in the hospital stay

2. Post-acute care (PAC) clinical decision support that is integrated into discharge planning workflow
   • Evidence-based intelligence to place patients in the most clinically appropriate PAC settings with the right resources to maximize functional recovery
“Must-Haves” for health systems to succeed in value-based care (cont.)

3. Connected and engaged networks of PAC providers that have been formed based on data-driven insights regarding quality outcomes, efficiency, and operational effectiveness

4. Reporting and analytics to track performance, identify trends, and continuously drive operational improvements

5. Alignment among health system leadership, hospital-based physicians and case managers that value-based care is a priority

The Importance of Post-Acute Care

Post-acute care (PAC) by the numbers

There is an increasing focus on post-acute care to deliver value:

- $59B spent by Medicare on post-acute care (PAC) services per year, more than doubling since 2001 pret
- 73% variance in Medicare PAC spend regionally
- 43% of Medicare patients utilize PAC after discharge
- 8% - Rate at which Medicare spending on PAC grew annually from 2001-2012
A value-based care opportunity in post-acute care

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Number of Sites Nationally</th>
<th>Medicare Spend</th>
<th>ALOS</th>
<th>Readmission Rate *</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTCH</td>
<td>420</td>
<td>$5.5 B</td>
<td>27 days</td>
<td>29%</td>
</tr>
<tr>
<td>IRF</td>
<td>1,166</td>
<td>$6.7 B</td>
<td>13 days</td>
<td>12.4%</td>
</tr>
<tr>
<td>SNF</td>
<td>16,000</td>
<td>$28.7 B</td>
<td>29 days</td>
<td>26%</td>
</tr>
<tr>
<td>HHA</td>
<td>12,350</td>
<td>$18 B</td>
<td>NA</td>
<td>23%</td>
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</tbody>
</table>

* 30 day readmission rate - Manatt Health | Building Effective Post Acute Networks 7-17

A shift in how and where care is delivered

- Payment Reform – APMs
- Medicare Advantage funding cuts
- Readmission penalties
- More community-based services and programs
- Demand for more higher-quality options
- Home Health, Physicians at Home, PCMH
- Technological Support – Smart support in home
3 factors that drive PAC optimization success:

- Determining the appropriate PAC level of care is the first step of effective post-hospital care management
- Hospitals should use data driven insights to assess quality; CMS Star Ratings are a component
- Provider networks allow for tighter care coordination and collaboration across the continuum

Differences in costs between settings (avg. LTCH cost = $40k, avg. IRF cost = $18k, avg. SNF cost = $11k, avg. HH - $5k) drive significant variation in episodic expenditures.

Determining the appropriate level of care is the first step of effective post-hospital care management.

Differences in costs between settings drive significant variation in episodic expenditures.

Significant variation in practice patterns and misalignment of incentives often leads to excess utilization, poor patient outcomes, and unnecessary expense.

Over 30% of Medicare eligible patients readmit to acute hospitals within 90 days.

Drive value with a high-performing SNF network

- Building a high-performing post-acute network requires a deep understanding of the providers that deliver the highest quality patient outcomes in the most efficient manner.
- There is wide variation in quality of PAC providers.
- A data-driven approach must be used to form networks based on quality, and common evaluation metrics must be articulated and established.
- Defining quality and ensuring cultural alignment in the PAC setting is a necessity.

RESULTS AND KEY FACTORS:

1. Elevates performance on key quality outcomes
2. Ensures patients are placed in right setting with right amount of services
3. Aligns expectations across the continuum
4. Creates healthy competition

Developing a High-Performing Network
Begin with a project plan to hit milestones

<table>
<thead>
<tr>
<th>Gather &amp; Analyze Data</th>
<th>Design &amp; Develop</th>
<th>Execute Network</th>
<th>Manage &amp; Maintain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measure current utilization</td>
<td>Convene workgroup</td>
<td>Convene RFI submission</td>
<td>Measure compliance with network utilization</td>
</tr>
<tr>
<td>Identify internal &amp; external influencers</td>
<td>Develop strategy</td>
<td>Convene monthly PAC collaborative meetings</td>
<td>Develop transitions and care management protocols with input from aligned stakeholders</td>
</tr>
<tr>
<td>Leverage the talents of a change agent</td>
<td>Implement technologies to monitor compliance and/or network performance</td>
<td>Monitor &amp; manage resistance</td>
<td>Solicit input from clinic leadership</td>
</tr>
<tr>
<td>Determine data sources</td>
<td>Establish network review committee</td>
<td>Set utilization targets</td>
<td>Convene network review committee</td>
</tr>
<tr>
<td>Determine qualitative measures</td>
<td>Create workflows to ensure compliance to network utilization</td>
<td>Convene workgroups</td>
<td>Develop transition and care management protocols based on mutually agreed upon goals</td>
</tr>
<tr>
<td>Set utilization targets</td>
<td>Review RFI submission</td>
<td>Convene monthly PAC collaborative meetings</td>
<td>Convene workgroups</td>
</tr>
<tr>
<td>Convene workgroups</td>
<td>Convene workgroups</td>
<td>Review performance data at regularly scheduled intervals</td>
<td>Convene workgroups</td>
</tr>
<tr>
<td>Develop strategy</td>
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<td>Convene workgroups</td>
</tr>
</tbody>
</table>

Critical milestones for success

Know your current practices

- Where are you referring patients today?
- What are your internal and external influences?
- What or who determines the next PAC site?
- How do your referral metrics compare to the region or nation?

