



Developing meaningful partnerships with acute-care providers for value-based care

Presenter:

Rob Kerr, Hartman Executive Advisors
Managing Director, Healthcare Practice
Chief Information Officer



Where technology gets down to business.

Rob Kerr

Managing Director, Healthcare Practice
Hartman Executive Advisors

- Chief Information Officer
- Career-long health information technology leadership
- Past roles with Remedi SeniorCare, Apria/Coram Healthcare, NeighborCare, Genesis Healthcare, and Integrated Health Services
- IT leadership roles at healthcare organizations in Maryland, Pennsylvania and California



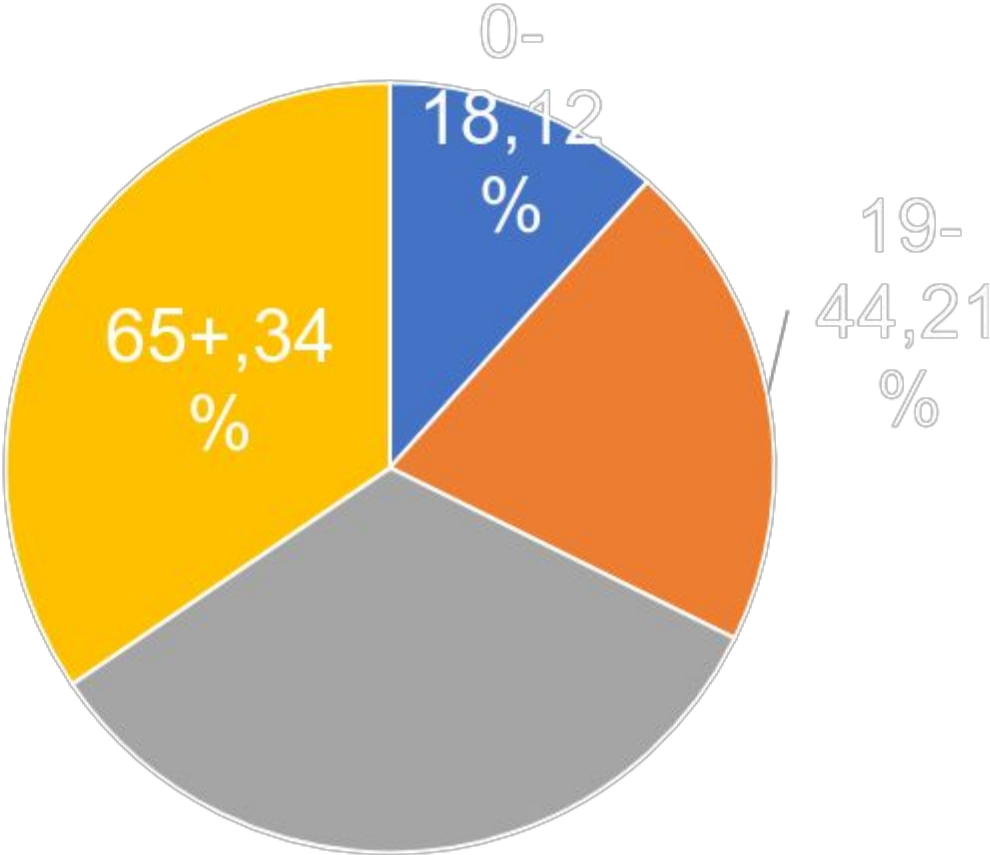
AGENDA

- Background
- Goals of hospital partnerships
- Strategies to support integrated care delivery
- Technology maturity and business intelligence capabilities
- Cybersecurity risks and implications

