

Post-Acute Care

Good-bye Volume; Hello Value

presented by
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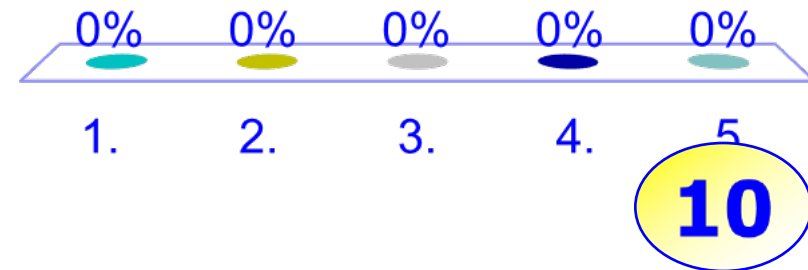
Learning Objectives

- *Define “value” in healthcare and post-acute care*
- *Describe current reasons for high degree of variance in post-acute care*
- *Identify information & resources that managers can and should access to establish programs to improve value*
- *List partners and models to develop and communicate an effective program*
- *Describe a 7 step process to build cross-continuum collaborations*

Audience Question #1

1. What is the “value formula” in healthcare?

1. *Value = Lowest Cost × Best Outcomes*
2. *Value = Positive Outcomes – Untoward Outcomes*
3. *Value = Quality ÷ Payment (Total Costs)*
4. *Value = (Outcomes × Efficiency) × Patient Satisfaction*
5. *Not sure*



Volume to Value

- Volume - Fee for Service
- Value

$$\text{Value} = \frac{\text{Quality}^*}{\text{Payment}^\dagger}$$

* A composite of patient outcomes, safety, and experiences

† The cost to all purchasers of purchasing care

Factors driving the shift from Volume to Value

- *Healthcare in the US is too expensive*
 - *Poor outcomes*
- *Pressure in society - consumerism*
- *Rising attention by CMS to PAC*
 - *Mandated data analysis to prove effective and efficient resource use (VALUE)*

Pressure for Aging Services

- Federal Debt as Percent GDP

Fig. 1: Historical and Projected Debt-to-GDP Ratio, 1790-2050



Sources: CBO June 2017 Baseline, CRFB calculations.

Source: [https://en.wikipedia.org/wiki/National_debt_of_the_United_States#/media/File:51129-land-summaryfigure1\(1\).png](https://en.wikipedia.org/wiki/National_debt_of_the_United_States#/media/File:51129-land-summaryfigure1(1).png)

