

A close-up photograph of a hand placing a dark puzzle piece into a larger assembly of similar pieces. The hand is positioned on the left, with fingers gently guiding the piece into place. The puzzle pieces are dark and interlocking, set against a light, slightly blurred background. The overall image conveys a sense of teamwork, completion, and the building of a complex system.


# **Creating Successful Post-Acute Partnerships for Bundled Payments**

# The Episode Management Mandate

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Improving Care Transitions and  
Post Acute Performance

June 8, 2016



# The Episode Management Mandate: Accelerated Movement to Value-Based Payments

# No Turning Back, Only Forward

The rewards and penalties are accelerating and requiring health systems and post acute providers to work together to manage “**episodes**” of care.

- CMS targeting at least 50% of all claims included in bundled payments, ACO or like structures by 2018

- As of January 2016, CMS achieved the goal of 30% of its programs in alternative payment models way ahead of the December 2016 goal.

- **Mandatory Participation in bundled payment for joint replacements is the Game Changer**

*The Future is Planned:*

*All indications CMS is moving toward bundled pricing for Care Episodes*



# What this Means for Health Systems ...

## Manage Patient Care Post Discharge

- Discharging patients to high-performing and accountable post acute providers
- Maximizing owned PAC Assets
- Moving Case Managers/Discharge Planners into new paradigm
- Implementing readmission mitigation programs with immediate ROI
- Dynamic access to patient status along the continuum



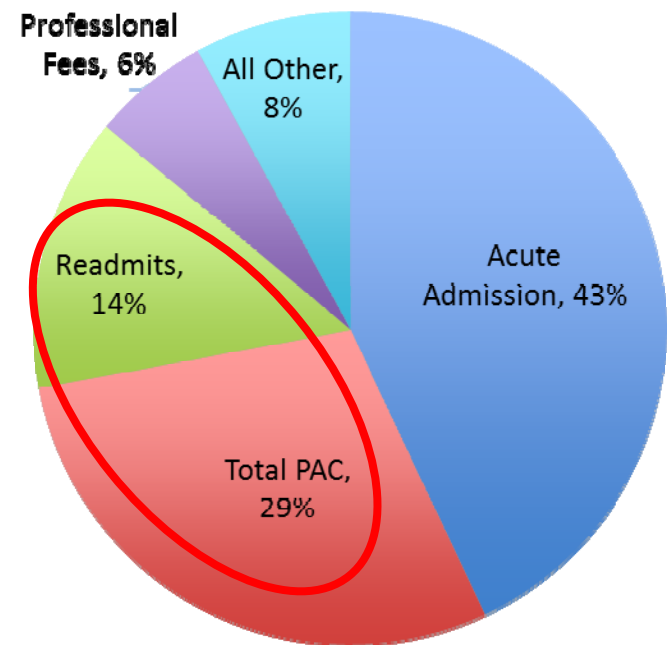
INSTITUTE OF MEDICINE  
OF THE NATIONAL ACADEMIES

*The Institute of Medicine concluded that variation in post-acute care spending is the single largest factor behind geographic variation in Medicare spending per beneficiary, and substantial savings may be achievable by directing patients to more cost-effective settings — home care rather than institutional care when appropriate, and higher-quality, more efficient facilities when institutional care is required.*

# The Economic Power of Better Managing Care Transitions & Post Acute Care

- Decreased inpatient LOS and improved patient throughput
- Improved performance under CMS value-based purchasing metrics
- MSSP/ACO cost savings
- Gains shared under voluntary and future mandatory bundled payment programs
- Improved Medicare Advantage performance
- Commercial bundles performance
- Improve patient satisfaction and outcomes

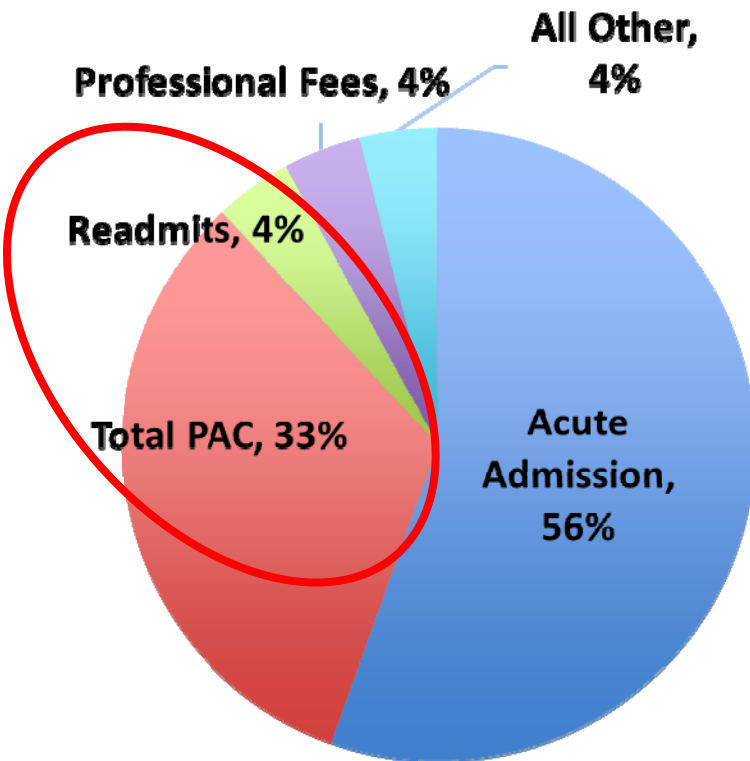
**Episode Spend Components  
National Average, 2014**