BACKGROUND

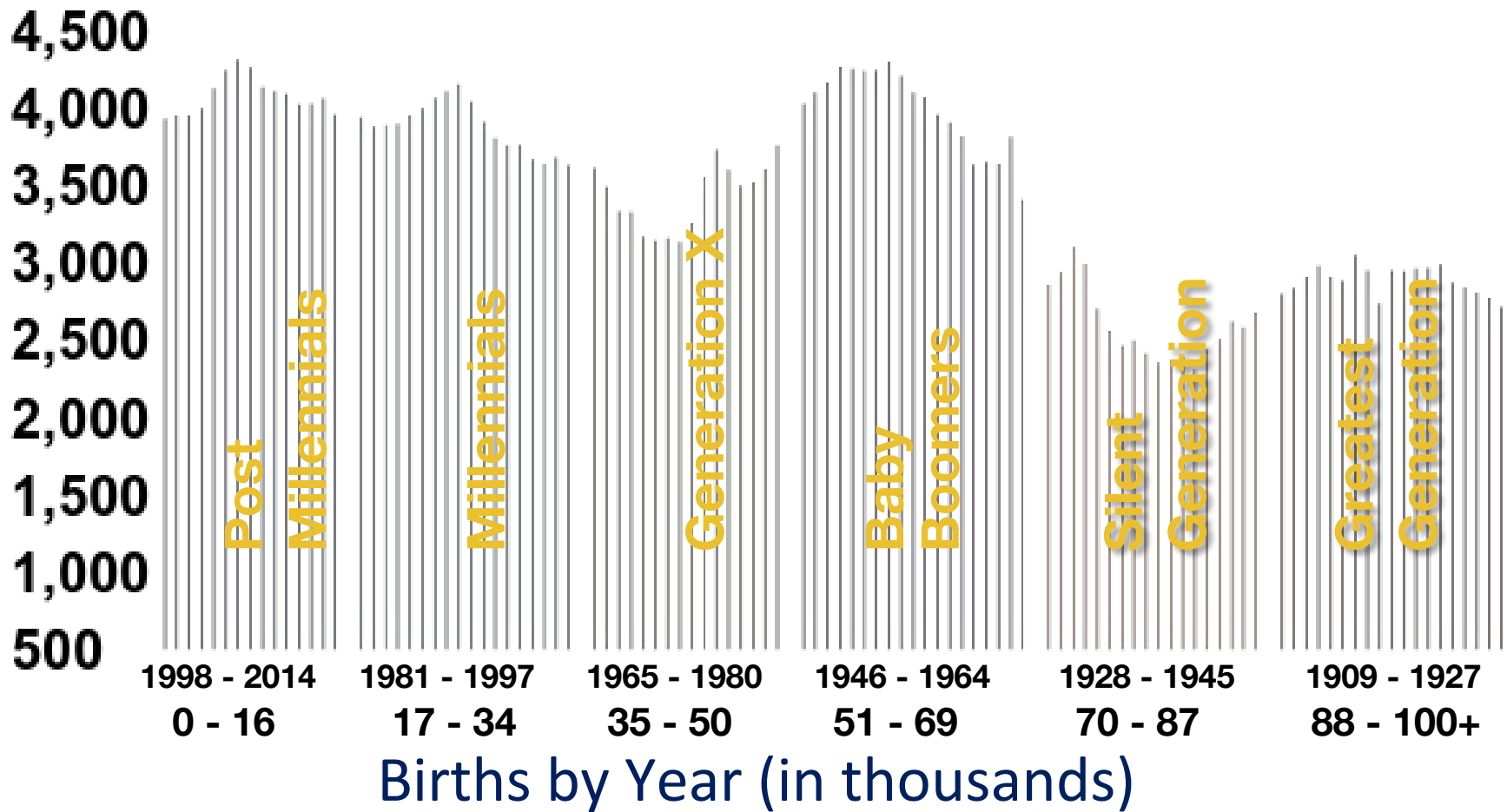


HEALTHCARE SPENDING BY AGE GROUP



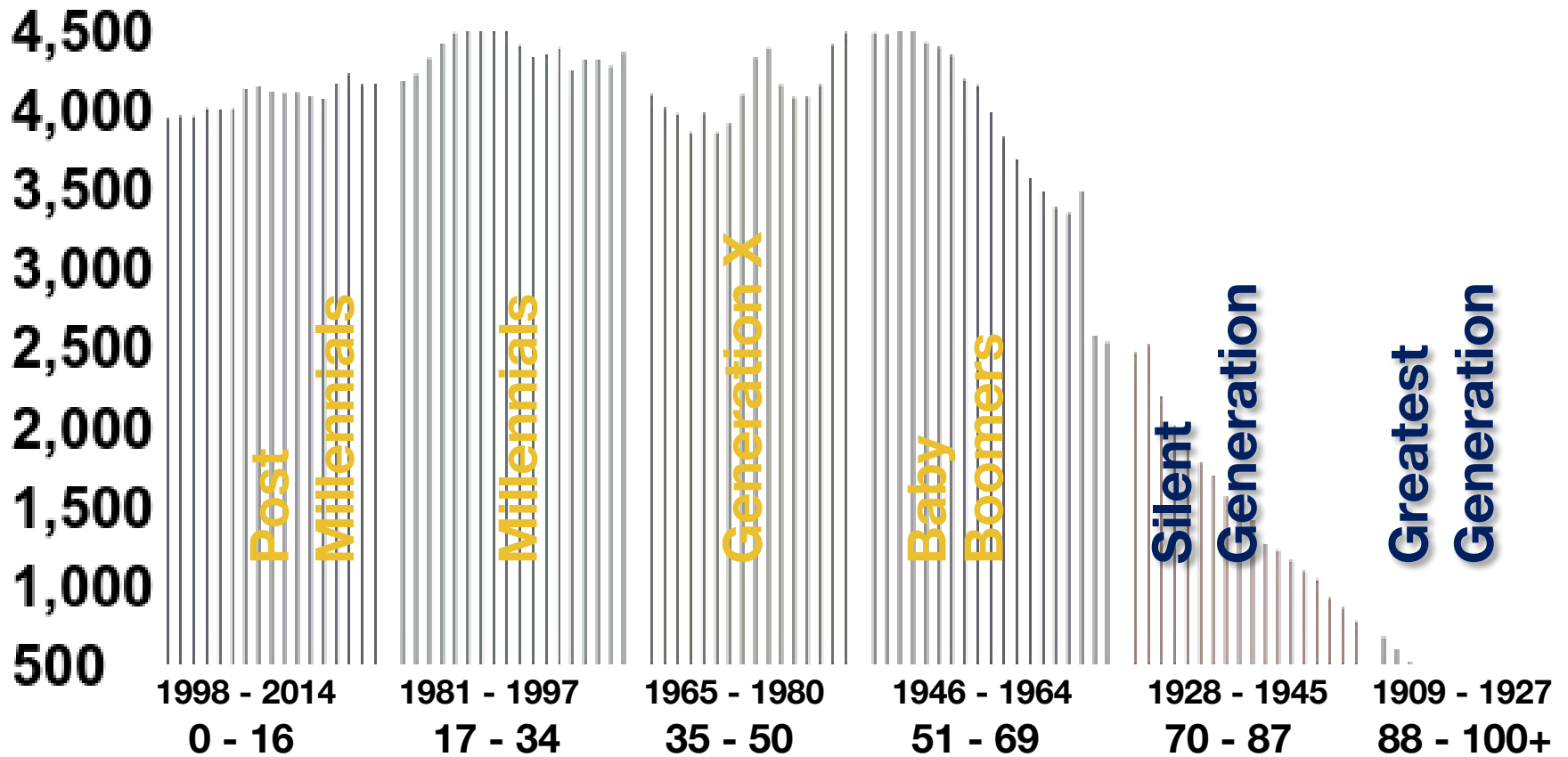
Source: CMS

SENIOR TSUNAMI



Source: US Census Bureau

SENIOR TSUNAMI

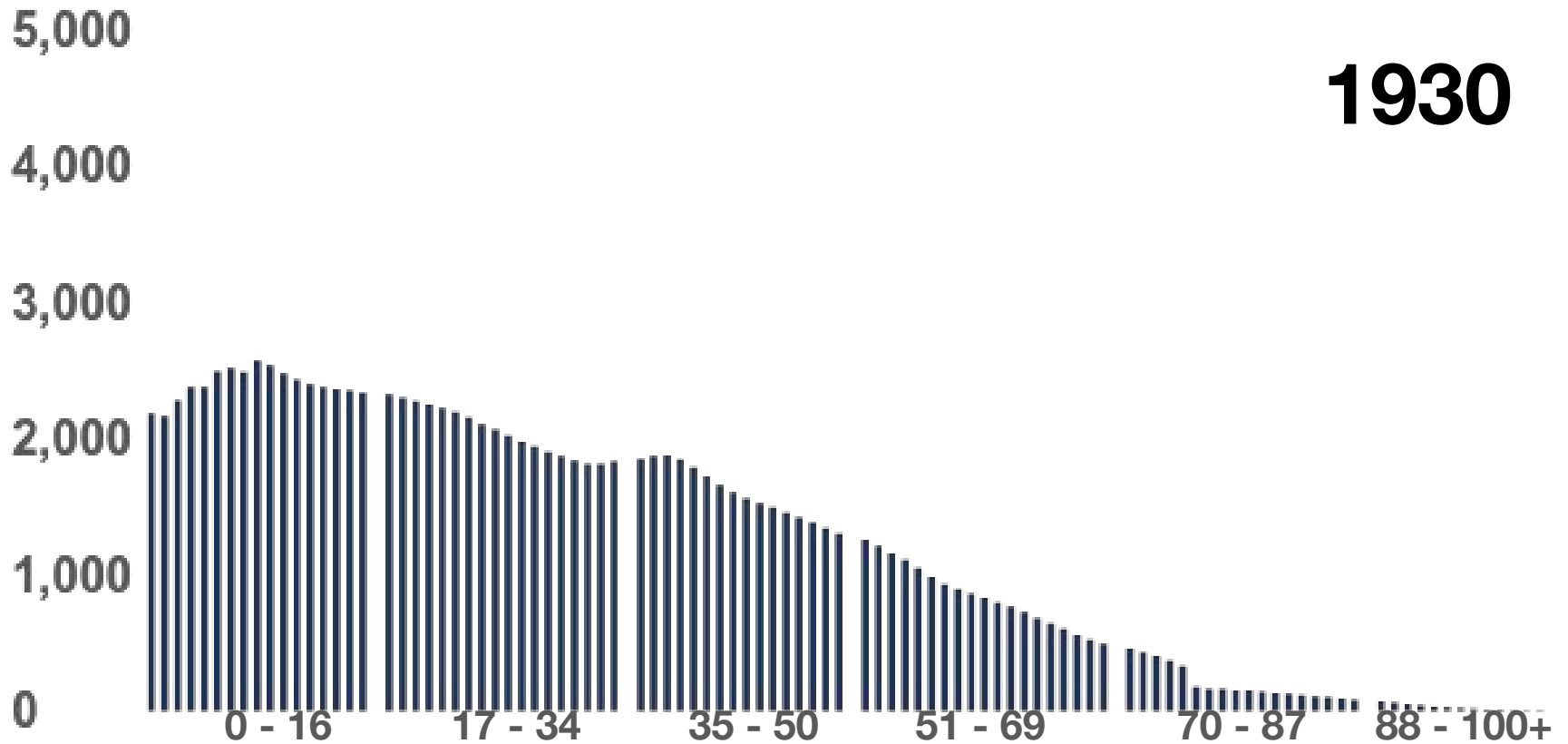


Current Population (in thousands)

Source: US Census Bureau

SENIOR TSUNAMI

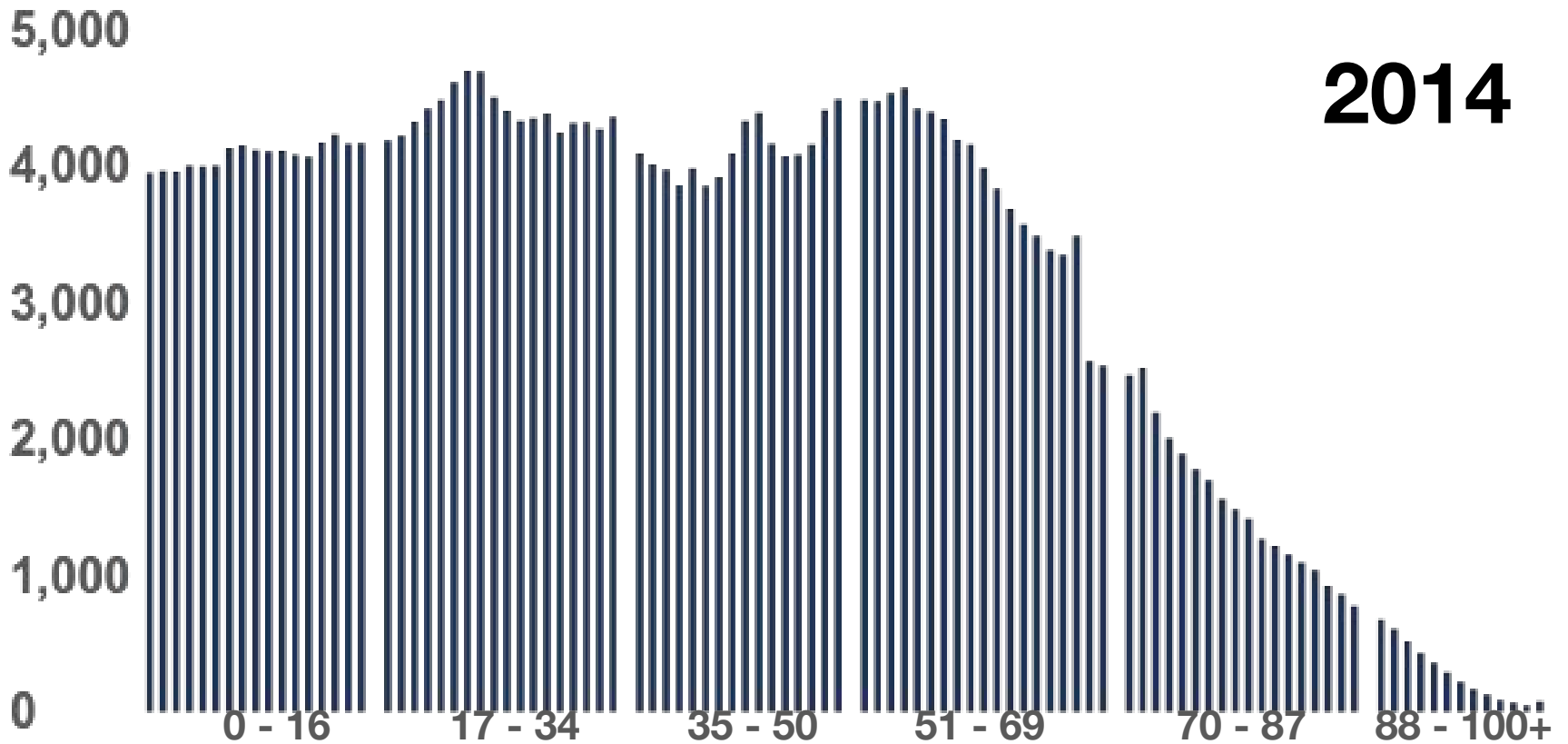
1930



Population by Age (in thousands)

SENIOR TSUNAMI

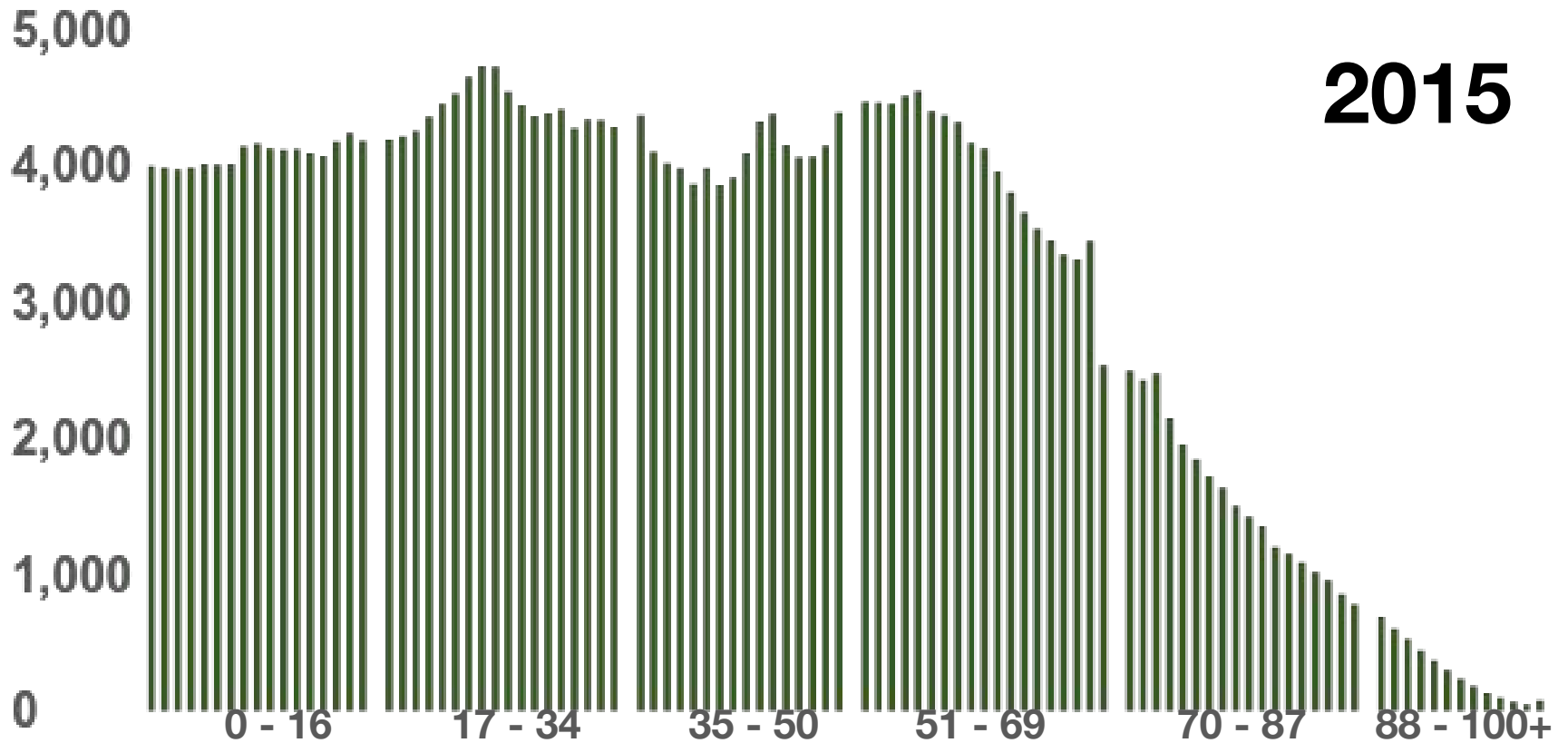
2014



Population by Age (in thousands)

