

Session #R26

*Strategies for
Market Positioning
in Post-Acute Care*



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Objectives:

- *Identify the characteristics that referral sources seek in post-acute partners*
- *Learn strategies for forming strategic alliances with acute care providers to increase long term viability*
- *Understand the continuum of care that must be present from acute to post-acute care and the SNF's role in the continuum*



Industry Trends that Influence Market Positioning

Payment Reform – MSSP, ACO's, Bundled Payment

Hospital Readmission Rates (HRR)

Navigating the Continuum of Care

New 5 Star Measures

Patient Experience



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The "Affordable" Care Act

Enacted in March, 2010

Comprehensive health insurance reforms intended to:

- *Expand coverage to more beneficiaries*
- *Hold insurance providers accountable*
- *Lower health care costs*
- *Guarantee more choice*
- *Enhance the quality of care for all Americans*



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Healthcare Reform Expectations

- ✓ *Reduce Costs*
- ✓ *Increase Quality*
- ✓ *Track Outcomes*
- ✓ *Share Risks*
- ✓ *Increase Accountability*
- ✓ *Reduce Hospital Readmissions*



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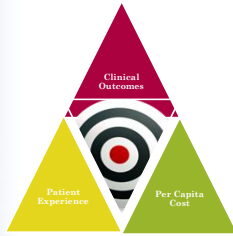
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CMS Triple Aim



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Payment Reform

March 25, 2015 HHS Secretary sets first ever timeframe and goals

- 2015 – 20% Medicare payments paid through alternative models
- By 2016 – 30% tied to quality & value
- By 2018 – 50% paid through alternative payment models

Medicare Shared Savings Program (MSSP)

“To facilitate coordination and cooperation among providers to improve the quality of care...and reduce unnecessary costs.”

(cms.gov/Medicare/Medicare-Fee-for-Service-Payment/shared-savings-program)

ACO's

Bundled Payments



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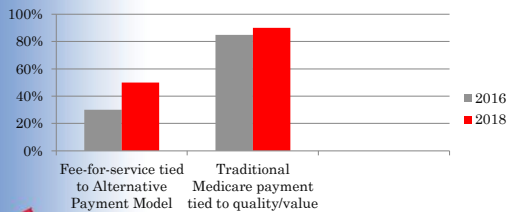
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Tying Payment to Value

HHS Goals and Timeframe



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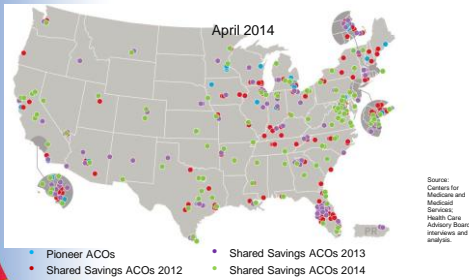
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The Pioneer ACO's

- Acute and post-acute providers share collective accountability for cost, quality and outcomes
- Transition from fee-for-service reimbursement model to a shared savings, value-based payment
- Intended to produce savings in Medicare spending
- Must meet patient-centered quality benchmarks to benefit from further shared savings

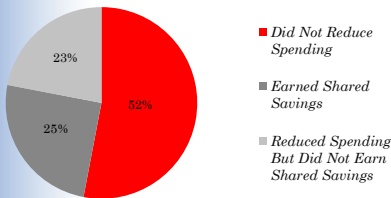


Medicare ACOs



First-Year Outcomes

First-Year Spending Reduction by MSSP ACOs



Source: Muleshkin D, "Accountable Care Growth in 2014: A Look Ahead," Health Affairs Blog, January 29, 2014.



Strategies for Marketing to ACOs

Scorecard	
✓	Patient Outcomes
✓	CMS Star Rating
✓	Readmission Rates
✓	Clinical Pathways
✓	Financial Performance
✓	Patient Satisfaction
✓	Physician Affiliation
✓	Patient Volume
✓	Length of Stay
✓	Technology



Strategies for Marketing to ACOs

Leverage Therapy

- Advanced clinical programs/clinical pathways
- Patient satisfaction
- Clinical outcomes
- Length of stay (vs. volume)

Demonstrate Cost Savings/Value Based Initiatives

- Support lowest-cost care setting
- Reduce readmissions
- Manage high utilization patients



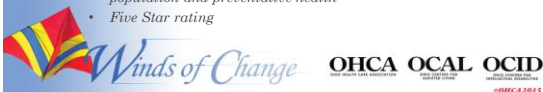
Strategies for Marketing to ACOs

Start HRR Programs ASAP

- Observe & report
- Treat not transfer
- Nursing skill set
- Root cause analysis
- Enhanced care planning/discharge planning

Demonstrate Quality

- 33 quality measures over 4 domains
- Pt. experience, pt. safety/care coordination, at-risk population and preventative health
- Five Star rating



Strategies for Marketing to ACOs

Keep Physician Affiliations/Attract New Ones

- All aforementioned strategies
- Act the part

Assess Your Technology

- Interoperability
- Information powered coordinated care



Bundled Payment Programs

BCPI Bundled Payment for Care Improvement

- CMS first announced Phase One participants January, 2013
- Medicare's largest voluntary payment innovation model
- Payment based on financial and performance measures toward target price
- Aligns incentives for providers who coordinate care across all settings
- 4 Models



Bundled Payment Programs

BPCI

- Model 1 – Retrospective Acute Care Hospital Stay Only
- Model 2 – Retrospective Acute Care Hospital Stay plus PAC Stay
- Model 3 – Retrospective PAC Stay Only
- Model 4 – Acute Care Hospital Stay Only



Bundled Payment Programs

Models 2 and 3

"Involve a retrospective bundled payment arrangement where actual expenditures are reconciled against a target price for an episode of care"

- SNF stay included in both models 2 and 3
- Episode of stay ends either 30, 60 or 90 days after hospital d/c
- Up to 48 different clinical condition episodes can be selected

Source: innovations.cms.gov/initiatives/bundled-payments



Considering Bundled Payment?