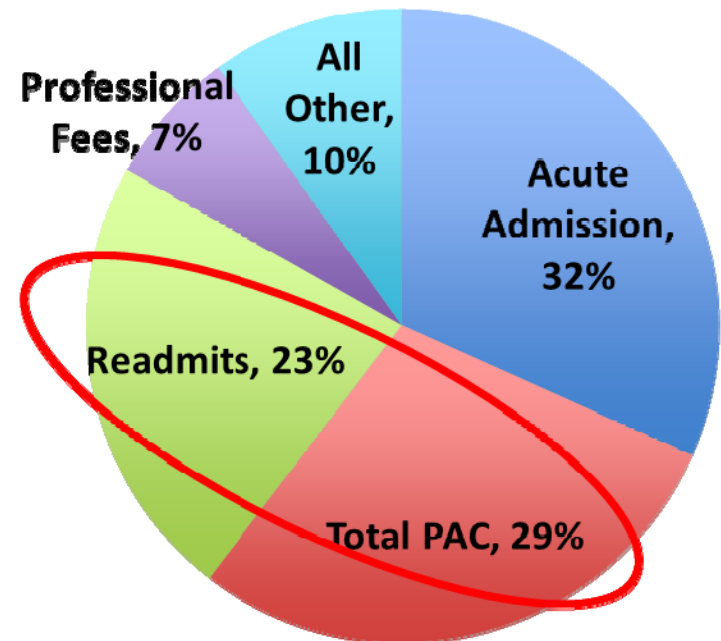
Source: Based on analysis of 100% Medicare Standard Analytic Files; 2012-2014 average spend on 48 BPCI episode families; All Other Includes Acute Transfer, IP Psych, Outpatient, DME and Hospice

# Different Episodes, Different Economic Opportunities Must Know Your Episode Profile

**Major Joint Episode  
Components, National Avg**



**CHF Episode  
Components, National Avg**



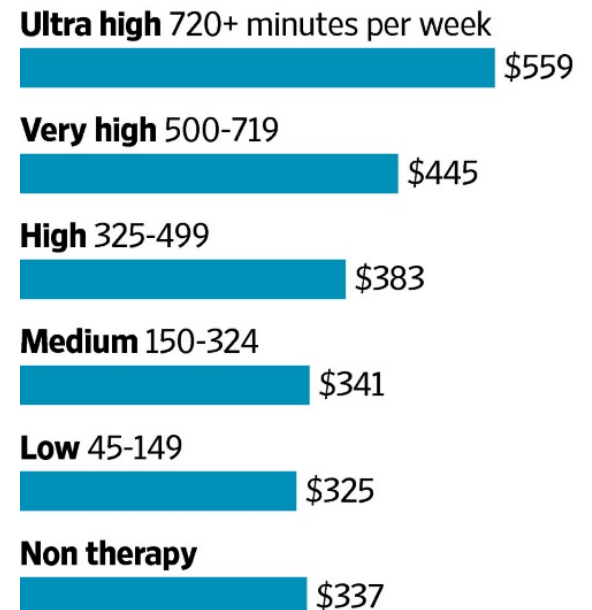
Source: Based on analysis of 100% Medicare Standard Analytic Files; 2012-2014 average spend on select BPCI episode families; All Other Includes Acute Transfer, IP Psych, Outpatient, DME and Hospice

# Greatest Impact on Reducing Cost of Episodes

- **Appropriate SNF Utilization**
  - Huge provider variation in LOS for like conditions
  - Excessive ultrahigh therapy amounts -- rose from 6% in 2001 to 54% in 2013
  - Lack of protocols for discharging patients home versus SNF
- **Decreasing avoidable readmissions**
  - Every readmission doubles cost of episode
  - Coordinated versus More programs
- **Right Time, Right Place Care Transitions**
  - Informed Choice
  - Utilization of highest performing PAC Providers

## Counting the Minutes

Medicare pays nursing homes daily rates for stays based in part on how much therapy they provide. Average 2013 Medicare rate per day:



Source: WSJ analysis of Medicare claims data  
THE WALL STREET JOURNAL.