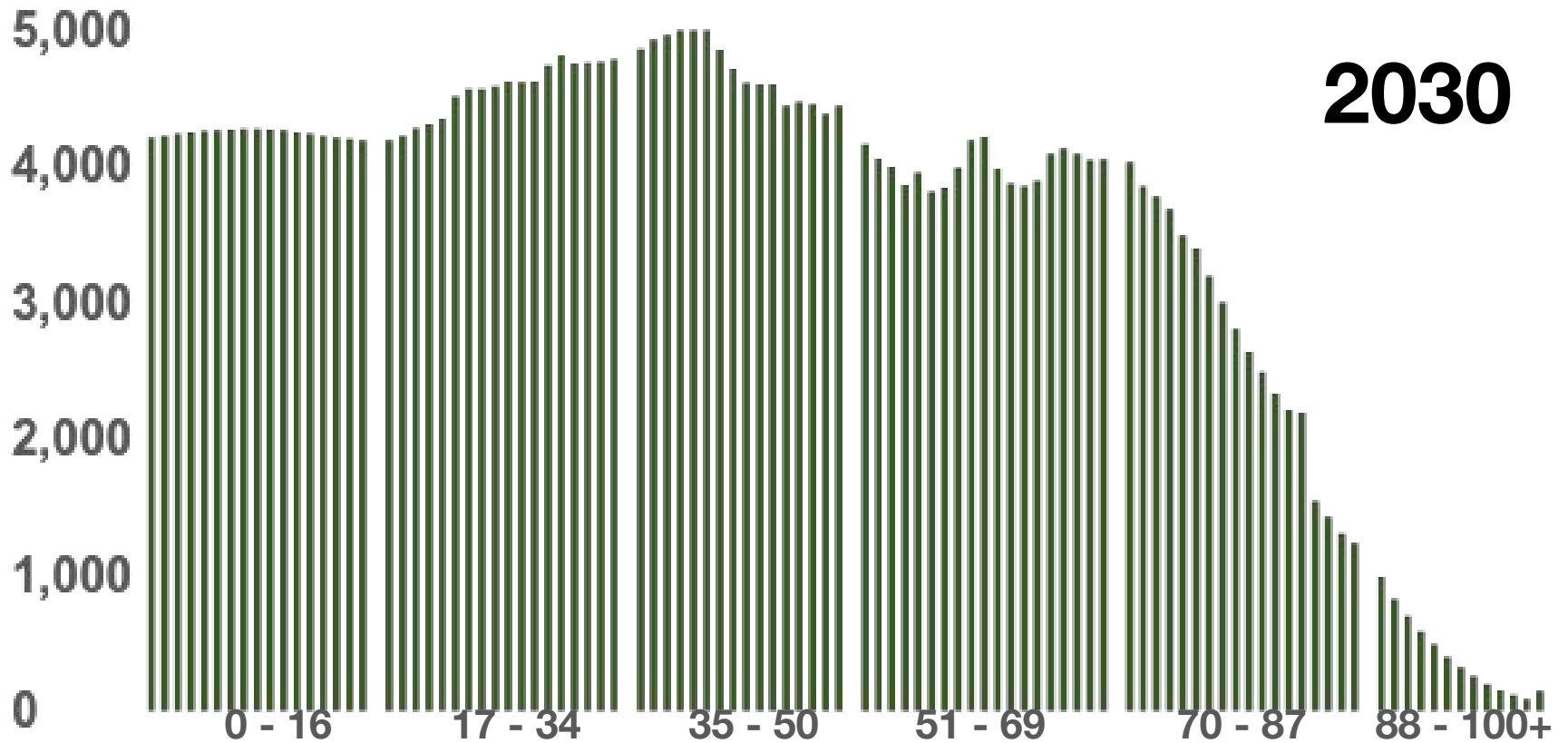
SENIOR TSUNAMI

2015



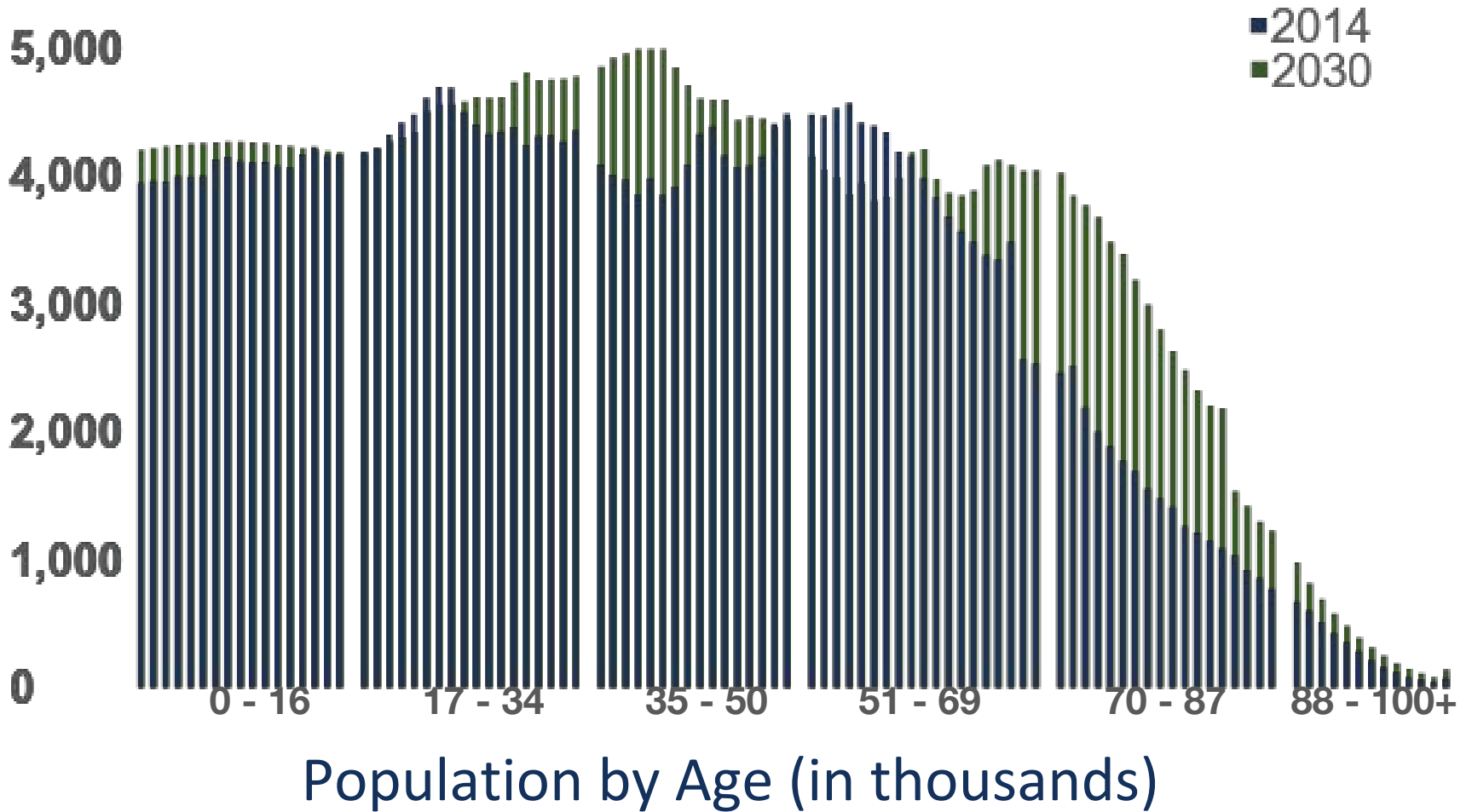
Population by Age (in thousands)

SENIOR TSUNAMI



Population by Age (in thousands)