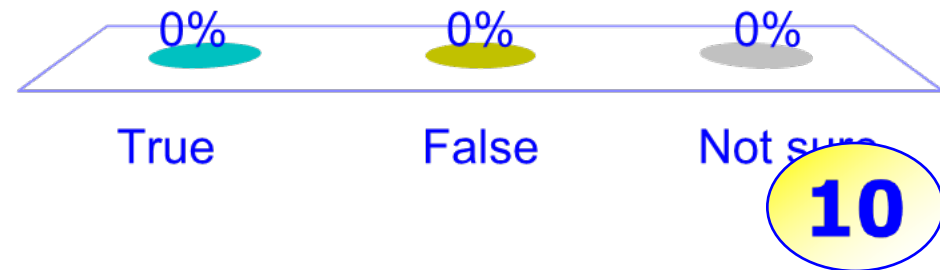
Audience Question #2

2. *Nursing center utilization among those over 65 has been increasing.*

1. *True*

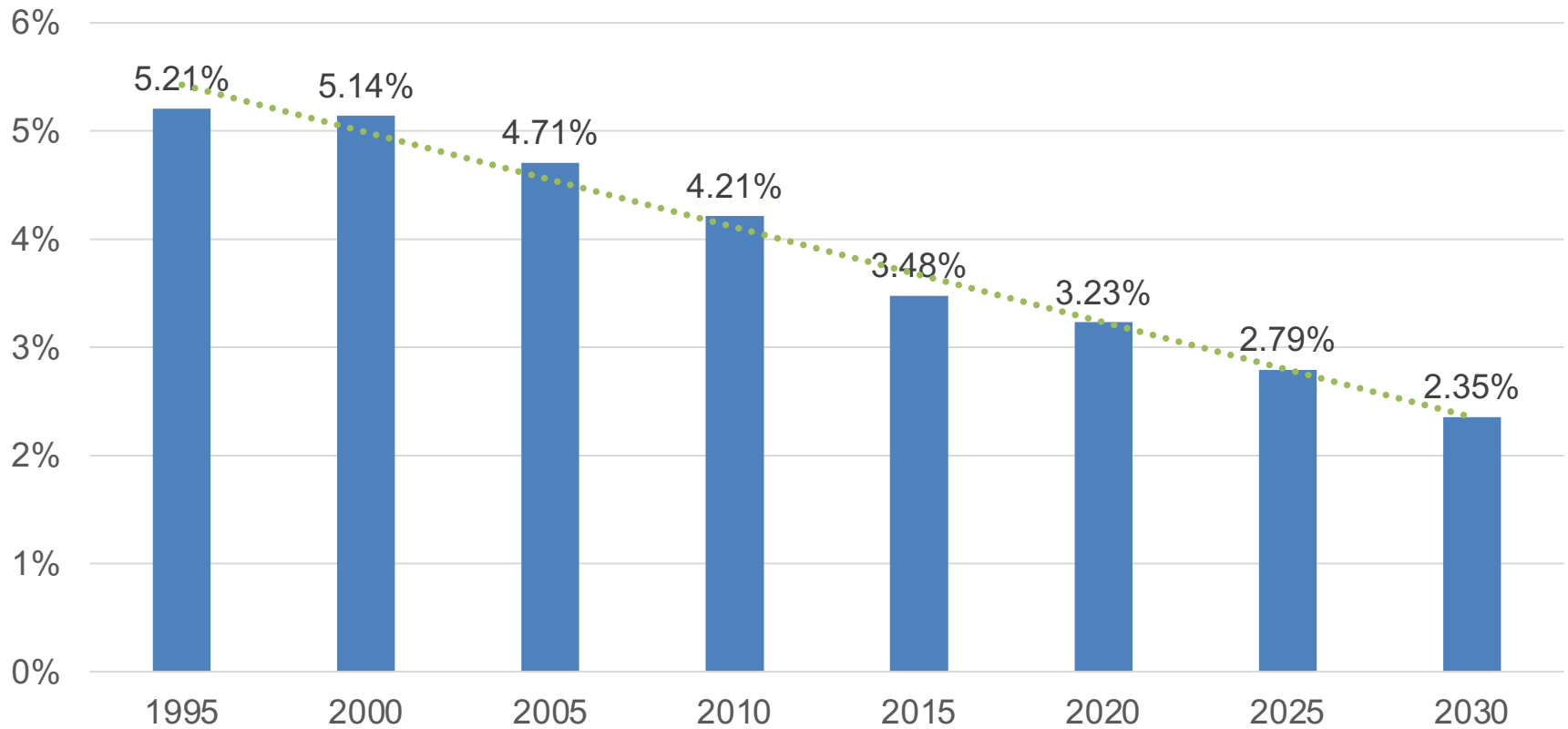
2. *False*

3. *Not sure*



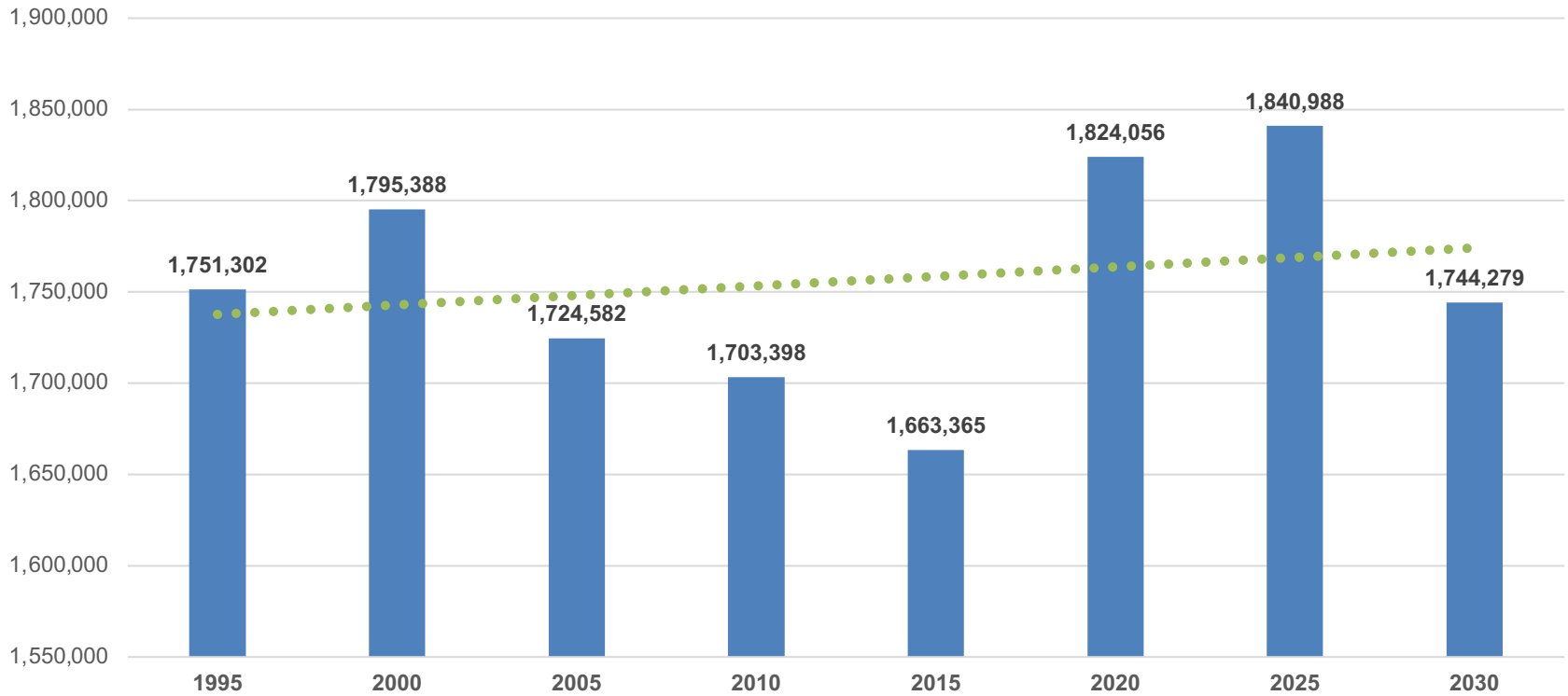
The Percent of Population 65+ Using / Needing Skilled Nursing Services

Percent of USA Population using SNF age 65+ using a SNF on a daily basis



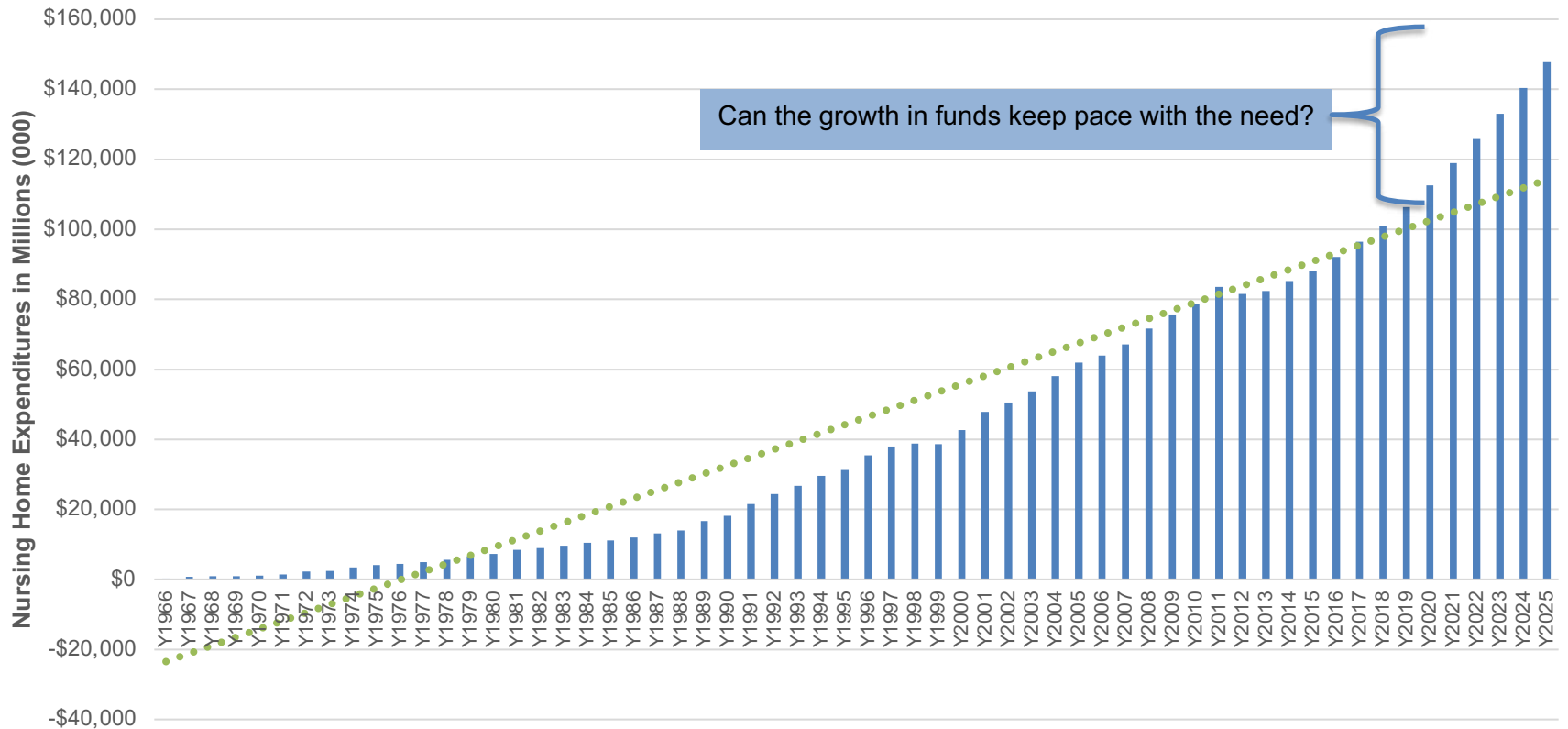
USA Historic / Current / Projected People in SNFs

