

The Role of the Post Acute Care Provider: A Panel Discussion

National Value-Based Payment and Pay for Performance Summit

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Agenda



- Overview of Post-Acute Market
- Introduction of Panelists
- Panelists Presentation
- Q&A
- Adjournment

MHA: A Healthcare Services Company

Dedicated Exclusively to the Post-Acute Care Market, MHA provides Best in Class Resources and Solutions to Support the Needs of Our Members



Exceptional Service. Extraordinary People.

Group Purchasing for the Post-Acute Care Provider Market

Technology
Solutions

Reimbursemen
t Services

MHA
Networks

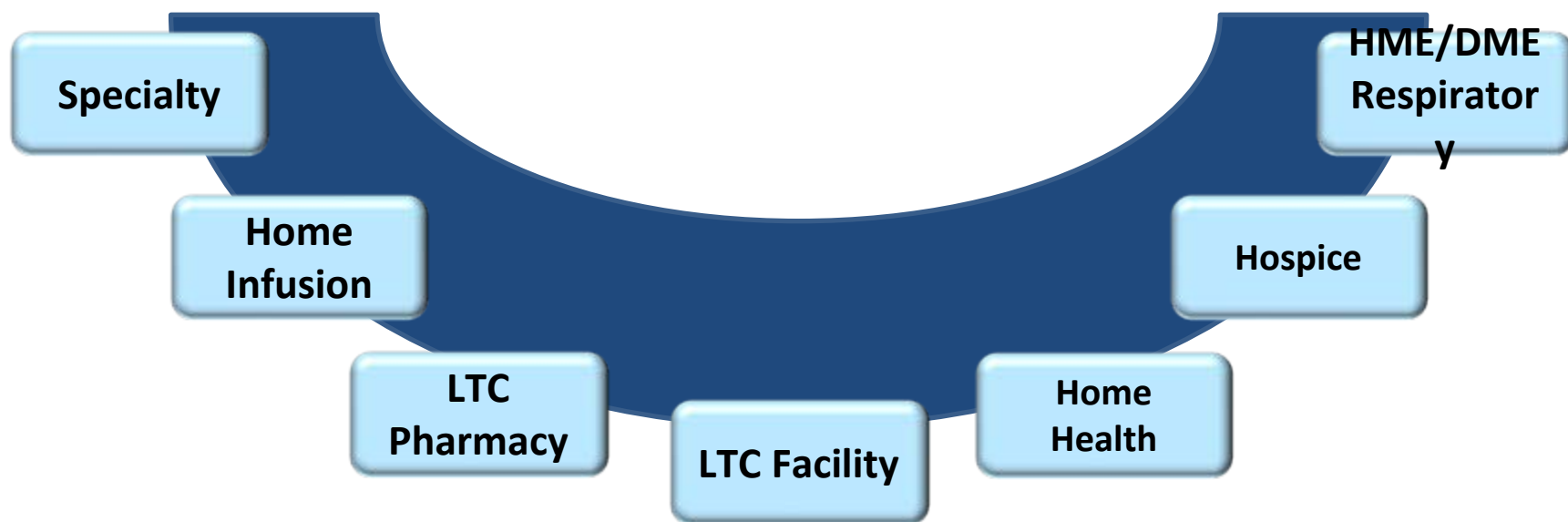
Clinical
Services

Advocacy &
Legislative
Affairs



MHA: National Footprint of Post-Acute Care Providers

Over 25,000 PAC Providers Across Spectrum



PAC Members in all 50 States, Washington, DC and Puerto Rico

Post-Acute Care Definition

What is Post-Acute Care?

Definition

“Post-acute care (PAC) includes rehabilitation or palliative services that beneficiaries receive after, or in some cases instead of, a stay in an acute care hospital. Depending on the intensity of care the patient requires, treatment may include a stay in a facility, ongoing outpatient therapy, or care provided at home. ”