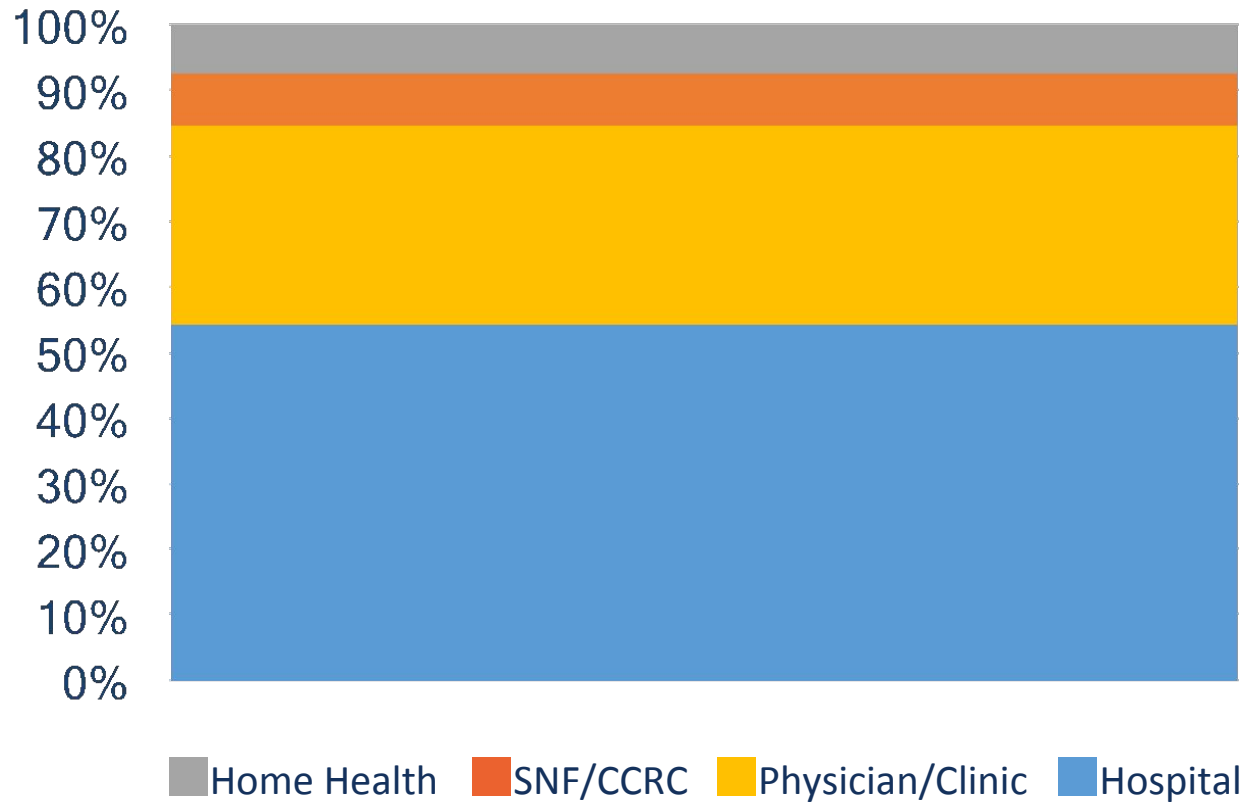
SENIOR TSUNAMI



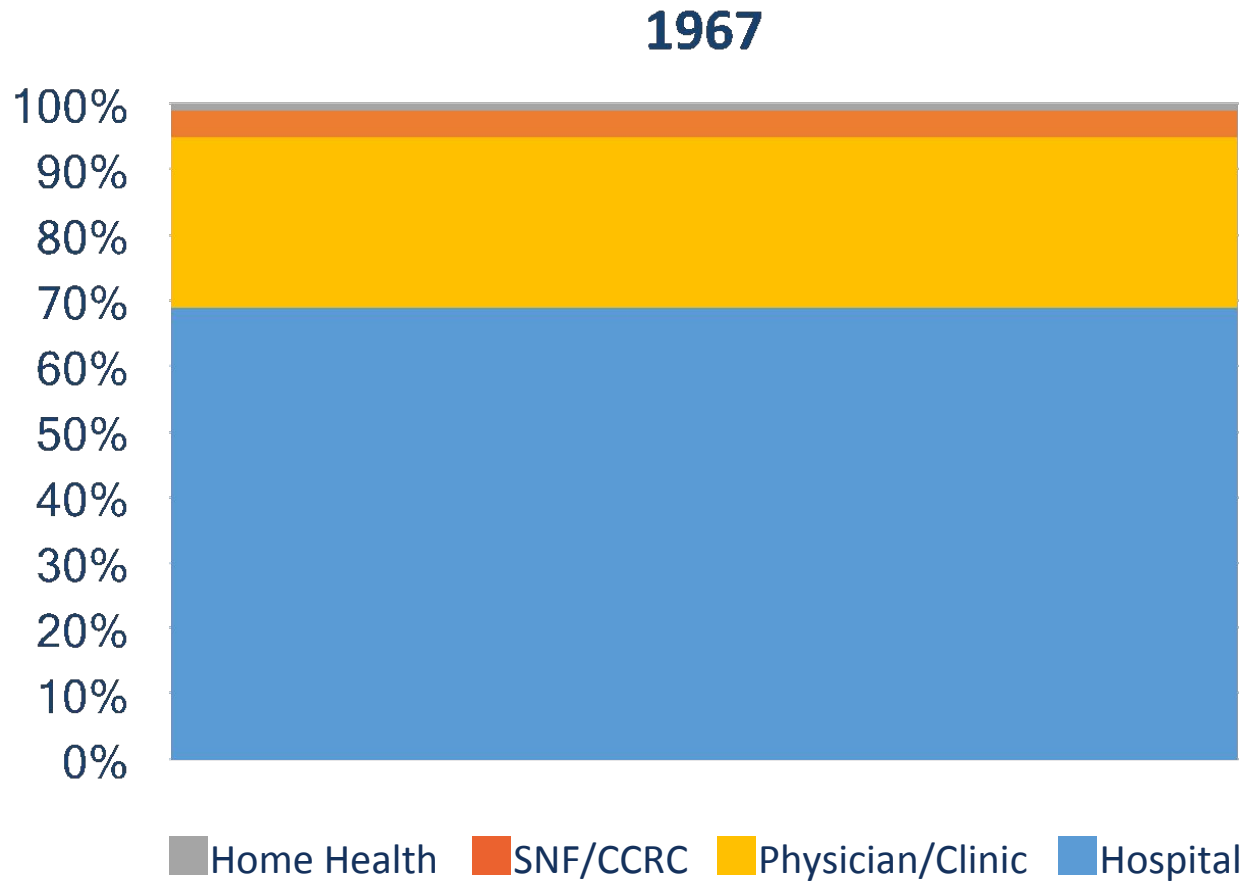
Source: US Census Bureau

MEDICARE UTILIZATION

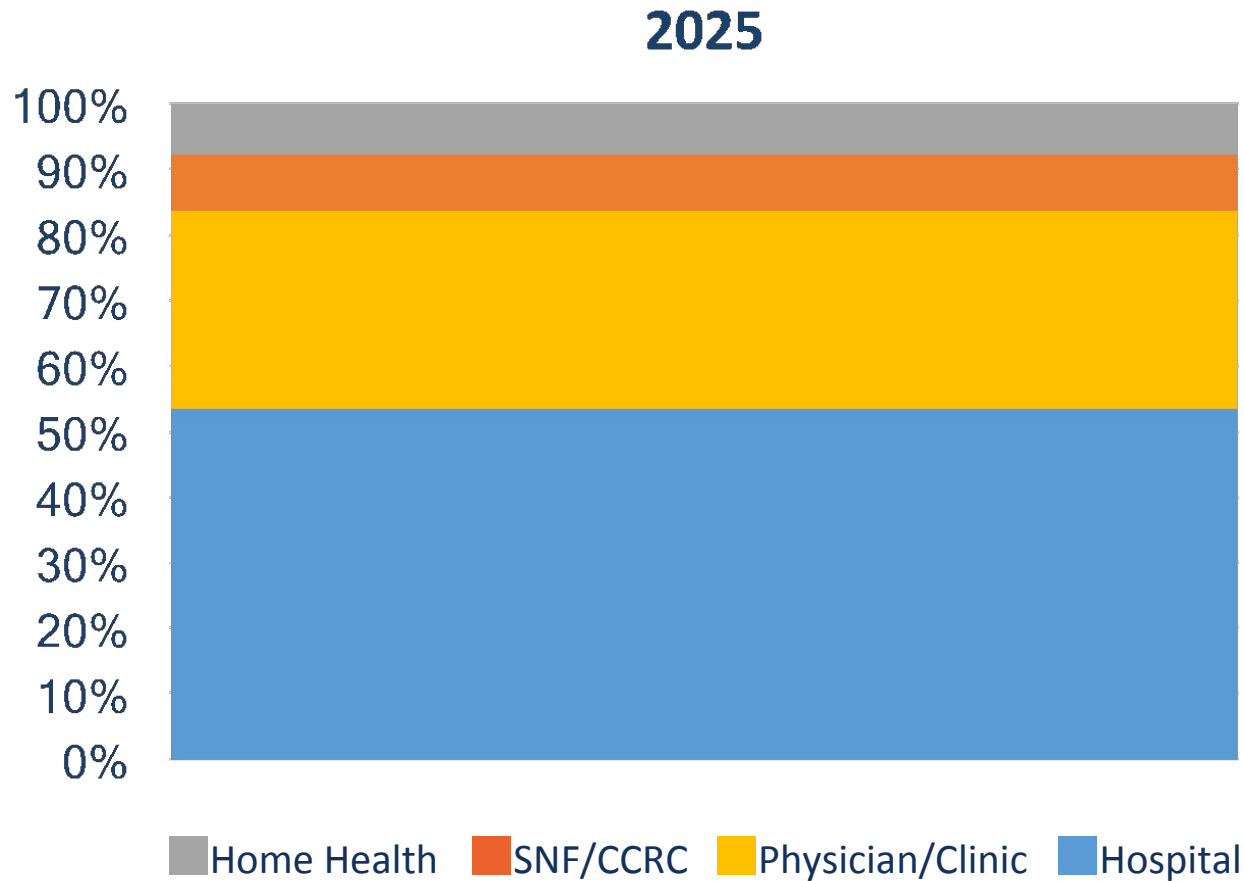
2015



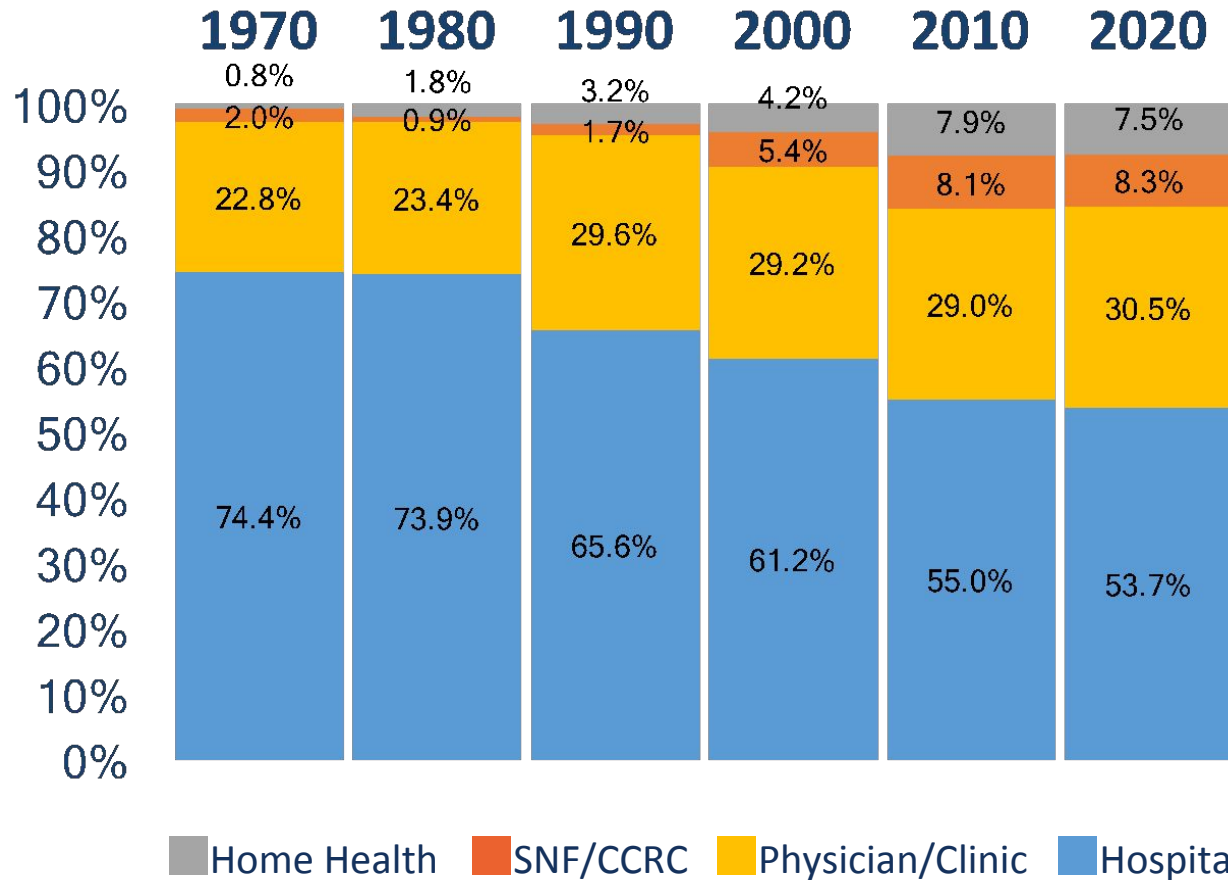
SHIFTING MEDICARE UTILIZATION



SHIFTING MEDICARE UTILIZATION

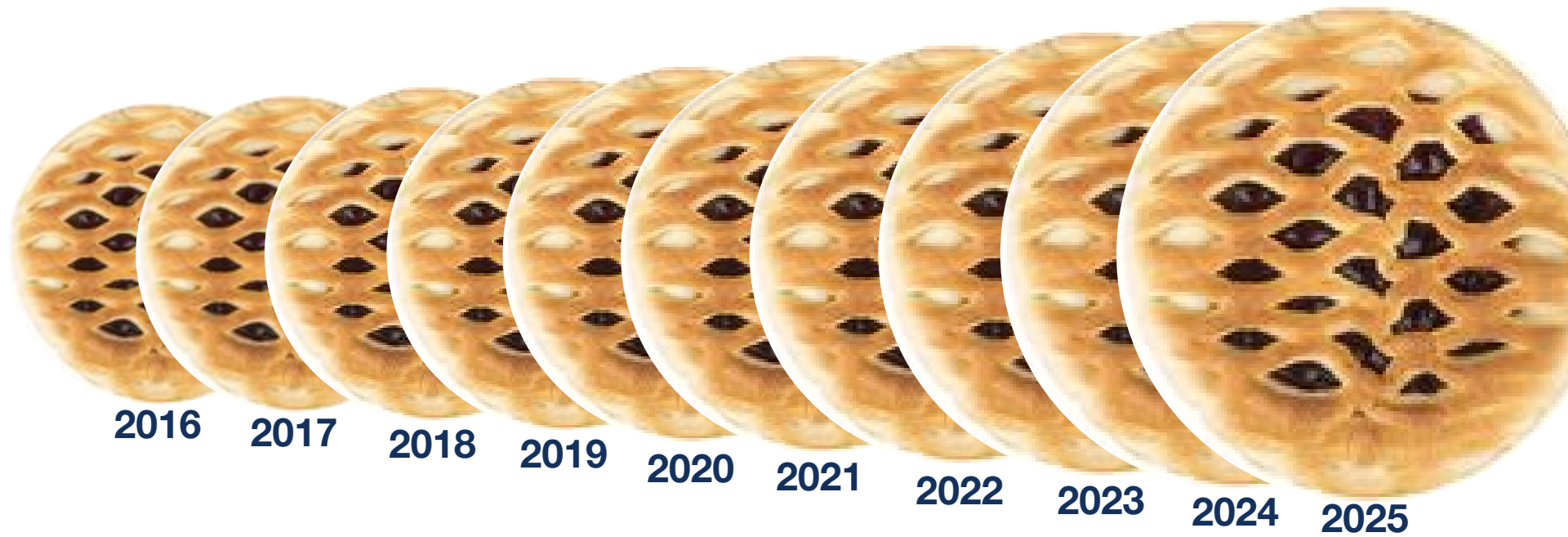


SHIFTING MEDICARE UTILIZATION By Decade



Source: CMS

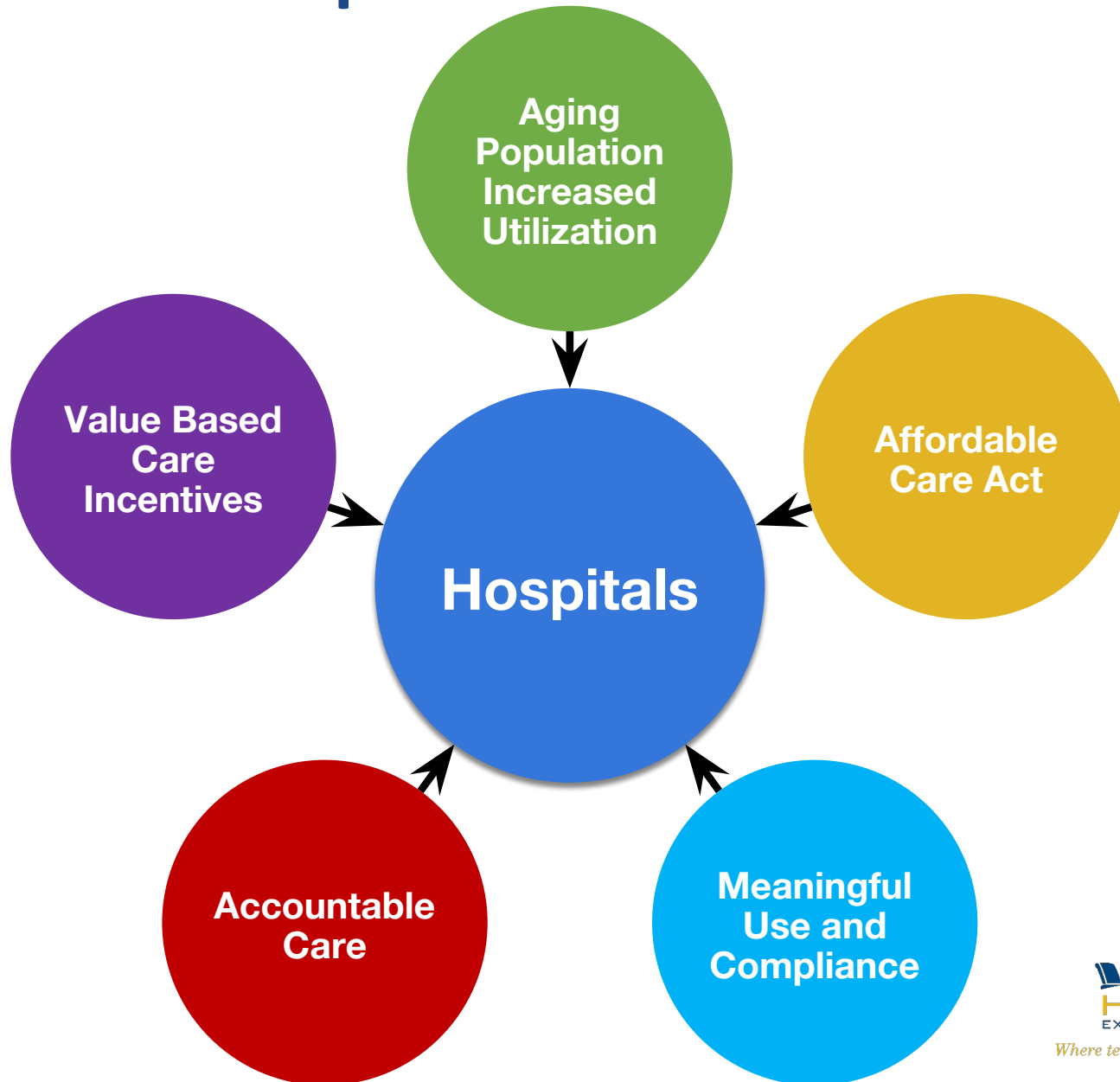
Partnership Pressures



Increasing Personal Health Expenditures

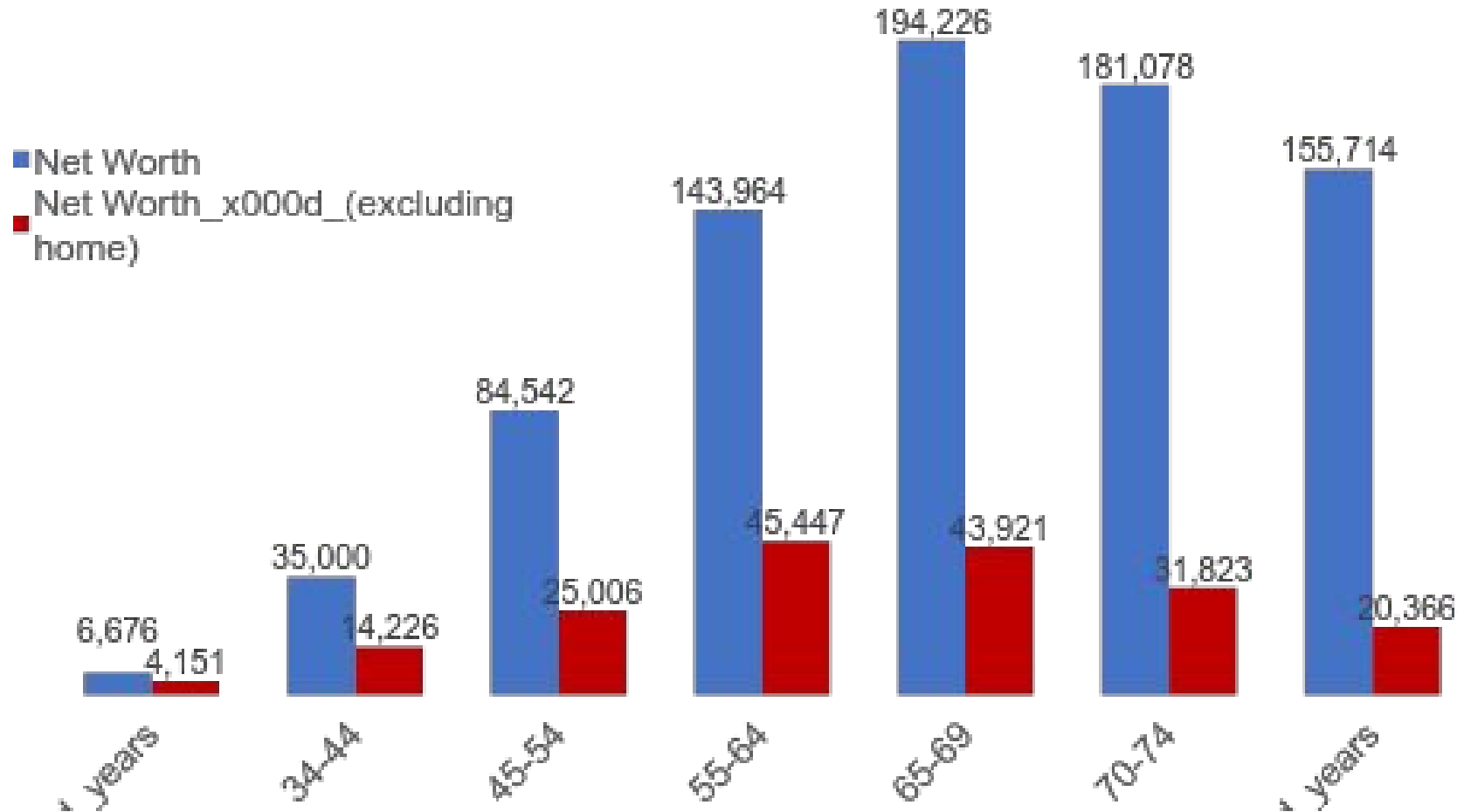
Source: CMS

Pressure on Hospitals



Pressures on Senior Living

American Household Median Net Worth



Source: US Census Bureau

Pressures on Senior Living

Remaining Relevant and Viable:

- Total personal healthcare expenditure pie is increasing, but ability to afford senior living remains a challenge
- Competition from aging-in-place and in-home care delaying senior living entry and increasing cost curve
- Inventory growth and leveling absorption rate causing decreasing occupancy rates

What About ACOs?

ACO Relevance to Senior Living:

- Does it really increase referrals?
- Direct partnerships with hospitals, doctors, and homecare exist and are easier to manage
- Still much to learn about each other

Background Summary

- Largest and increasing share of spend is on seniors
