Patient Centered Care
The Bottom Line

How Embracing Patient Centered Care Can Lead to Practice Growth
The Bottom Line
Patient Centered Care

- Overview
  - Anticipated outcome with adoption
  - Why have hospitals embraced Patient Centered Care
  - How Patient Centered Care has Improved Hospitals Bottom line
  - How can we translate Hospital Results to the Physicians Practice
  - How can Physicians leverage Adoption of Patient Centered Care to Increase Practice Visibility
  - Why Adoption by Physicians will become necessary to survive and thrive
The Bottom Line
Patient Centered Care

- Anticipated outcomes with patient centered care adoption
  - Improved care
  - Better care coordination between providers
  - More informed patient and family
  - Lower overall healthcare costs
  - Increased provider visibility
  - Improved financial results
The Bottom Line
Patient Centered Care

- Why have many hospitals Embraced the Patient Centered Care model
  - Improve the care provided to the patient
  - Coordinate care among providers
  - Increase patient safety
  - Reduce hospital stays
  - Control costs
  - Greater community visibility through HCAHPS (Hospital Consumer Assessment of Health Providers and Systems Survey)

- *Grow your business*
The Bottom Line
Patient Centered Care

- Reduced Hospital Stays
  - Hospitals are reimbursed through a DRG – Diagnostic Related Group
    - DRG has a fixed fee for services provided on a diagnostic grouping – Total Joint
    - For example: DRG 470 – Total Hip on average was reimbursed at $11,750 with an average length of stay of 3.6 days
The Bottom Line
Patient Centered Care

- Reduced Hospital Stays
  - Imagine receiving the same reimbursement for a shorter stay...
  - According to a 2007* study conducted over a five year time horizon, hospitals that incorporated patient centered care in their operations experienced an overall reduction in their length of stays

The Bottom Line
Patient Centered Care

Length of stay 0.25 days shorter under a Planetree Patient Centered Hospital
The Bottom Line
Patient Centered Care

The same study indicated a $2,000 cost saving per case in a Planetree Patient Centered Care hospital.

Susan B. Frampton, Ph.D., President, Planetree, 17th International HPH Conference, May 2009
Greater Community Visibility
Consumerism in HealthCare

- HCAHPS - Hospital Consumer Assessment of Health Providers and Systems Survey
  - CMS’ quality initiative
  - Standardized survey allows meaningful comparisons across hospitals – for public reporting
  - Increases hospital accountability and incentives for quality improvement
  - Enhances public accountability
  - Measures and publically reports patients perspectives on their care
Greater Community Visibility
Consumerism in HealthCare

- HCAHPS - Hospital Consumer Assessment of Health Providers and Systems Survey
  - The October 2012 scores are based on more than 2.8 million completed surveys from 3,867 hospitals
    - Put differently, on average, every day more than 26,000 patients are surveyed about their hospital experience; and every day more than 7,700 patients complete the HCAHPS survey - CMS Website
  - 2% payment reduction for non-reporting
  - Up to 1% Medicare payment increase based on scores
  - By 2017, 2% payment incentive

- Movement to Value-Based Purchasing
HCAHPS Timeline

Years

2002-2004

Key HCAHPS Events
*Source www.hcahps.org

HCAHPS Due Diligence by CMS and AHRQ: patient focus groups, hospital piloting, survey development

Survey and Methodology endorsed by the National Quality Forum and approved by the Office of Management and Budget

Hospitals and Vendors are trained on HCAHPS tool and approved methodologies. April-June 2006 hospital dry runs begin, October 2006 National implementation of HCAHPS Survey among participating hospitals


Voluntary reporting on Hospital Compare becomes mandatory public reporting

Pay for reporting beings incentivizing hospitals to submit and reporting their HCAHPS data. Value based Purchasing Authorized by the Patient Protection and Affordable Care Act

Value based purchasing begins- likely financially rewarding/penalizing hospitals based on national performance (achievement) or improvement or consistency. 1% of Medicare payments likely affected in Federal Fiscal Year 2013, increasing to 2% by 2017
Greater Community Visibility
Consumerism in HealthCare