# Start with the Eye-Openers

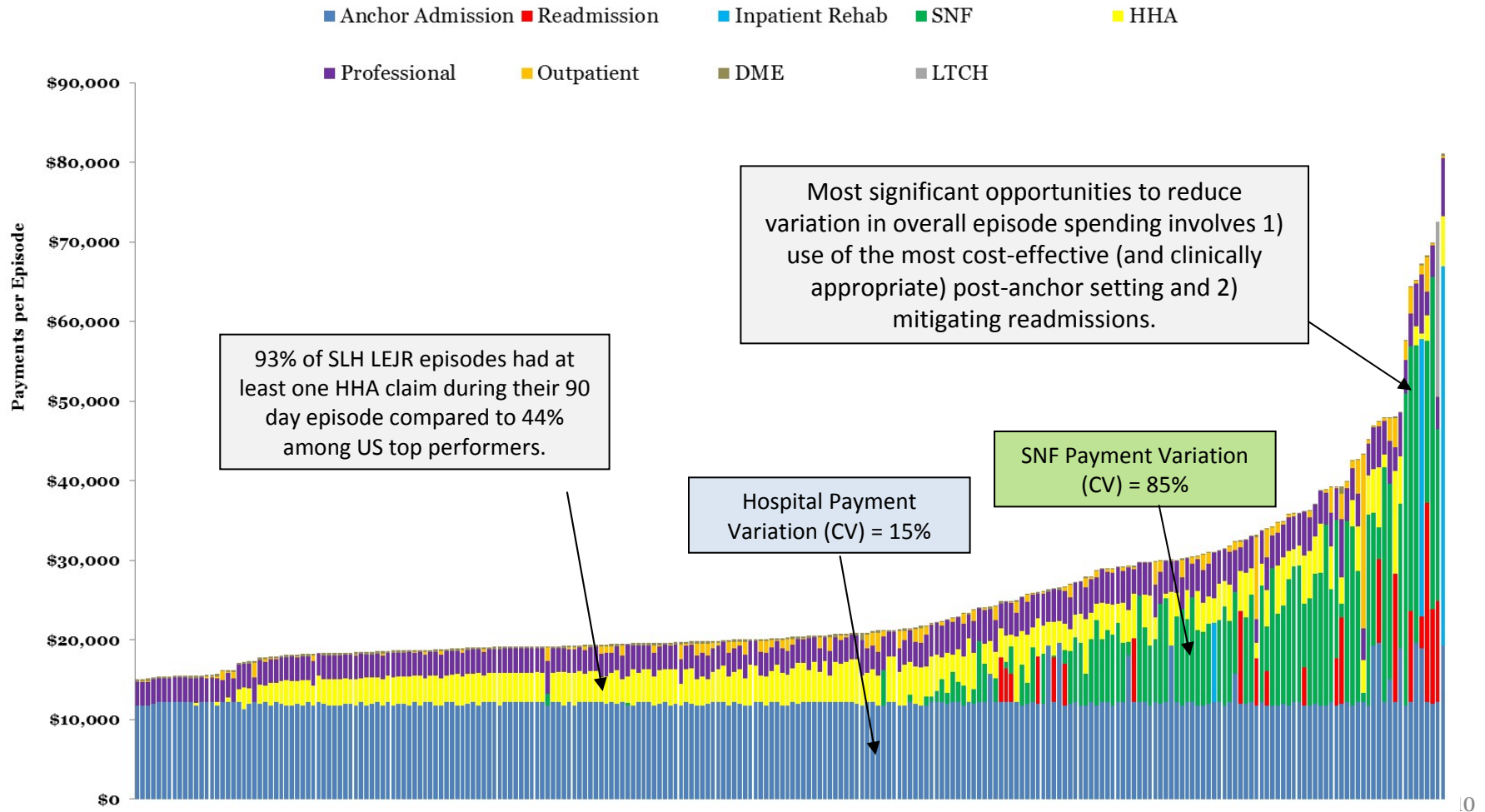
- The huge dollars spent on Post Acute Care
- The vast and cluttered PAC landscape
- The tremendous performance variation among providers utilized
  - Cost Efficiency
  - Outcomes
- The economic value of partnering with the highest performers
- The impact on patient satisfaction, engagement and retention.