Current and Forecast Number of SNF Pts Served Daily in USA



Medicare and Medicaid Nursing Home Expenditures

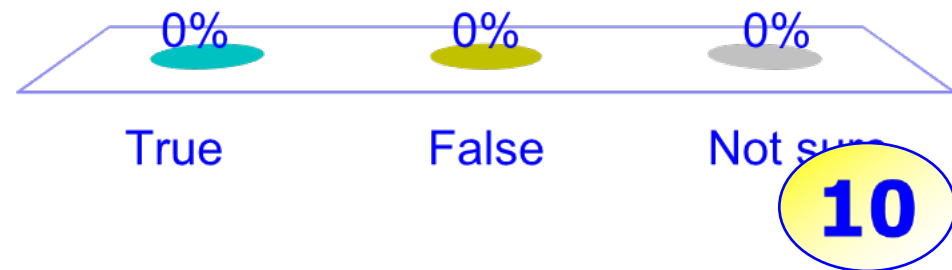
1966 to 2025 Combined Historic and Projected Medicare and Medicaid Nursing Home Expenditures



Audience Question #3

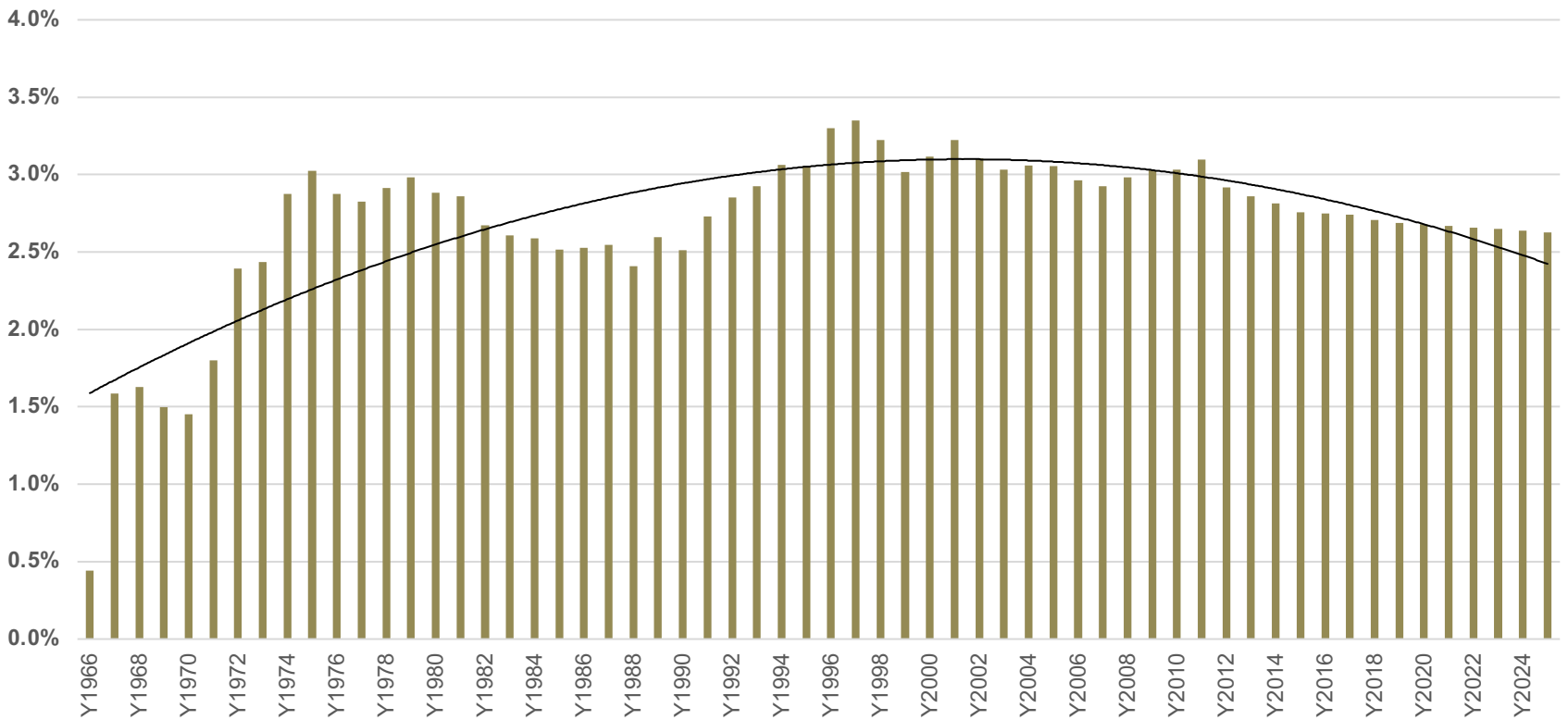
Medicare & Medicaid total nursing center expenditures are expected to decline as a percentage of overall expenditures.

1. *True*
2. *False*
3. *Not sure*



Nursing Home Care % of Health Expenditures

1966 to 2025 Medicare/Medicaid Nursing Home Expenditures Percent of Total National Health Expenditures

