The Health System of the Future:
Becoming a Preferred Provider in the Narrow Network

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  - Memorial Hospital of Gardena
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  - Anaheim General Hospital

- **VP, Post Acute at Torrance Memorial Health System**
  - Home Health and Hospice oversight
  - Developed award winning Post Acute Network

- **CEO for HealthSouth Las Vegas Rehab Hospital**

- **SNF Administrator/AL Executive Director**
  - Home Kindred
  - Windsor/SNF Management
  - California Friends Homes
Presentation Objectives

- The delivery model of the future: “Discharge Home”
- The New Readmission Penalty: MSPB
- Post acute provider guidelines for success

Let’s get off the starting line and skate to where the puck will be!

It’s time to innovate and transform!
1998........It was a very good year
1998...It was a very good year
Grandma Belva
March 1920 – July 2002

Congestive Heart Failure
The Summer of 2002

Home $0
Hemet Valley Medical Center $48,000
LTACH $52,000
Nursing Home $12,000
Home with Home Health $4,000
* Hemet Valley Medical Center $36,000
Nursing Home $18,000
Assisted Living with Home Health $4,000
*Hemet Valley Medical Center $42,000
Nursing Home $24,000
*Hemet Valley Medical Center $58,000

* Readmission $298,000
Are you Ready for the truth?

- The Affordable Care Act is not a request, but a mandate.
- The goal is to create a model for individuals to age and heal at home.
- The truth is that my job is not to teach you how to prevent re-admissions, its to teach you to prevent…Admissions.
- Welcome to the world of…

**ADMISSION PREVENTION**
What does this mean for you?

- Hospitals = Last resort
- SNF = Second to last resort; increase capability to handle med surg level patients
- Home health = Networks will be narrowed
- Winners = Home care, private duty & assisted living
The US Supreme Court concluded:

“Patients in an acute hospital have the right to be discharged to the least restrictive environment when the care team determines that community placement is appropriate and the patient does not oppose to the transfer.”

“Continued institutionalization of patients who may be placed in less restrictive environments often constitutes discrimination based on disability.”
The US Supreme Court concluded:

- Operationally, this means that both physicians and hospital case managers must first rule-out the least restrictive environment as a safe discharge before considering institutionalizing a patient for post acute services.”

- What do you think CMS would say about this? MSPB?
Transitional Care, Wellness & Revenue Streams

*Everyone is being incentivized to avoid the hospital*

- Direct to SNF transfers from the ED
- Remote monitoring at home and in SNF
- Home visits
- Expansion of Home Health to Ambulatory case managers
# Obama Alaska

**Hypothetical New City**

## Health System of the Future

- Home
- Doctors office
- Wellness clinic/gym
- OP/Ancillary Services
- Assisted Living
- SNF
- Hospital
Obama Alaska

The System of Old – The Fee-For-Service Free-for-All

- Home
- Doctors office
- Wellness clinic/gym
- OP/Ancillary Services
- Assisted Living
- SNF

Hospital

Insert Hospital Here!
Story Time
Once Upon a time…

Hospital Bed Capacity

Old Hospital = 290 beds

The Fee For Service Free-for-All Era

New Hospital = 249 beds

Post ACA Era
Eight Reasons to Coordinate Care

1. ACO’s (MSSP incentive)
2. Bundled Payment Initiatives
3. Value based Initiatives
4. Readmission Penalties
5. RAC Audits
6. MSPB
7. IMPACT
8. Better, Smarter, Healthier: HHS in 1/15 for 30% of Medicare spending in ACO/Bundle by 2016 and 50% by 2018
MSPB: The New Readmission Penalty

- Medicare Spending Per Beneficiary
  
  - Effective October 1, 2014
  
  - An MSPB episode includes all Medicare Part A and Part B claims paid during the period from 3 days prior to a hospital admission through 30 days after discharge.
MSPB: The New Readmission Penalty

Each hospital’s average episode spending levels are separated into three time periods:

1) During the 3 days prior to the index admission
2) During the index admission
3) During the 30 days after hospital discharge.

Within these three time periods, the average episode spending levels are further broken down into seven provider types (e.g., inpatient, outpatient).
## MSPB: Hospital Sample

- Medicare.gov, Hospital Compare
  - **During Index Hospital Stay**
    - Hospital A: $7,889 (29.7%)
    - State: $8,910 (45.36%)
    - National: $8,534 (45.63%)
  - **Complete Episode (MSPB)**
    - Hospital A: $26,560 (100%)
    - State: $19,642 (100%)
    - National: $18,704 (100%)
The transformation of the acute hospital: the C-suite must take action

Coordinating Care for Improved Outcomes

- Hospitals must act like health systems
- Health systems must act like managed care organization
- Thus, the hospital must act like a managed care organization as well
SNF Providers: Are You Ready for the New Normal?

What if, on December 31, 2015 you received a notification from CMS advising you that…
Duals: Something Has Got to Give

- **Bad News**
  - Pre-authorizations
  - Shorter LOS
  - Reduced reimbursement

- **Good News**
  - Narrow networks for those committed to quality
  - It's inevitable that the three midnight requirement go away if managed care can approve a direct from home to SNF admissions
**IMPACT**

*Improving Medicare Post-Acute Transformation Act of 2014*

**IMPACT** Act of 2014 takes a crucial step toward the modernization of Medicare payments to post-acute care (PAC) providers.

Who wins? Maybe no one: It appears to be more documentation to prove medical necessity.

Three midnight rule:

- Recommendation by October
- My opinion?
- Why have they not already changed it? *The free-for-all of course…*
What’s the future of Long Term Acute Care & Acute Rehab?

• These services were originally created to serve unmet niche’s - CMS aims to keep it that way

• Free-standing facilities will not survive in dual initiative markets; Smaller, on-campus (HIH) may survive
  • LTACH moving to sub-acute or “acute alternative”
  • IRF: Specialty cases & trauma or patients will go to SNF

• Massive payment reform is needed to reverse this trend
The Super SNF

• Stop looking at competitors within the SNF industry for the answers and start innovating

• Hospital based SNF’s within a mile of your facility get paid $800-$1100 a day for SNF patients; why don’t you?
Four examples of Value-Added Innovation

- Risk Stratification in acute and post acute connectivity
  - Vree Health
- Care Management
  - Community Integration Model
- Wireless Patient Technology
  - Sensiotec: Virtual Medical Assistant System
- Predictive software in SNF’s:
  - *Coms*: Trains nurses when red flags arise and how to react to warning signs

These are all MSPB solutions as well.
Post Acute Expectations

1. POLST
2. SBAR
3. Stop and Watch
4. Return to Acute Log (Emergency Dept)
5. Return to ED Root Cause Analysis
6. Technology Differentiators:
   1. Predictive software/electronic quality data
   2. Wireless telemetry
Key Action Items

• Outreach to your referral partners consistently
  • On the 15th of each month: Share the tools below!

• Submit your case study

• Innovate and Differentiate
  • Readmission Tool Kits

• Providers Must Become Certified to Stand Out
  • Fellow in Readmission Prevention
  • Certified Readmission Prevention Partner program
My Legacy: Going Purple for My Mom

Values

• Passion
• Empathy
• Fight
• Use your gifts
• Legacy
Go Purple to fight Alzheimer’s Disease!

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