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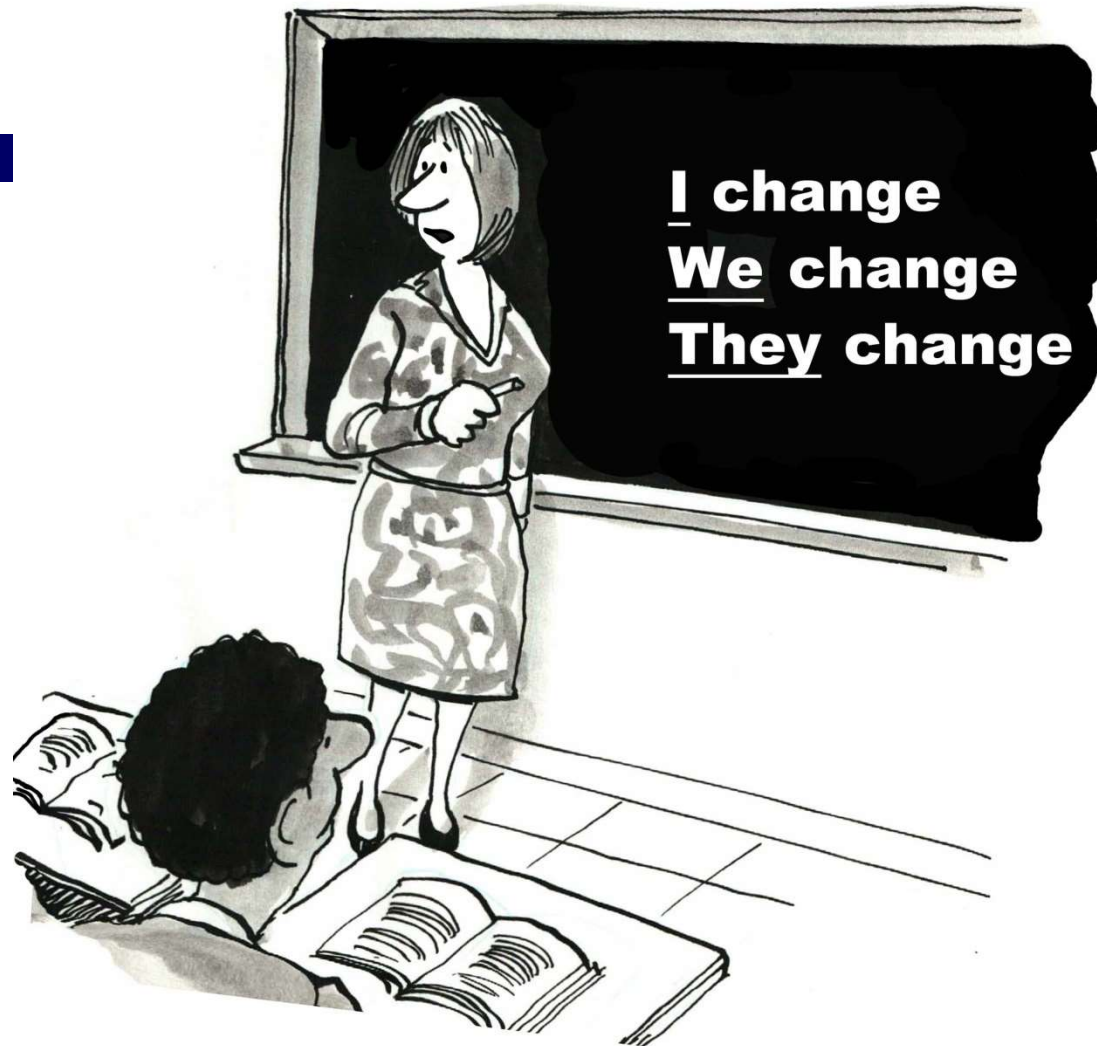


Good-bye Volume; Hello Value

presented by
Irving L. Stackpole







“Time for Lesson 1 in our new language.”

