



PHCA Annual Conference  
September 29, 2016




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THE UPSIDE AND THE  
DOWNSIDE FOR THE  
CONTINUUM AND  
ALTERNATIVE  
PAYMENT MODELS

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**PROGRAM OBJECTIVES**

- Identify the impact of payor initiatives not only on nursing facilities, but nursing facility partners in acute, home care and personal care homes
- Discuss strategies for nursing homes and personal care homes to be better partners with acute care providers
- Share experiences with Alternative Payment models and how to produce the data necessary to support your marketing and demonstrate your performance




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### WHY ALTERNATIVE PAYMENT MODELS

- USA spends 16.4% of GDP or almost twice as much as the average of other developed Countries of 8.9%
- Hospital Rankings - PA is ranked 5th for the most expensive in highly utilized diagnosis/treatments
- PA ranks poorly for the most utilized institutional care for skilled nursing vs. home based services
- Congress defined through ACA and previous legislation specific demonstrations
- Pioneer ACO generated \$87 million in year 1




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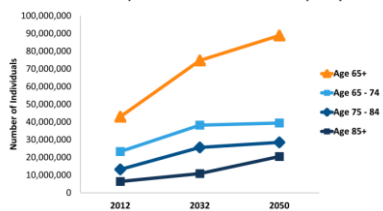
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### WHY MANAGED LONG TERM SERVICE AND SUPPORT (MLTSS)?

Figure 1  
The 65 and Over Population Will More Than Double and the 85 and Over Population Will More Than Triple by 2050



SOURCE: A. Hoxby, W. Fan-Grafe, and K. Lohr, *Across the States 2013: Profiles of Long-Term Services and Supports* (Washington, DC: AARP Public Policy Institute, September 2012). <http://www.aarp.org/content/dam/american/press/2013/09/12/2013-mltss-profiles-the-states-2013.pdf>




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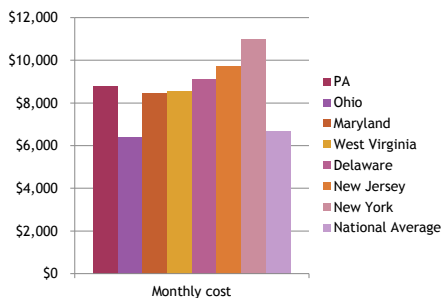
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### WHY CHC? COSTS COMPARISON OF NURSING FACILITIES PER MONTH




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## HOW PROVIDERS ARE GETTING PAID AND HOW WILL THEY BE PAID

- Fee for Services (FFS)
  - Pays providers based on the quantity and complexity of services
  - Provider is not held accountable for quality/efficiency or cost
  - In some cases, the more services delivered the higher the reimbursement (incentive to treat)
- Alternative Payment Models
  - Value based purchasing
  - Accountable for outcomes and efficiency
  - In some cases, the less services the better the reimbursement




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## ALL PAYMENTS SOURCES ARE CHANGING

- Private Side
  - Coalition of private insurers
  - Aetna/Blue Cross
  - Move 75% of their contracts to alternative payment by 2020
    - Hire private contractor to drive down costs and up quality
  - Accelerate change
  - Making headway
    - 11% in 2013
- CMS - Public Side
  - Value Based
  - Quality Based
  - End of 2016, 30% FFS change to value based
  - Accountable Care Organizations
  - Bundling
  - Mandatory CJR
  - Pay for Performance
- PA Department of Human Services
  - Community Health Choices (MLTSS)




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## CMS INNOVATION

- Testing innovation to achieve better care, better health for communities and lower payments
- MC/MA opportunity to integrate
- Incentive Payments




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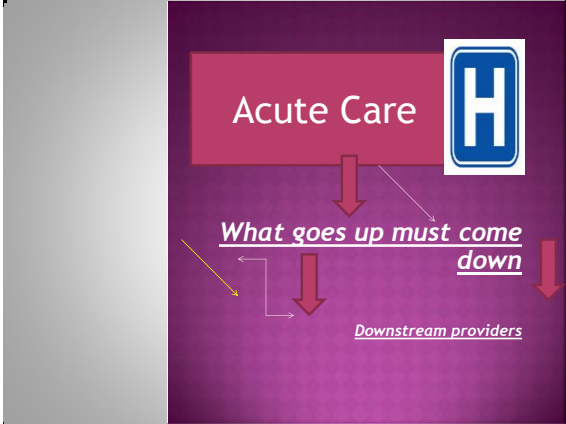
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### IMPACT ACUTE CARE

● Acute Care

- Highmark/UPMC
  - Direct patients to hospitals
  - No coverage
- Readmission Rate Payment Reductions
- Failure to meet quality standards
  - Infections
  - Emergency room wait time
  - Complications from surgery
- Rewards for specified Quality Measures
- Negative adjustment for not reporting data
- Star Rating - this will grow bigger




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### IMPACT ACUTE CARE / OTHER

● Accountable Care Organizations

● Bundled Payments

- Responsible for 90 day period
- Must control the 90 days
- Preferred Providers
- Report Card
- 3 Star and outside the 3 Star discussion
- What has been created by the mandatory CJR