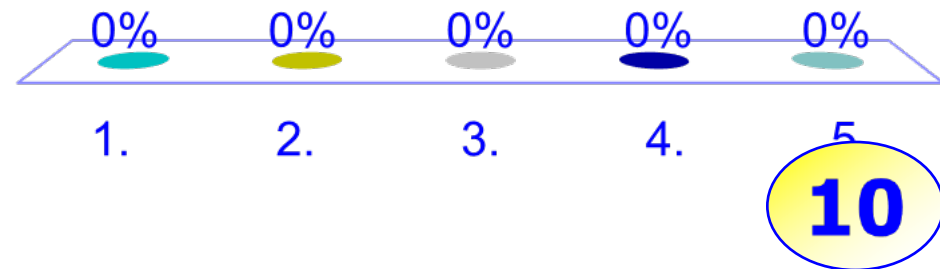


Nursing Home Care is now and projected to be 2.6% of US Health Expenditures

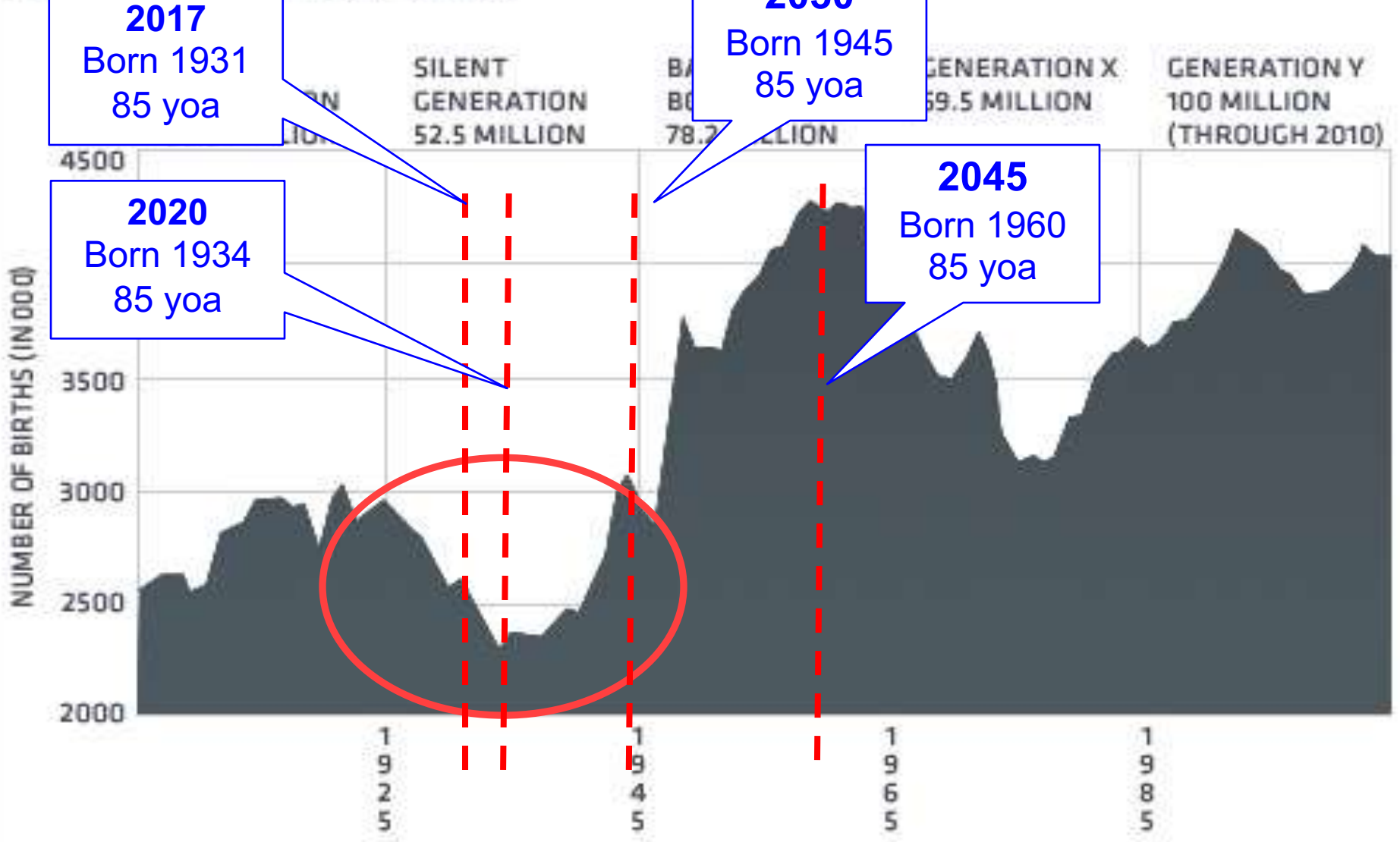
Audience Question #4

4. *Why are nursing center occupancies low, and declining?*

1. *Demographics*
2. *Patient/consumer preference*
3. *Regulatory & intermediary constraint*
4. *All of the above*
5. *Not sure*



U.S. BIRTHS 1905 - 2002



G.I. GENERATION: 1905-1924 56.6 MILLION
 SILENT GENERATION: 1925-1944 52.5 MILLION
 BABY BOOMERS: 1945-1964 78.2 MILLION
 GENERATION X: 1965-1984 69.5 MILLION
 GENERATION Y: 1985-2010 100 MILLION

Turbulence in action

- Balance innovation and value
- Race to the bottom?
- Protect DSO
- Measurement is easy outside of the river



Value – Three Principles

■ *First Principle*

- *PAC - variance in costs & outcomes = “waste”*

■ *Second Principle*

- *FFS = misaligned incentives*

■ *Third Principle*

- ***Simplify*** to meet Triple Aim
 - *Too complex and lacks integration*
 - *No one has responsibility for coordination*

Increase your value

Integrated care and organized paths!

- *Integration = **coordination and alignment of goals***
- *Integrated environments:*
 - ***share** clinical data,*
 - ***agree** on plans of care, and*
 - ***collaborate** - patient-centered outcomes*
- ***Foster care coordination** among providers, share data and track outcomes to **measure progress***
- ***Technology** can help better manage, communicate and use data*

Volume to Value

- Volume - Fee for Service
- Value

$$\text{Value} = \frac{\text{Quality}^*}{\text{Payment}^\dagger}$$

* A composite of patient outcomes, safety, and experiences

† The cost to all purchasers of purchasing care

Volume or Value?



"Paper or plastic?"

The Challenges / WHY?

- *Volume – Value Shift*
 - *High Value Providers thrive*
- *Low occupancy*
- *Declining payments*

Three Principles – *REMEMBER!*

■ *First Principle*

- *Decrease variance & ↑ efficiency*

■ *Second Principle*

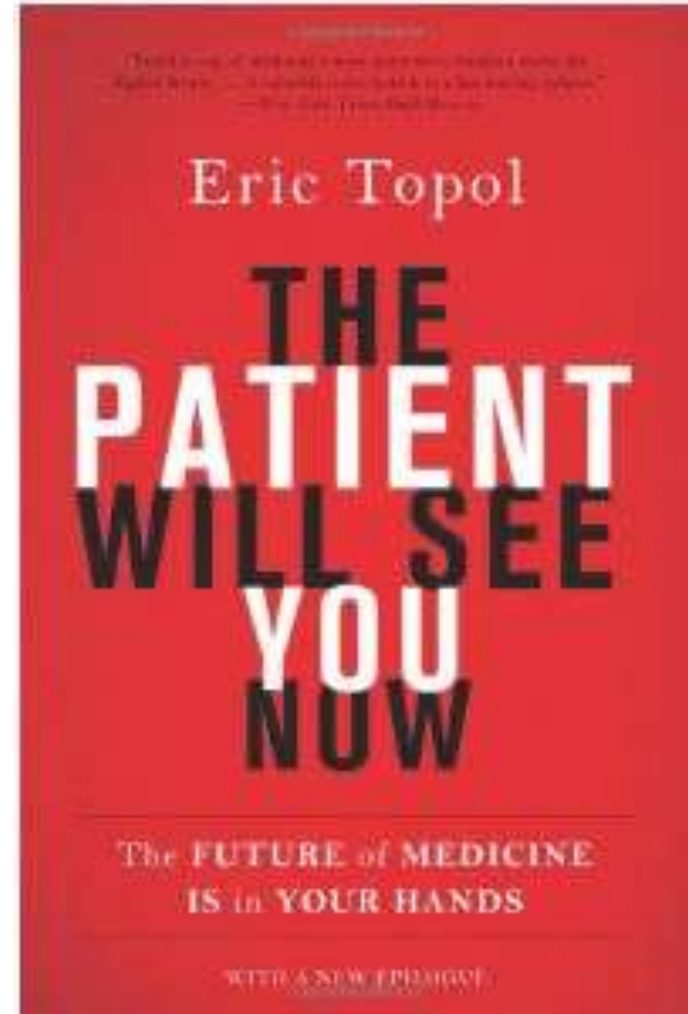
- *Align incentives for best outcomes*

■ *Third Principle*

- *Simplify, integrated care & ↓ complexity*

“Take your partner by the hand...”

- *Steps to the dance...*
- *Leadership*
- *Trust*
- *Shared experiences*
- *Early wins*
- *Inclusive*
- *Data, data, data*



Audience Question #5

The highest levels of “efficiency” produce the best outcomes for society.

