

Building A Post-Acute Partnership:

How to Qualify your Post-Acute Care Partners to Prepare for Value-Based Medicine



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The implementation of value-based purchasing programs by Medicare has completely changed how hospitals process and receive reimbursements, but it's also gone one step further to change how care is delivered. And with good reason. After all, the Centers for Medicare & Medicaid Services (CMS) specifically created value-based programs not only to lower costs, but also to provide better care for individuals and better health for populations.

As a result, the ramifications from value-based purchasing have created value-based medicine built around episodic care. If hospitals are going to adapt to the value-based care environment, they're going to have to extend their care past their walls to align strategically with a post-acute care partner that has aligned their operations with value-based medicine.

Value-Based Care Means Providing Care Beyond Discharge

Under the fee-for-service model, care often becomes isolated in siloes, with each provider only focusing on the care they provide. As a result, a hospital's direct care and oversight only cover from patient admission through surgery and acute recovery to discharge. While post-acute recovery may be extended by a few days within the hospital, the majority of the rehabilitation takes place at a Skilled Nursing Facility (SNF) or through home care, well beyond the hospital's oversight. Value-based medicine extends that oversight and recovery responsibility past discharge through the entire continuum of care, placing a strong emphasis on care coordination with post-acute care partners. This represents a dramatic shift in focus, moving the priority away from delivering a high volume of services and towards achieving a full and efficient recovery.

The ramifications extend even further with payment models such as bundled payments. While still a multi-phase volunteer initiative with CMS, this model is already being widely implemented by hospital and private-pay systems, and will soon roll out for Medicare. Under the bundled payment model, the originating acute care setting should be aware of the new distribution of fees within an entire episode of care. Increased or decreased costs in one portion of the episode now impact the other portions, and balancing this distribution can have profound effects. As an illustration, the length of post-acute stay in a SNF under the fee-for-service model is 22 days, a number chosen because it's the maximum number of days for which Medicare will reimburse. At Mainstreet, we build our properties to function under a care model with an average 10-15 day stay in post-acute care, for an average Medicare reimbursement of \$550 per day. Actual SNF reimbursement will vary from location to location, but for this illustration we'll use the Mainstreet number to show that a shorter post-acute care stay can release \$3,850-\$6,600 of reimbursement back into the total bundled payment.



That's only the tip of the iceberg. In order to work within value-based medicine, the originating acute-care setting will need to be able to coordinate smoothly with post-acute care providers and have complete confidence in that provider's abilities to meet the needs of value-based care delivery.

Choosing the Right Post-Acute Partners Is Essential

A developed and robust post-acute partnership is a vital part of value-based medicine. Those partnerships must be with outcome-focused post-acute providers, which, in turn, necessitates a system for qualifying those providers. So the first step to building partnerships is to construct a methodology to identify the partners that are adopting and moving towards value-based care.

Take the Time to Find the Right Post-Acute Care Partners

Your post-acute care strategy will be an instrumental part of providing value-based medicine, and the importance of taking the time to do it right cannot be understated. Even if you already have a network of SNFs, and most hospitals do, it behooves a hospital making the transition to value-based medicine to re-evaluate existing partners under the same standards as potential new partners.

Key Signs of an Ideal Post-Acute Care Partner

1. A High-Quality Building Designed for Modern Care

It's a sad truth that the average age of SNFs is 40 years old, meaning that they were built in the mid-1970s. Medicine has obviously come a long way since then, and a post-acute care environment must be up to the task of providing effective modern care.

Look for these signs of an outcome-focused building:

- **Architecturally designed for operational efficiency** – Even something as seemingly basic as long hallways can make a profound difference. Twenty extra steps to get from the nursing station to rooms will add up over a 12-hour shift, and a long distance to the public area will discourage patient use.
- **Built with comfort in mind to help healing** – Comfort-centric details such as natural light, hotel-like amenities and a good interior design give patients a better sense of well-being that encourages their recovery. When a post-acute care partner focuses on the comfort of your patients, it translates to more personal care and better results.
- **Integration with key clinical features** – The building should seamlessly incorporate features that make effective treatment easier and more comfortable, such as piped-in oxygen or advanced physical therapy equipment. It should also be planned in a way that it will be able to integrate any features that become necessary in the future. Having integrated clinical features show that outcome-based medical techniques are literally built into the post-acute partner's care.