~ Medicare Payment Advisory Commission

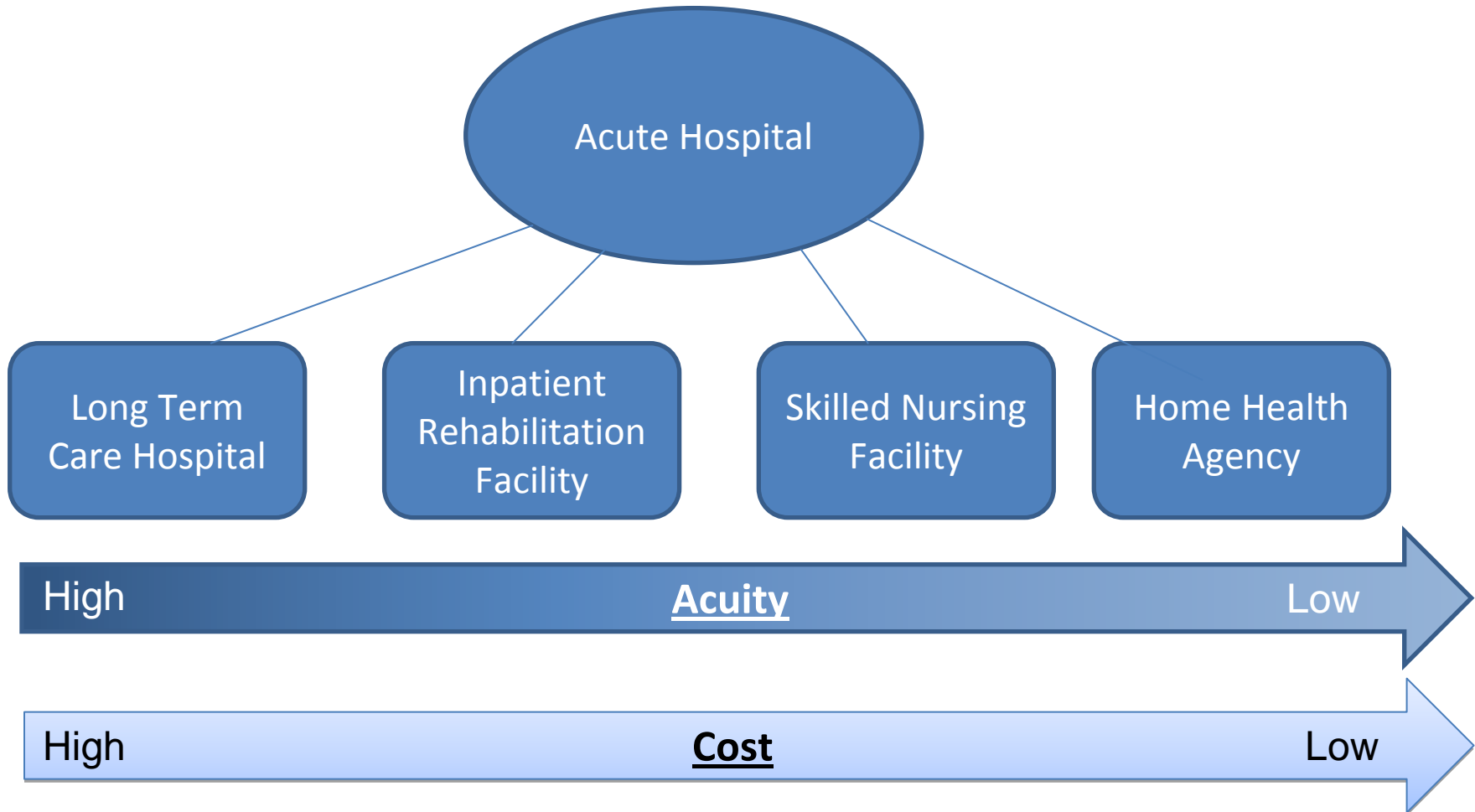
What is Post-Acute Care?

Who are Post-Acute Care Providers?

“Post-acute care is provided in a variety of settings, including skilled nursing facilities (SNFs), inpatient rehabilitation facilities (IRFs), long-term care hospitals (LTCHs), and in patients’ homes by home health agencies (HHAs).”

~ Department of Health and Human Services

Traditional Post-Acute Care Providers



Post-Acute Care and Post-Acute Care Providers

Expanded Provider Definition

Support providers:

