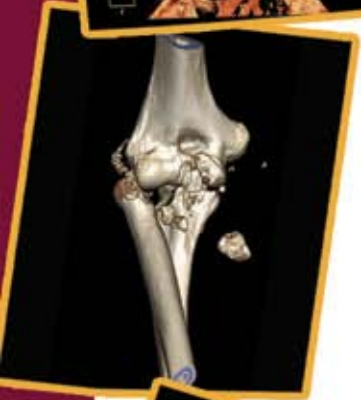
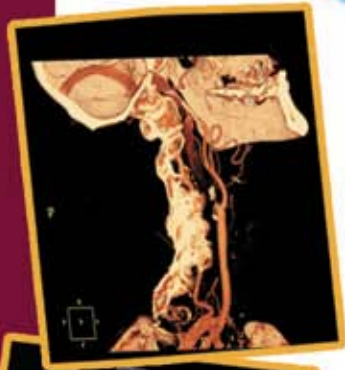


Recover and Prosper Succeeding after 100% CMS Review

Chris Mangin

October 2010





The Age of Prosperity...



- **Early 90's and 00's had our unit with an average daily census over 60**
- **Waiting lists...**
- **Administration loved us...**
- **We were heroes...**
- **Therapists got everything...**

The Crack in our Dam

- A few probe letters arrived
- Several denials followed
- Appeals fell on deaf ears
- We took it to the next level
- Tri-Span didn't care...we went to the ALJ
- It was 2002 and the writing was on the wall



2003 Brought About Change

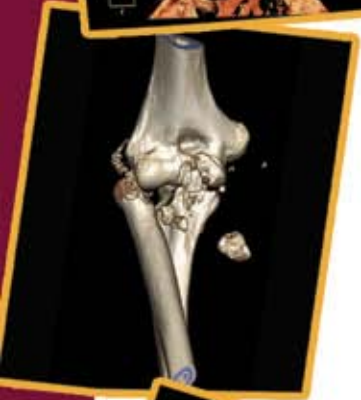


The Big Reveal will
come later!!!

Total Consults	2405	2539	2362	1770
Rehab Admits	1728	1777	1365	615
ECC Admits				
PCC Admits				

But Let's Simplify Things

- For the purposes of this presentation, let's just look at Orthopedics.
- We all know the rule changes
- Our biggest area of growth was Ortho and it was the most vulnerable area in Rehab for us



