American HealthTech®

Your Metrics Game Plan

Whitepaper

Teresa Chase,
President, American HealthTech

"Skilled nursing facilities with above-average re-hospitalization rates should be subject to the same penalties hospitals face under the Affordable Care Act."

Allan Rosenblooom,
President, Alliance for
Quality Nursing Home Care

Executive Summary

The Challenge

Have you ever sampled a jar of baby food? Here is one thing you probably never knew about it: it is designed to taste good to parents, not just babies, because they are the ones making the purchasing decisions.

Your long-term care facility faces a similar situation with clinical outcomes. Of course, these outcomes measure what a good job you did with — and for — your clients. Most good LTC operators focus their daily operations on what is best for these clients. But much like the parents who buy baby food, acute-care hospitals, ACOs and other referral sources are now important constituents for your outcomes data as well. So what do they want?

The Takeaway

This paper will outline a game plan for what kinds of metrics data will make you competitive, illustrated with examples from three major health systems. It will look at how skilled nursing readmission rates compare to other sectors in post-acute care, what data SNFs will need to be attractively positioned with hospitals at the negotiating table, and imperatives for SNFs as they prepare for meetings with hospitals in the outcomes-driven world of healthcare.

The Bottom Line

Facts are friends, and you must line them up to win partnerships in the new era of post-acute care. This paper will give you insights into what hospitals want in order to focus your intelligence gathering, reporting, and marketing to hospital executives.

"We had 7 different ways of doing things for 7 facilities. Now it's one way — and it's the industry's best way."

Ed Sharp, Director of Support Services, Century Care Management

Metrics: A Pre-Emptive Opportunity

The data and metrics surrounding your daily operations serve many purposes, ranging from visibility to strategic planning. Today, however, they also represent a competitive opportunity.

The relationship between SNFs and their acute-care partners has suddenly and dramatically become more data-driven since the implementation of the 2010 Affordable Care Act, particularly in the areas of cost-effectiveness and hospital readmissions. Prove you can sustain low readmissions, and you'll be well positioned with the hospitals on which your revenues and reputation depend.

There is another compelling reason to attack readmissions: not only is it a marketing play, but in the future it may be a preservation play. AHCA as well as the Alliance for Quality Nursing Home Care are both calling on Congress to stem further universal cuts by targeting cost savings in the form of penalties for SNFs with high readmission rates.

From 2000 to 2006, the rate of SNF readmissions grew 29%. MedPAC is particularly interested in avoidable readmissions as a cost-savings opportunity. Today five conditions account for 78% of all avoidable 30-day SNF readmissions:

- Congestive heart failure (CHF)
- Respiratory infection
- Urinary tract infection (UTI)
- Sepsis
- Electrolyte imbalance

In 2006 the cost to Medicare for all SNF-related readmissions was $4.34 billion, and 78% or $3.39 is estimated at potentially avoidable."[1]

When you take into account that the cost to Medicare for all unplanned readmissions is $17.4 billion,[2] the SNF

Source:

[1] The Revolving Door of Rehospitalization From skilled Nursing Facilities, Vincent Mor, PhD, Orna Intrator, PhD, Zhanlian Feng, PhD, and David C, Grabowski, PhD. http://www.ncbinlm.nih.gov/pmc/articles/PMC2826971/. N Engl J Med. 2011 Apr 21;364(16): 1582. Http://www.ncbi.nlm.gov/pubmed/19339721

[2] http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3771544/

> ***"We're assessing post-acute care capacity and creating a credentialing system."***
>
> John DiCola, SVP, Strategy & Business Development, Catholic Health Initiatives

contribution of $3.39B is 20%. At this rate of 1 in 5, it won't be long before budget hawks take notice. At the February 2012 Health Dimensions Group National Summit, Dr. Kathleen Griffin, the National Director of Post Acute and Senior Services for the Health Dimensions Group, noted that the 30-day readmission rate for SNFs was 21%, versus MedPAC's target of a much lower 8%, so there is much room for SNFs to grow.

What is happening with hospitals is an early warning: cuts are likely to come to SNFs with high readmit rates. Embrace the gift of early intelligence: attack readmissions now, market your attractive outcomes, win census from hospitals, and be well positioned when readmissions-related cuts come to your neighbors caught flat-footed.