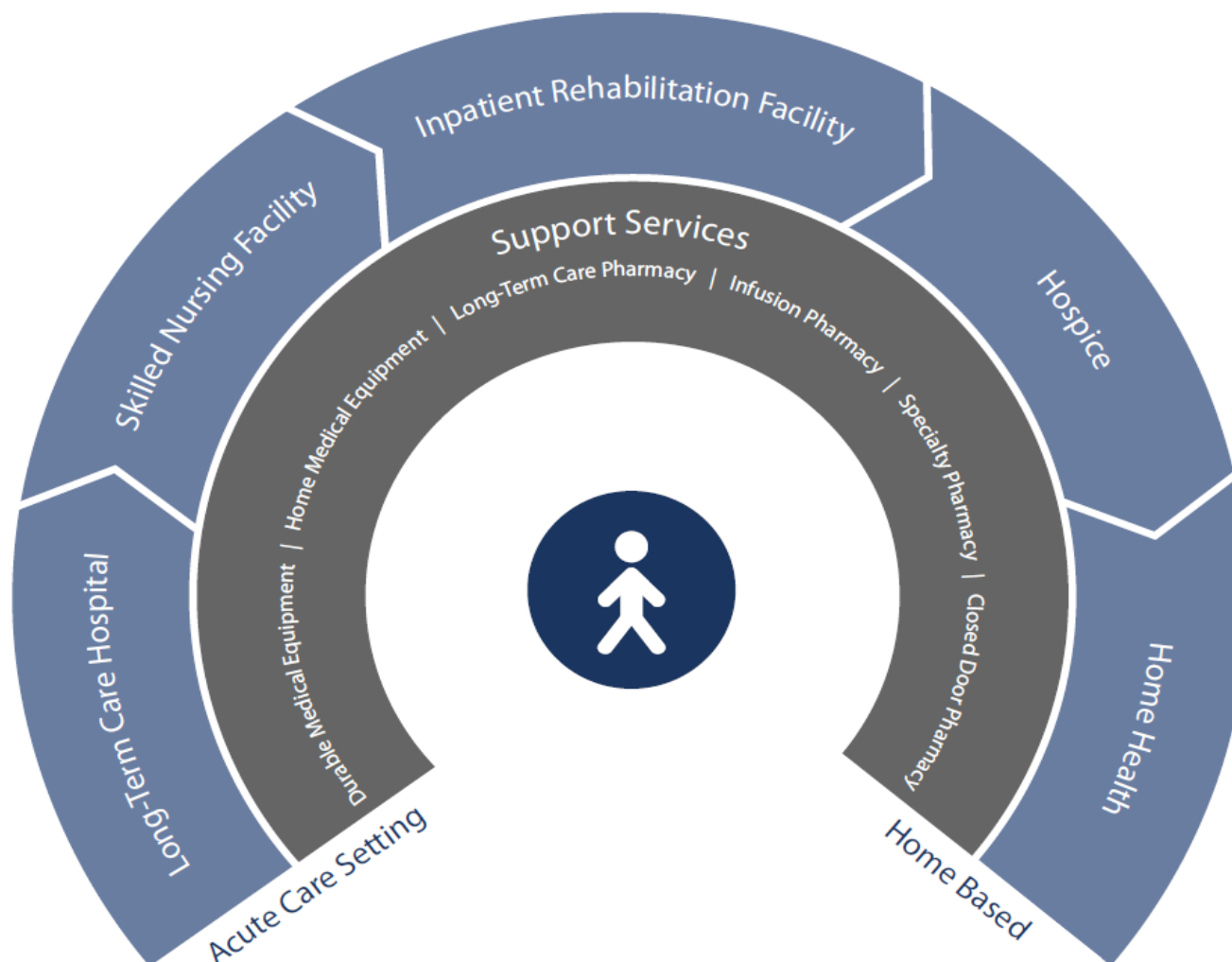
- HME/DME
- Respiratory
- Orthotics
- Pharmacy
 - LTC
 - Home Infusion
 - Specialty

Community Support Services:

- Home Care
- Food Delivery
- Mental Health
- Dental

Additional Providers Contribute to Care and Outcomes of PAC patients

Expanded Post-Acute Care Definition



Source: "The Right Care for the Right Cost: Post-Acute and The Triple Aim" Tiu, Bennion, Templin, Sep 2014. Page 2. Leavitt Partners and the MHA ACO Network

