

Maryland Global Budgeting: Carroll Hospital Center's Experience under "Total Patient Revenue"



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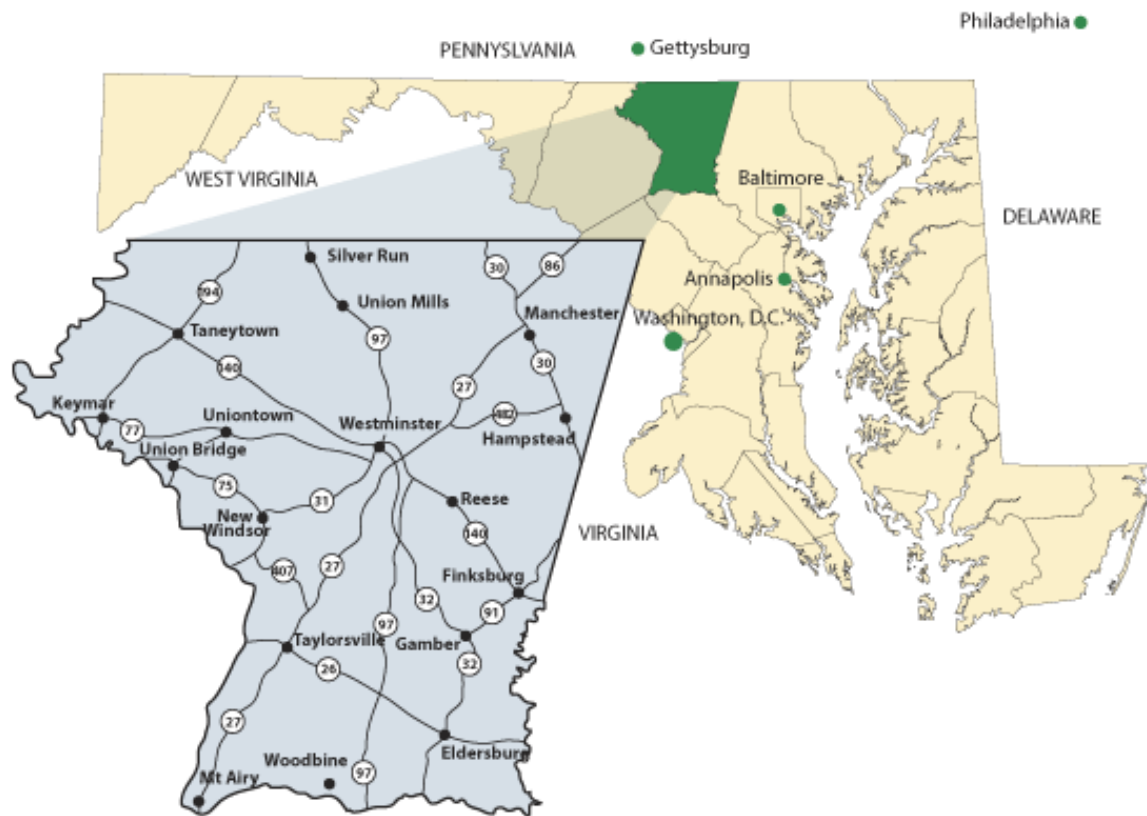
**Vice President,
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**Academy Health/RWJF
Oct 24, 2014**





- Independent; only hospital in County
- 193 Beds; 1084 births; 56,428 ED visits
- **CareChex Medical Excellence Awards**
 - **Overall Hospital Care**
 - Top 10% in Nation 2014
 - **Overall Medical Care**
 - Top 10% in Nation 2014
 - **#1 in Maryland**
- **CareChex Patient Safety Awards**
 - **Overall Hospital Care**
 - **Overall Medical Care**
 - **Overall Surgical Care**
 - Top 10% in Nation 2014



“Total Patient Revenue” should support Triple AIM:

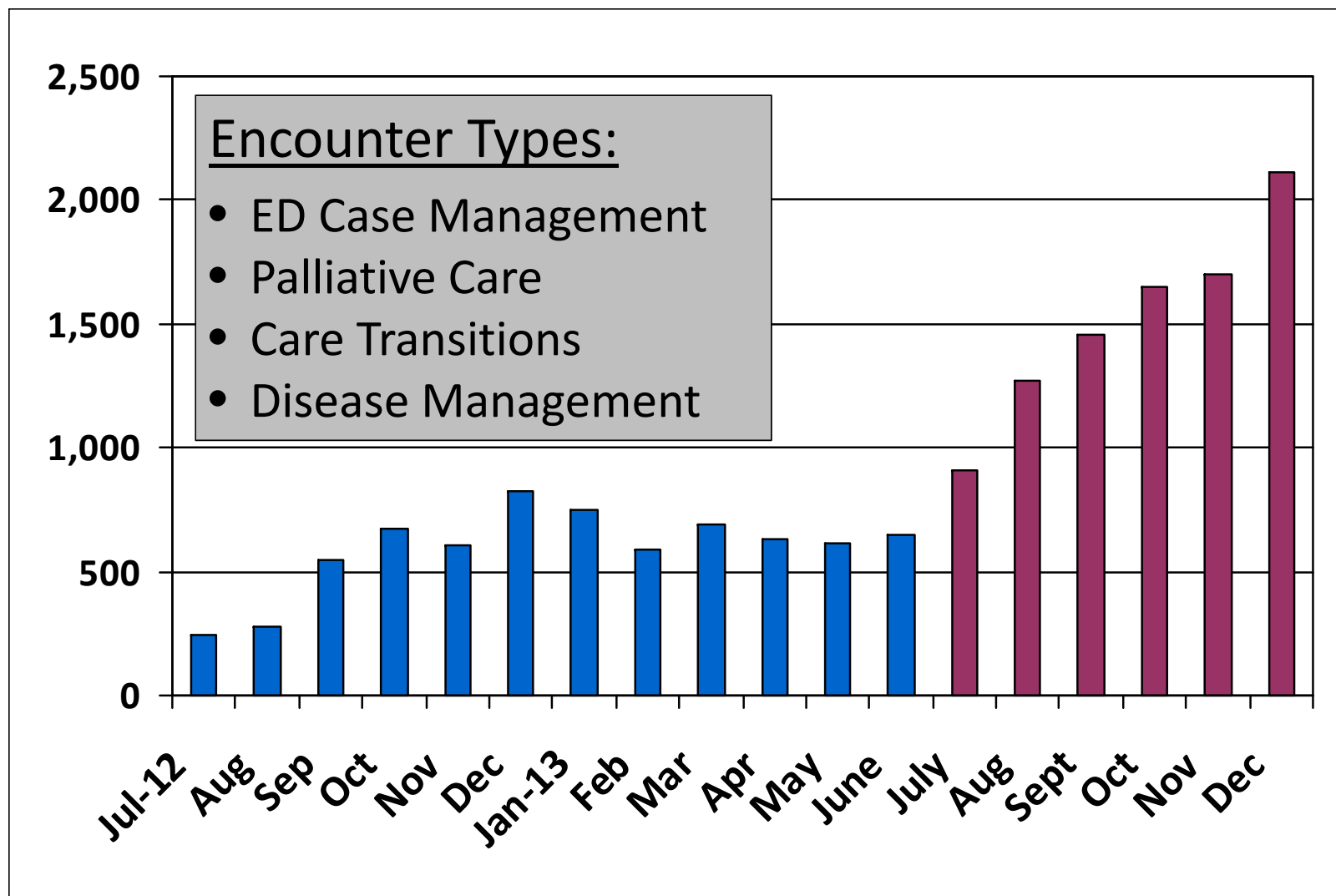
Reduced Utilization = Reduced Expenses, Same Revenue

Lower Cost, Higher Quality, Healthier Patients

- Direct Traffic: Shift Care to the lowest SAFE level of care
 - RISK: Community perception of incentive to do as little as possible
 - RISK: HSCRC perception of shifting care to unregulated spaces
- Better Health: Reduce Readmissions, Reduce Medical Admits & ED Visits
- Coordinate Care: Partner with physicians, patients, other entities
- Financially-align physicians: Medicare ACO (coming in 2015)

Care Management Ramp-up

Patient Encounters by Month



Utilization Trends

Experience under
TPR

	Fiscal Year (Ended June 30)				Three Year Change
	<u>2010</u>	<u>2011</u> ⁽¹⁾	<u>2012</u>	<u>2013</u>	
Admissions	16,139	14,339	12,276	11,585	-28%
Observation Visits	<u>0</u>	<u>1,494</u>	<u>2,807</u>	<u>3,304</u>	<u>100%</u>
Subtotal	16,139	15,833	15,083	14,889	-7.7%
Patient Days (IP)	50,866	47,178	40,293	38,896	-24%
ED Visits Total	52,977	54,069	56,618	56,428	7%
Outpatient Center Visits	25,955	26,889	28,054	28,100	8%
Outpatient Cancer Center			17,353	17,713	100%
Total Surgical Cases	10,206	9,272	8,485	8,034	-21%
Cardiac Cath/Vascular	2,243	2,032	1,975	1,969	-12%
<u>Unregulated Services</u>					
Home Care Admissions	1,623	1,674	1,830	1,822	12%
Hospice Patient Days	19,112	17,844	22,411	28,146	47%
Physician Office Visits	88,654	102,342	110,832	133,492	51%
CCR Imaging	110,259	119,437	132,152	134,191	22%

Note (1): First year under TPR.