2008 CAHPS Hospital Survey Data

Higher scores for Hospitals that adopted Patient Centered Care

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Medicare.gov – Hospital Compare
Select Data – Patient Survey Results

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>PIEDMONT HOSPITAL</td>
<td>79%</td>
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<tr>
<td>1968 PEACHTREE RD NW ATLANTA, GA 30309 (404) 605-5000</td>
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</tr>
<tr>
<td>Add to my Favorites</td>
<td>Map and Directions</td>
</tr>
<tr>
<td>Patients who reported that their nurses &quot;Always&quot; communicated well.</td>
<td>79%</td>
</tr>
<tr>
<td>Patients who reported that their doctors &quot;Always&quot; communicated well.</td>
<td>84%</td>
</tr>
<tr>
<td>Patients who reported that they &quot;Always&quot; received help as soon as they wanted.</td>
<td>64%</td>
</tr>
<tr>
<td>Patients who reported that their pain was &quot;Always&quot; well controlled.</td>
<td>72%</td>
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<tr>
<td>EMORY UNIVERSITY HOSPITAL</td>
<td>78%</td>
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<tr>
<td>1364 CLIFTON ROAD, NE ATLANTA, GA 30322 (404) 666-8500</td>
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<td>83%</td>
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<td>Patients who reported that they &quot;Always&quot; received help as soon as they wanted.</td>
<td>67%</td>
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<tr>
<td>Patients who reported that their pain was &quot;Always&quot; well controlled.</td>
<td>74%</td>
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<tr>
<td>GRADY MEMORIAL HOSPITAL</td>
<td>71%</td>
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<tr>
<td>80 JESSE HILL, JR DRIVE SE ATLANTA, GA 30303 (404) 616-4252</td>
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</table>

http://www.medicare.gov/HospitalCompare/compare.aspx#vwgrp=0&cmprTab=1&cmprID=110083%2C110010%2C110079&stsltd=GA&loc=30339&lat=33.8788145&lng=-84.4645184

OrthoAtlanta
Why is this Important to My Practice?
Patient Centered Care
Important to Private Practice

- Better care/reduced practice expense
- Payers (Private and Government) are looking to pay for value
- ACO Participation
- Hospital Integration
- Consumerism
One hospital experienced a dramatic reduction in malpractice claims in the first nine years of implementing a Patient-centered care approach, despite an increase in patient care activity, which tends to increase claims.
Value Based Purchasing
Medicare

- HCAHPS for the physician practice

- CG-CAHPS – Clinician & Group Survey
  - 700,000 CG-CAHPS eligible physicians
  - 200,000 eligible physician groups

- As in the hospital setting, CMS will predicate payment rates partially on survey results

- Are you positioned to receive the maximum reimbursement...or at the least not lose revenue?
Commercial payers are looking to shift accountability to providers...in return they will share in potential cost savings

- Bundled payments
- Capitation
- Commercial ACO’s
Value Based Purchasing
Anthem BlueCross

- Anthem partnered with physicians in New Hampshire and New York to pilot Patient Centered Care ACO’s and Medical Homes
  - Both resulted in a 15% decrease in medical and pharmaceutical expenditures
  - Colorado – Inpatient admissions decreased 18% vs 18% increase for non-participants
  - Colorado – ER visits decreased 15%
  - Dartmouth – 3.4% reduction in PMPM expense
Value Based Purchasing
Anthem BlueCross

- 2013 Self-funded employers (large employers) will participate directly in value based purchasing

- 2014 – Employers will pay the shared savings amount directly to providers

- 2016 – 75% of Anthems primary care providers will be enrolled in a value-based purchasing program
ACO Development

- ACO’s are meant to reduce cost from the Medicare and commercial payer system
  - Incentivize providers with a share of the savings
  - Development and implementation of clinical pathways
  - Better care coordination
  - Participant (patient) satisfaction
Care Integration