Market Demographics

10,000 Baby Boomers will turn 65
daily

24 M Medicare Beneficiaries were 80 years of age or older in 2011

83.7 M Individuals in the USA will be 65 years or older by 2050

Seniors Utilize Highest Percent of PAC Services

Source: MedPAC and PACCR

Medicare Post-Acute Care Spending

43% of Medicare Patient utilize PAC Services post hospitalization

\$62 Billion for Medicare post-acute care services in 2012

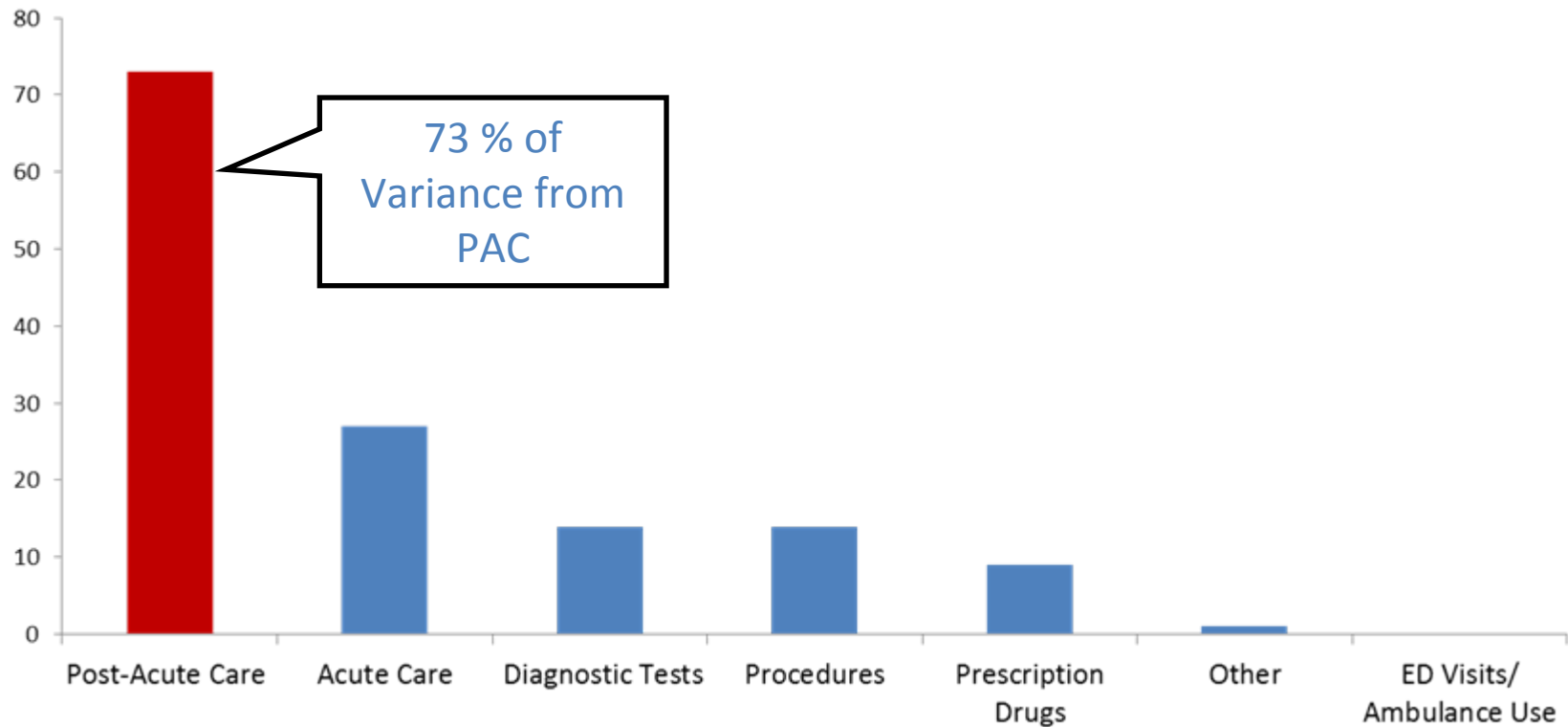
11% of Medicare outlays

>8% rate of Medicare PAC spending growth 2001-2012

Largest Per-Episode Expense per Beneficiary

Source: MedPAC and PACCR

Medicare Payments Variations



No Correlation Between Cost and Outcomes

Source: Institute of Medicine, Variation in Health Care Spending, May 2013. Chart from Leavitt Partners – used with permission