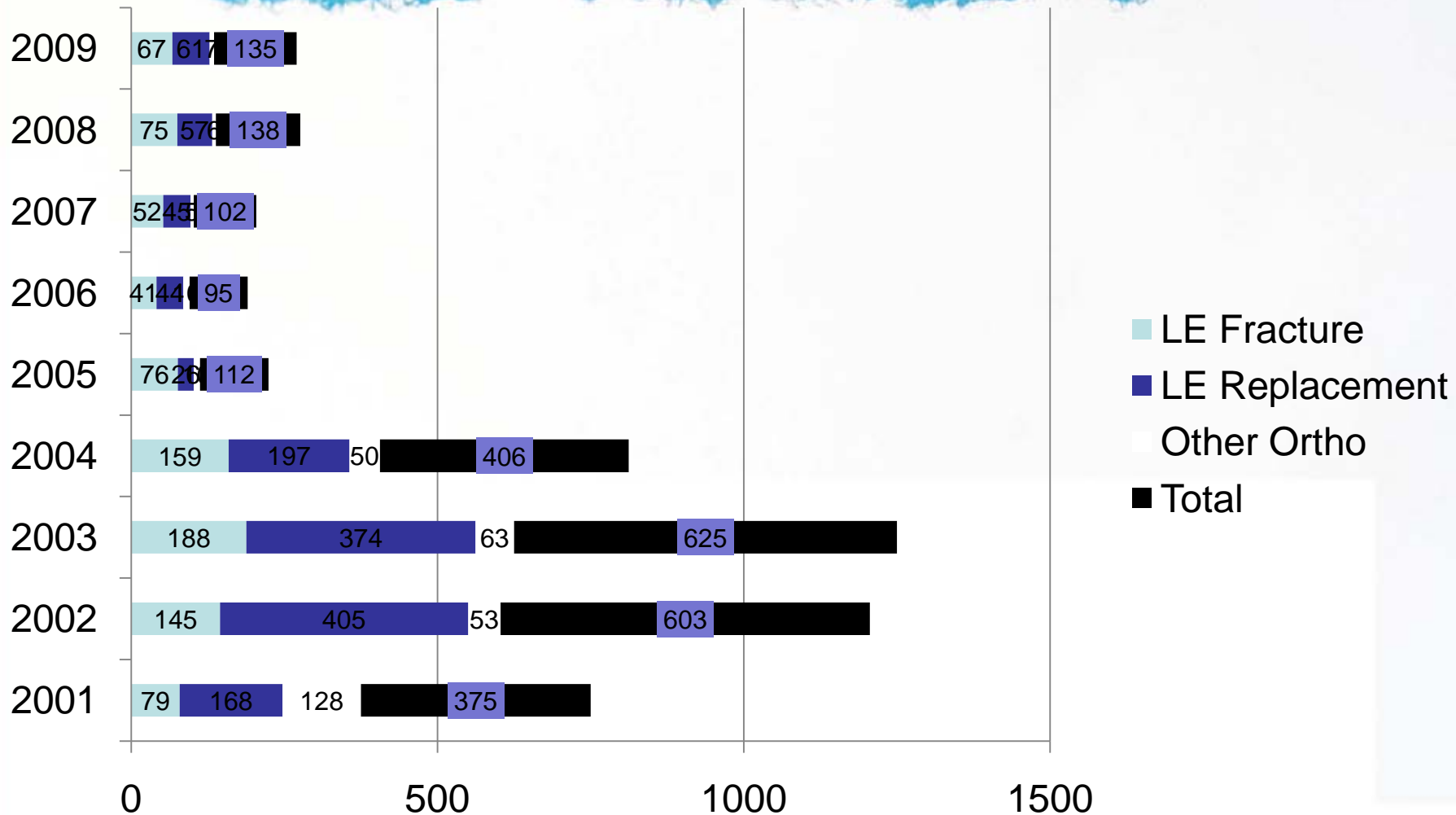


Orthopedic Physicians

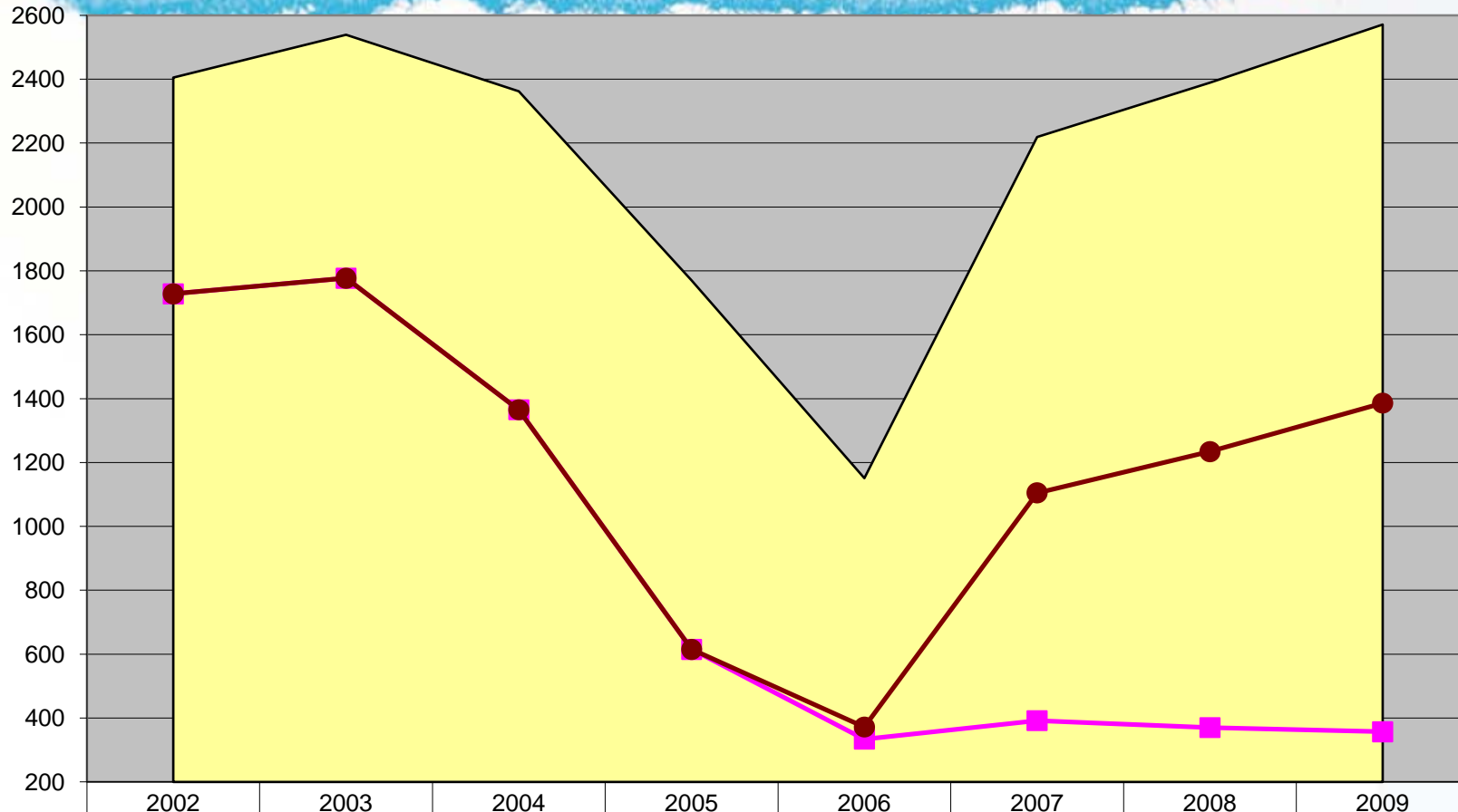







Total Ortho Admits to Rehab



A Hint...



 Total Consults	2405	2539	2362	1770	1151	2219	2389	2571
 Rehab Admits	1728	1777	1365	615	334	392	370	357
 Total Admits	1728	1777	1365	615	372	1105	1234	1386

Super SNF - 2006

- Rules changed so we adapted
- Short stay
- Limit meds, payer sources, diagnoses, co-morbs
- High RUGs
- Ortho



What did it do?

- Created a pressure relief valve
- Decreased the acute length of stay
- Set up outside of the hospital walls
- Made us user friendly again
- Preserved our Rehab unit
- 24 beds...problem solved right?



