



Building the Case for a Post-Acute Strategy in an Era of Accountable Care

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Today's Objective

- We will discuss how the Rehabilitation Institute of Michigan (RIM) is building the case to incorporate a post-acute strategy into the Accountable Care Organization (ACO) model at the Detroit Medical Center (DMC), an integrated healthcare system.

DMC at a Glance

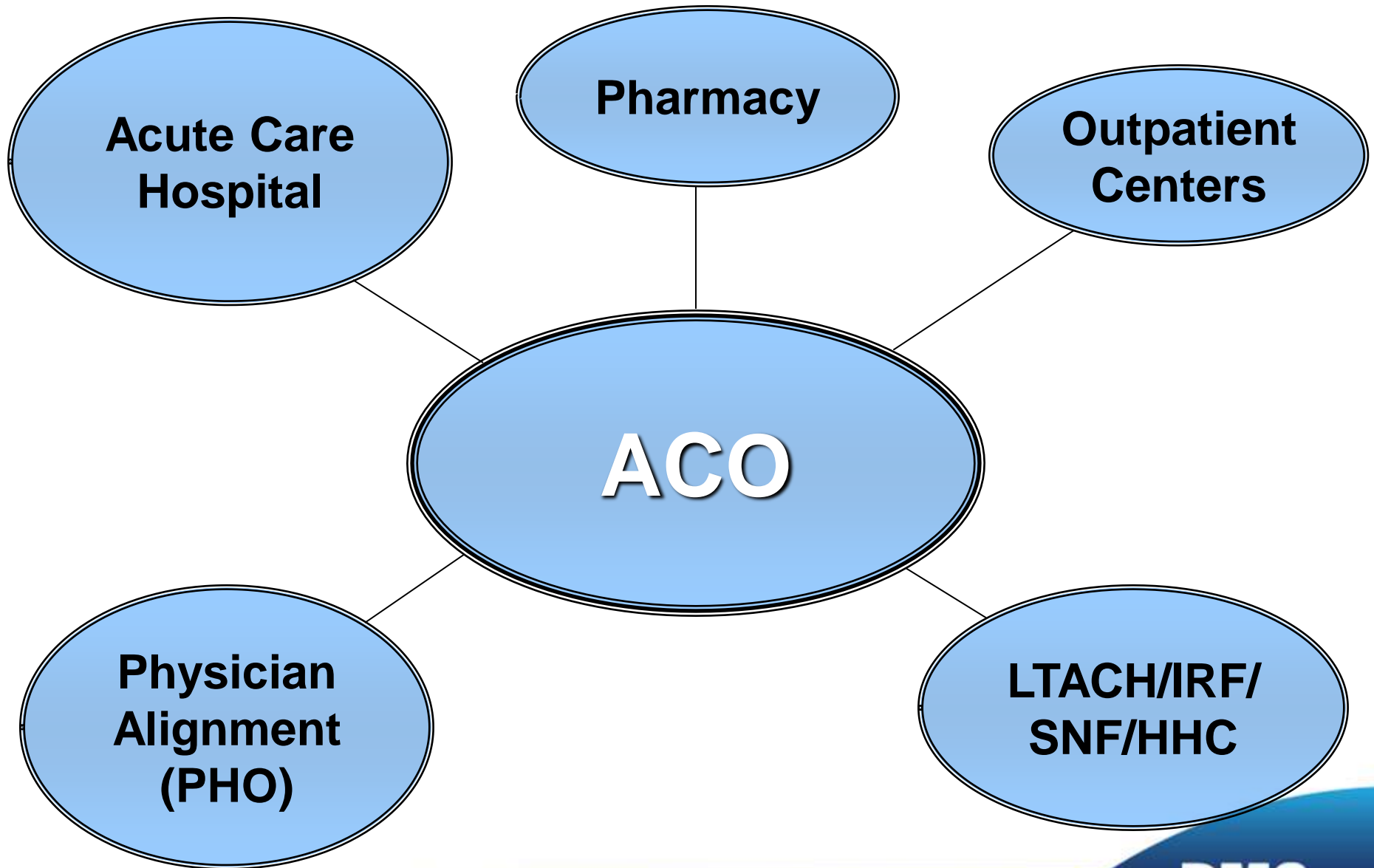
- Celebrating 148 years of service
- Academic healthcare system with 2000+ beds
- 8 specialty hospitals that includes 1 post-acute: **RIM**
- 3000 physicians: private, employed, faculty
- 15,000 employees
- 60,000+ adult discharges annually

