Maryland on the Leading Edge: Transforming Healthcare

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Maryland Hospital Association
Opportunity for Maryland to be a NATIONAL LEADER in health care

CHANGE the way we pay for and provide health care

BUILD on the great system we have and make it even better:
• More affordable
• Safer
• A healthier Maryland
40-year-old waiver “test” was out of date

**Old Test**
- Inpatient care
- Medicare only
- Cost of care per hospital stay

**New Test**
- All hospital care
- All payers
- Cost of care per person overall
Starts with Hospital Care

• Work together to slow growth in spending for hospital care

• Continue Maryland’s unique way of setting hospital prices

• Change how hospitals are paid to reward the right things
Slow growth in spending for hospital care

• Track spending in inpatient and outpatient care in Maryland
• Grow no faster than the overall economy
• Cut growth in hospital spending in half
COMPLICATIONS: patients who get infections and complications while in the hospital

Maryland rates of infection HIGHER than nation

REDUCE infections and other “hospital-acquired conditions” by 30% in 5 years

Better, SAFER care
Safer

**READMISSIONS**: patients who return to the hospital within 30 days of hospital discharge

- **Maryland** ranks poorly (almost last) – 49 of 51 states and D.C.
- Bring Maryland readmission rates to **NATIONAL AVERAGE** in 5 years
- Better, **SAFER** care
Challenges

- Never been tried or tested before
- Hospitals in serious financial condition
- New hospital spending limits tight
- Aggressive quality targets
- Will require hospitals to redefine themselves
- Will require communities to work together to keep people healthy
- Will require patients and families to truly engage in their care
“Railroad Moment”

- Railroads went out of business because they thought they were in the railroad business instead of recognizing they were in the transportation business.

- Hospitals must realize they are in the health care business, not the hospital business.

Source: 2012 Kaufman, Hall & Associates, Inc; Jason Sussman
Maryland Landscape
Readmissions

Maryland ranks 49 out of 50 states

Average Medicare hospital 30-day readmission rates for heart failure, heart attack, and pneumonia

- National Top 10%: 17.80%
- National Average: 19.89%
- Maryland (MD): 21.64%
Relative Readmission Rates
1. Adopt a portfolio of strategies
Adopt a Portfolio of Strategies

• No “silver bullet” intervention

• Opportunities are
  – numerous;
  – involve multiple departments;
  – utilize existing and new staff; and
  – require new partnerships
Focusing on one high risk population will not get necessary impact

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Rate</th>
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<tbody>
<tr>
<td># Medicare discharges/year</td>
<td>5,000 discharges</td>
<td></td>
</tr>
<tr>
<td>Medicare readmission rate</td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td># Medicare readmissions/year</td>
<td>1,000 (0.20*5000)</td>
<td></td>
</tr>
<tr>
<td>High-risk intervention</td>
<td>200 discharges/year</td>
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<tr>
<td>High-risk readmission rate</td>
<td></td>
<td>25%</td>
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<tr>
<td># Expected readmissions</td>
<td>50 (0.25*200)</td>
<td></td>
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<tr>
<td>Expected impact of intervention</td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td># Readmissions averted by intervention</td>
<td>10 (0.2*50)</td>
<td></td>
</tr>
<tr>
<td>Hospital-wide readmissions impact</td>
<td>10 readmissions avoided</td>
<td>10/1000 = 1% overall</td>
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## Adopt a Portfolio Approach

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<tr>
<td># Medicare readmissions/year</td>
<td>1,000 readmissions</td>
</tr>
<tr>
<td>1. Improve standard care</td>
<td>5,000 admissions</td>
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<tr>
<td>Expected effect</td>
<td>10%</td>
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<tr>
<td># Expected readmissions reduction</td>
<td>100 readmissions avoided</td>
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<tr>
<td>2. Collaborate with receivers</td>
<td>1,650 admissions (1/3 total)</td>
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<td>Expected effect</td>
<td>20%</td>
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<tr>
<td># Expected readmissions reduction</td>
<td>99 readmissions avoided</td>
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<tr>
<td>3. Enhanced service for pilot</td>
<td>200 admissions</td>
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<tr>
<td>Expected effect</td>
<td>20%</td>
</tr>
<tr>
<td># Expected readmissions reduction</td>
<td>10 readmissions avoided</td>
</tr>
<tr>
<td><strong>Hospital-wide readmissions impact</strong></td>
<td><strong>209 readmissions avoided</strong></td>
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<td><strong>209/1000 = 20% overall</strong></td>
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Recommendations

1. Adopt a portfolio of strategies
2. Focus on Skilled Nursing Facilities
Focus on Skilled Nursing Facilities

- Know the Local Providers
- Encourage use of Interventions to Reduce Acute Care Transfers (INTERACT) Tools
- Use Medical Orders for Life Sustaining Treatment (MOLST) Form
Know the Local Providers

- What is their 30-day hospital readmission rate?
- What is their standard communication when sending a patient to the hospital, especially ED?
- Do they have an EMR? Subscribe to CRISP?
- Do they offer programs for chronic disease management? Hospice and/or palliative care services?
- What is their average length of stay? Disposition statistics?
“I tell hospitals if they find a SNF today who is not implementing INTERACT to move on and use another SNF.”

-David Gifford, Senior Vice President, Quality and Regulatory Affairs, American Health Care Association (AHCA). Medicare Readmissions Summit. December 6, 2013.
POLST is effective in reducing unwanted hospitalization & medical intervention

Recommendations

1. Adopt a portfolio of strategies
2. Focus on Skilled Nursing Facilities
3. Partner across the continuum
“Rehospitalization is a system issue and the problem does not lie with one organization or one provider, but with the community and the local health care system. Addressing this issue will require organizations and providers to work together.”

- Anne-Marie Audet, VP, The Commonwealth Fund
Redefining the “H”

- Waiver changes how hospitals are paid to reward the right things
  - Volume – no; Value – YES
- Success under new waiver requires volume control and cost reduction
- The key: population health management
  - Care for patients in the community in lower cost settings; reduce unnecessary care
  - Alignment of physician and hospital incentives is essential
How do we Get There?
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