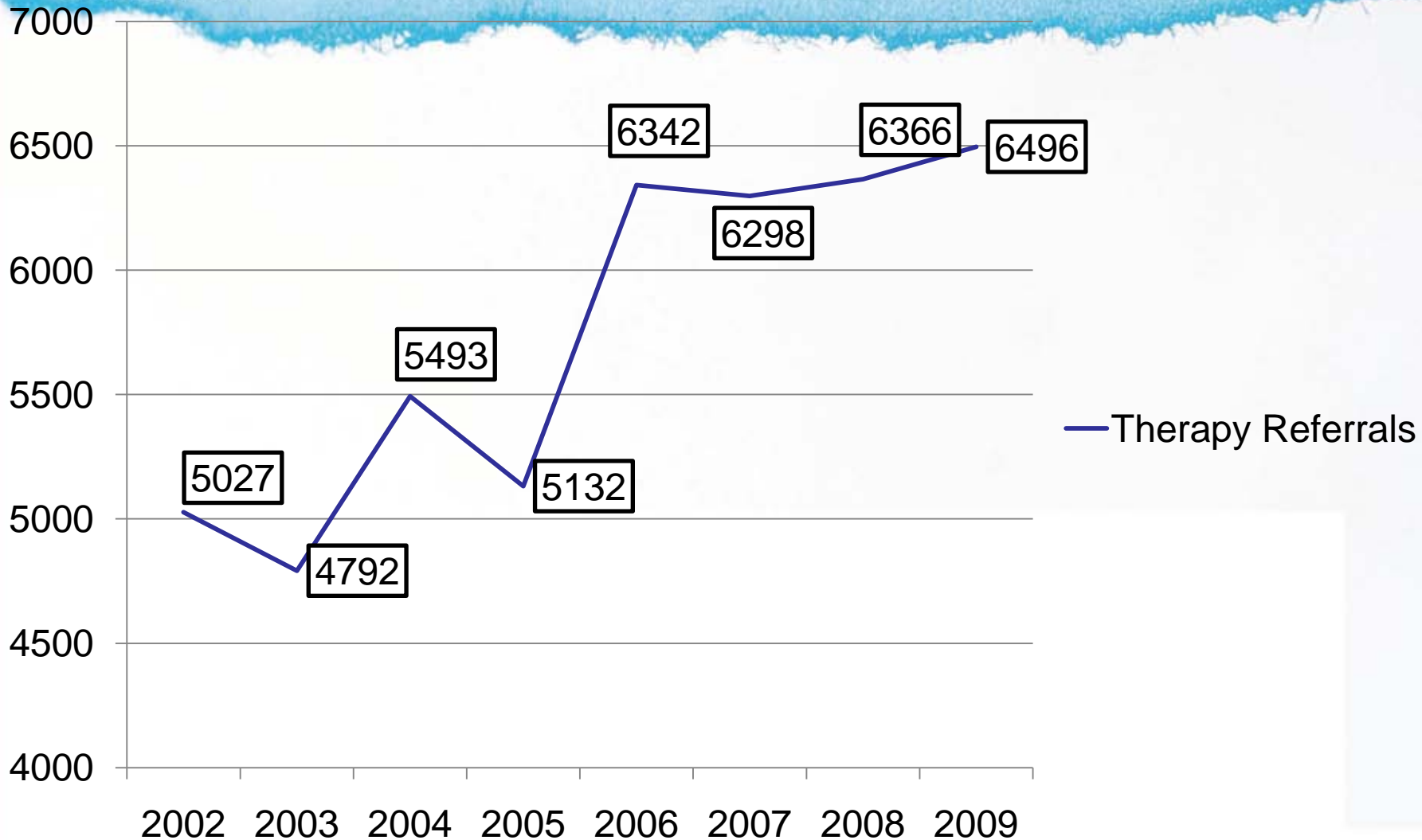
What about OP?

- Patients were getting better faster
- Anterior hip approach
- Increases in day surgery cases
- Volume concerns
- Solution: We doubled the size of 2 of our clinics to accommodate and capture these patients





Outpatient Admissions



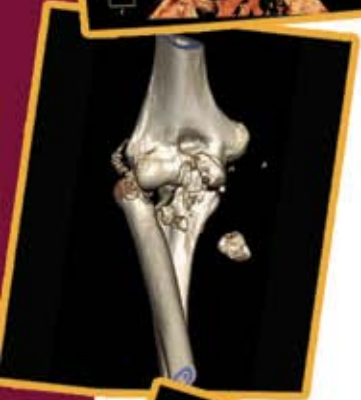


Still...Too Many Limitations

- Our 24 beds were full and we still had patients that we couldn't move out of the hospital.
- LTAC took some, some went to community SNF's but we still had some that didn't move
- OP volumes were exceeding our capabilities
- Pt's didn't meet our Super SNF criteria so what do we do now?
- We needed another SNF...another pressure relieve valve.

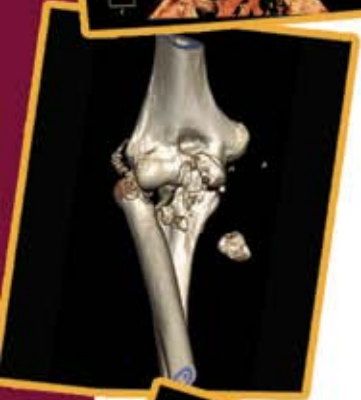
Secondary SNF - 2007

- Residential Nursing Home with skilled beds attached
- 28 skilled beds newly remodeled
- More pressure relief
- Less limitations – can roll into residential if needed
- More payer sources accepted



A Complication

- While we were adjusting to rule changes and creating new avenues for post acute care we added 10 more orthopedic physicians and over 100 network physicians to our system.
- Volume was an issue
- Relationships?