A New Era for the DMC

- Converted to for-profit status on 12/31/10
- Physician Hospital Organization (PHO) formed in 2009
- In 2011, began construction projects that will total \$850 million in Detroit area
- Adapting to healthcare reform changes

ACO Defined

- An ACO is an entity introduced by the Patient Protection and Affordable Care Act of 2010.
- It is defined as an organized group of healthcare providers who share a financial incentive to be accountable for managing the quality and cost of care across the continuum



ACO/Bundled Payment Linkage

- The ACO is viewed by hospitals & physicians as a key strategy to adapting to changes under healthcare reform
- Many healthcare executives view ACO's as a precursor to bundled payments for episodic care
- The goal of the ACO concept, from the acute care perspective, is to mitigate risk and maximize efficiency

Pathway to ACO at DMC

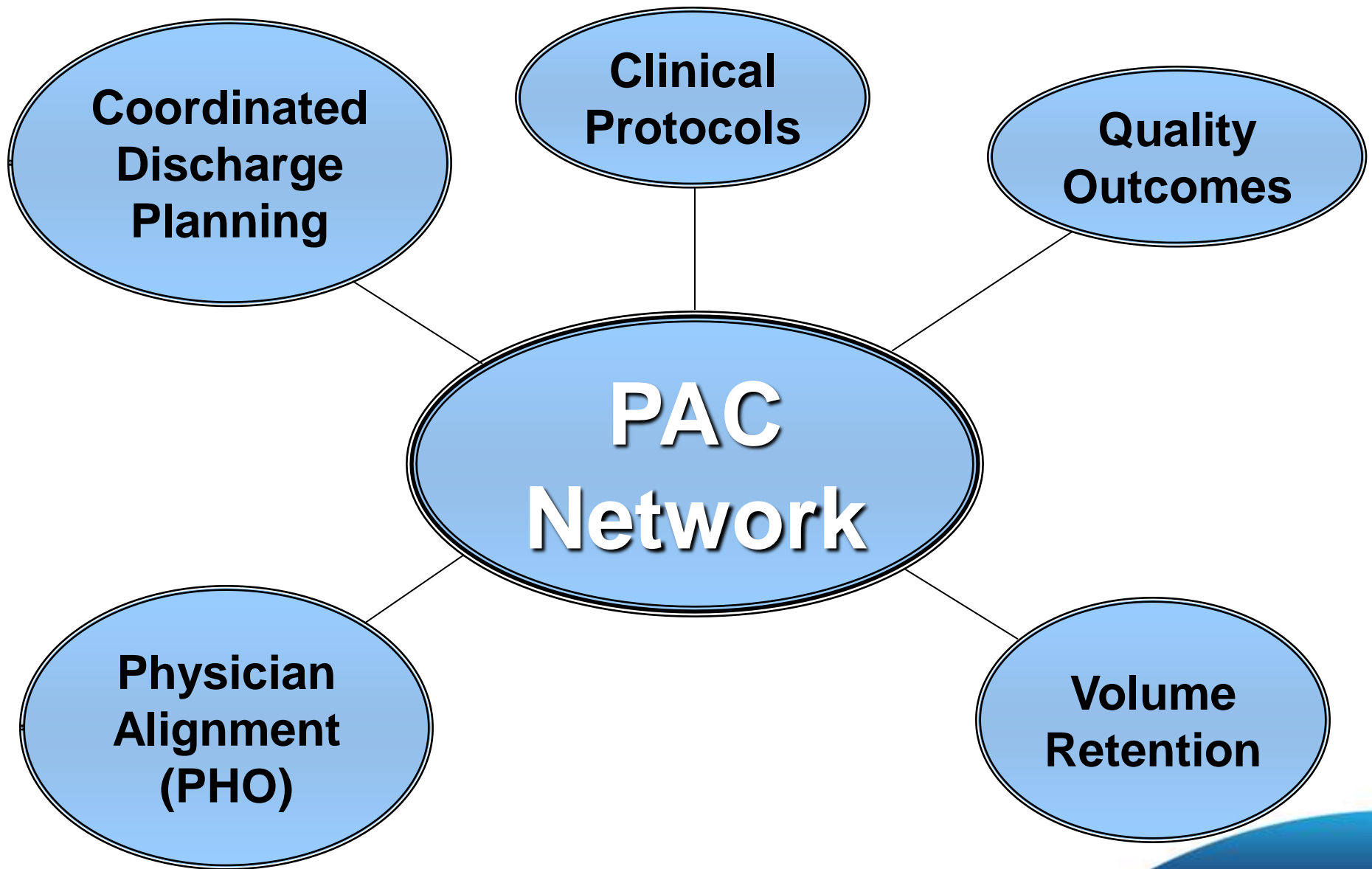
- Physician alignment via Physician Hospital Organization (PHO)
- Electronic information exchange
- Collaborative efforts with commercial payors
- ***Establishment of virtual Post-Acute Network***
 - ***Fully integrate network performance protocols***