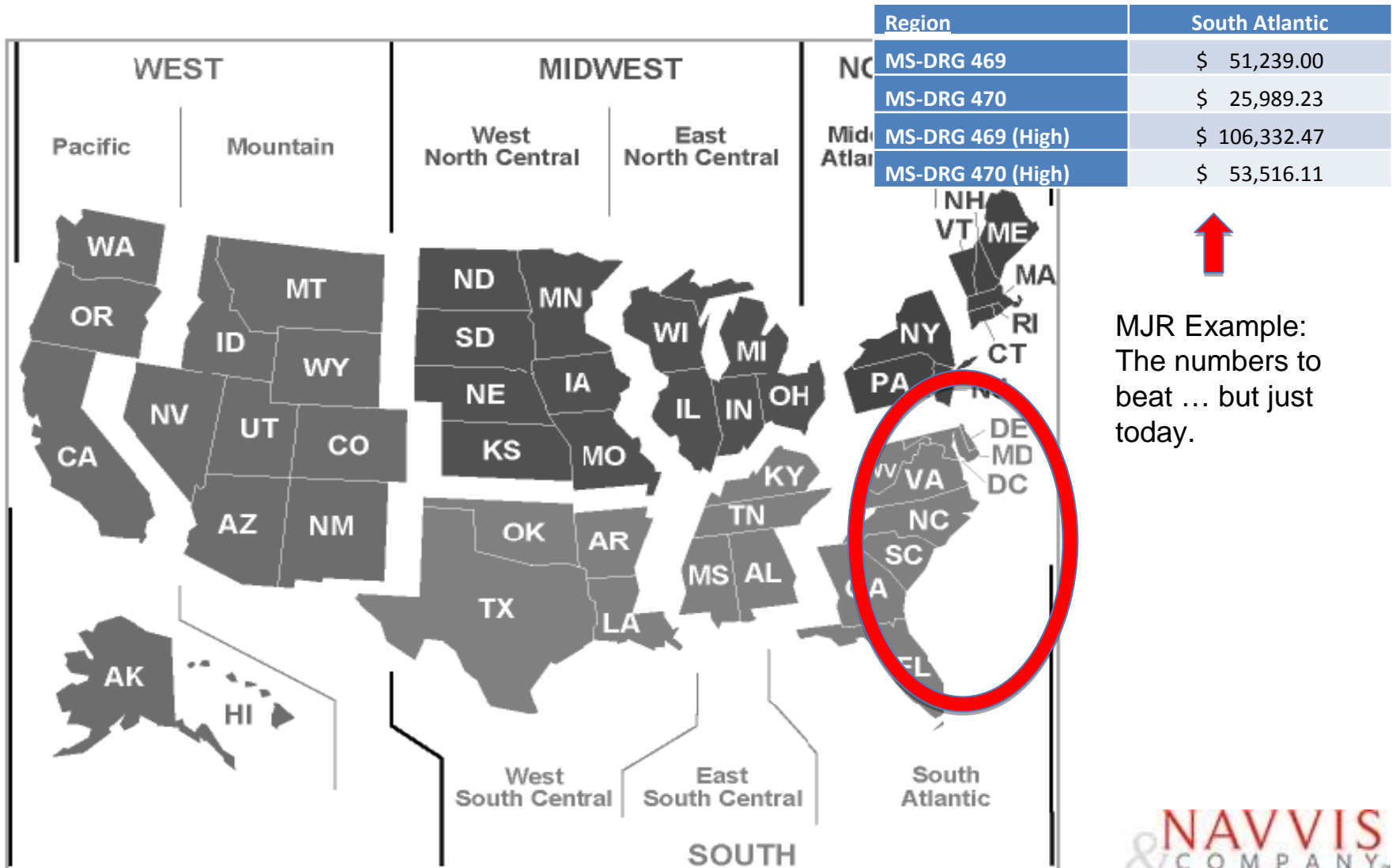
# Episode Variation Attributed to PAC Decisions

