IHI Expedition

Expedition: Preparing Care Teams for Bundled Payments
Session 4: Engaging Stakeholders in Bundle Design

Trisha Frick, MS, RN
Nick Bassett, MBA
Alice Ehresman, RN, MBA
Stephanie Calcasola, MSN, RN-BC
Lucy Savitz, PhD, MBA
Molly Bogan, MA

May 5, 2015
Begins at 1:00 PM

Today’s Host

Akiera Gilbert
Project Office Assistant
Institute for Healthcare Improvement
Phone Connection (Preferred)

To join by phone:
1) Click on the “Participants” and “Chat” icons in the top right hand side of your screen.
2) Click the button on the right hand side of the screen.
3) A pop-up box will appear with the option “I will call in.” Click that option.
4) Please dial the phone number, the event number and your attendee ID to connect correctly.

WebEx Quick Reference

- Please use chat to “All Participants” for questions
- For technology issues only, please chat to “Host”
Chat

Name and the Organization you represent
Example: Sam Jones, Midwest Health

Please send your message to All Participants

Expedition Director

Molly Bogan, MA
Director
Institute for Healthcare Improvement
Expedition Objectives

At the end of this Expedition, participants will be able to:
- Describe the benefit of transitioning to a value-based purchasing model
- Understand and apply activity-based cost accounting methodology to at least one care process
- Demonstrate examples of how to engage stakeholders in building a bundle
- Describe how to customize care team redesign to deliver optimum care under value-based purchasing

Today’s Agenda

- Introductions
- Session 3 Action Period Assignment Debrief
- Engaging Stakeholders in Bundle Design
- Action Period Assignment
- Closing
Expedition Sessions

Session 1: Volume to Value; Describe the benefit of transitioning Value-Based Purchasing
Lead Faculty: Lucy Savitz & Trisha Frick

Session 2: Getting Started with Building a Care Bundle
Lead Faculty: Trisha Frick & Nick Bassett

Session 3: Collecting Data Using Activity-based Costing
Lead Faculty: Nick Bassett & Lucy Savitz

Session 4: Engaging Stakeholders in Bundle Design
Lead Faculty: Trisha Frick & Nick Bassett

Session 5: Care Team Redesign
Lead Faculty: Trisha Frick & Nick Bassett

Session 6: Case Study: CMS Bundled Payments for Care Improvement Experience
Lead Faculty: Stephanie Calcasola & Trisha Frick

Action Period Assignment Debrief

- Using the process map developed in the Session 2 action period, use activity-based costing to collect cost data on the care process segment chosen in the last activity.

Share with others using the chat to All Participants
Chat

Please chat in one thing you learned from the activity-based costing exercise.

Please send your message to All Participants

Faculty

Nick Bassett, MBA
Healthcare Transformation Manager
Intermountain Healthcare
Salt Lake City, Utah

Trisha Frick, MS, RN
Assistant Director of Managed Care
Johns Hopkins HealthCare LLC
Glen Burnie, Maryland

Lucy Savitz, PhD, MBA
Director of Research and Education
Intermountain Healthcare
Salt Lake City, Utah
Guest Presenters

Stephanie Calcasola
MSN, RN-BC
Director of Quality and Medical Management
Baystate Medical Center

Alice Ehresman
RN, MBA
Healthcare Quality Specialist
Baystate Medical Center

Engaging Stake Holders in Bundle Design
Who should be included in the early discussions?

- Facilitator for Bundled Rate Development
- Physician(s)
- Clinical Administrator
- Managed Care Representative
- Finance Representative
- Clinical Representative

What data should be presented?

