

Introducing Gainsharing as a Way to Optimize Hospital Based Care: Clinical Challenges and Opportunities



What could YOU do with \$40B/yr?

- Savings potential with improved practice is significant
- Evidence-based clinical interventions could be used to plausibly generate 2-4% annual increase in operating revenue for typical community hospital
- Well studied Clinical Interventions:
 - Reducing LOS in Sepsis
 - Reducing Costs in Community-Acquired Pneumonia (CAP)
 - Reducing Ventilator-Associated Pneumonias (VAP)
 - Preventing Venous Thromboembolism (VTE)
 - Preventing Central Venous Catheter (CVC) infections
 - Reducing Hospital Readmissions within 30 days



Three Challenges:

- Clinical “Best Practice” Uncertainty
 - *Developing high-payoff care guidelines*
- Operations and Technology Complexity
 - *Delivering best practice consistently*
- Business Model Non-Alignment
 - *Hint: This is where “Gainsharing” comes in!*



Implementing Current “Best Practices” Has Enormous Potential for Savings*

Reducing LOS – Sepsis	\$227,520 - \$447,930
Reducing LOS – CAP	\$252,676 – \$379,712
Reducing rate of VAP	\$246,416
Preventing VTE	\$187,500
Preventing CVC	\$75,444 - \$143,243
Reducing Readmissions	\$639,807
Savings per Year	\$1,629,313 to \$2,044,647

*Modeled from peer-reviewed studies published from 2006-2010 (sources include Archives of Internal Medicine, AHRQ, NEJM, etc), adjusted to 12,500 discharges/year (typical 150 bed community hospital) and assumes a conservative level of impact. **Courtesy of Chris Johnson, MD, MPH, Stepping Stone Clinical Systems, LLC**



This represents only a fraction of the opportunities in typical community hospitals

Severe Sepsis & Septic Shock	OB/Gynecology
Community-Acquired Pneumonia (CAP)	General & Orthopedic Surgery
Ventilator-Associated Pneumonia (VAP)	Cardiology (AMI, CHF)
Venous Thromboembolism	Neurology (Stroke)
Central Venous Catheters	Oncology
Reducing Readmissions	Skilled Nursing Facility Care
Savings per Year:	Additional Savings per Year:
\$1,629,313 - \$2,044,647	????...



Selecting Clinical “Gainsharing” Targets

- Need to find clinical conditions that are:
 - Frequent
 - *Hard to improve workflow around “rare” events*
 - Preventable
 - *Best practice guidelines available and effective*
 - Expensive
 - *Need to show savings “net” of effort related expense*
 - Trackable
 - *Can measure incidence and prevalence*
 - Quantifiable in terms of “gain”
 - *Must have an ability to “dollarize” outcome improvements*



Critical Clinical Considerations

- A palpable sense of urgency and opportunity
- Engaged leadership, both clinically and administratively
- Technical and operating capabilities (No EHR/CPOE required, BUT standardized processes are essential)
- Ability to quantify potential gain before the starting gun is fired
- Commitment to recognize all key members in the “care team” as possible beneficiaries of “gain” produced
- An clinical expansion pathway as success grows