## Example Hospital LEJR Episodes

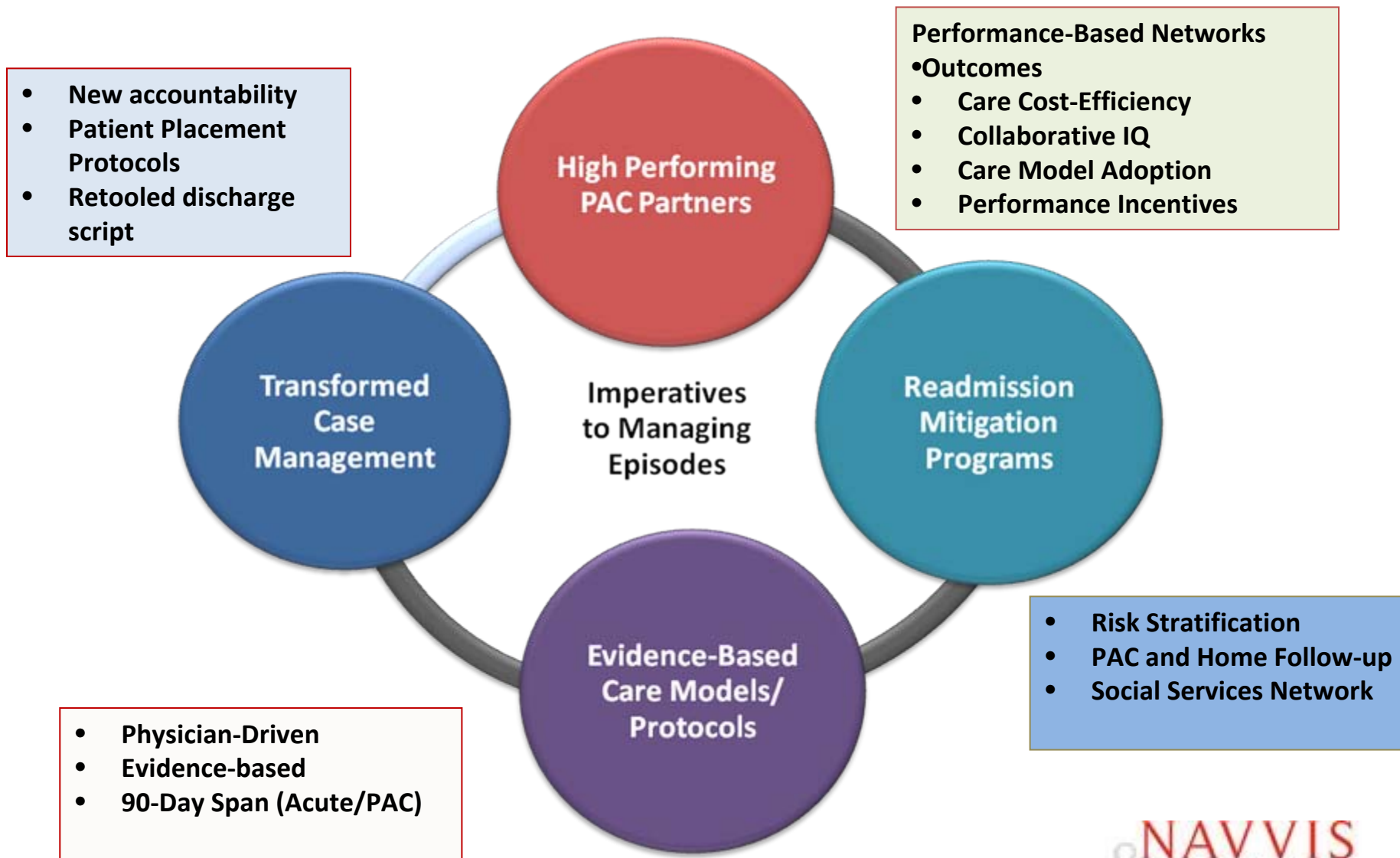
Payments per Episode by Claim Source – DRG 469 & 470



# Challenge: Focus on PAC protocols to be Top Performer in Your Region



# Episode Management Success Equation



# Key: Performance-Based PAC Networks

## **Moving from Relationships to Performance Accountability**

- Sorting out a Cluttered PAC Landscape
- Profiling Value-Based Performance of Each Provider
- Value of Inclusive Tiering versus “Narrowing” – Maximizes participation, motivates performance improvement
  1. **Platinum - Leading Edge**
  2. **Gold - Meets performance requirements and conditions of participation**
  3. **Provisional - Demonstrates willingness and collaborative IQ to achieve performance levels**
- Dynamic Scorecards – an industry challenge
- Adjusted discharge planning consultation



# BPCI Models

## Bundled Payment Models

	Model 1	Model 2	Model 3	Model 4
<b>Episode</b>	<b>All acute patients, all DRGs</b>	<b>Selected DRGs +post-acute period</b>	<b>Post acute only for selected DRGs</b>	<b>Selected DRGs</b>
<b>Services included in the bundle</b>	<b>All part A DRG-based payments</b>	<b>All Part A and B services (hospital, physician, LTC, HHA, SNF, DME, Part B drugs, etc.) and readmissions</b>	<b>All Part A and B services (hospital, physician, LTC, HHA, SNF, DME, Part B drugs, etc.) <u>and</u> readmissions</b>	<b>All Part A and B services (hospital, physician) and readmissions</b>
<b>Payment</b>	<b>Retrospective</b>	<b>Retrospective</b>	<b>Retrospective</b>	<b>Prospective</b>