- Largest share of spend is in hospitals
- Through increased reimbursement, hospitals are incentivized for decreased utilization
- Utilization is decreased by improved pre-admission wellness, and post-discharge follow-up and compliance
- **Hospitals need to work on senior health and go where seniors are – senior living communities**

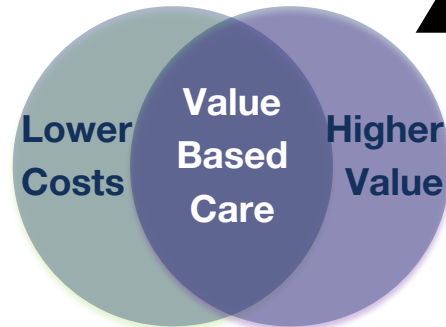
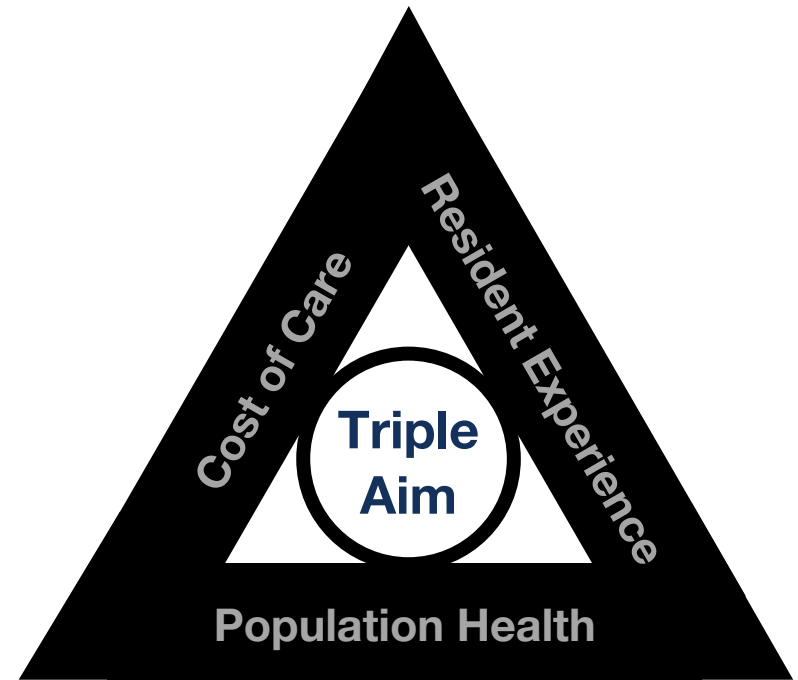
PARTNERSHIP GOALS



HOSPITAL GOALS

Reduce costs while:

- Taking care of the patient
- Delivering better outcomes
- In the most effective setting

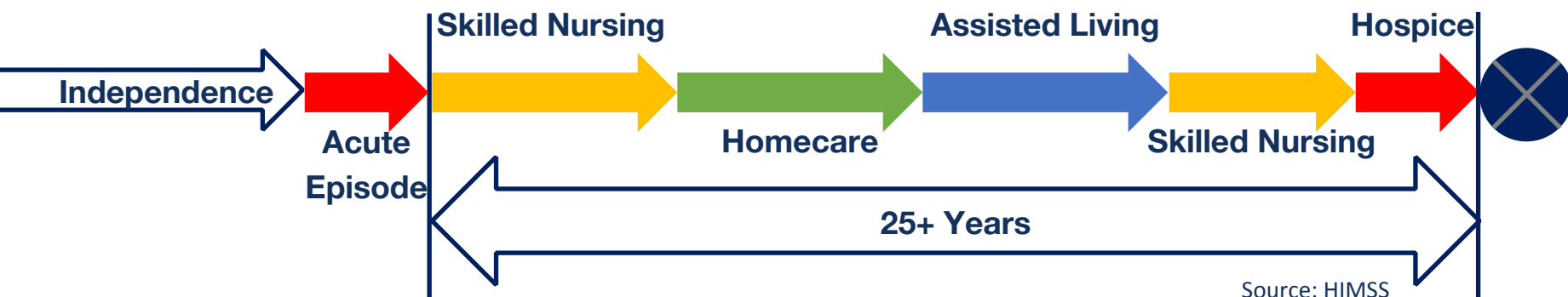


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HOSPITAL GOALS

40% of Medicare discharges require post-acute care

- Increased total cost of care risk on hospitals/ACOs
- Must avoid readmission rate penalties
- Need to support bundled payment programs



- A person may spend less than 1% of his/her life in an acute care hospital
- The same person may spend 25+ years in a post-acute setting

HOSPITAL GOALS

Independent Living and Assisted Living are essential to senior population health

- Concentrated sources of the high-utilization population
- Have unique abilities to:
 - Get seniors healthy
 - Keep seniors well
 - Keep seniors out of the hospital
 - Keep discharged seniors from being readmitted

SENIOR LIVING GOALS