Where did that leave us? - 2008

- In comes Service Line Management
- Develop Orthopedic Physician relationships through a service line management approach
- Implant pricing negotiations, pre-op classes, promotion of pt. safety and improving outcomes
- **BUILDING RELATIONSHIPS!**

Shifting Loss of Revenue

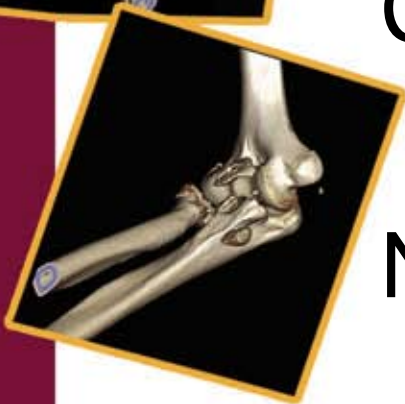
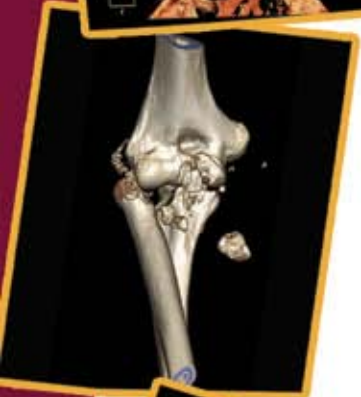
Construct Pricing for Implants