1. True
2. False
3. Not sure



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Efficiency

Technical, Productive, Allocative

– Technical

- Maximum improvement from resources

– Productive

- Best health outcome for given costs or reduction in cost for the same outcome

– Allocative

- Best outcomes for society

Focus for Clinical Integration

- *Focus e.g., quality improvement,*
- *Care coordination - SNF, HHA & PAC referrals,*
- *Favor efficient providers*
- *Target high-risk individuals & populations*
 - *disease management*
- **COLLABORATION**

What reduces value?

■ **Fragmentation**

- *Services are delivered across an increasing array of distinct and often competing providers and entities, each with different objectives, obligations, and capabilities (Cebul et al., 2008).*
- *Providers practicing within the same geographic area, sometimes caring for the same patients, often work independently from and not communicating with one another (Bodenheimer, 2008; Shih et al., 2008).*
- *As a fragmented health care delivery system we are not equipped to manage the continuum of health care for an aging population with complex needs.*



Drive Value

– How can we respond?

Short Cut – New Rules

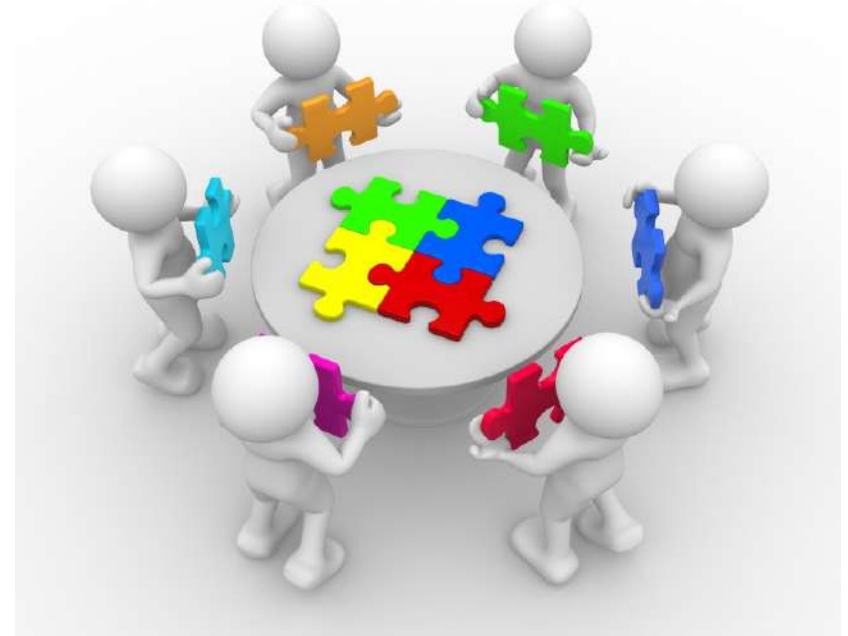
- *Defend, protect & fortify*
- *Increase Productivity / Efficiency*
- *Innovate*
- *Differentiate*
- *Engage v. Bunker*
- **COLLABORATION**

Where do we start

- *How can disparate actors move effectively from vision to the implementation of cross-continuum collaboration?*
- *When no one actor has all the answers or the authority, the usual committee of working group isn't adequate to the task.*

“Take your partner by the hand...”

- *Steps to the dance...*
- *Leadership*
- *Trust*
- *Shared experiences*
- *Early wins*
- *Inclusive*
- *Data, data, data*
- *Focus on end-users*



Leadership

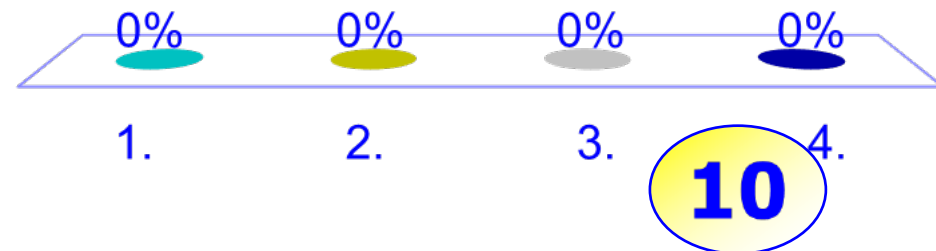
■ *Leadership*

- *Visibility*
- *Support*
- *Focus &*
- *Endurance*
- *Leadership – measures*

Audience Question #6

6. Trust is best developed in cross-continuum collaborations through:

1. *Aligning payment incentives*
2. *One-on-one, personal relationships*
3. *Visible, charismatic leadership*
4. *None of the above*



Trust

■ *One-on-One*

- *Reliable*
- *Transparent*
- *Personal*

Shared Experiences

- *Integration between / among*
 - *“Walk a mile in my shoes...”*
 - *Work-a-Day / Work-a-Week*
 - *Functional v. management*
 - *Trust, personal*
 - *Early “wins”, durable*

Early Wins

- *Focus on 15 – 30 day victories*
 - *↓ delay to start of home care by 12 hours*
- OR
- *Eliminating readmissions*
- *Which is more likely to have “early win”?*

Inclusive

- *Staff the initiative “inclusively”*
- *NOT the usual position-based staff*
 - *Who is likely to have the insight*
 - *Who handles the phone / text / email*

Data, data, data

- *Measure EVERYTHING*

- *Qualitative*
- *Quantitative*

- *Buy Excel tutorials for EVERYONE*

The end user



Realities

- *Occupancies are poor*
 - *The age qualified markets are declining*
 - *Increased options / choices*
 - *Negative perception (consumerism)*
 - *The economy*
 - *The role of “Intermediaries”*
- *The need for change is URGENT*
- *“Soft” skills are needed*

Realities

- *Continued pressure on payments*
- *Continued pressure on utilization*
- ***Efficiencies & productivity are the keys to effective differentiation***
- ***Collaboration is the “new frontier”***

QUESTIONS???