Hospitals are a key source of admissions and enhance the competitive position of senior living providers

- Achieve clear differentiation
- Compete better for referrals
- Compete better with aging-in-place options
- Extend care capabilities beyond the four walls with respected hospitals
- Comprehensive and coordinated care where and when needed
- Tell a great care-continuum story to family members and prospective residents

PARTNERSHIP STRATEGIES



FINDING GOOD HOSPITAL PARTNERS

Identify affinities

- Geographical location and draw
- Clinical programs and focus areas
- Technology systems and integration opportunities

Research

- Population health focus
- ACO engagement
- Compliance history



GOOD SENIOR LIVING PARTNERS...

- Use data to track performance
- Meet compliance obligations
- Offer impactful clinical programs
- Set and track visible improvement goals
- Conduct root-cause analysis
- Have implemented INTERACT
- Manage discharge follow-up and communication plans
- Share information electronically



MEASURES THAT MATTER TO HOSPITALS

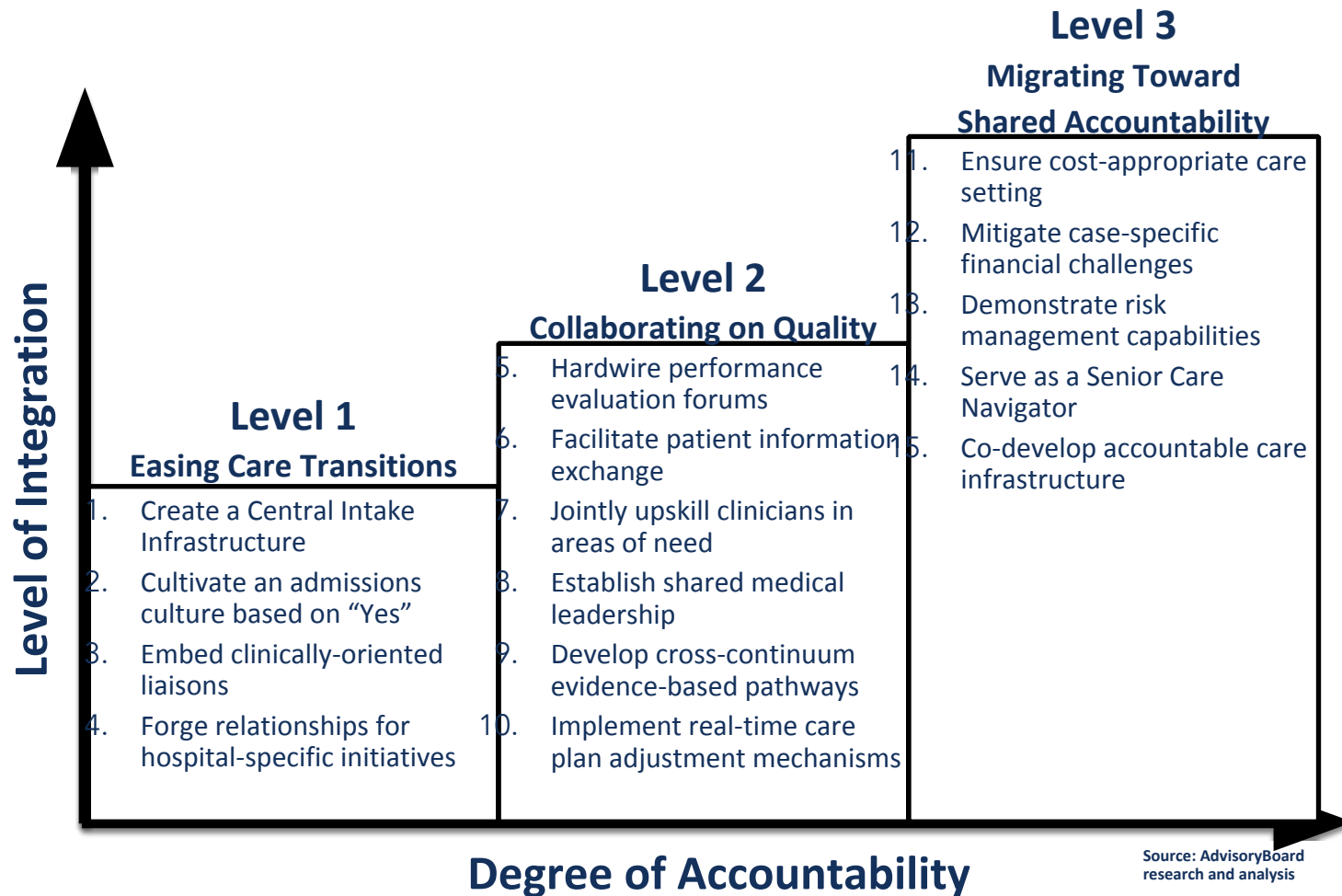
- 30-day readmission rate
- Detailed cost of care
- Clinical staffing levels
- Return to independent living rate
- Average length of stay
- Improved-function measures
- Satisfaction scores
- Staff turnover rate
- Five-star rating