Case Study 1: Catholic Health Initiatives

Catholic Health Initiatives (http://www.catholichealthinit.org/) operates 73 hospitals and has a large post-acute network across 19 states. Maximizing performance to manage to Medicare rates, capitalizing on payment incentives, and clinical quality are top strategic priorities. The building of infrastructure for accountable care is actively underway.

John DiCola, of Catholic Health Initiatives, shared his company is "assessing post-acute care capacity and creating a credentialing system, including expectations for quality, cost, satisfaction, and of course readmissions." Here's how a partner will be sized up:

- Beds, census, discharge status, LOS
- 7- and 30-day readmissions
- Functional Independence Measures (FIM) Scores
- Patient and family satisfaction
- Emergency department visit rates
- Infection rates

Post-acute teams will be responsible for identification, selection, and on-going measurement of partners. Partners will be expected to provide financial, quality, and outcomes data on a regular basis.

Mr. DiCola notes that as the outcomes-driven world of healthcare evolves, "We will be refining the criteria as we go."

"Cash is still king, but there's a new queen in town…and her name is data."

Teresa Chase, President & CEO, American HealthTech

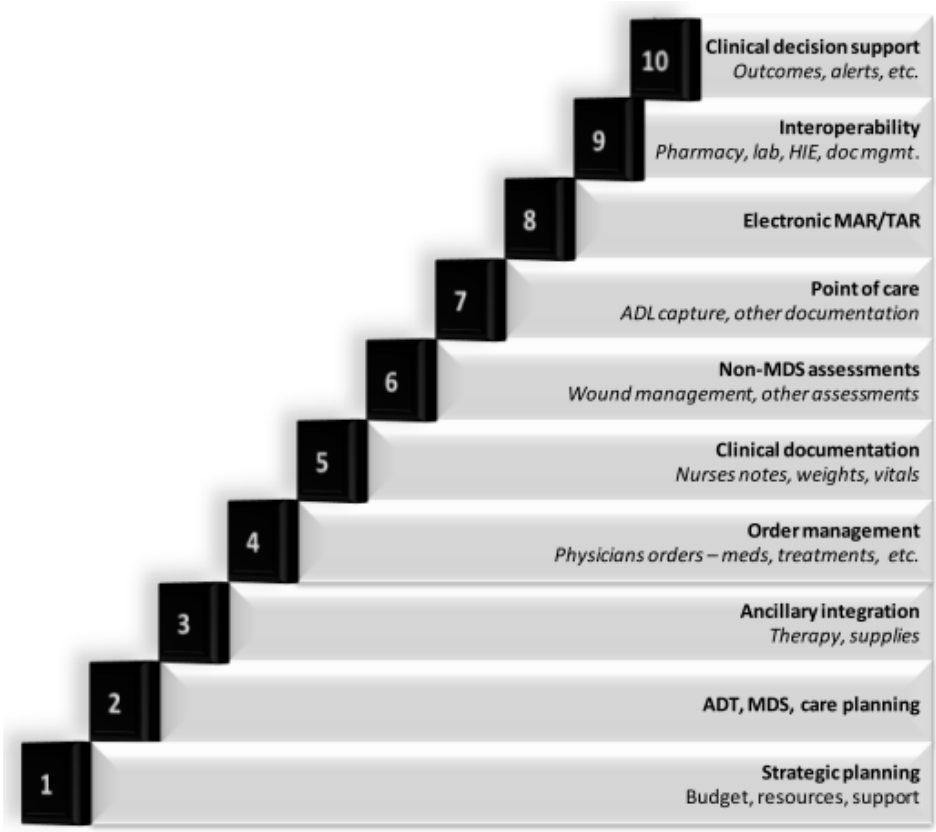
Delivering the Right Metrics

Here are some practical steps for a game plan to leverage your metrics as a competitive advantage:

1. Get your EMR house in order

Drive paperless in every corner of your electronic medical records — you'll need analytics. Link to a white paper to get started *"EHR: from 0 to 60 mph in 5 Steps — How to Justify, Architect, Execute, and Sustain a Successful EHR Program."*

http://www.healthtech.net/white-paper-ehr-from-0-to-60-in-5-steps/



"Cash is still king, but there's a new queen in town…and her name is data."