Volume to Value

- Volume - Fee for Service
- Value

$$\text{Value} = \frac{\text{Quality}^*}{\text{Payment}^\dagger}$$

* A composite of patient outcomes, safety, and experiences

† The cost to all purchasers of purchasing care

CMS Transition

- Total Performance Score and Rank
- 2016 Funded by 1.75% ↓ in DRG
- 2017 Funded by 2% ↓ in DRG
- FY 2018 – new measures, performance periods, performance standards and domain weighting
- Better Score = higher payment
- Poor score = lower payment

More about “VALUE”

- Quality / Payment
- “Quality” =
 - The degree to which service is free of controllable defects*
 - Who determines “defect”?
- Manage the Measures!

The Challenges

- *Profound changes*
 - *Consumers' & Intermediaries'*
- *Poor performance*
- *Labor*
- *Lower payments*
- **The “system”**

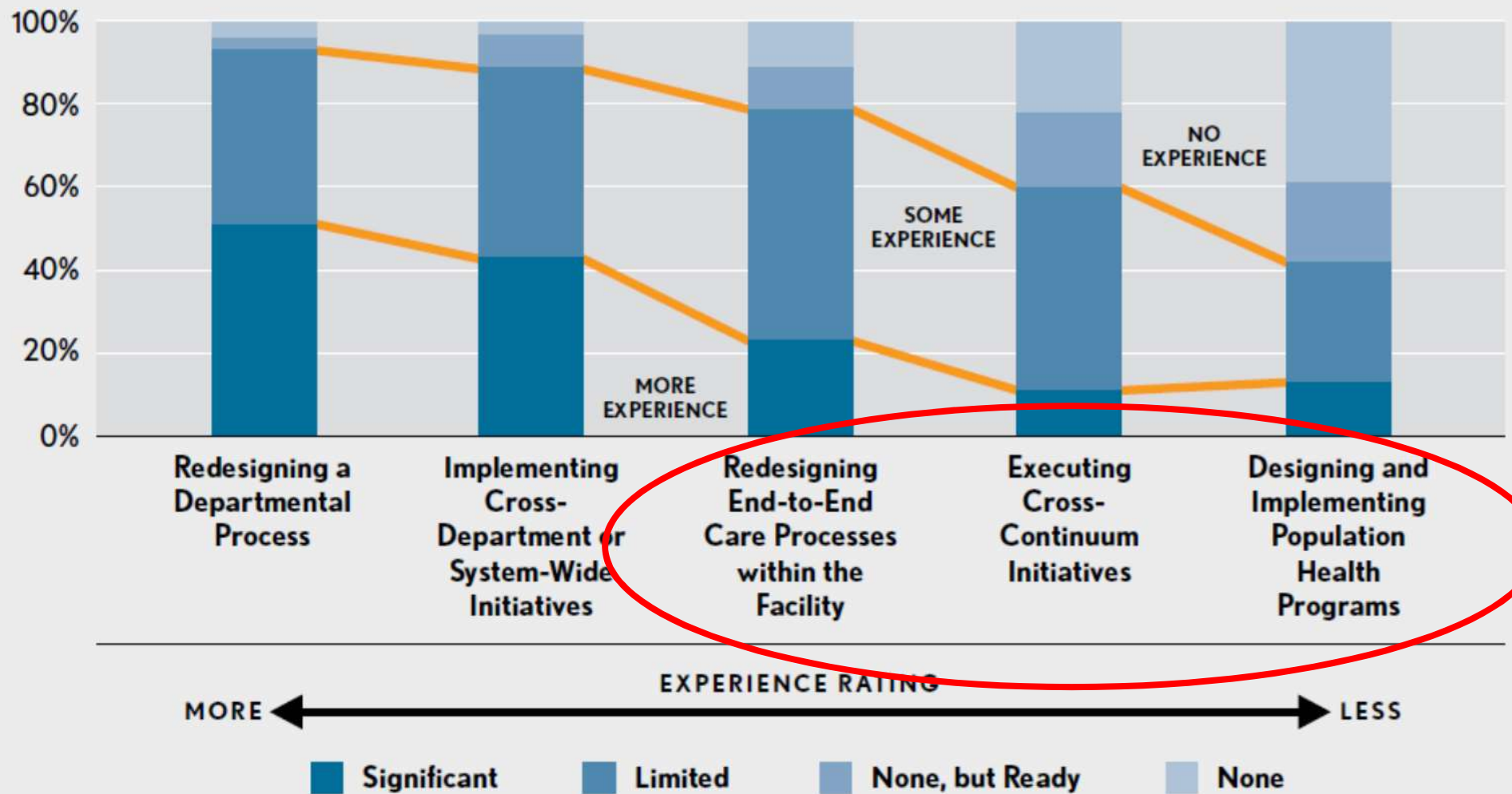
Technical, Productive, Allocative

- Technical
 - *Maximum improvement from resources*
- Productive
 - *Best health outcome for given costs or reduction in cost for the same outcome*
- Allocative
 - *Best outcomes for society*

** Palmer, 1999

EXPERIENCE WITH PERFORMANCE IMPROVEMENT ACROSS THE CONTINUUM

How would you describe your organization's experience executing the following initiatives?



Source: HFMA Value Project Current State Survey, January 2011.

Engagement

- Culture of Volume v. Value
 - Inside
 - Leadership – what’s being measured
 - Employees
 - Doing “more” v. “correct”
 - Consumers
 - Do you have the time?
 - Intermediaries
 - Adversaries or collaborators?

Collaboration – the New Frontier

- *Cross-Continuum Collaboration*
- *Organizations (“actors”) with*
 - *Different missions*
 - *Different perspectives on “care”*
 - *Different orientations (for profit, not for profit)*
 - *Different idioms (Tower of Babel)*
 - *Different information systems*

Good Bye Volume: “Hello” New Rules†

- *Leadership*
- *Trust*
- *Walk with me*