PREPARATION STRATEGIES

- 1. Determine goals, objectives and measures**
 - What are we trying to achieve through hospital partnerships?
 - How will we measure our success? Can we afford the investment?
- 2. Identify best-fit partners**
 - Who do we partner with now, how effective are those partnerships?
 - Where are our new partnership opportunities?
- 3. Align our services and metrics**
 - Are our services aligned and beneficial to our potential partners?
 - How are we doing in the metrics that matter to hospitals?
 - Can our IT infrastructure meet the needs of expanded services?
- 4. Get our information ready**
 - What information do we need to show we would be an effective partner?
Is that information available?
 - What information will be needed to show our ongoing value in the partnership? Do we collect it and, if not, how do we start?

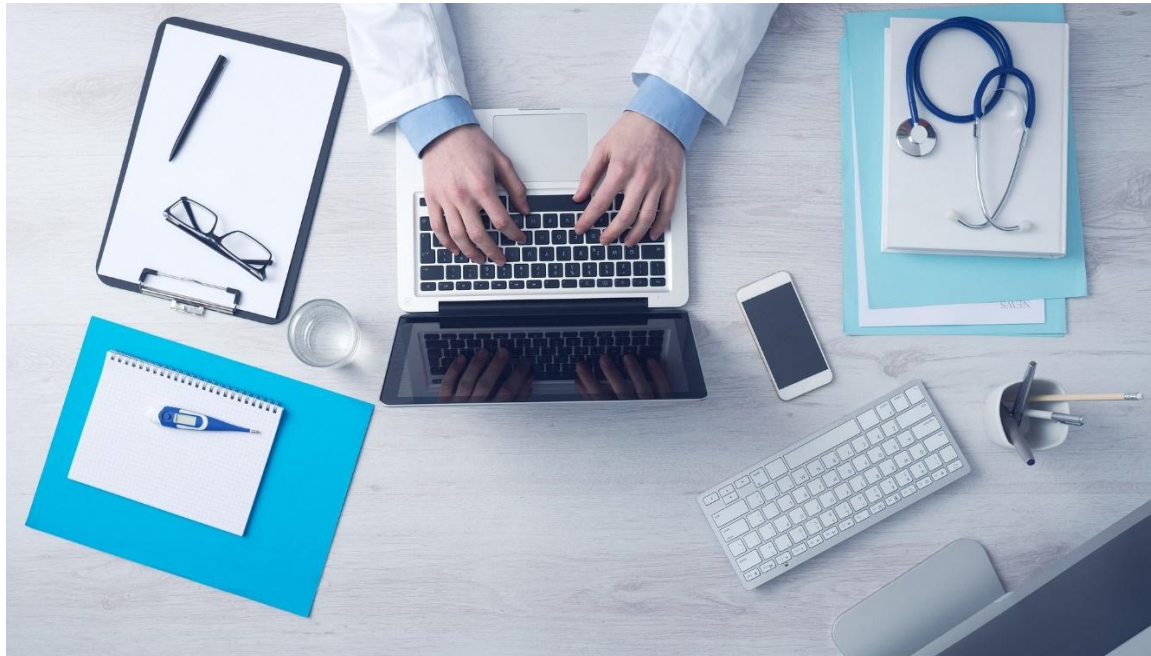
ROADMAP TO EFFECTIVE PARTNERSHIPS



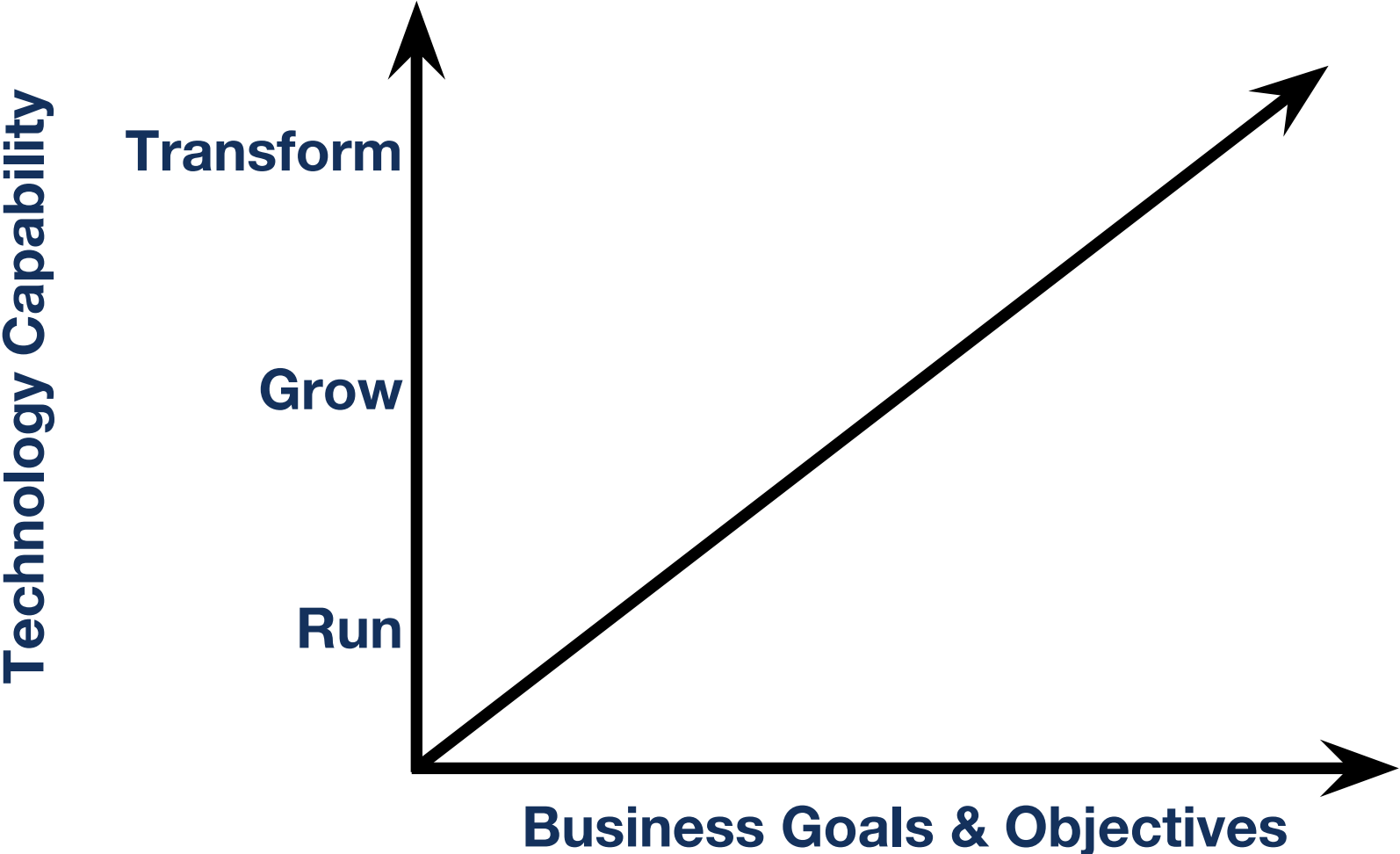
HOW DO WE GET THERE?

- Standardized and connected business operations
- Integrated care planning
- Shared management of care transitions
- Open and consolidated costs and financial data
- Shared analytics to measure financial performance and quality improvement

TECHNOLOGY MATURITY



BUSINESS TECHNOLOGY MATURITY



BUSINESS INTELLIGENCE

Business intelligence is:

- Taking data you collect in your business operations
- Assuring data quality and connecting it across systems
- Integrating it with valuable information from third parties

You access it with:

- Reports, spreadsheets, scorecards, dashboards, and specialized tools

You use it to understand:

- What is happening in your business – **Operational**
- What happened to your business – **Tactical**
- How to grow your business – **Analytical**
- How to transform your business – **Strategic**



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DRIVING TO BUSINESS INTELLIGENCE

Information is critical to building partnerships.

Accurate

- For trustworthy data, you need a data quality process.

Consistent

- Reliable analysis requires consistent data capture. Workflow and business systems must make this unavoidable.

Integrated

- When there are different systems in different roles collecting critical data, you have to bring it together for the full context.