Teresa Chase, President & CEO, American HealthTech

2. Get your sales pitch ready

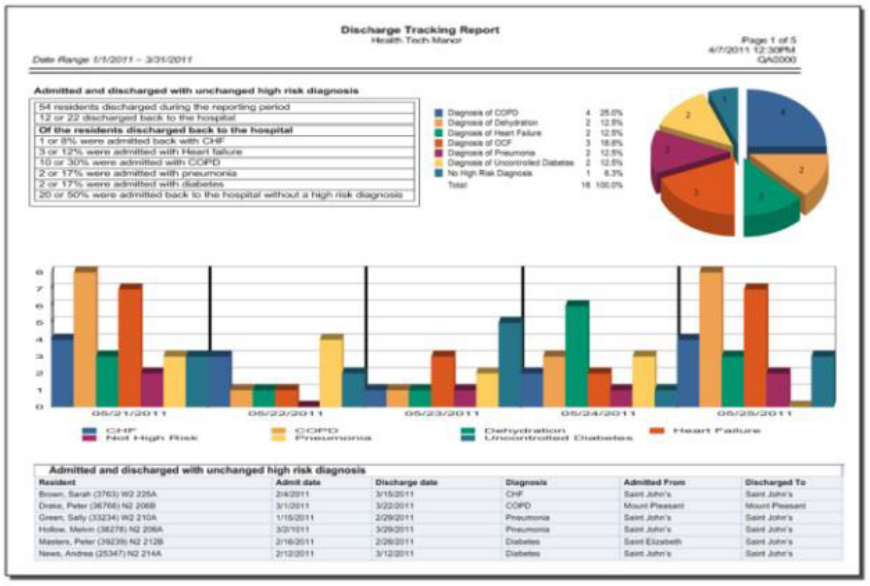
Which hospitals area struggling in your backyard? Find out and compare for yourself:

http://www.medicare.gov/HospitalCompare/search.html

Where can you help? You'll need to create outcomes reports with your costs, quality, and readmissions to 1) attack areas of concern before you pitch to a hospital; and 2) prepare your pitch.

Take a look at: *"Marketing Your Outcomes: How to Make Your Most Strategic Information Assets Work to Your Competitive Advantage to Win Medicare Census."*

http://www.healthtech.net/outcomesmarketing/



You should also check SNF readmissions state wide to see how compare with others, and also what ACOs are forming in your backyard. Check out:

http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2826971/table/T1/

http://www.medicare.gov/manage-your-health/coordinating-your-care/accountable-care-organizations.html

http://dualsdemoadvocacy.org/state-profiles

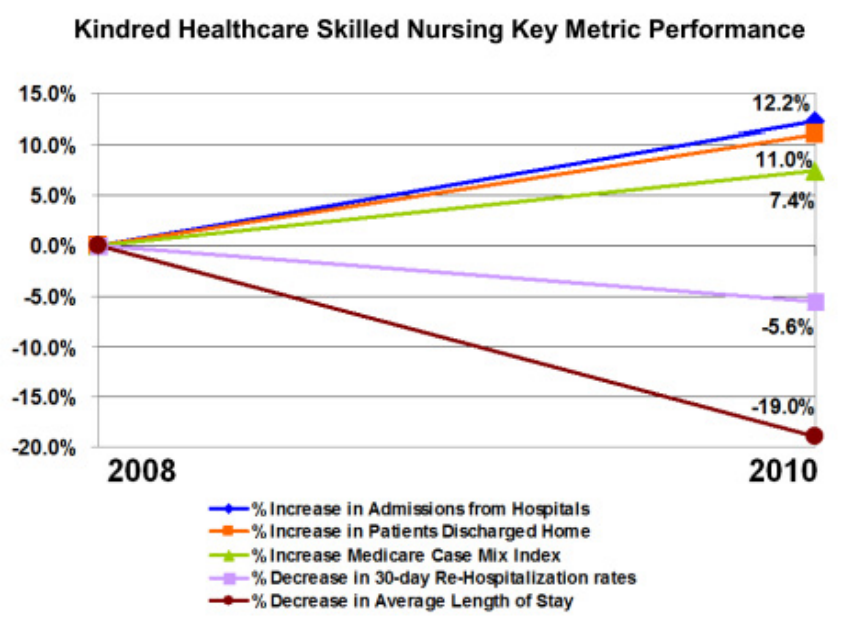
"Clinical outcome metrics are imperative."