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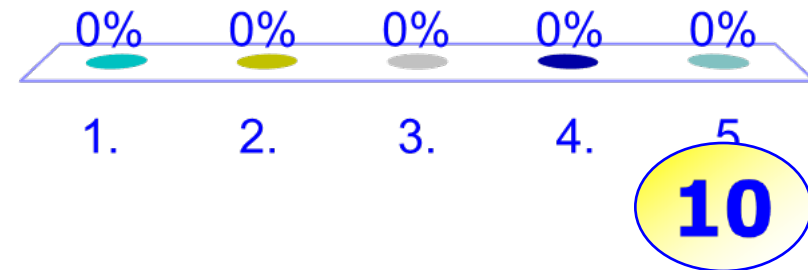
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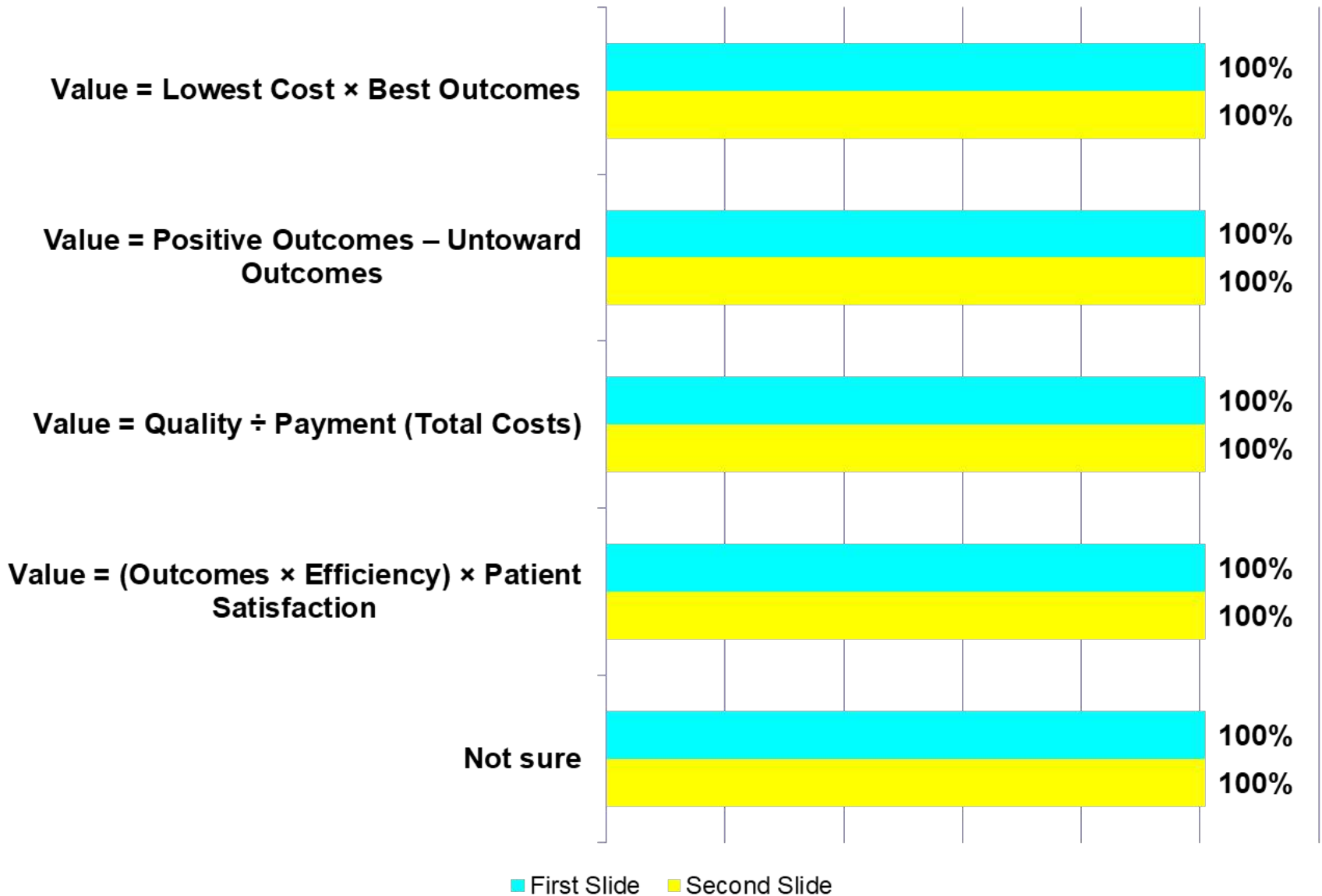
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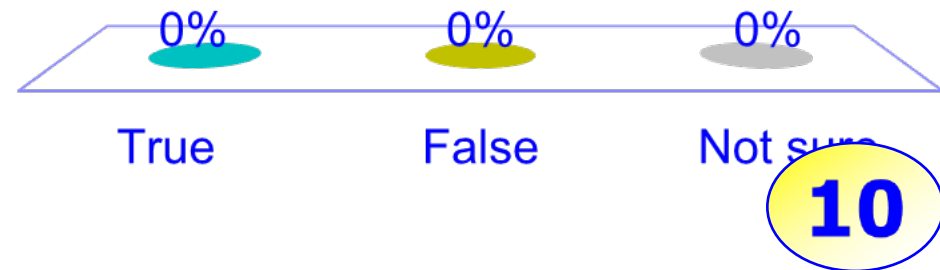
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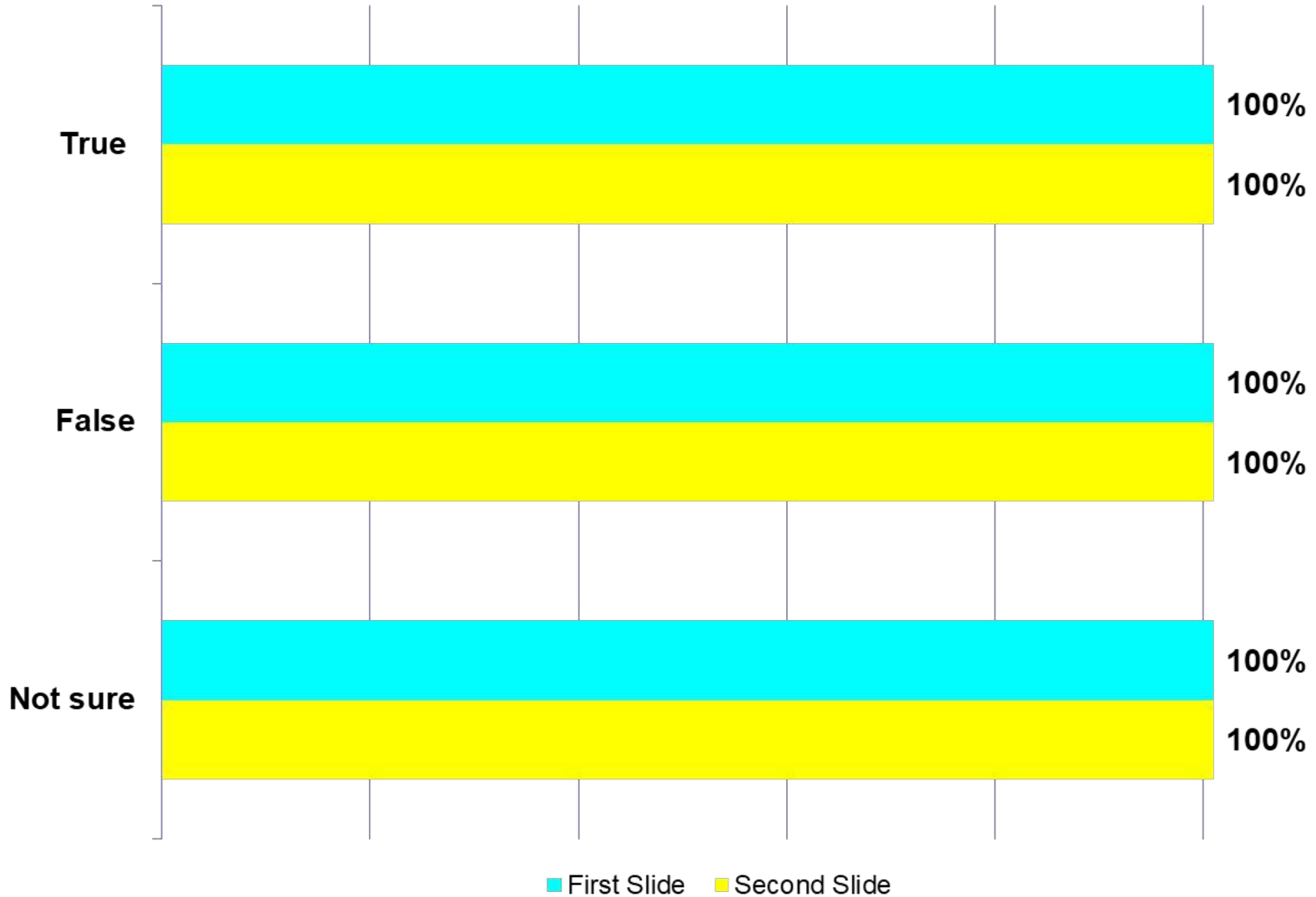