Qualifying Post-Acute Partners for Value-Based Medicine



✓ INTENTIONAL DESIGN

- Designed for efficiency
- Built with comfort in mind
- Integration with modern technology



✓ SHORTER STAYS

- Personalized care schedules built for recovery
- Healing-centric goals
- Rehab therapist on-site daily



✓ HEALING-FOCUSED MODEL

- Personal approach
- Clinically specialized
- Physician-led, team-based environment

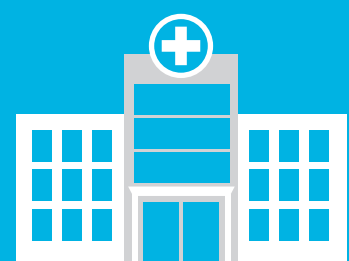


✓ TECHNOLOGY STRATEGY

- Plan to implement streamlined communication system
- Plan to implement EMR system

Post-Acute Care Delivery Model

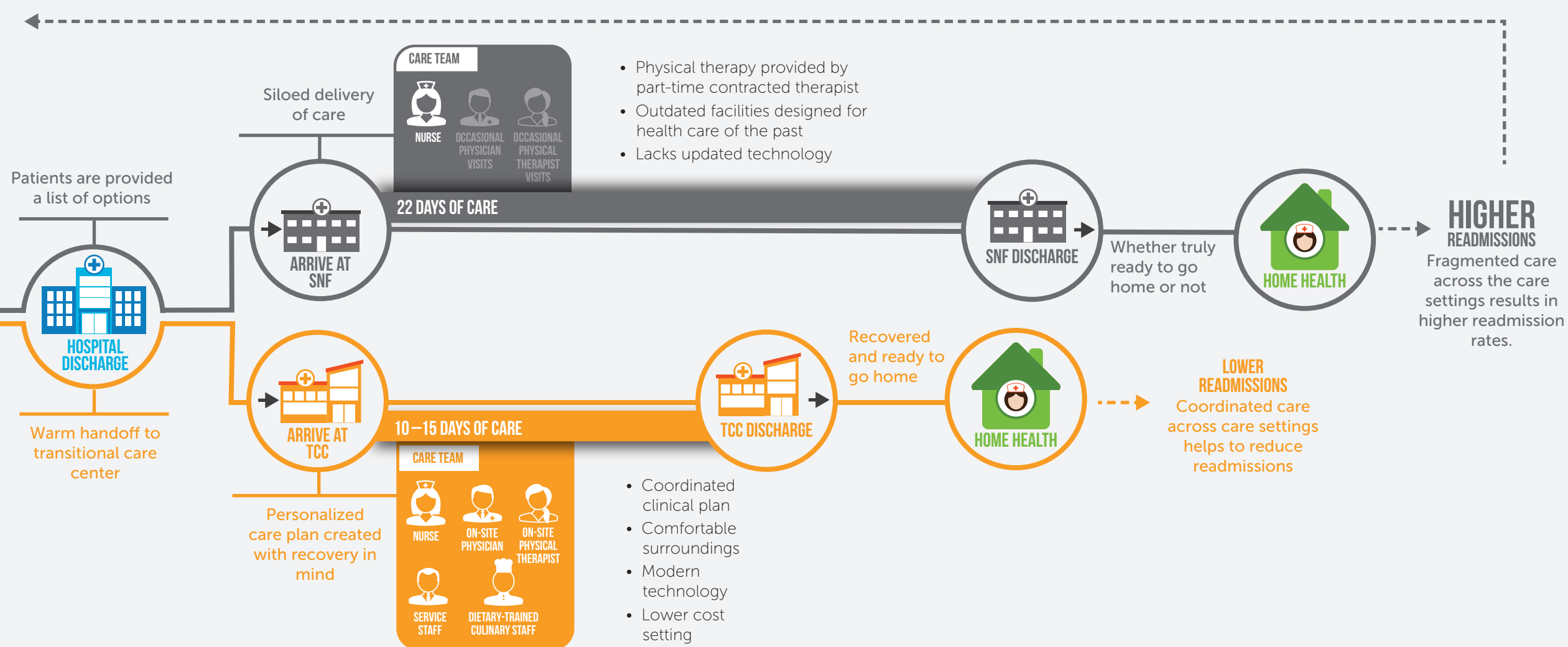
Before and After Value-Based Care



HOSPITAL STAY

Fee-for-Service Model

Value-Based Model





2. A Treatment Model that Encourages a Shorter Rehabilitation Stay

As we've discussed before, the fee-for-service payment model makes it in the post-acute care provider's best interest to extend the stay of patients to the maximum length allowed by Medicare or other payers. Value-based medicine strives to change that model, and a longer stay stretches out the total episodic pay thinly to the detriment of all parties. A model that encourages shorter stays is focused on the goal of rehabilitating patient quickly and effectively — the exact purpose of value-based medicine.