TPR Performance:

- CHC has seen an 8% decline in hospitalizations over the first three years of its TPR agreement
- **41% of this decline was driven by a reduction in readmissions**
- This outcome was accomplished despite a 6% increase in ED visits

	Three Year Change			
	<u>FY</u> <u>2010</u>	<u>FY</u> <u>2013</u>	<u>#</u>	<u>%</u>
Admissions	16,139	11,585		
Observation Visits	<u>0</u>	<u>3,304</u>		
Subtotal	16,139	14,889	-1,250	-8%
Readmissions (Admissions and OBS cases)	2,358	1,845	-513	-22%
ED Visits (Total)	52,977	56,420	3,443	6%

Rehospitalization Trends

Carroll Hospital Center Compared to the State

Note: Rehospitalizations is a broad measure of patient returns to the hospital within 30 days from an initial inpatient, observation, or ED encounter.

<u>Rehospitalizations (CHC)</u>					<u>Rehospitalizations (State w/o Balt. City)</u>				
	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>		<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
Inpatient	3,096	2,603	2,357		Inpatient	87,462	83,804	78,743	
Observation	254	546	610		Observation	8,004	13,074	15,848	
ED	8,258	9,069	8,461		ED	234,367	245,629	242,440	
Total	11,608	12,218	11,428	-1.6%	Total	329,833	342,507	337,031	2.2%

Use Rates: Potentially Avoidable Utilization

- Age Adjusted Use Rates (PAU per 1000 population, FY 2013)

PAU includes rehospitalizations, potentially preventable complications, and prevention quality indicators

	County Performance (of 23 counties)	CHC Performance (volume captured)
Rehospitalizations	Seventh Best	86% Market Share
Prevention Quality Indicators	Fourth Best	83% Market Share
Hospital Complications	Twelfth Best	44% Market Share
Total PAU	Seventh Best	22% of CHC's Volume
Quality Based Reimbursement (QBR) (HCAHP's + Core Measures)		Fifth Best

Total Patient Revenue: The Good

- System focus on Value Over Volume
- Flu vaccinations are better than flu patients!
- Better-than-expected financials during the TPR years; margins are now tight as the System seeks to grow programs and market
- Funding of Clinical Integrations programs to build a Community medical Home, interlink services, and focus on what happens outside of the exam or hospital room
- On-going
 - More coordination with non-employed primary care practices
 - Risk stratification of patients; aggressive prevention and early detection programs
 - Alignment with non-contracted “hospitalists” remains challenging
 - Focus on readmission reduction to provide impetus for data repository

Total Patient Revenue: Challenges

- Trouble differentiating decreases in “bad” volume from changes in “good” volume related to market, competition, and provider availability
- There is little incentive to grow services or market share, even if it better serves the population
- If re-basing occurs, revenues are set on a dwindling glidepath
- It is more difficult to attribute savings from hospital-based care to a Shared-Savings Accountable Care program
- Non-revenue programs such as care coordination and utilization management have diminishing return as bad volume is decreased
- Half the solution: does not address non-hospital services and is confounded by overlapping markets and populations

Health System Patient Profile

	<u>FY 2013</u>	<u>FY 2016</u>	<u>Vision 2020</u>	<u>% Chg from 2013</u>
Admissions/Observation Cases	15,142	15,748	17,995	19%
Patient Beds	214	223	226	6%
ED Visits	55,702	42,930	40,523	
Urgent Care Visits	<u>0</u>	<u>25,000</u>	<u>49,911</u>	
	55,702	67,930	90,434	62%
Cancer Center Patients	2,591	2,798	3,187	23%
Ambulatory Surgery	5,781	6,070	18,834	226%
Outpatient Imaging	138,298	163,298	188,960	37%
Home Care Episodes	1,600	2,600	3,766	135%
Hospice Admissions	879	914	1,081	23%
Physician Office Visits	109,187	163,781	248,700	128%

Thank you for listening and I look forward to your questions