Dr. Keith Krein, MD, CMD,
Senior VP Medical Affairs

Case Study 2: Kindred Healthcare

When considering how SNFs will be measured by hospitals it is insightful to see how a post acute care organization providing post acute care services measures performance of its own 225+ SNF network. Kindred Healthcare offers a full range of post-acute care services including LTACH, IRF, SNF, ALF, hospice and home health.

Dr. Keith Krein, MD, CMD, Senior VP Medical Affairs for Kindred Healthcare, offered two years of performance metrics for Kindred's skilled nursing facilities, which includes:



Importantly, Dr. Krein noted that: "The value proposition must be based on transparent Outcome Metrics that can be shared with patients and families, physicians, hospitals, Managed Care Organizations, our own SNFs and the community at large. Clinical outcome metrics are imperative."

Kindred Healthcare is tracking hospitalization rates in short-stay and long-stay populations:

- Within 30 days of admission and total
- Weekday vs. weekend
- Relationship to case mix index and nurse staffing

"The medication process is critical: it's a big determiner of readmissions. We put a lot of attention on the right order, the right pill, and the right frequency."

Mark Enger, VP & COO, Care Delivery, Kaiser Permanente Northwest

3. Coordinate Care Transitions

Today's silos of care will be increasingly replaced by strong, interconnected alliances responsible for outcome-driven care instead of volume-driven care. On top of your quantitative metrics, you'll need a business case for interoperability and critical steps for getting started.

Link to a paper: *"Connecting Our World: How Interoperability is Redefining the New Era of Healthcare and Producing Better Outcomes"*

http://www.healthtech.net/interoperability/

Case Study 3: Kaiser Permanente Northwest

The Kaiser Permanente (https://healthy.kaiserpermanente.org) network in the Northwest serves Northwestern Oregon and Southwestern Washington, and covers nearly 500,000 members. Corporate focus is on prevention and evidence-based medicine across the entire network.

Mark Enger, Vice President and Chief Operating Officer, Care Delivery, offered insight for SNF metrics for the Northwest region:

- Improve patient satisfaction: Press Ganey SNF satisfaction at 50th percentile for American Hospital Association, and patient satisfaction with Kaiser Permanente Contact = 78%
- Administer benefits in a compliant manner: Lower member appeals and overturns, and ensure 85% of Kaiser Permanente members have access to a Kaiser-contracted SNF
- SNF quality: 100% of SNF facilities are at CMS 3 stars or above, and favorable functional Independence Measure (FIM) and therapy hours per day variance
- Avoid readmissions: Increase Emergency Department transfers to SNF, achieve15% or lower readmissions during SNF stay, address hospital readmissions within 30 days of SNF discharge
- Eliminating barriers to hospital discharge: Lower avoidable hospital days
- Achieve low ALOS: Favorable Senior Metrics ALOS variance

Your Data Story: A Competitive Differentiator

These guidelines — together with the real-world examples of the three case studies included here - provide the basics of a competitive game plan. Right now, at the dawn of a much more data-driven environment for health care, is your time to build centers of excellence in your operations, turn these into quantitative numbers, and share this data story with your acute care partners. American HealthTech's capabilities help provide the raw information behind this data story, and can partner with you to leverage this story for increased census and market share.

About the Author

Teresa Chase is President of American HealthTech. With over 30 years of leadership roles in healthcare, Teresa is passionate about helping providers form the alliances, access, and answers on which quality outcomes depend in the new era of post-acute care. Teresa empathizes with the demands of a people-intensive business in hiring, motivating, and devoting one's life to helping others. Prior to American HealthTech Teresa served 21 years at Blue Cross & Blue Shield, including VP of Customer Relations and HR.

About American HealthTech

American HealthTech is a leading provider of clinical, financial and resident accounting software and solutions to skilled nursing facilities across America. We've been in business over 30 years and have over 3000 clients in 49 states. We offer more than a typical software vendor including training, business optimization services, regulatory guidance and overall level of service to succeed today and meet industry challenges of tomorrow. Visit us at www.healthtech.net