Negotiations for trauma and arthroscopy lines

Promotion of fiscal responsibility

Close relationships with MM as well as admin

Net effect is many-fold





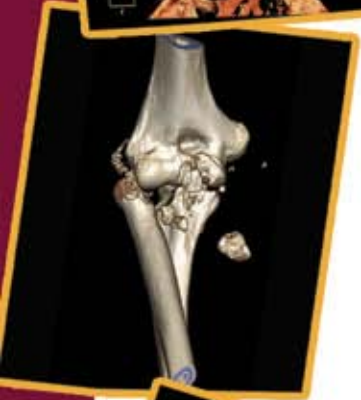
Savings First Year

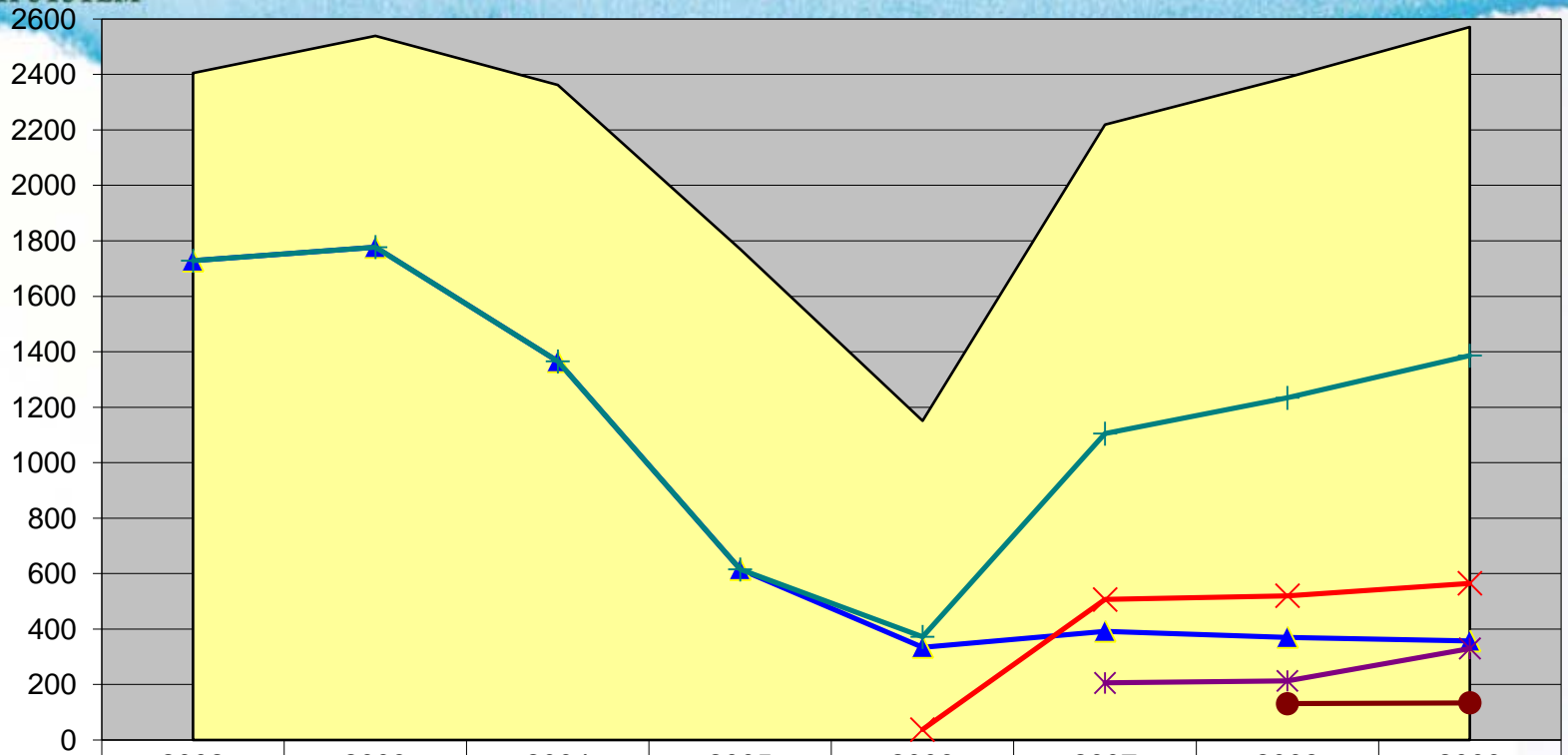








Joint Initiatives	Baseline Target Savings	Total Annual Savings	% of Target Savings
Hemiarthroplasty Hip	\$281,168	\$66,141	24%
Primary Total Hip	\$651,617	\$380,460	58%
Unicondylar Knee	\$15,144	\$9,556	63%
Primary Total Knee	\$2,028,763	\$902,435	44%
Total	\$2,976,692	\$1,358,592	46%

The End Product

- Referrals and Admissions to all areas

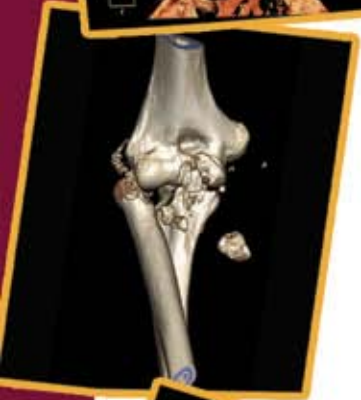




 Total Consults	2405	2539	2362	1770	1151	2219	2389	2571
 Rehab Admits	1728	1777	1365	615	334	392	370	357
 ECC Admits					38	507	520	565
 PCC Admits						206	213	330
 Live Oak Admits							131	134
 Total Admits	1728	1777	1365	615	372	1105	1234	1386

