NYHIMA 1998 Annual Conference - Presentation by John D. Shaw

Capitalizing on the External Forces Affecting Long Term Care

In 1998, John Shaw, President of Next Wave, Inc. ("NWI") presented before the New York Healthcare Information Management Association. NWI was able to make this presentation relevant to this group due to its background in: (a) performing significant data collection and analysis engagements for individual hospitals, nursing homes, and insurance companies; (b) its background in reviewing costs, payments, and case mix adjustments; (c) serving as trainers for the NYS Department of Health on several long-term care assessment forms, including the PRI, the Screen, and the MDS; and, (d) its understanding of patient classification systems and case mix payment system on nursing home management practices. NWI presented to this group in the hopes that its broad payor, provider, and research background might assist the NYHIMA members to better understand how their roles affect the delivery impacts of long-term care in NYS.

Mr. Shaw presentation touched upon the following areas and expanded upon the issues outlined below:

- Defining the Role of the Information Professional
- Identifying the Forces of Change
- Impact of Demographics (Aging Population)
- Redefining the Service Delivery Model
- Case Mix Payment Classifications
- Evidence-Based Care - Quality Measures
- Financing (Who Pays What and How?)
- Consumer Decisions, Quality of Life, and Satisfaction
- What Should YOU Do?

Defining the Role of the Information Professional

- Translates Between Assessment, Coding, Classification, And Billing "Languages"
- Collects, Edits, Stores, Retrieves, And Analyzes Clinical Information About Patients, Residents, Clients Across the Health Care Continuum
- Indirectly Controls the Financial Health (And Existence) Of The Facility

Identifying The Forces of Change

- Changing Demographics, Including the Aging and Economic Changes of the Population
- Impact of Prospective Payment System (Growth Control)
- Evaluating Impacts of Case Mix Payment Classifications
- What Is the Impact of Financing ("Who Pays What and How?")
- What Affects Consumer Decisions and Satisfaction?

Demographics (Aging Population)

- Understanding the Significant Increase in This Population, Especially Over Ages 85
- Potential for Payment Leveraging Decreases

- Yet Costs Are Increasing Due to the Growth in Chronic Diseases as Acute Cures Are Found
- Balanced Against Documented Generational Differences

Redefining the Service Delivery Model

- Overall Industry Has Experienced Mergers and Consolidations
- Increased Interest in Vertical Integration
- Continuing and Increasing Competition Across The Health Care Continuum
- Interest in Defining Care Standards To Identify Similar Patient Needs
- Which, In Turn, May Present An Opportunity for Efficiency Gains
- What Is The Potential for Customized or Individualized Care, Based Upon Clinical Judgment or Customer Choice?

Case Mix Payment Classifications

- Serve To Identify Patients With Similar Care Needs. Current Systems Can Explain Approximately 50% to 60% of Patient Variability
- Different Sectors Of the Health Care System Are Measured Using Different Tools:
    - Hospitals - Diagnostic Related Groups ("DRGs")
    - Physicians - Resource Based Relative Value Scale ("RBRVS")
    - Nursing Homes - Resource Utilization Groups ("RUGS")
    - Hospital Outpatient Services Ambulatory Patient Categories ("APCs")
- In Addition, Several Sectors Are Being Evaluated For Their Own Measurement Tools:
    - Home Care
    - Rehabilitation Services
    - Post-Acute Services
- The Advantages of the These Measurement Tools Include:
    - Provide Objective and Standardized Measurement of Resource Utilization
    - Allows Benchmark Comparisons
    - Provide Management With A Tool For Allocating Resources (e.g., Staffing, etc.)

Need for Evidence-Based Care and Quality Measures

- There Have Been Increasing Interest and Calls For Additional Evidence-Based Care and Quality Measures. The Reasons for this Increasing Interest Include:
    - Need for Measurement of Outcomes ("Did The Care Work?")
    - Value of Objective Quality Measures (Quality Not Just "In Eye of the Beholder")
    - Demands for Objective Evidence from Payors and Consumers ("Can You Prove Your Way is Better?")
- As Noted Above, The Advantages of the These Evidence-Based Measurement Tools Include:
    - Provide Objective and Standardized Measurement of Both Care and Quality
    - Allows Benchmark Comparisons

    - Provide Payors With A Tool For Measuring Value Versus Cost
    - Can Provide the Basis For Developing Practice Guidelines, Care Maps, Etc.

Financing ("Who Pays What and How?")

- Facility Payments Are Based on Detailed Medical Care and Chart Reviews, To Measure:
    - CREEP, Volume and Behavior Changes
    - Clinical Appropriateness
    - Level of Documentation to Help Payors and Medicare To Uncover Potential Fraud
- Need To Understand Service Rates vs. Long-Term Care Managed Care
- Payment Rates Can Include Per Day ("Per Diem"), Per Visit or An Episode Bundle
- There Are Continuing Changes in Sources of Public and Private Funding Now And In The Future

Consumer Decisions, Quality of Life, and Satisfaction

- There Have Been Changes in Consumers Decisions, Quality of Live and Satisfaction, As Illustrated By The Following Examples:
    - I KNOW what I want
        - - and expect to get it!
        - - and may be willing to pay for it!
    - Generational Differences
        - I am NOT my Mother!
        - Differing economic status and expectations
- Need To Develop Additional Measures of Satisfaction
- Increasing Payor Mandates for Quality and Satisfaction Reporting

As An Information Executive, What Should YOU Do?

- Become Familiar with Different Systems
- Work to Both Link and Analyze Data Across the Health Care Continuum
- Educate Your Facility's Staff on the Availability and Utility of Clinical Data
- Work with the Finance Department to Measure Impacts
- Start Asking "How Can We PROVE It?"
- USE Data Internally Prior to Payor Use
- Be Able to Answer "How Good is the Data?" When Asked