Phase 1 participants have until April 2015 to decide on whether or not to participate in Phase 2

BundledPayments@cms.hhs.gov

The Health Care Payment Learning and Action Network
"Network"

<http://innovation.cms.gov/initiatives/Health-Care-Payment-Learning-and-Action-Network/>



Considering Bundled Payment?

Key Factors Driving Profitability

Price Discount

- Right-sizing critical
- Know your current costs

Program Costs

- Implementation & start-up
- Marketing & outreach
- IT improvements

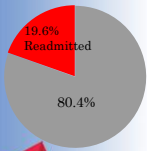
Gain sharing

- What's the split?

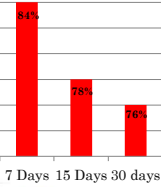


Reducing Hospital Readmission Rates

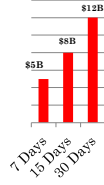
Alarming Frequency
Percentage of Medicare Patients Readmitted Within 30 Days



Highly Preventable
Percentage of Readmits Among Medicare Patients Considered Preventable



Enormously Costly
Cost of Preventable Readmissions for Medicare in 2005



Reducing Hospital Readmission Rates

2012 – HRRP (Hospital Readmissions Reduction Program) was added to the ACA which requires CMS to reduce payments to hospitals with excess readmissions effective for discharges beginning October 1, 2012

2013 - Medicare began penalizing hospitals by decreasing reimbursement to those with above-average readmission rates for specified diagnoses

2014 – The penalty was as much as 3% for patients with 1 of 5 conditions who returned within 30 days (Kaiser Health)

2017 – Penalties likely to hit SNF's



Strategies for Reducing Readmission

3 Key Drivers related to Readmissions

1. Quality clinical care
2. Effective discharge planning
3. Post-discharge follow-up



Navigating the Continuum of Care



- Shared Accountability
- Coordinated care = higher quality care
- Decreases likelihood of readmissions
- Maintenance of skills for longer period
- Higher levels of safety and independence achieved



Strategies for Navigating the Continuum of Care

Strategic Alliances

- Choose wisely
- ACO, Bundled Payment, Referral Networks

Appropriate Infrastructure

- PAC Man
- Technology
- Channels of communication
- Sharing outcomes/data



Five-Star Ratings 2015

Rebasing

- 10-15% could lose at least one star
- Now need 4-stars in one RN or Total Staffing
- Electronic submission of pay-role based staffing voluntary by 12/2015, for all by 12/2016

Added 2 QM – Long and short stay anti-psychotic use, as part of the star calculations

Higher standards to achieve higher rating on QMs



Strategies for 5-Star Rating

Be proactive regarding new ratings

- Inform referral sources, patients/families, staff
- Show off your QI programs
- Offer accountability checkpoints over next 6-12 months



Patient Experience

Are you losing \$\$\$ on patient experience?

Disgruntled patients + social media = Lost revenue

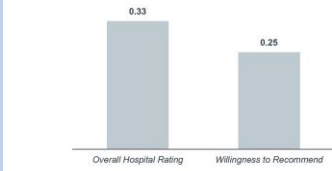
- ACO's and Preferred Provider Networks look at Patient Satisfaction
- More than quality care, need high-quality experience
- Build Customer Loyalty
- Engaged Employees Make the Difference
- Therapy experience key to overall experience



Strategies for Patient Experience

Engaged Employees

Linkage Between Employee Engagement and Patient Satisfaction
 Percentage Increase in HCAHPS Measures Related to 1% Increase in Engagement



Source: Advisory.com



Strategies for Patient Experience

Engaged Employees

Top 10 Engagement Drivers by Correlation to HCAHPS Key Indicators, 2014
Determined by Correlation Analysis of 42 Engagement Drivers

Rank	Driver
1	My organization provides excellent care to patients
2	My organization provides excellent customer service to patients
3	My organization supports employee safety
4	My organization supplies me with the equipment I need
5	My organization does a good job of selecting and implementing new technologies to support my work
6	My organization gives back to the community
7	My unit/department has enough staff
8	My organization understands and respects differences among employees (gender, race, age, religion, etc.)
9	I receive the necessary support from employees in other units/departments to help me succeed in my work
10	I have a manageable workload



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Strategies for Patient Experience

Leverage Therapy

- Advanced clinical programs
- Disease management
- Patient activation
- Family engagement
- Patient experience surveys
- Aggregate data for program improvement



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Strategies for Patient Experience

Other Suggestions

- Assess patient satisfaction in real time
- Aggregate data for effective performance improvement
- Identify opportunities to improve during specific episodes of care
- Partner with other providers within the continuum of care



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In Summary

Payment Reform is Reality – arm yourself with knowledge

Be an attractive & effective part of the continuum of care

Start programs to reduce readmissions NOW

Be proactive with 5 star changes

Focus on patient experience

Value over volume



Resources

Better, Smarter, Healthier: In historic announcement, HHS sets clear goals and timeline for shifting Medicare reimbursements from volume to value: U.S. Dept. of Health & Human Services, <http://www.hhs.gov/news>, HHS.gov; Press release, Jan.26.2015.

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