INFORMATION IS FOR TECHNICAL ASSISTANCE PURPOSES ONLY. This information has been assembled to provide technical assistance for potential participants for the Bundled Payments for Care Improvement Initiative. These slides should not be construed to be a complete description of the Bundled Payments for Care Improvement Initiative (BPCI) or Episodes-Based payments in general. For the most comprehensive information, please refer to the BPCI solicitation.

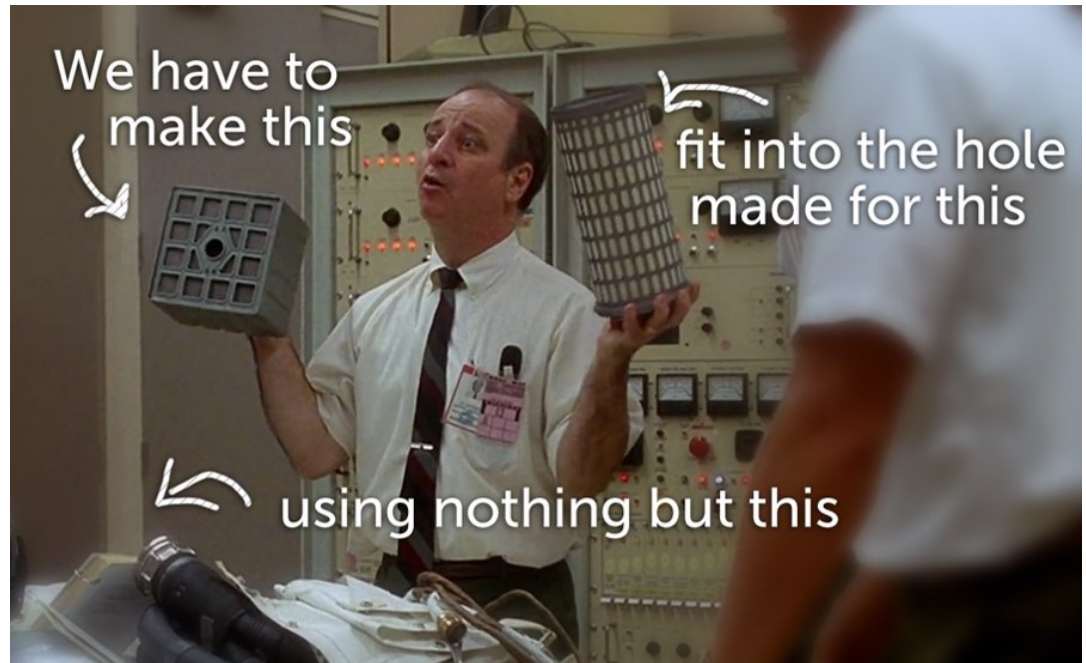


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# Alternative Payment Models

***“The PEOPLE UPSTAIRS (i.e., CMS) have handed us this one and we gotta’ come through!”***



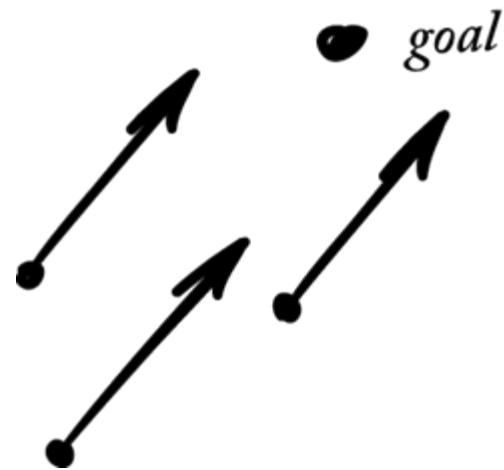
**EVERYONE** across all care settings  
**MUST** be engaged





# Care Redesign

Coordinate care  
across all settings  
using the same  
evidence based care  
pathways.



# E-Coordinated Tracking

[My Episodes](#) > Episode Overview

## Episode Overview

Episode EPS-00000090 was saved.

