



QUALITY, EFFICIENCY & COLLABORATION:

Keys to Transitioning the Post-Acute & Non-Acute World into the Age of Value-based Reimbursement

Bonnie Lowry
Contributing Writer
HealthStream

“Reimbursement and quality are not two separate lanes on the interstate. Under value-based purchasing, they are interrelated. That requires rethinking how you operate. At the heart of operating in post-acute or non-acute is service delivery, and service delivery is highly dependent on staff.” That is the observation of Vickie Harris, the President and founder of QEC Partners, and the current board chair of the Middle Tennessee Council on Aging. Harris recently sat down with HealthStream to talk about how post-acute and non-acute providers will need to adapt to survive in the world of value-based care.

Harris’s company has developed a platform called Community Connection to help bridge the communication gap between community-based social service organizations and healthcare providers around the social determinants of health. Harris estimates that roughly 20 percent of

healthcare spending is related to unmet social needs. While there are community resources currently available in the marketplace, those resources need to be organized in such a way that they align with value-based care and upstream acute-care providers.

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Harris urges providers to begin conversations about the role of post-acute and non-acute providers under value-based reimbursement models sooner rather than later. As we move toward value-based healthcare delivery and population health management, those three to five days in the hospital are not where the significant gains will occur. Harris predicts the gains will take place out in the community. “We’ve been so focused on the episodic and all the evidence has pointed out that that fragmentation, just focusing on a sick care system, is not the path that we can continue to take and it be sustainable.”

The Affordable Care Act has been the catalyst that is slowly closing the gap between acute-care and post-acute care. Acute-care providers now have the daunting task of choosing post-acute partners and developing strategies that will sustain those relationships. Closing the gap is complicated largely because the two sectors do not speak the same “language.” Until recently, there was no real incentive to learn about each other, but now post-acute providers need to understand how to fit into the workflows of the acute-care providers and vice versa. Further complicating the issue are the measures associated with quality and reimbursement vary significantly by setting.

What is VBP?

Value-based purchasing (VBP) is a payment model that CMS uses to reward or penalize healthcare facilities and providers based on the quality of care they provide. While the requirements vary by program, CMS bases performance on an approved set of measures that are grouped into quality domains. The following are examples of CMS value-based programs:

- Hospital Value-Based Purchasing Program
- Hospital Readmission Reduction Program
- Hospital Acquired Conditions Program

Harris explains, “I refer to our healthcare delivery system as this quilt that’s been designed over the last 50 years or so, since the passage of Medicare, that we didn’t have a master design plan for. It was just whatever piece of fabric that happened to pop up, we sewed it on, attached it to it. Our reimbursement programs were tailored based on sectors and did not facilitate talking the same language.”

Competency and Education are Opportunities in the Post and Non-Acute World

Harris cites the relatively low barriers to entry particularly into the non-acute service provider market as cause for concern, pointing at education and competency. In the non-acute market, there is little in the way of structure, measurement, or regulations. “I think there are opportunities to help elevate expectations, to help elevate what those organizations do, and to improve how they operate. If they want to be stakeholders and real partners to healthcare providers, they will need to make these changes,” says Harris.

While competency is mission critical to the success of post-acute and non-acute providers, Harris backs it up even further and makes these recommendations.

- Start by identifying the right people for open positions.
- Understand employees’ strengths and identify opportunities to sharpen skills.
- Hire with an eye toward selecting employees not only for the open position, but for the future needs of the organization.
- Stop focusing training exclusively on compliance. Focus instead on true competency.
- Expect that key drivers of engagement, retention and satisfaction are likely very similar in the acute, post-acute and non-acute settings, and measure and plan accordingly.
- Lastly, be careful when evaluating retention. Harris recommends focusing more on what you are investing in employees in order to become the employer of choice.

Harris predicts that value-based purchasing will drive some significant changes in the post-acute and non-acute markets. First, she points to the growing importance of employees. “We’re in the service business, so you cannot disconnect the value of people from where we’re headed in value-based payment and delivery models,” says Harris. The bar is high for the value-based purchasing metrics and post and non-acute providers are unlikely to reach them without highly trained and competent staff. Harris explains that success hinges on the building blocks of quality, efficiency, and collaboration. “In a service business, you can’t hit those required metrics unless you’ve got a highly competent staff. I, honestly, believe that it will fuel post-acute and non-acute to take a step, and it’s already doing so, in the right direction around looking at staff, human resources, and retention.”

Harris also believes that value-based reimbursement will force providers to re-engineer their business models to a more patient-centric one. This will be particularly true for the non-acute market which is currently largely unregulated. Consumers will be approaching these services with very specific expectations and payers will be approaching these services with a more rigorous set of standards.

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Given that the post and non-acute markets lag behind the rest of the continuum in terms of value-based purchasing preparedness, what should they be doing now to prepare to meet these looming requirements? Harris recommends starting with an honest assessment of the organization’s current situation by answering the following questions.