Critical Success Factor: Hospital CEO Support

- Formulate plan from hospital CEO perspective
- Be prepared to explain how post-acute directly impacts acute care outcomes/goals
- Hold one-on-one meetings with hospital CEO's to promote trust and establish common purpose
- Present consented plan to system leaders

Post-Acute Benefits to Acute Care

- PHO/Pre-ACO :
 - Minimize leakage
 - Physician partnership
 - Improve quality
 - Support ACO pilot application
- Post-ACO/Bundling :
 - Decrease post-acute care costs
 - Decrease avoidable readmissions
 - Improve continuity of care and quality
 - Improve patient experience
 - Enhance DMC brand



Why Post-Acute is Key

PAC Setting	% D/C from Hospital to PAC Setting	% Readmitted after PAC Setting	% D/C to 2nd PAC Setting
SNF	17.3	22.0	29.3
HHC	15.0	18.1	2.3
Acute Rehab	3.2	9.4	56.8
Hospice	2.1	4.5	2.4
LTACH	1.0	10.0	53.4
Psych	0.5	8.7	25.4
Total	40.0	18.0	19.8

Hospital-Driven ACO Model

- Take ownership of the care continuum
- Create a Continuing Care Network (CCN) of post-acute providers that meet quality and outcome criteria to manage the post-discharge continuum (virtual or owned)
- Consider joint venture with a SNF for hospital's Medicare patients

Sample CCN Criteria

- Expedient acceptance of transfers from hospital
- Minimum threshold of 30-day readmissions to hospital
- Minimum threshold for ED visits from post-acute
- Proven ability to manage high acuity patients
- Physician alignment with hospital
- Data integration
- Transitional care coordination along post-acute continuum

Key Considerations for Building a Case for Post-Acute Integration

- Avoidable readmissions - *key to cost savings*
- Re-tooling the discharge process
- Role of physiatrist in care transitions
- Creating a culture that acknowledges the benefit of post-acute coordination
- Identify inventory of system/hospital post-acute needs
- Physician practices for post-acute care
- Establish clinical protocols and data integration
- Mitigate risk of volume leakage
- Designated leader

Vital Leadership Attributes

- Clinician
- Acute care and Post-acute
- Physician relations
- Strategic-thinking
- Care coordination
- Executive authority to negotiate contracts and hold CCN providers accountable

Be Prepared to Deliver!

- Upgrade/integrate data capabilities
- Establish accountability standards
- Clearly define clinical vulnerabilities and strengthen them
 - Increased nursing skills and RN mix
 - Disease protocols
 - 24/7 coverage
 - Mid-level providers
 - ED/hospital avoidance strategies and algorithms



DMCTM

DETROIT MEDICAL CENTER