- *Start small → succeed fast*
- *Engage vs. exclude*
- *Data, Data, Data*
- *Patient / consumer centered*

† Loehrer, 2015

Leadership / Convener

- Dedicated Role
- Wide range
 - Hospitals
 - Physicians groups
 - QIOs
 - AAAs

Trust

- Many times, this is the first time!
- Orientation
- Taking time for the long term
- Shared benefits → goals

Visits

- Site visits & tours between & among providers, agencies – “actors”
 - Walk a mile in my shoes
- Personal observation often leads to breakthrough cooperation

Start small

- Small wins reinforce efforts
- Issues at “modest” scale can lead to scalable solutions

Inclusive teams

- Expand teams to include
 - Knowledge
 - Experience
 - Perspectives
 - Capacity
- Team tools / skills / capabilities

Data, Data, Data

- Both quantitative and qualitative
- Opportunity
- Progress
- Skills



Patient & consumer focus

- Keep the focus on the end user
- Families and “related parties”
 - What’s working
 - What’s in the way

Differentiation

- In the “post volume” world, how will YOU stand out?
 - Efficiency
 - **DATA / OUTCOMES / RESULTS**
 - Innovation
 - Engagement

Conclusions

- *Transitions → Collaboration*
- *Engage v. Bunker*
- *“New Rules”*

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M'care Spending per Beneficiary (MSPB)

2014 USA National Average Medicare Spending per Beneficiary

Provider Type	1 - 3 days prior to admission	During hospital admission	1 - 30 days after discharge	Complete Episode	Percent of Average	Rank
Inpatient	\$ 5	\$ 9,108	\$ 2,665	\$ 11,778	58.8%	1
Skilled Nursing Facility	\$ 2	\$ -	\$ 3,251	\$ 3,253	16.2%	2
Carrier	\$ 532	\$ 1,514	\$ 1,083	\$ 3,129	15.6%	3
Outpatient	\$ 117	\$ -	\$ 710	\$ 827	4.1%	4
HHA	\$ 13	\$ -	\$ 771	\$ 784	3.9%	5
DME	\$ 9	\$ 24	\$ 101	\$ 134	0.7%	6
Hospice	\$ 1	\$ -	\$ 118	\$ 119	0.6%	7
Total	\$ 679	\$ 10,646	\$ 8,699	\$ 20,024		
Percent of Average	3.4%	53.2%	43.4%			