- Hospital integration does not have to equal hospital employment
  - Many of your referral sources are being acquired by hospitals
  - Many hospitals have developed or are developing mechanisms for community physicians to participate in their health system
    - Physician Hospital organizations (PHOs)
    - Clinical integration Networks
  - As many Hospital embrace the patient centered care concept, it will become necessary to adopt the process to maintain and grow your referral base
## Care Integration

### Alignment Strategies by Impact and Risk

<table>
<thead>
<tr>
<th></th>
<th>BUSINESS SERVICES</th>
<th>CONTRACTS</th>
<th>STRUCTURED COMMUNICATION</th>
<th>EMPLOYMENT</th>
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</thead>
<tbody>
<tr>
<td>Low impact and risk</td>
<td>Management services organization</td>
<td>ER call pay</td>
<td>Blogs/one-way digital communication</td>
<td>Individual contract, productivity</td>
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<tr>
<td>Moderately low</td>
<td>Leases and real estate contracts</td>
<td>Physician recruiting</td>
<td>Two-way digital communication</td>
<td>Standard contract, varied incentives</td>
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<tr>
<td>impact and risk</td>
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<td></td>
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<tr>
<td>Moderate impact</td>
<td>Information system infrastructure</td>
<td>Medical directorships</td>
<td>Town hall forums and retreats</td>
<td>Single-specialty group</td>
</tr>
<tr>
<td>and risk</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderately high</td>
<td>Payor contracting organizations</td>
<td>Clinical co-management and whole-service PSA</td>
<td>Physician advisory council</td>
<td>Multi-specialty group</td>
</tr>
<tr>
<td>impact and risk</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High impact and risk</td>
<td>Clinically integrated physician networks</td>
<td>Joint ventures</td>
<td>Direct physician leadership</td>
<td>Integrated organization</td>
</tr>
</tbody>
</table>

Kurt Solmon, Building Stronger Physician Alignment and Integration

Consumerism

- Patients are being forced to “shop” for services
  - High deductible health plans encourage patients to seek the low cost provider

- Social networking – patients have more options to research providers on the internet
  - Very little data is available and what existing data is available tends to be negative
  - Government survey tool and results will be important and viewed as credible

- Facebook, Google+

- Increase referrals through quality web presence
  - Practice website
  - Search engine optimization...be on the first page of Google/Bing/Yahoo searches
  - Pay-per-click advertising
Consumerism

The Patient Experience: 3 Components

- **Satisfaction**
  - Meet/exceed expectations
  - Outcome delivered
  - How “Well”
  - Patient Satisfaction/Loyalty Satisfaction Survey

- **Loyalty**
  - Emotional bonding
  - Psychological commitment
  - Likelihood to Recommend
  - Patient Satisfaction/Loyalty Satisfaction Survey

- **Perceptions**
  - Formed by experience
  - Perceptual quality
  - Behavior and consistency
  - How “Often”

Baptist Leadership Group, The HCAHPS Imperative for Creating a Patient-Centered Experience, Owens, 2011
Consumerism

- **Patient Satisfaction**
  - Patient satisfaction measures how well we meet patients’ expectations or “how satisfied” they are as a result of their visit/stay
    - how well the outcomes they expected were delivered (clinically and experientially)
  - It is typically assessed by how well we performed as a team of caregivers: Excellent, Very Good, Very Satisfied
  - *Patient Satisfaction is your WOW opportunity*

Baptist Leadership Group, The HCAHPS Imperative for Creating a Patient-Centered Experience, Owens, 2011
Take-Away

- Business development is positioning your practice to take advantage of opportunities.
- Patient Centered Care can increase Quality, reduce healthcare costs and increase practice income.
- Many Hospitals have embraced the concept and are doing well compared to non-adopters.
- Changes in the reimbursement models are happening faster than most people realize.
- Patient satisfaction score will become more prevalent and public.
- Adoption of a patient-centered approach can give your practice a competitive advantage.