



Strategic Interventions: March

The *Strategic Interventions* newsletter is meant to provide your hospital's financial leaders with practical and effective ideas for improving your finances. They are meant to provide actions to take to improve your hospital's identified long-term financial aims and interests. They may come from industry experts in the form of simple reminders of the "tried and true," new ideas, or shared best practices from other hospitals – and are meant to provide you and your team with check points along the way the “journey to financial improvement.” This month, we'll be looking at the area of value-based care.

Strategic Interventions: Value-Based Care

What is Value-Based Purchasing (VBP)?

Value-Based Purchasing (VBP) is an incentive program developed by CMS to reward acute care providers for providing quality patient care with positive outcomes. It is part of the CMS strategy to reform healthcare reimbursement. In the past, healthcare has been paid based on quantity not quality. Providers were paid every time a patient received services: the more services, the better the reimbursement. To be more fiscally responsible and provide higher quality care, reimbursement methods are changing. Acute care hospitals are already feeling the impact of this change. Critical Access Hospitals (CAHs) are not included in this new strategy, yet. CAHs need to be ready to transition to value-based care as more providers are being included in this method of reimbursement.

What can you do to be ready?

To prepare for the transition from cost-based care to value-based care, you need to focus on three areas: (1) **Quality** care at a lower cost, (2) improved **Clinical** practices, and (3) **Enhancing** your patients' experiences. Finding ways to show the value of your organization in these areas will get you started on the road to value-based care.

1) **Patient Outcomes** are an indicator of quality care. Improving the health of your patients is a way to show payers your value. Developing population health management programs is one strategy to improve patient outcomes. One way to start a community focused population health program is to focus on frequent flyers; high level steps include:

- Identifying your patient population that is high cost, high resource utilization, i.e. frequent flyers in the Emergency Department.
- Develop tools to evaluate these patients, include socio-economic factors as well as **health status in your evaluations.**

- Determine what patients need to be monitored closely to minimize cost.
- Use Care Coordinators to manage patients by providing the patient with community resources, assist them with social services, mental health, or substance abuse provider referrals.
- Refer patients to primary care providers; and, enlist the insurance provider to assist in coordination of care, as appropriate.

2) **Clinical Practice** measures include monitoring infections, decreasing readmissions and more. Choose a CMS clinical measure to monitor and develop action plans for improvement. A clinical practice measure could be Central line-associated bloodstream infections (CLABSI) in ICUs and select wards or Catheter-associated urinary tract infections (CAUTI) in ICUs and select wards.

3) **HCAHPS** scores are a measure of the patient experience. These are used to promote your value to payers. To involve everyone in your hospital in increasing your HCAHPS scores, the following steps will get you started:

1. Make sure all employees know what HCAHPS scores, what your current scores are, how your hospital is affected by these scores and how everyone (from the kitchen to administration) is responsible for improving the patient experience.
2. Track survey results to identify areas in need of improvement.
3. Develop action plans targeted to improve scores.
4. Use HTHU for staff education.
5. Provide continuous feedback to staff.

All areas included in the value-based purchasing measures require data collection and analytics. Implementing a well-functioning quality program that can collect, compile, analyze and report data for tracking and providing evidence of value is key to preparing for value-based care. Find ways to use your electronic health record (EHR) to help compile data. Utilize automated tools for data analytics when possible. Develop a culture of high value that prioritizes excellence in care, low cost, and quality patient outcomes.

Begin now to improve your value and get your organization ready for the transition to value-based care and reimbursement. Your hospital reputation is currently being judged by these three VBP factors; and, your reimbursement rates will depend them soon!

For more information and resources, visit <https://www.medicare.gov/hospitalcompare/search.html>.

If you have questions or other items related to value-based care, please contact Sandy Sage at sandy.sage@hometownhealthonline.com. In addition, if you have best practices related to value-based care, we invite you to share what has worked for your hospital!

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