☐ **George Washington** [PAT-00000067](#)  
 DOB: **2/22/1932**  
 E-mail: **THEPOTUS@usa.com**  
 Address: **1600 Pennsylvania Ave NW**  
 City: **Washington**  
 Benefit Plan:

Gender: **Male**  
 Relationship:  
 Age: **184**  
 State: **DC**

Home: **(555) 555-5555**  
 Mobile:  
 Business number:  
 Zip: **20500**

☐ Episode **EPS-00000090**  
 Requested Admit Date: **5/31/2016**  
 Attending Provider: **Nichopoulos, George**  
 Facility:  
 Point Of Care:  
 Primary Procedure Code:  
 Last Modified Date: **5/31/2016 4:54 PM**  
 Next Review Date:

Actual Admit Date: **5/31/2016**

Primary Diagnosis Code:

Careflow:

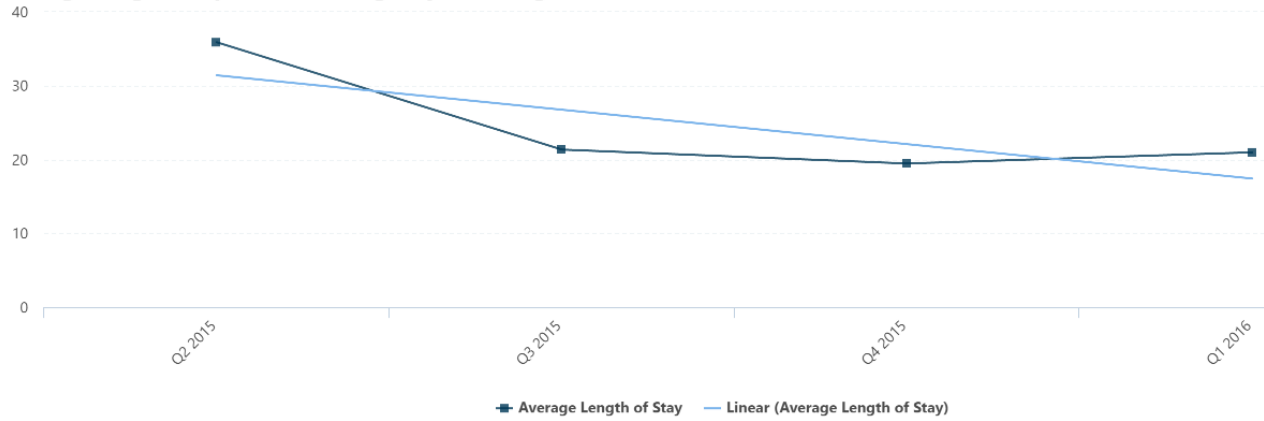
Guideline Name	GLOS	Document
Access Innovations Tool <a href="#">AI Tool</a> (RFC) <a href="#">Remove Guideline</a>		<input type="checkbox"/> <a href="#">Change in Care Settings Log</a> <input type="checkbox"/> <a href="#">Workflow</a>
BPCI LACE Tool <a href="#">Lace-1</a> (RFC) <a href="#">Remove Guideline</a>		<input type="checkbox"/> <a href="#">LACE Scoring Tool Readmission Risk Assessment</a>
BPCI-Boost Assessment <a href="#">Boost 01</a> (RFC) <a href="#">Remove Guideline</a>		<input type="checkbox"/> <a href="#">The 8Ps Assessing Your Patients Risk For Adverse Events After Discharge</a>
Hip Fracture, Open Repair <a href="#">S-5600</a> (RFC) <a href="#">Remove Guideline</a>		<input type="checkbox"/> <a href="#">Clinical Indications for Admission to Recovery Facility</a> <input type="checkbox"/> <a href="#">General Treatment Course</a> <input type="checkbox"/> <a href="#">Discharge Planning</a> <input type="checkbox"/> <a href="#">Quality Measures</a>
Hip Fracture, Open Repair <a href="#">S-2600</a> (HC) <a href="#">Remove Guideline</a>		<input type="checkbox"/> <a href="#">Clinical Indications for Admission to Home Healthcare</a> <input type="checkbox"/> <a href="#">Home Healthcare Treatment Plan</a> <input type="checkbox"/> <a href="#">Discharge Planning</a> <input type="checkbox"/> <a href="#">Quality Measures</a>