Risk not previously in play




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## THE UPSIDE AND DOWNSIDE

- ◉ Low infection rates = less patients
  - ◉ Reduce readmission to hospital = less patients/tests/doctors/ambulance service
  - ◉ Penalties for certain quality measures = reduction in reimbursement
    - % urinary track infection
    - % unplanned weight loss
    - % acquired weight loss
    - % report moderate to severe pain
    - % loss of ADL's
- 
- ◉ Hence:
    - Observation Stays
      - Difference between MC and Managed Care
    - Emergency Room straight to Long Term Care, Personal Care or Home
    - Urgent Care - Med Express
    - Physicians Employees
    - Reduced LOS
    - Accept financial responsibility for bundles

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## ACUTE CARE CHAIN REACTION UPSIDE AND DOWNSIDE

- ◉ Acute Care changes must flow down hill
    - Skilled Nursing hospital admissions reduced - skilled patients decline
    - Direct admit to Home Health from Acute care
    - Emergency Room reductions/admits from ER
    - Home health role and responsibility - day one services
    - Funding of more LIFE programs (Living Independently for the Elderly) (hospital in the business)
    - Personal Care Homes potential opportunity (hosp in that business)
    - Pressure on families/caregivers to provide care at home
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## IMPACT OF NARROWING OF PROVIDER NETWORKS UPSIDE AND DOWNSIDE

- ◉ Private Insurance companies
    - Chose Providers for Quality and Cost
    - Eliminate Providers for Quality and Cost (over \$1 million impact)
      - ◉ Navi Health
        - Private contract company
        - They determine
          - Length of stay
          - Minutes of therapy
          - Rates
          - Discharge Score
          - 30-day readmit rate
    - Report Cards
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Highmark SNF Scorecard Metrics

Metric	Weight	Detail
LOS Variance*	20%	Actual risk adjusted average length of stay compared to target for discharges from that facility as determined by the navHealth LiveSafe tool.
Discharge Variance*	20%	Actual risk adjusted functional improvement seen on average for discharges from that facility compared to expected functional improvement as determined by the navHealth LiveSafe tool.
Discharge to Community*	5%	Percentage of discharges that were discharged to home, assisted living, transitional living and/or board and care versus another institutional setting.
Overall Star Rating**	5%	As reported by CMS, the overall Star rating comprising the 3 domains measure (Health Inspection, Quality and Staffing).
Quality Star Rating**	5%	As reported by CMS, the specific Star rating for the facility performance in the 11 physical and clinical measures for nursing home residents.
Cost Per Episode*	10%	An efficiency measure derived from claims data measuring the average cost of claims paid per discharge from the facility.
Risk Adjusted Readmit Rate**	10%	All payer information submitted to AHCA that is risk adjusted to predict how likely a 30-day readmission would occur at the facility.
30-Day SNF Readmission Rate*	15%	Non-risk adjusted readmission rate acute discharges from the hospital to the SNF that readmitted to the hospital directly from the SNF within 30 days from the acute discharge.
60-Day Readmission Rate*	10%	Non-risk adjusted readmission rate from any setting within 60 days discharge from the hospital back to the hospital that included a stay at the SNF.

\* Points earned based on SNF's performance in a normal distribution.  
 \*\* Points earned based upon absolute results.

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CHC IMPACT ON THE CONTINUUM

- o UPMC for You
- o AmeriHealth Caritas
- o Centene
  - All providers that bill insurance for the care of the elderly or disabled are impacted
  - These payors now head to the acute care and home care providers
  - Rates are negotiated
  - Changes the role of Aging Services - supervised by private sector
  - Changes the role of Discharge Planners

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PERSONAL CARE HOMES IMPACT

- o Being a good partner
  - Admissions from the Emergency Room
  - Prepare for your Report Card - It is coming...
  - Evaluate staffing and the care of the resident in your personal care home
  - Star Rating
  - Clinical Dashboard
  - Partner with Home Health effectively and have clear expectations
  - Therapy Services
  - Interact




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## HOME CARE IMPACT



### Preferred Providers

- Meet the patient in the driveway
- Positioned in the hospital to make referral
- Manage Costs and evaluate efficiencies
- Acute care going to select the best outcomes for the best price (narrowing of network)
- ACO's select the home care also
  - not a choice
- Star Ratings - continue to be a factor
- Must take all insurances




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## THE RIVER HEALTH EXPERIENCE

### ◦ Preferred provider status

- 3 Star - Started out, but 2 Stars were included
- Cost guideline
- Length of stay
  - Reduce LOS



### ◦ Money - Risk Share \$\$\$\$

- Money returned if you met the criteria at a certain %
  - Electronic Medical Record
  - Quality Measures met
- Reduced LOS - cost savings \$3,600 (example 1 resident)