Determine your opportunity

- SNF ALOS of 29 days, slightly greater than the national average
- IRF admission rate ~2x greater than the national and census division average
- Client's 90-day readmission rate is slightly greater than the national average

Source: 2013-2015 Medicare claims data; BPCI eligible episode groups
Performance across domains and categories

**Quality**
- Hospital readmission rates
- Star Ratings
- Discharge to community
- Functional status, cognitive function and improvement in functional status
- Medication reconciliation
- Patient survey/patient satisfaction
- Functional status, cognitive function and improvement

**Efficiency**
- LOS
- Medicare spend per beneficiary per diagnosis
- RUG utilization/distribution
- Other

**Operations**
- Staffing levels
- Ability to serve complex patients/specialty programs
- Utilization of EMR
- Utilization of patient management tools/interactions

**Citizenship**
- Willingness to take patients after hours
- Willingness to take patients with high cost medications/treatments
- Willingness to take patients with no payer source

Assess and track PAC network performance

- Percentile rank across 3 domains:
  - Quality
  - Efficiency
  - Operations
- Results can be viewed relative to CMS Five Star Quality Rating System
- CMS should not be the only determinant

Which data source to use?

1. CMS Nursing Home Compare; US News and World Report

Assessing performance and identifying high-performing providers will drive efficiencies that enable providers to work with a smaller number of payers on targeted clinical and performance improvement initiatives.
Drill down on the data to manage PAC network performance
PAC provider scorecards enable a data-driven approach

Compare detailed provider information to other facilities

A Partnership for Success
Formation of high-performing SNF networks leads to significant cost savings per episode while also driving better clinical outcomes and enhanced experience for patients.

- Using quality, efficiency, and operational data, a BPCI participating provider network was formed in each market for this partner.
- For patients that admit to in-network SNFs, the average decrease in total episode cost is ~$7,000 in comparison to patients that go to out-of-network SNFs.
- Continued SNF improvement is dependent on hospital case management adherence to network utilization, as there is a significant correlation between preferred network utilization and attributable savings.
- These networks are continually refined based on interactions with SNFs, tracking the functional recovery of patients, and looking at the variance between actual and expected utilization.
- Providers aligned due to transparency, communication, education, and support initiatives in a shared mission to reduce costs and improve outcomes and experience for patients.

Benefits of a high-performing network

HOSPITAL
- Ability to move stable patients quicker
- Increased efficiency in discharge planning
- Reduced readmissions
- A coordinated & well-informed patient progression plan

PAC
- Improved occupancy rates
- More efficient admissions
- Hospital support in proactively preventing readmissions
- Competitive advantage in the market
- Experience for future payment reform

HOSPITAL + PAC
- Data sharing and other integrated functions to increase patient engagement
- Coordinated partnership to maximize quality of care
- Patient-centered proactive approach to manage complex cases
- Brand recognition; patient loyalty
- Improved patient experience and outcomes

Aligning incentives and goals

Hospitals/Health Systems Want:
- Optimized hospital performance
- Reduced LOS
- Integrated service offerings
- Enhanced throughput
- Comprehensive management and quality outcomes for high cost patients
- Improved patient experience
- A cultural fit

Post-Acute Care Providers Want:
- Volume/Scale
- High level of communication/engagement
- Stable patients on admission
- Clinical Challenge – Advanced training
- Clinical Protocols – Care maps
- Gainshare – Partnership in savings
- A cultural fit
Legal and compliance considerations

- Unified Payment System
- Uniform Assessment Instrument
- Consistent Publicly Available Quality Reporting
- Incentives to serve higher need populations
- Transfer agreements, collaboration agreements, contracts?
- Consistent gating criteria
- Federal regulations
- Hospital disclosure requirements*
- Patient choice
- Any willing agency*
- OIG monitoring relationships between DC planners and PAC* (AKS)

**IMPACT Act of 2014**

- Unified Payment System
- Uniform Assessment Instrument
- Consistent Publicly Available Quality Reporting
- Incentives to serve higher need populations
- **Triple Aim**
  - Reduce cost by $5-10B in 5 years

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**Pitfalls**

- Overcommunicate
- Presume best intent
- Nurture the program and the relationships
- Set attainable goals and expectations
- Follow through on commitments
- Shared savings
- Celebrate small successes
- There are always 3 winners
- Keep the well-being of the patient at the forefront

**Opportunities**

- A one-size-fits-all approach
- Setting expectations too high
- Understanding the influence at the bedside
- Lack of communication
- Expecting change to come easy
- Missing key stakeholders in process
- Failure to document
- Defaulting to blame or penalty
- Turnover of key leadership - especially PAC liaison
- Lack of due diligence in determining cultural alignment
- Overcommunicate
- Presume best intent
- Nurture the program and the relationships
- Set attainable goals and expectations
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**Keys to sustained success**

**Managing the relationship**

1. Once the HPN is developed, monitoring compliance to utilization is critical; review utilization targets/metrics regularly
2. Ensure messaging around informed patient choice is clear; monitor for legal/compliance issues and risk
3. Establish a culture of continuous quality improvement
4. Develop appropriate care transition plans for optimal outcomes
5. Employ monthly or quarterly engagement meetings with the PAC community; ensure key leadership continues to champion the program
6. Consider the use or optimization of technology to support decision-making and to seamlessly integrate assessments into workflow
7. Discuss ALL outcomes in a judgment-free manner; use data to drive change

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*Compliance Program Guidance for Hospitals, 63 Fed. Reg. 35,8987,8990 (2/23/98)  42  C.F.R.  482.43 © (7)