- Description of bundled rates – prospective or retrospective bundle
  - i.e. 4 BPCI Models
- Explain why bundled rates are important
  - In January 2015, HHS announced 30% of MC payments will be tied to quality/value based payment models by 2016, 50% by the end of 2018
- Care maps and activity based costing data
  - Focus on key areas of variation within the clinical practice
- Quality indicators:
  -Avg. LOS, SSI, 30 day re-admit rates
  - Other specific clinical specialty indicators
Sample Models

<table>
<thead>
<tr>
<th>Types of Services Included in Bundle</th>
<th>Model 1: Acute Hospital Stay Only</th>
<th>Model 2: Acute Hospital Stay + Post-Acute Care</th>
<th>Model 3: Post-Acute Care Only</th>
<th>Model 4: Acute Hospital Stay + Readmissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient hospital and physician services</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Related post-acute care services</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Post-acute care services</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Related readmissions</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Other services defined in bundle (Part A &amp; Part B)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Focus of Discussion

- Review care cycle to confirm accuracy.
- Discuss trends, patterns, outliers, variation.
- Areas of potential improvement/change.
- How to engage other physicians/clinicians.
Ongoing Engagement

- Include additional members of care team, i.e. mid-level providers, home care, discharge planners, pharmacy, physical therapy.
- Discuss the answers to previously identified questions.
- Discuss who will be the risk bearing entity, i.e. separate organization, hospital.
- Determine upside and downside risk.
- If this is a prospective bundle, determine how this will be accomplished, existing or new department.

Office of Managed Care
Bundled Rate Team

- Function as a separate TPA.
- Likely resource intensive.
- Contract negotiation: pricing, negotiations, oversight of entire program.
- Claims person: ensures all claims are sent to our office, registers patient in data base, bundles the claims and sends out to payor.
- Nurses: review each and every patient to ensure they fit in the bundle, work with clinical teams for interpretation, financial performance, trends, changes.
- Finance/Accountant: overseas billing function, processes all payments, pays all entities twice a month, financial reporting, annual reconciliation.
- Everyone responsible for ongoing monitoring for improvements.
Software Requirements

- Must have system to administer proactive bundle.
- Home grown for first couple of years.
- Outside consultants developed our own database in 1998, implementing 3rd upgrade.
- Always asked if there is an EPIC module?
- Bundles do not have to be the same, vary by end period, outpatient care, inpatient care.
- Process payment to all entities: hospital, physician.
- Process monthly financial reports.
- Calculate withhold, gain-share, shared savings.

Dividing up the Bundle

- Is there a specific amount allocated to the hospital?
- Is this the same or can it vary by acuity?
- How are physicians to be paid?
- Are they all paid with the same methodology, i.e. % of MC, % of charges, fixed amount?
- Is there a difference between the surgeon (risk-bearing) and ancillary physicians?
- Physician withhold?
- Home care, pharmacy, rehab, how are they paid?
Shared Savings Distribution

• How is any excess of the bundle distributed?
• Do physicians receive part of this?
• Is there a physician pay for performance or incentive included?
• Are any of the ancillary providers included in the shared savings?
• How frequently is this evaluated and paid out?

Approval Process

• Begin this discussion early.
• Components that may require individual approval
  – Hospital reimbursement
  – Physician reimbursement
  – Withhold and/or shared savings.
• Document the process and obtain sign-off.
Questions/Discussion

- Raise your hand
- Use the chat

Action Period Assignment

- Build a list of key stakeholders for a stakeholder engagement plan
Expedition Communications

- All sessions are recorded
- Materials are sent one day in advance
- Listserv address for session communications: bundledpaymentexp@ls.ihi.org
- To add colleagues, email us at info@ihi.org

Session 5

Care Team Redesign for Implementing Bundles

Trisha Frick, MS, RN
Assistant Director of Managed Care
Johns Hopkins HealthCare LLC
Glen Burnie, Maryland

Nick Bassett, MBA
Healthcare Transformation Manager
Intermountain Healthcare
Salt Lake City, Utah

Tuesday, May 19th, 1:00 – 2:00 PM ET
Thank You!

Please let us know if you have any questions or feedback following today’s Expedition webinar.

Director: Molly Bogan  
mbogan@ihi.org

Akiera Gilbert  
agilbert@ihi.org