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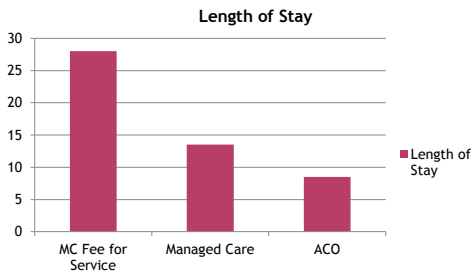
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## IMPACT ON SNF LENGTH OF STAY MEDICARE COMPARED TO ALTERNATIVE PAYMENTS




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### MEDICAL DIRECTOR INITIATIVE

- ◉ Emergency Room physician group serve as Medical Director
- ◉ On site services for the residents
- ◉ Build confidence with family members
- ◉ REALLY avoid hospital visits




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### IMPACT LOTS OF UP SIDE



- ◉ Reduced stay in institutions
- ◉ Less hospital visits
- ◉ Less ER visits
- ◉ Decreased ambulance trips
- ◉ Technology
- ◉ More physician interventions
- ◉ Less infections
- ◉ Improved abilities and treatment outside acute care




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### PREFERRED PROVIDER ORTHO GROUP

- ◉ Demonstrate the outcomes
  - Private Rooms
  - Positive Outcomes
  - Proven Family and Resident Satisfaction
  - Infection Rate was a large plus
  - Rehab had the ability to step up to the plate with the CJR Model / Clinical Mapping tool
  - Invested in Interact Certification
  - Data to support initiatives
  - High star rating




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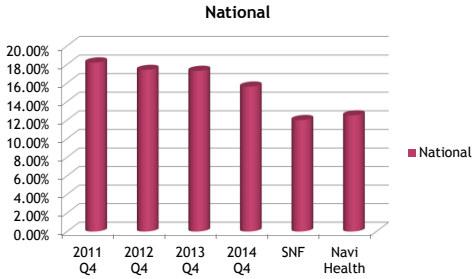
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### NURSING HOMES RE-HOSPITALIZATION RATES



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### HOW TO BE THE BEST PARTNER

- Be at the Table
- Communicate
- Be a True Partner
  - Shared value
  - Stick with your partner
  - Understand the commitment
  - Take all insurances
- Be Open and Upfront
- Be Flexible
- Think Outside the Box



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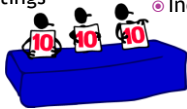
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### PARTNERING: PREPARE YOUR OWN SCORE CARD

- Readmission Rate
- Infection Rate
- Length of Stay
- Discharge Scores
- Star Ratings
- Tools designed to track and calculate
- Make yourself attractive
- Control your costs
- Increase efficiency



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## MAKE YOURSELF ATTRACTIVE

- ◉ Show your outcomes
  - Come up with the data to demonstrate
- ◉ Develop Critical Pathways
- ◉ Educate your team
- ◉ Market the outcomes not the donuts
  - the entire team needs to know the data
- ◉ Take all insurances (physician partner)



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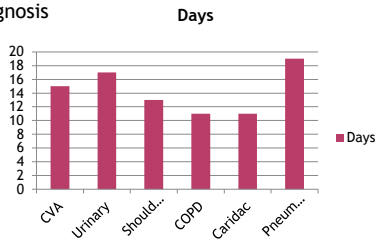
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## AVERAGE LENGTH OF STAY

- ◉ Diagnosis



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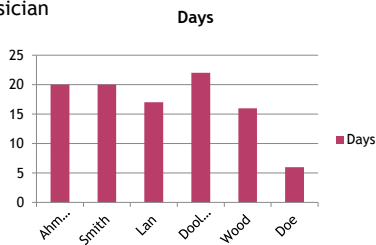
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## LENGTH OF STAY

- ◉ Physician



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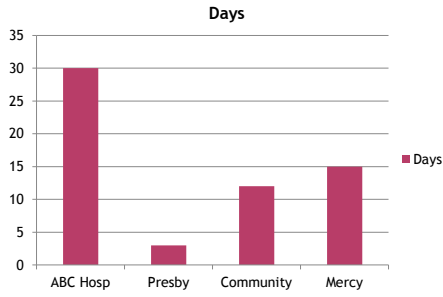
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### HOSPITAL LENGTH OF STAY



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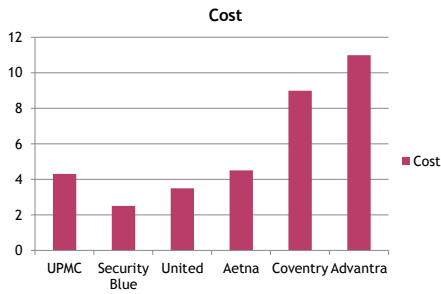
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### COST PER EPISODE - HIP



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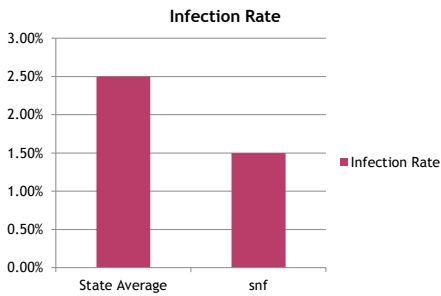
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### INFECTION RATE PA PATIENT SAFETY AUTHORITY



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