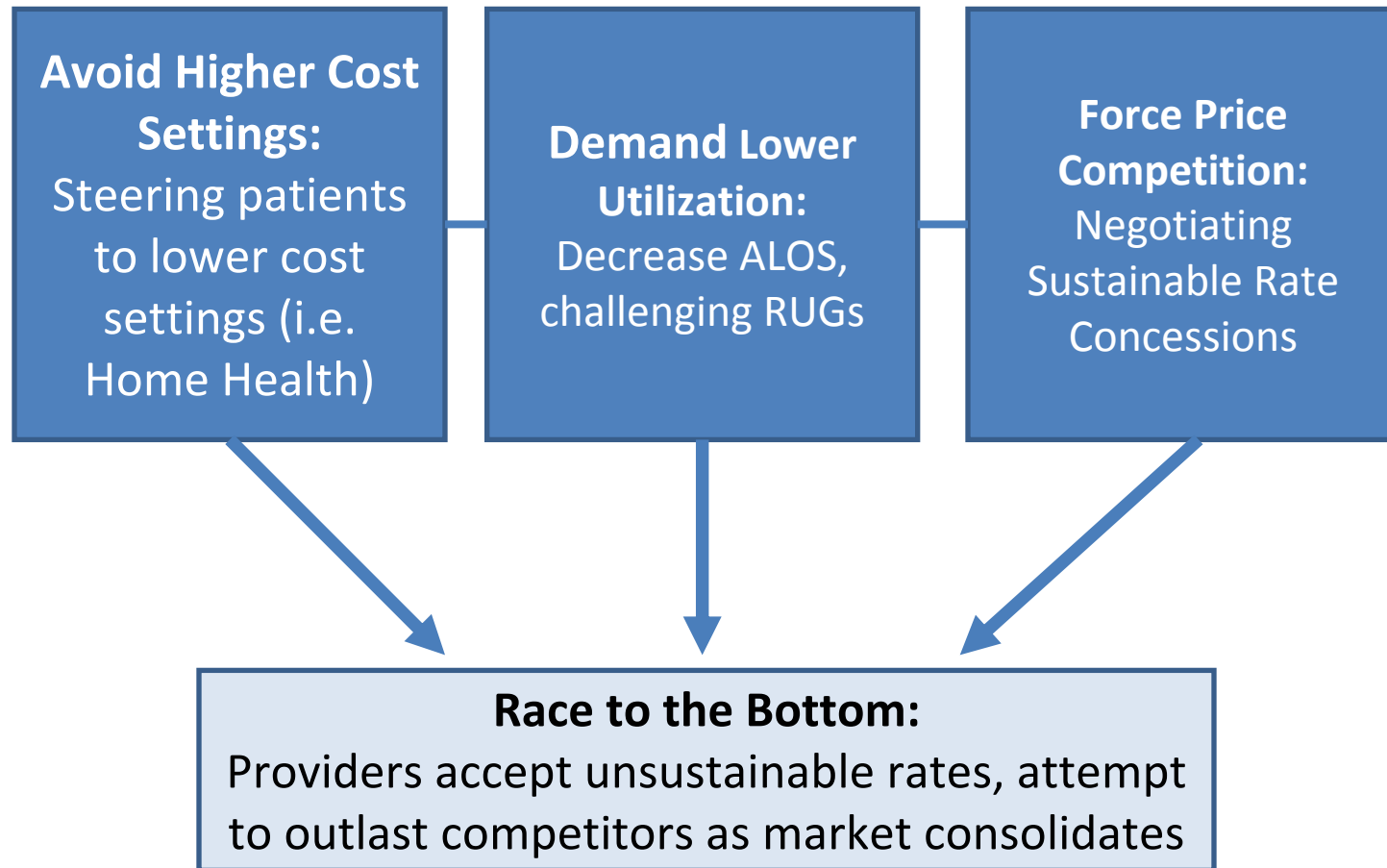
Medicare Post-Acute Care Spending

Across PAC Providers Cost to Treat Varies

Hospital Condition	PAC Average	OP Rehab	Home Health	SNF	IRF	LTCH
Stroke	\$10,680	\$569	\$2,478	\$8,527	\$18,923	\$22,070
Hip & Femur Procedures for Trauma	\$10,392	\$1,217	\$2,595	\$8,761	\$16,018	\$22,738
Cardiac Bypass with Catheterization	\$5,230	\$837	\$1,778	\$5,737	\$14,631	\$24,526
Heart Failure	\$4,144	\$612	\$1,611	\$6,462	\$14,698	\$20,236

MedPAC Analysis of post-acute care Medicare patient claims

Popular Post-Acute Care Strategies



Source: *Refining Post-Acute Care Across Payment Transformation; Strategies for Assessing Commoditization and External Management*; The Advisory Board. Nov 2014. pg. 2

Key Challenges and Potential Barriers

- Mis-aligned Payment Incentives
- Regulatory Requirements
- Competition amongst Providers
- Care Coordination Protocols
- HIT/Data Exchange

Post-Acute Care

- Fast Growing Market
- High spend with his utilization
- Large variance across setting and geography
- PAC is Safe and Effective Alternative to Other Sites of Care
- Appropriate Use of Health Care Related Resources
 - Key Drivers Fall in Line



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