It's a fairly big shift in thinking, but one that has a number of advantages:

- **More personalized and effective care schedules** – The best way for a SNF to maximize payments under the fee-for-service model was to keep patients as long as possible (usually 22 days), whether it was better for the patient or not. Focusing on a shorter stay breaks away from this set time and builds the schedule around the individual's needs. If patients need more time, then they can take it and still fit under the 22-day mark, while patients who heal quickly aren't forced to stay longer for monetary reasons.
- **The goal becomes healing and getting them home** – No matter how good your intentions, a set schedule of post-acute care days tends to default focus to the number of days rather than the patient in front of you. A shorter stay model puts the focus on figuring out the most effective treatment to get the patient home and recovered as quickly as possible.



3. A Post-Acute Care Approach that Encourages Healing

Running a medical facility can lead to some fairly tight margins, and post-acute care settings are no exception. Tight margins make it easy for the emphasis to shift to finance over medicine. Value-based purchasing was formulated specifically to combat this shift and move the focus back to medicine and the patient's best interest. Thus the best post-acute care partners for a value-based medicine environment will be the ones who already have built their model and approach around healing.

The right post-acute care model will have two key components:

- **An approach built around patients as a person** – Concentrating on the patient as a person impacts a wide swath of care. Patients who feel like they're respected and cared-for will have less stress factors that would extend healing. Personalized attention also ensures that medical staff are able to react quickly to provide the care that's needed when it's needed. And patients that are happier create a better workplace for staff, increasing their effectiveness.
- **An approach built around clinical results** – Post-acute rehabilitation is accomplished by a team of professionals, so make sure that team is present. A complete team of nurses, on-site physical therapists, physician-led teams and a dedicated service staff are becoming more common with post-acute care providers. A result-based clinical approach focuses on creating a comprehensive clinical plan that incorporates all of these team members, allowing them to work synergistically towards patient recovery.





4. Interconnected Systems that Encourage Communications

A robust communication system is the final piece of the post-acute partner puzzle. A well-designed building, focused model and planned clinical approach are only the beginning. The game changer is implementing and upgrading their information system. This is the back bone that streamlines communication to allow for efficient workflows, effective patient management and real time reporting.

What will this system look like? Ideally, it will have these key features:

- **Integrated EMR technology** – EMRs are the future of health care, and any planned system will utilize them to the fullest, even down to using tablets to keep everyone connected and instantly informed.
- **The team will be able to easily talk to each other** –The right system will allow the nurse, therapist, physician and staff to always know what's going on with a patient so they can react correctly.
- **The team will be able to reach out to the hospital** –The right system allows the post-acute care partner to reach out to the discharging physician if necessary. That connectivity should also go both ways, allowing hospital staff to check in on the status of the patient and oversee the entire episode of care.

Robust systems like these have a long runway, and often take years to fully implement. But the whole point of forging a partnership is to have a dependable, long-term partner, so it's worth your while to see that their future technology plans are in place.

Now Is the Time to Start Establishing Post-Acute Partnerships

Value-based medicine is here today, and health care providers need to be looking at how to manage their care across many care settings. It may take some time to fully develop your partnerships to build your ideal post-acute network, but don't be discouraged. The post-acute industry has seen some dramatic changes in the last decade, and many providers are scrambling to build new facilities to replace their outdated buildings. So if you have a post-acute care provider who doesn't fit one of the factors above, then don't be afraid to ask about their implementation schedule. You may find out that a plan is already in place.

With 35% of hospital discharges going to post-acute care, the effort you spend on forging those ideal partnerships will provide substantial returns on your time investment. Hospital physicians and discharge managers will be able to confidently recommend your post-acute providers to patients. Discharged patients will be happy with their experience, trust the hospital and recover effectively. As a result, hospitals will be able to successfully navigate value-based reimbursements to find that sweet spot where they have the perfect balance of care effectiveness and care cost.



Designing Properties for Value-Based Care

Mainstreet is the nation's largest developer of transitional care properties, and we've made it our goal to provide environments that allow care to be as comfortable and effective as possible. A crucial piece of this commitment is ensuring that post-acute care providers have everything they need to prepare them to administer value-based care, including built-in clinical features, a beautiful setting that promotes healing, incredible amenities and everything the clinical staff needs to get their patients well and home.

The whole goal of value-based purchasing in the first place was to change how care is delivered. It's a change that is shaking the entire industry, but the right post-acute care partners and the right transitional care environments can make the change a transformative one that revolutionizes the health care for the better.



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