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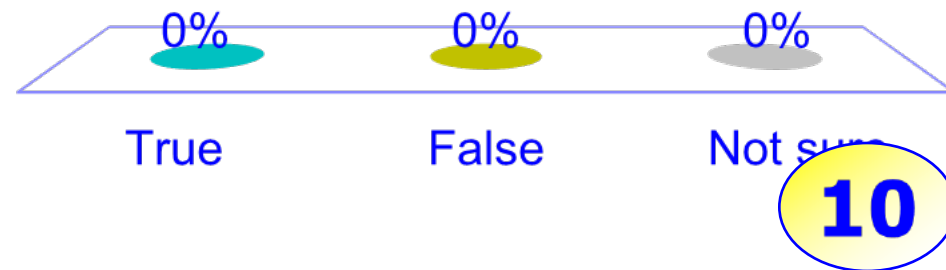
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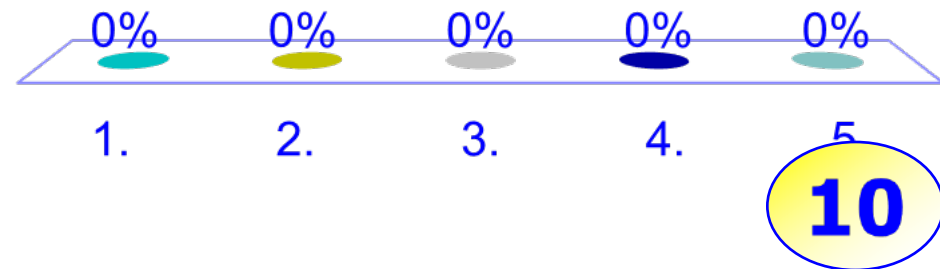
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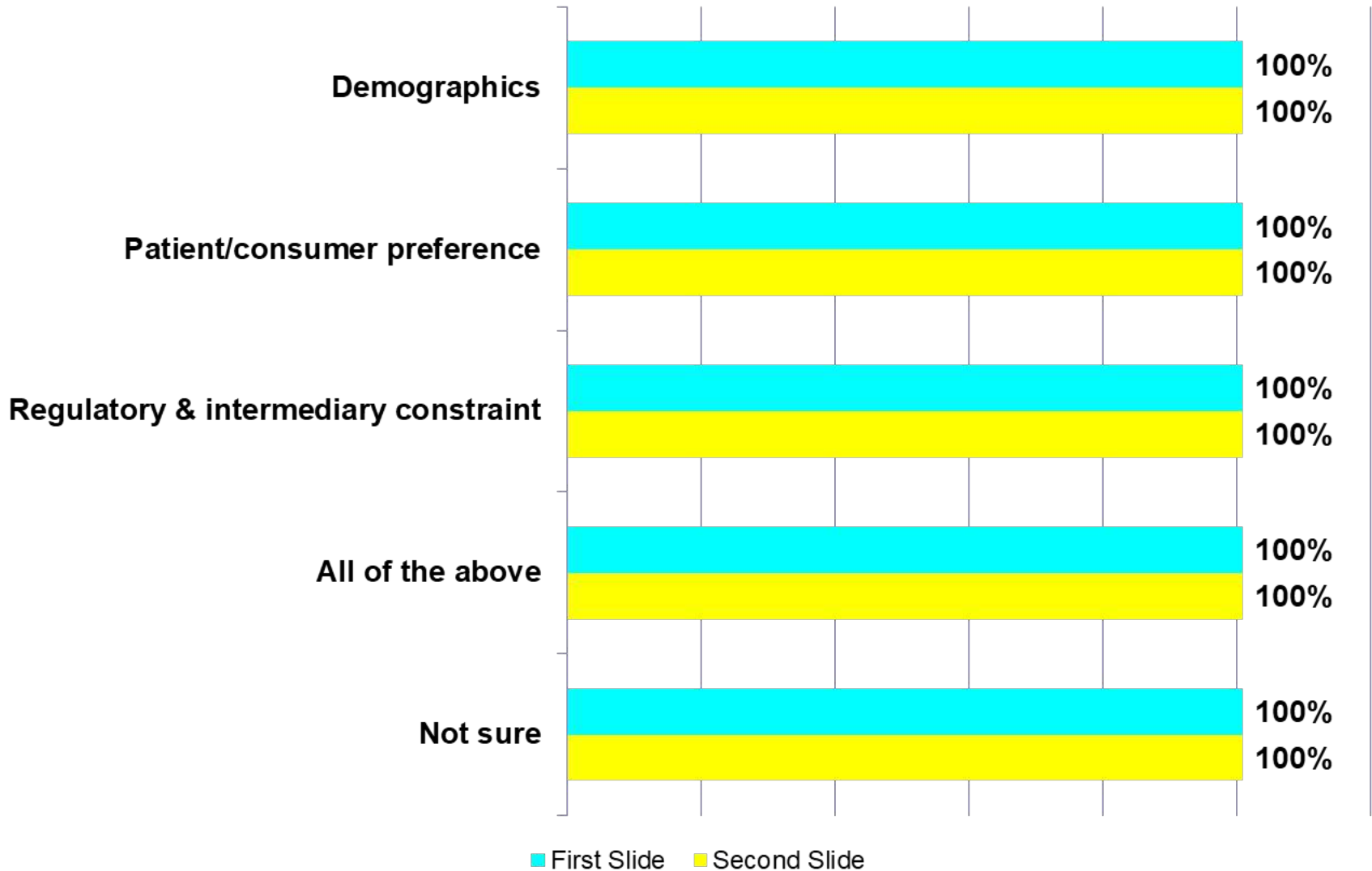
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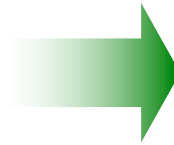


