Mandating Communication within Accountable Care Organizations in the Medicare Shared Savings Program

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Healthcare

Cost  Access  Quality
Closed

Due to Readmissions
Healthcare

$2 Trillion

Hospital Admissions
Readmissions are Expensive, Too Frequent, and Potentially Harmful

- 2.5 million Medicare patients readmitted within 30 days at a cost of $174 billion.
- Medicare spent $538 billion total in 2009 (15% Gross Domestic Product).
- Increased length of stay impacts hospital finances.
READMISSIONS

- 76% of 30-day readmissions are avoidable.
- 20% of Medicare patients are readmitted within 30 days.
- 34% of Medicare patients readmitted within 90 days.

Rehospitalizations After Discharge from the Hospital Among Patients in Medicare Fee-for-Service Programs

Percent of patients rehospitalized (cumulative)

<table>
<thead>
<tr>
<th>Number of days following discharge from hospital</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>30 days</td>
<td>19.6</td>
</tr>
<tr>
<td>90 days</td>
<td>34.0</td>
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<tr>
<td>365 days</td>
<td>56.1</td>
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Causes of Readmissions

Quality

Public

Policy Makers

Third Party Payers
Health Care is a Fragmented Maze

- Hospitalist
- Nursing
- Dietetics
- Pulmonologist
- Cardiologist
- Nephrologist
- Primary Care

- Case Management
- Utilization Review
- Physical Therapy
- Nocturnalist
- Intensivists
Causes of Readmissions

• Communication with Primary Care Physicians (PCPs) occurs only 3% to 20% of the time.
• Discharge summaries available only 12%-34% of the time.
• 50% of readmissions had not had a primary care visit.
Impact of Readmission on Hospital Revenues

• The Congressional Budget Office projects a savings of $7 billion over the next ten years by decreasing Medicare payments for readmissions for chronic diseases

• 3% reduction in payment by 2014 if readmission rate is higher than expected

• Targeted Diagnoses:
  • Congestive Heart Failure
  • Acute Myocardial Infarction
  • Pneumonia
  • Chronic Obstructive Pulmonary Disease
Mary’s Story

- Day 1: New Primary Care Physician
- Day 12: ER-Congestive Heart Failure
- Days 14-20: Acute Hospitalization
- Day 21-23: Skilled Nursing Facility
- Day 24: ER-Dehydration/Renal Injury
- Day 25-29: Acute Hospitalization
Mary’s Story

…The Cost

- DRG 291 $6,157.84
  - Room & Board
  - Testing
  - Medication

First Admission $5,438.98

Second admission bundled into first

Total Loss to Hospital $10,871.13
Role of ACOs in Improving Communication

“A group of providers of services and supplies who work together to manage and coordinate care for Medicare fee for service beneficiaries”

ACOs that form under MSSP to share in the projected savings must improve quality and lower cost.”

Source: Department Of Health And Human Services, Centers for Medicare & Medicaid Services
42 CFR Part 425 [CMS-1345-P]
RIN 0938-AQ22 Medicare Program; Medicare Shared Savings Program: Accountable Care Organizations
Current Proposed CMS Rules for ACOs

— Patient/Caregiver Experience
— Care Coordination
— Patient Safety
— Preventive Health
— At Risk Population/Frail Elderly Health

... But no requirement for documented communication
Proposed Solution

• Add real-time, patient centered, documented communication between providers in Accountable Care Organizations (ACOs) via rules of participation in the Medicare Shared Savings Program (MSSP) in order to improve communication during transitions of care.
Improve Communication During Transitions of Care

- Track hospital readmissions within 30 days of discharge;
- Insure that the patient knows which doctor to follow up with and when;
- Track patient compliance with 30-day post discharge physician visit;
- Insure that the provider(s) has a clear understanding of the patient’s acute course and is given guidance for follow-up;
- Track the accuracy of patients’ medication regimens.
ACOs Will Reduce Fragmentation

• Documented Communication will
  – Increase quality
  – Reduce Cost
  – Increase access to appropriate care
Thank You!