- What is the organization’s current position in the community and in the larger geographic market, particularly in comparison to competitors?
- What are the pain points of the acute-care providers that are upstream from the organization? How are the organizational strengths aligned to help relieve those pain points?

- What does the current data tell us about emerging trends on the acute-care side that could inform decisions about services, and centers of excellence in the post and non-acute markets?
- Does the organization’s business plan really support collaboration with acute care partners?

Winners and Losers – There Will Be Some of Both

Harris does not believe that every post and non-acute provider that exists in the marketplace today will survive the transition to a pay-for-performance system. When asked about what would distinguish the survivors from the rest of the pack, she readily pointed to the importance of strong leadership and a formal business plan. Every employee should understand their role within the context of the bigger picture. “If we’re onboarding people and they don’t understand what our expectations are, we’re setting ourselves up for failure,” says Harris.

In addition, it will become increasingly important to understand consumer expectations. Failing to meet those expectations may have an impact on the perceptions of care measures that will drive at least some of the calculations determining reimbursement. Harris believes that the challenge will be to identify and close the gap between what organizations are currently doing and what consumers actually want.

Post and non-acute providers will need to transition from a model that has been primarily focused on just delivering the healthcare or non-acute service to a model that begins with trying to understand and integrate the consumer’s expectations into the experience. That is going to require more and better communication. “People have choices. We’ve got to balance out our models around consumerism and creating that user experience,” says Harris.

Harris also encourages collaboration—something that will be critical for some of the small providers that are fairly typical in the non-acute market. A failure to collaborate on operational issues such as technology and human resources may force some of the small providers out of existence. Harris recommends that they start now to form collaborative networks with their competitors in order to create the

necessary infrastructure for technology, education and competency that will allow them to thrive in the age of value-based reimbursement.

Changing Times May Drive Some “Disruptive” Transitions

For the past decade, approximately 10,000 Baby Boomers reach the age of 65 every day. Harris points to research that shows that these Boomers would prefer to age in place which means new and different opportunities will emerge in the post and non-acute markets to meet these needs. Given that these providers already have difficulty staffing to meet current needs, how will they meet the needs of this growing market going forward? Harris stresses the importance of re-engineering processes, and embracing technology and collaboration to find new ways in which to support community-based services.

Nursing facilities are not only battling to survive in this new era of reimbursement, but they are also having to adapt to a dramatic shift in how skilled nursing facilities operate. “You’re seeing companies establish free-standing skilled nursing facilities. That leads that long-term services sector sitting there in these buildings, not able to cover their cost.” Harris says, she would love to see facilities begin to think of themselves not as nursing facilities, but as chronic condition management hubs for their communities. “How do they take their core competency around the work they do for the folks that they provide residence for and extend that into the community around them?”

Now is the time for post and non-acute providers to think about what it is that really drives the value of their organizations. Harris encourages providers in this sector to think beyond bricks and mortar and traditional operational models. She points to the example of an innovative home health agency that is now providing chronic disease management; something that home health providers were simply not doing 15 years ago. Rather than provide episodic care, they are following patients for longer periods of time to help them manage their conditions and provide interventions before patients require more significant interventions and acute care. “I think, if we can take our business models and extend them out, we will have value to population health management and improve the quality of living of those we serve,” says Harris.

Harris believes that quality, efficiency and collaboration must be integral in the business models of the post and non-acute providers that will thrive in this new era of pay-for-performance reimbursement. She urges post and non-acute providers to:

- Collaborate to be more efficient in education, staffing and technology.
- Specialize to best align staffing, technology and marketing to the needs of the community and the upstream acute-care providers.
- Measure to be sure that your processes work, provide value and are improving over time.

You can hear more from Vickie Harris by listening to her podcast at www.healthstream.com/second-opinions-podcast.



Vickie Harris
*Founder and President,
 QEC Partners, LLC*

About Vickie Harris

Vickie Harris is the Founder and President of QEC Partners, a post-acute and long term services and support performance improvement and systems integration company based in middle Tennessee. Harris has a reputation as an innovative and strategic thought leader related to system improvement and integration that supports person-centered services to the most vulnerable populations groups with a particular emphasis on older adults. Harris’ career path has been one that has uniquely developed her as an innovative leader in the transformation of healthcare toward value based, patient-centric delivery and payment models. The culmination of her experiences led Harris to set out to be a change agent launching QEC Partners and adopting Quality, Efficiency and Collaboration as the guideposts of her company. Harris is active in the community as a volunteer with a particular focus on seniors aging in the community, and currently serves as the chair of the board of directors for the Council on Aging of Middle Tennessee. Her personal mission statement is: “To create new opportunities for improving the quality of living of older adults across the state of Tennessee”.