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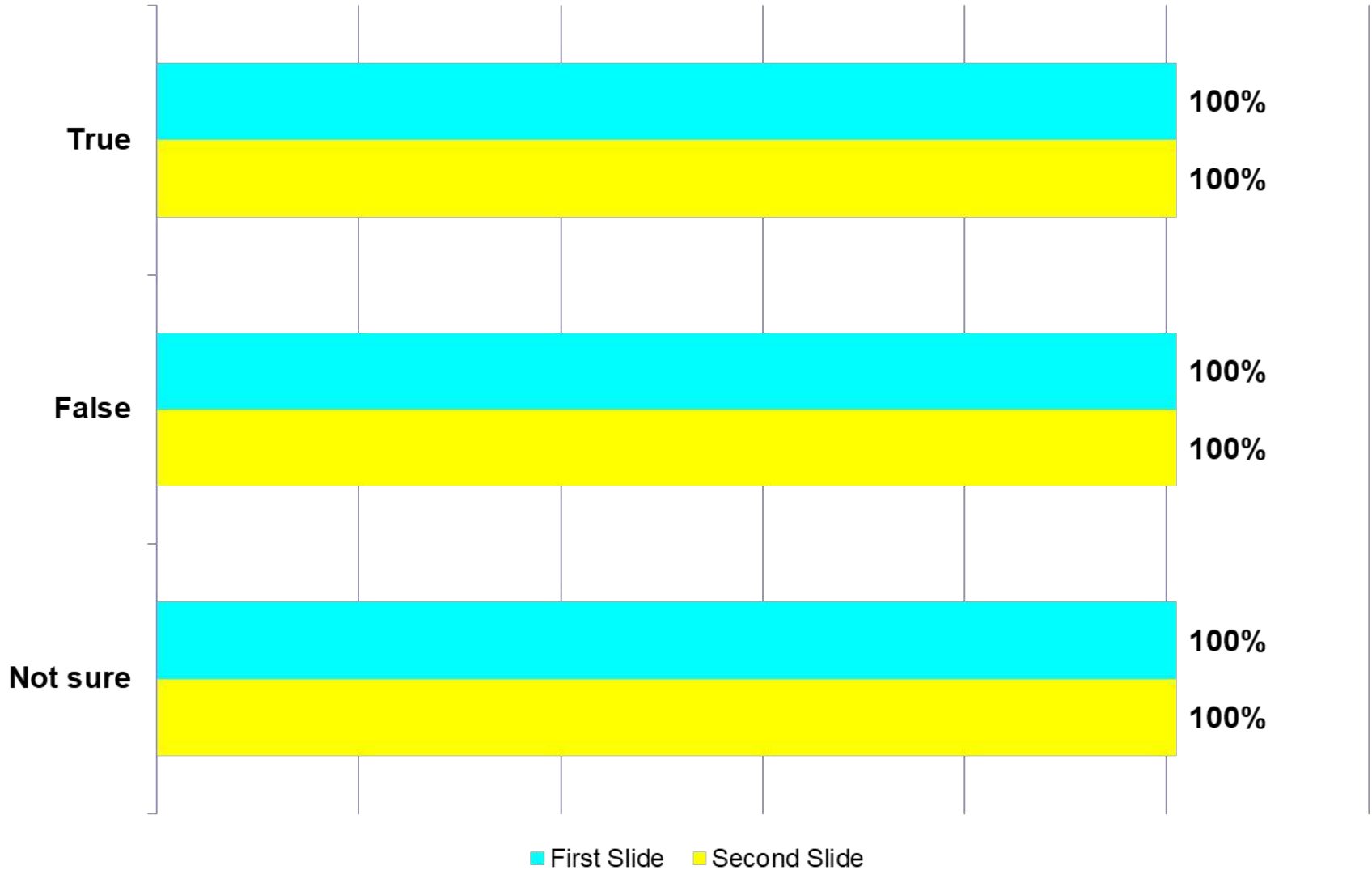
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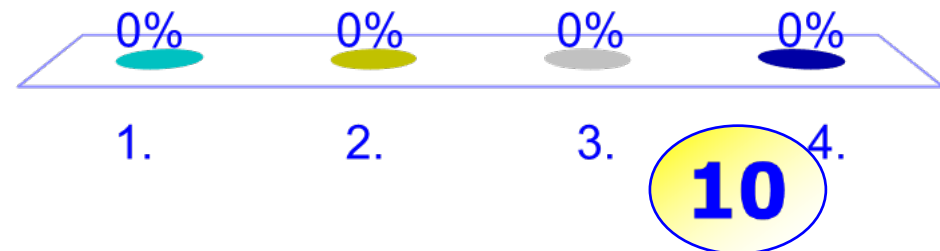
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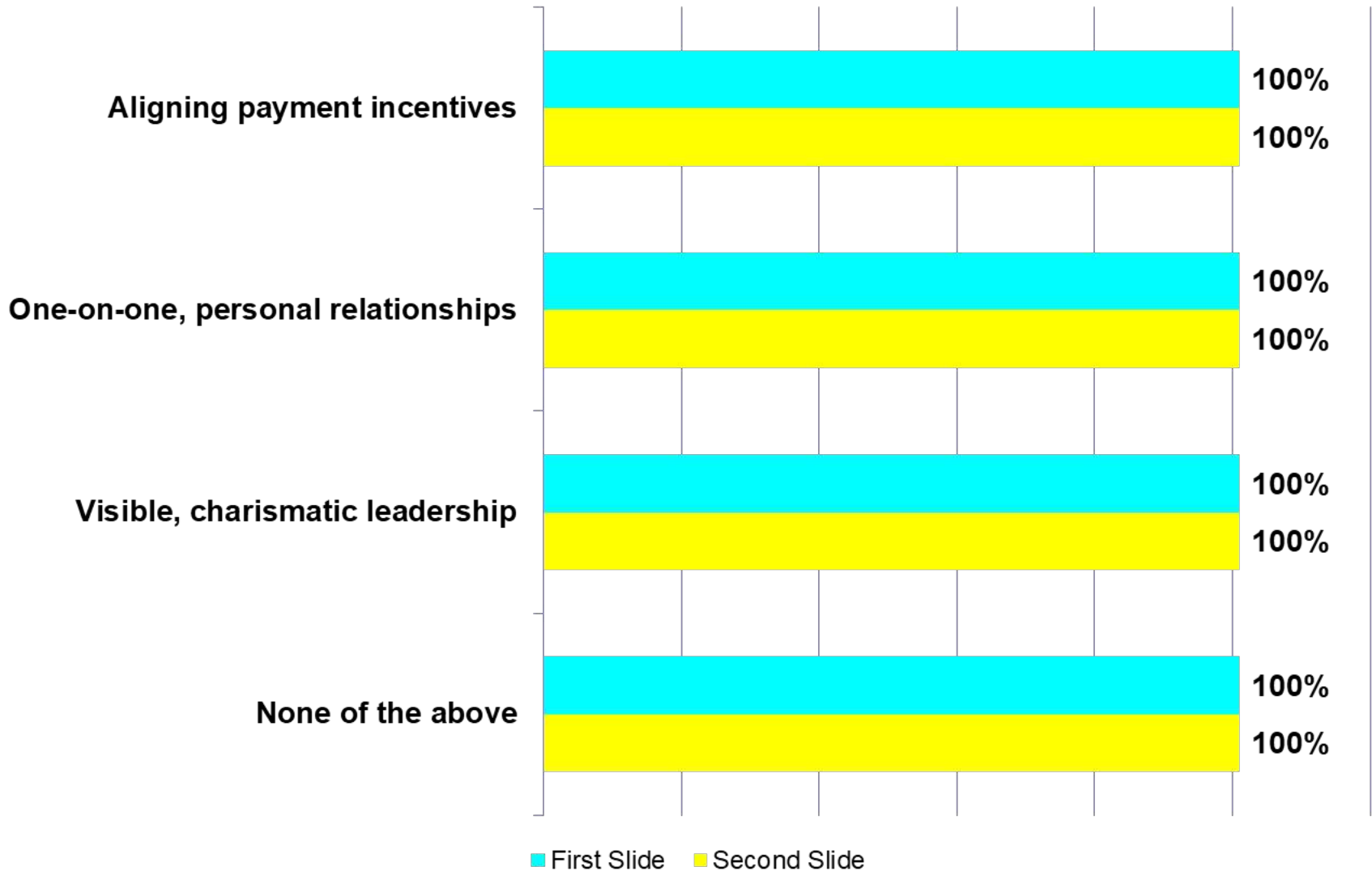
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