Name	Description
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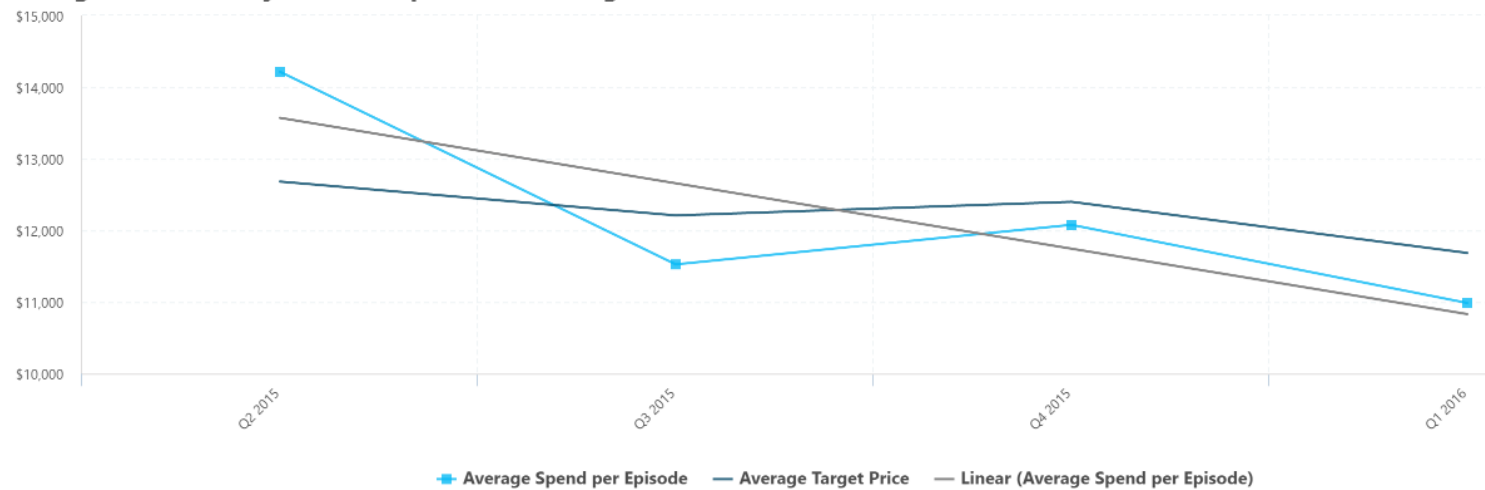
No files associated with this episode

# Data as a Planning Tool

Average Length of Episode Initiating Stay (Trending)



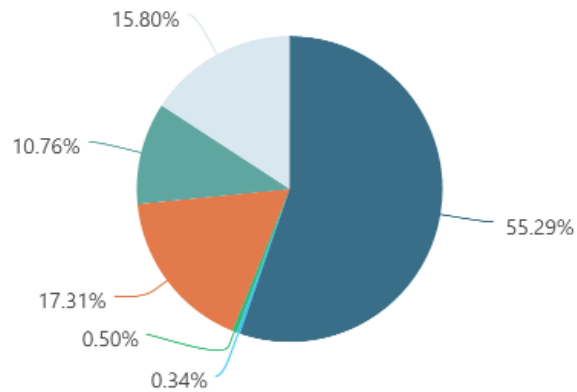
Average Medicare Payment Per Episode (Trending)



# Data as a Planning Tool

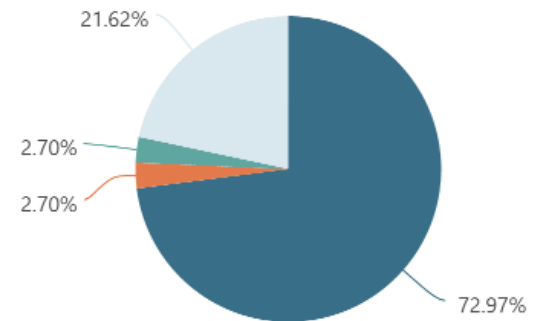
## Care Setting Prior to Readmission

Baseline



Epi Init Other IP LTACH SNF HHA Home

Performance Period



Epi Init SNF HHA Home

# Data as a Learning Tool

Fractures of the femur and hip or pelvis	\$15,921
5/16/2015	\$6,641
5/18/2015	\$163
5/19/2015	\$57
5/22/2015	\$89
5/26/2015	\$75
5/27/2015	\$85
5/28/2015	\$75
5/29/2015	\$89
6/1/2015	\$3,413
6/2/2015	\$75
6/5/2015	\$89
6/9/2015	\$3,094
COLUMBUS DIVISION OF FIRE EMS	\$367
A0425 Ground mileage	\$26
A0429 BLS-emergency	\$341
GOODLIVE, THOMAS	\$8
93010 Electrocardiogram Report	\$8
HEINTZELMAN, DOUGLAS	\$91
74177 Ct abd & pelv w/contrast	\$91
HEVEZI, LOUIS	\$183
99220 Observation Care	\$183
LO, DAVID	\$100
99221 Initial Hospital Care	\$100
OhioHealth Corporation	\$2,158
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Round-table with clinical caregivers on every readmission.

This increases engagement and creates change!

# Contact Information



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