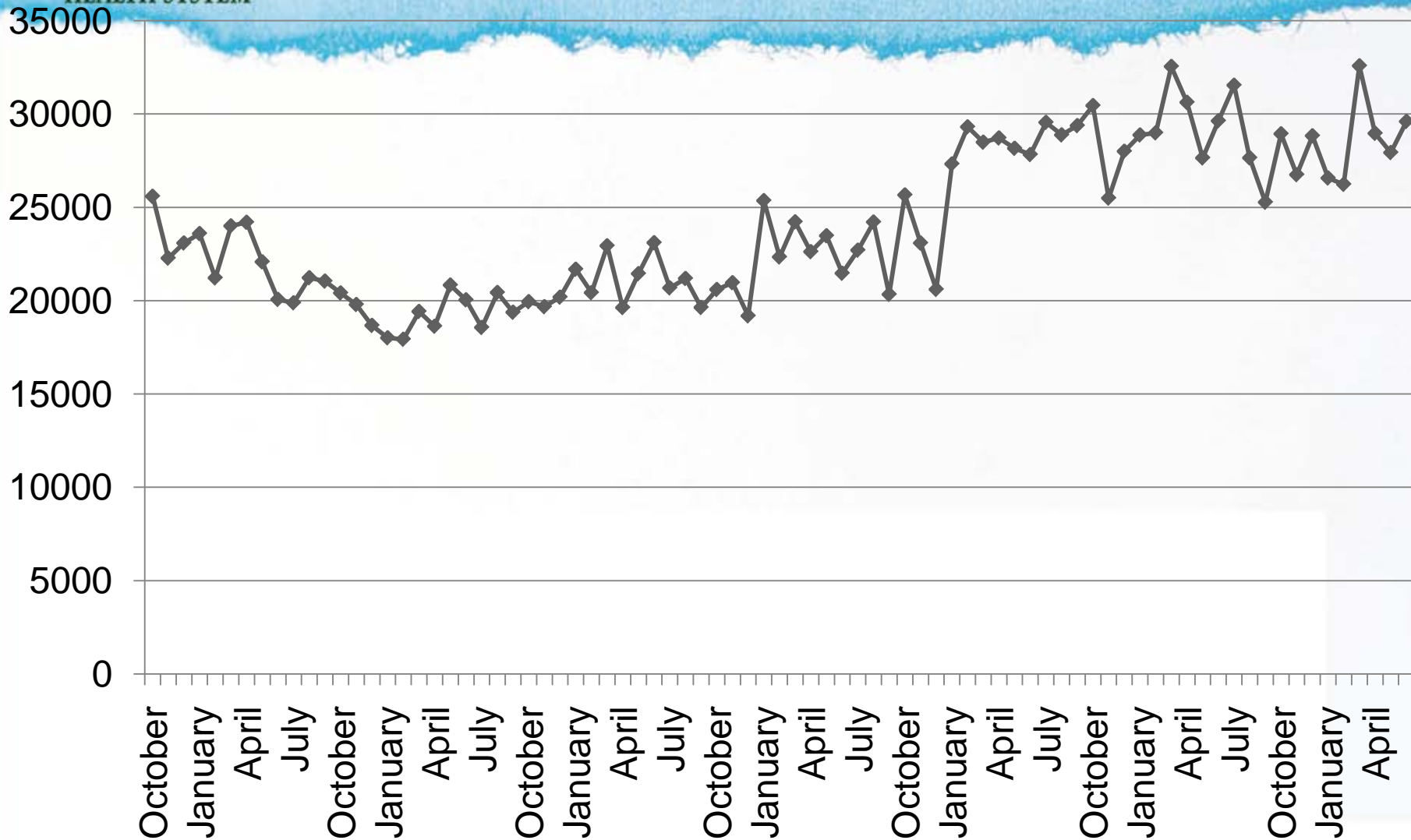
The End Product

- Referrals and Admissions to all areas
- Total Outpatient Volume



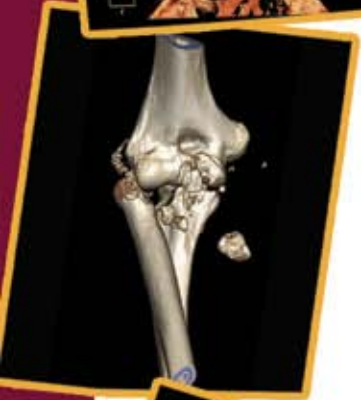


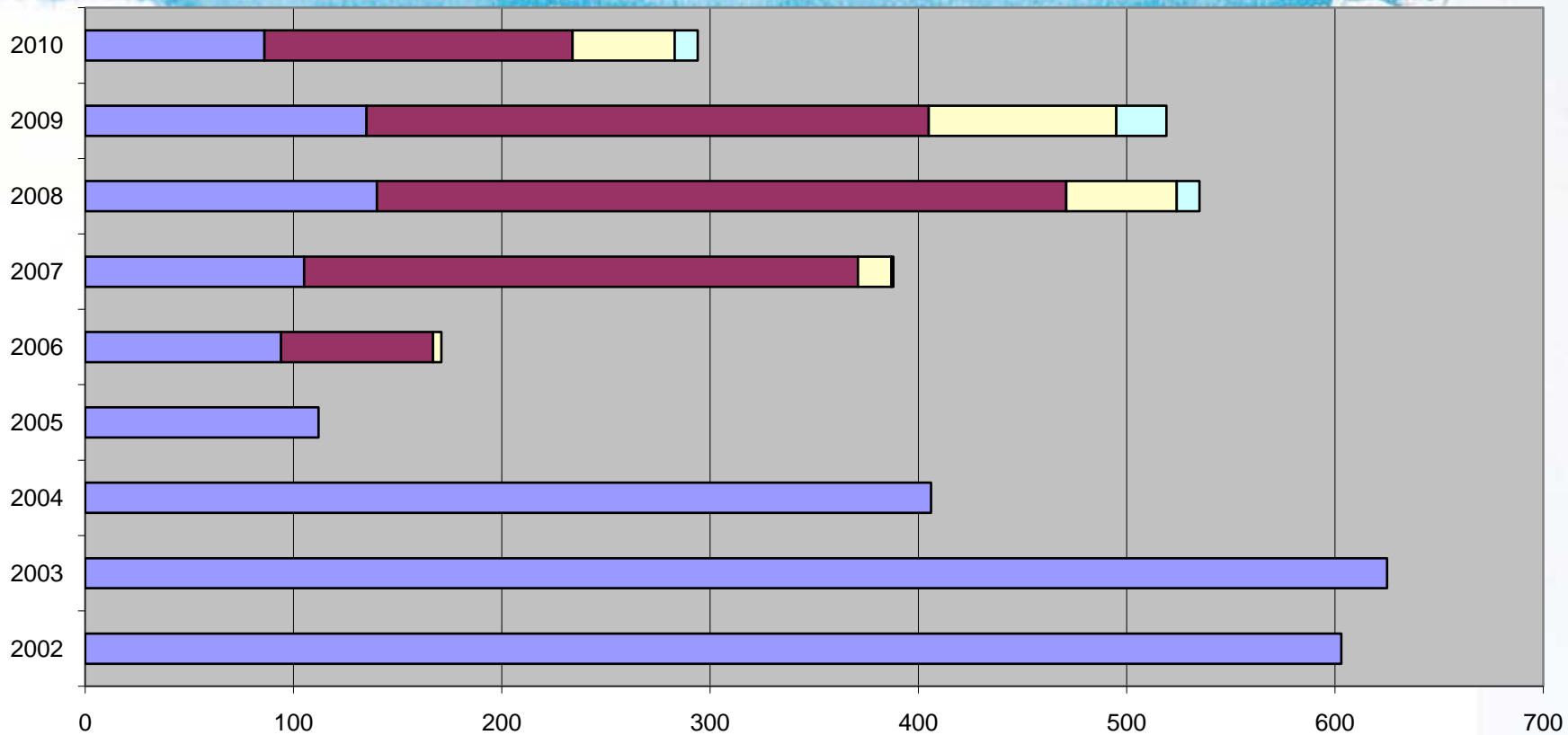
OP Procedures 04-10



The End Product

- Referrals and Admissions to all areas
- Total Outpatient Volume
- Recapturing Orthopedic Business





	2002	2003	2004	2005	2006	2007	2008	2009	2010
Rehab	603	625	406	112	94	105	140	135	86
ECC					73	266	331	270	148
PCC					4	16	53	90	49
Live Oak						1	11	24	11

The End Product

- Referrals and Admissions to all areas
- Total Outpatient Volume
- Recapturing Orthopedic Business
- Making ourselves user friendly again!