Accessible

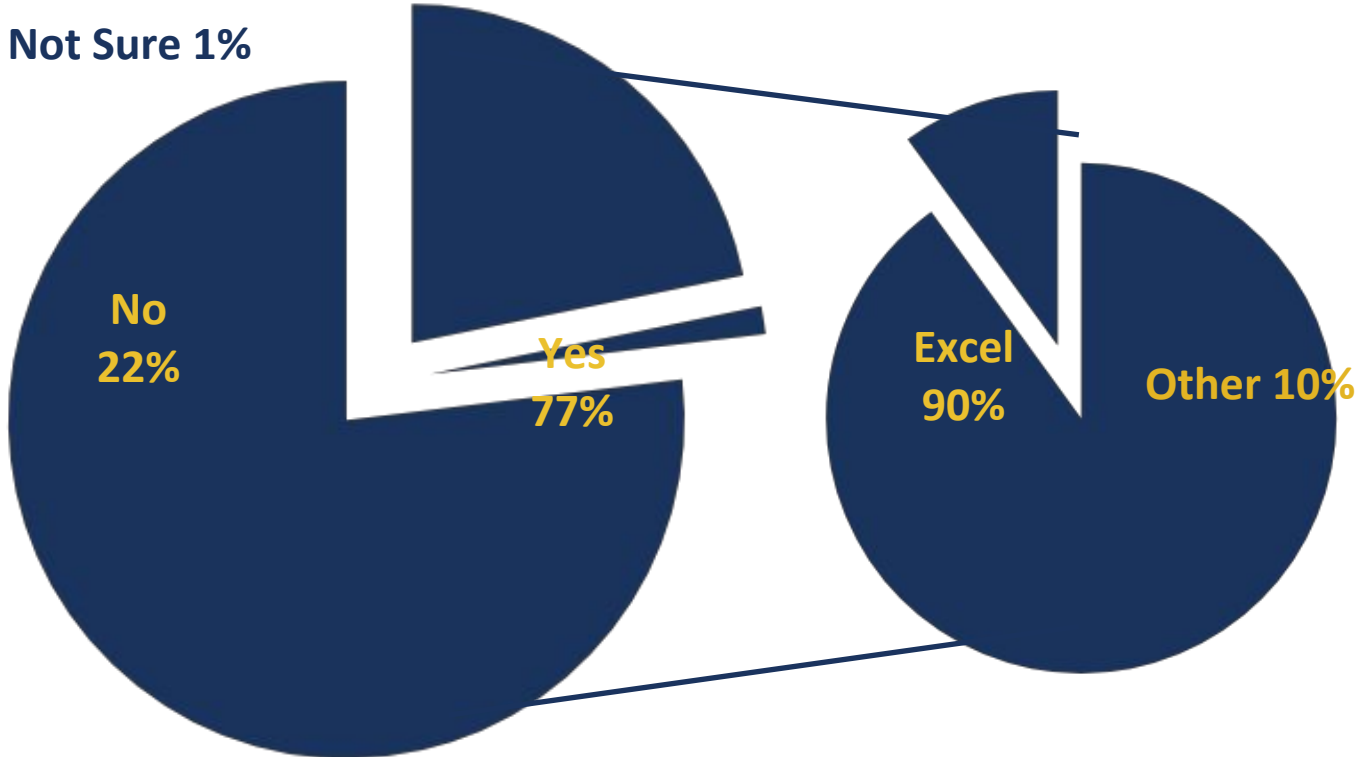
- A lot of data is collected in healthcare systems. You need to have tools that provide understandable access to that data for operational and analytical purposes

BUSINESS INTELLIGENCE IN POST-ACUTE

Do you use a financial or operational dashboard?

What tool do you use?

Not Sure 1%



What is "Other"?

- Active Strategy
- Microsoft FRx
- HCS Interactant
- Lawson BI
- Crystal Reports
- Microsoft Dynamics
- Micro Strategy
- Oracle
- PowerPoint
- SharePoint
- Word

Source: Ziegler CFO Hotline

SECURITY RISKS & IMPLICATIONS



HIPAA COMPLIANCE

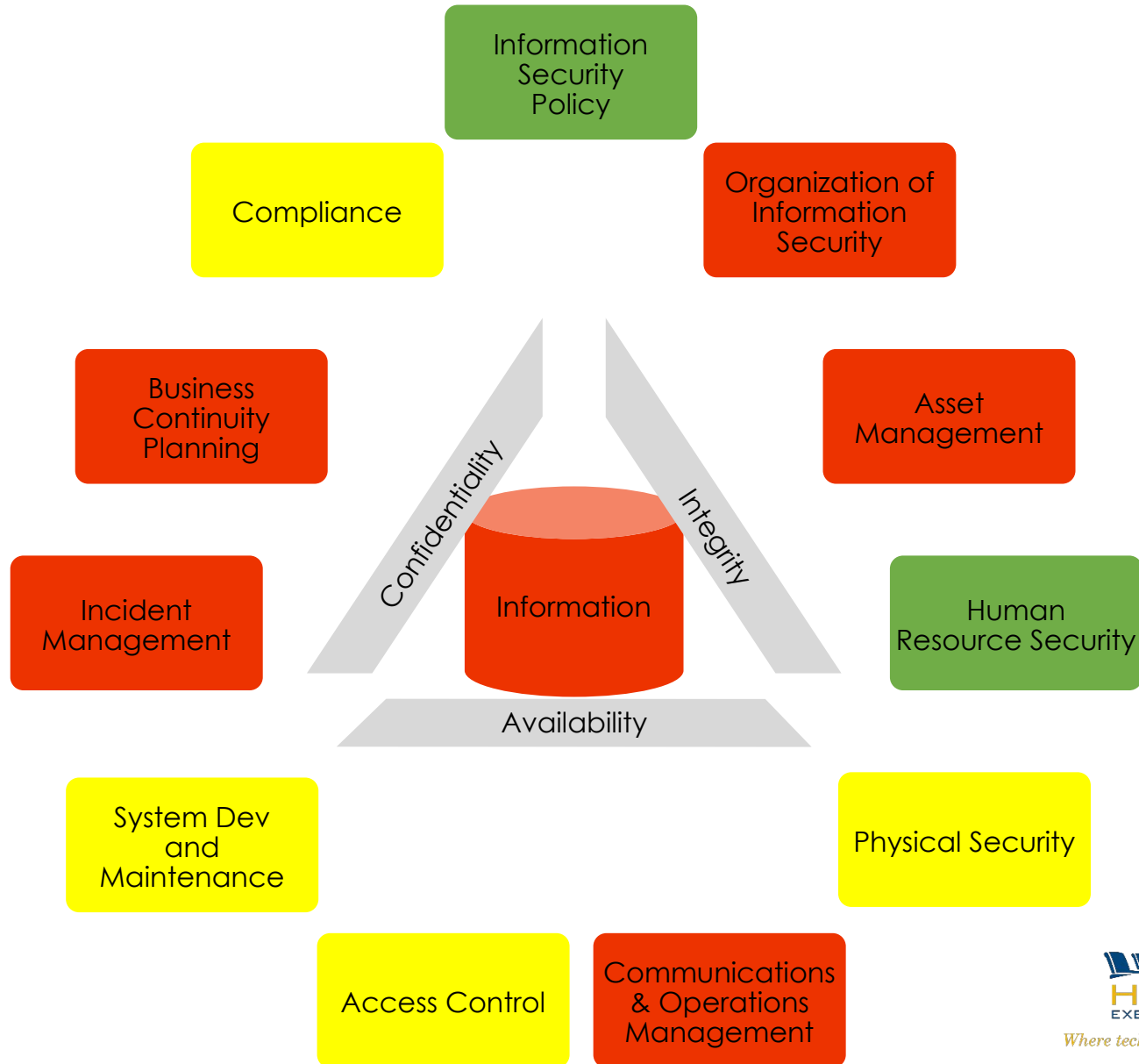
Requirements

- HIPAA Security Rule requires all organizations that are **covered entities** or **business associates** to conduct a thorough and accurate assessment of potential risks and vulnerabilities to the **confidentiality, integrity, and availability** of electronic protected health information.
- Office of Civil Rights (OCR) has authority to impose **civil penalties** for failure to comply with HIPAA Rules; Department of Justice can impose **criminal penalties** in cases of **willful neglect**.
- The civil **penalties can be severe**. Each violation can result in a \$100 - \$50,000 fine; but additional violations can result in a **maximum of \$1.5M** in a calendar year.

Security Risk Assessment (SRA)

- **Basic requirement** to establish programmatic elements.
- Can be **facilitated by a tool** that is available from the Office of the National Coordinator for Health Information Technology
- Yields a **roadmap of specific requirements** to facilitate HIPAA compliance.

ASPECTS OF INFORMATION SECURITY



PARTNERSHIP FACTORS

Shared Obligations

- Get right with HIPAA
- Confidentiality – Integrity – Availability
- Make sure your partners are keeping your information safe
- Breaches affect everyone in the information chain
- Compliance and security is not one-and-done

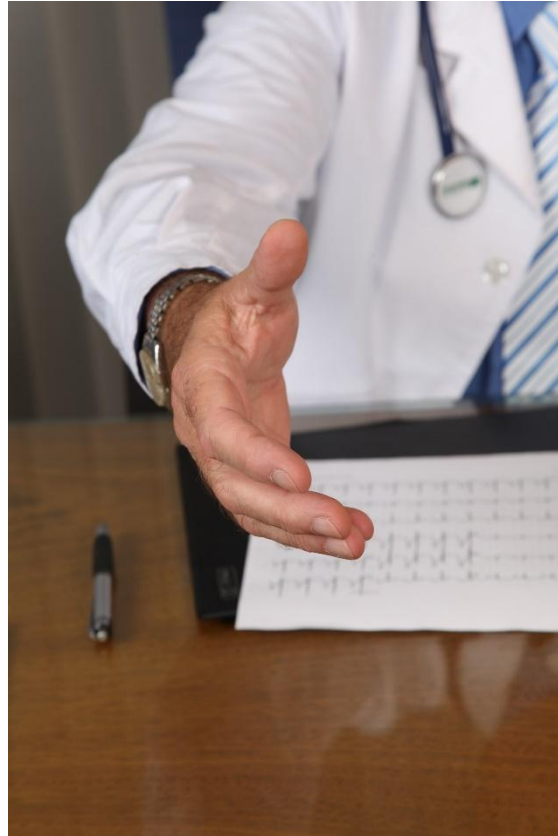
End-to-End Information Security

- Secure in transit, secure at rest
- Accurate when recorded, secure when read

Steps to Take

- Train, train, train to build a culture of security
- Complete an SRA – act on the results
- Encrypt all electronic devices – company and personal
- Develop and implement policies and procedures
- Develop joint security committee with partners

IN SUMMARY



MEANINGFUL HOSPITAL PARTNERSHIPS

- As seniors continue to drive more health care utilization, successful population health initiatives must reach them where they are.
- Residents, hospitals and senior living providers all benefit from integrated health partnerships.
- Understand your goals, the goals of current and potential partners, and how these goals contribute to population health.
- Assess your operational readiness and technology maturity to support your and your partners' integration goals
- Security is a critical consideration in selecting partners, implementing technology integration, and managing the partnership

Rob Kerr

Managing Director, Healthcare Practice

Chief Information Officer

Hartman Executive Advisors

rkerr@hartmanadvisors.com

410.600.3200



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