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Bundled Payments for Care Improvement: ADLS # 6

Building An Effective Gainsharing Program

Weslie Kary, Moderator

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You Should Know

- Where to find the slides: http://cmmi.airprojects.org/BPCI.aspx
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Objectives for Accelerated Development Learning Sessions

- Support practitioners in their efforts to successfully implement bundled payment in support of the three-part aim.
- Share expert knowledge and lessons learned by early adopters.
- Set stage for continued collaborative learning during implementation.

Agenda

- **Presentation:** *Gainsharing To Achieve Cost Savings, Quality Improvement and Enhanced Collaboration with Physicians and Other Providers,* Ruth C. Levin, MHA
- **Presentation:** *Gainsharing—The Beth Israel Experience,* I. Michael Leitman, MD, FACS
- **Q & A** for Levin & Leitman
- **Presentation:** *Gainsharing—A Custom Approach,* Gordon L. Alexander Jr., MD
- **Q & A** for all presenters

Presenters

Ruth C. Levin, MHA, has a diverse background including hospital administration, long term care, provider network development and health insurance. As Sr. Vice President of Managed Care at Continuum Health Partners—the parent company to Beth Israel Medical Center, St. Luke's Roosevelt Hospital Center, Long Island College Hospital and New York Eye and Ear Infirmary--Ms. Levin directed all hospital and employed physician managed care contract negotiations, implementation and compliance, and also a CMS-Sanctioned Gainsharing/Pay for Performance project with over 500 physicians. In April 2011, Ms. Levin became Managing Partner at Managed Care Revenue Consulting Group, LLC, where she assists hospitals around the country implement gainsharing and other hospital-physician collaboration programs.

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Presenters

I. Michael Leitman, MD, FACS, is the Chief of General Surgery and Graduate Medical Education at Beth Israel Medical Center in New York City. He has been one of the physician leaders for Beth Israel's Gainsharing Program since its inception in 2006. Dr. Leitman received his bachelor's degree in chemistry and biology at Boston University, where he also received his M.D. degree. He trained in surgery at The New York Presbyterian/Weill Cornell Medical Center and completed a fellowship in Surgical Critical Care and North Shore University Hospital. He is Professor of Clinical Surgery at Albert Einstein College of Medicine and maintains an active surgical practice. He is program director for the surgery residency and is responsible maintaining accreditation of Beth Israel's 34 residency and fellowship programs.

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Presenters

Gordon L. Alexander Jr., MD, currently serves as an advisor to the AAMC on their bundled payment initiative. Dr. Alexander served as President and CEO of Children's Hospital of Central California until 2011. Previously, he led the formation of a 750-physician PHO with Fairview Health Services, subsequently becoming Chief Medical Officer of Fairview, and then President and CEO of the newly created University of Minnesota Medical Center - Fairview. He served in that capacity for 12 years, leading an operational and quality turn-around in partnership with the organizationally distinct faculty practice plan, the University of Minnesota Physicians. Dr. Alexander received his undergraduate and medical degrees from the University of Minnesota, and practiced for 14 years in Obstetrics and Gynecology prior to entering administrative medicine.

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Gainsharing To Achieve Cost Savings, Quality Improvement and Enhanced Collaboration with Physicians and Other Providers

Ruth Levin

Managed Care Revenue Consulting Group, LLC

Identify and Communicate Your Goals for Gainsharing Program

- Achieve greater efficiency, cost savings and higher quality by aligning hospital and physician incentives
- Reduce variation in practice
- Reward physicians for improved performance, meaningful collaboration
- Start up quickly, make payments to physicians within nine months, improvements begin immediately
- Design for low complexity, maximum flexibility
- Deliver, on a regular basis, the data that will provide insight/guidance on behavior changes necessary to reach the goals

Targets for Improved Performance

- Shorter inpatient stays, when appropriate
- Fewer marginal, but costly, diagnostic tests
- Reduction in pharmacy expense (generics, formulary, etc.)
- Efficient use of operating rooms, reduction in turnaround time
- Cost-effective use of critical care and telemetry units
- Evidence-based selection and purchase of medical devices and hardware
- Reduction in duplicative services
- Improved discharge planning
- Improved quality scores on process measures

Inpatient Gainsharing Benefits Extend to Post Acute and Ancillary Providers

- Savings achieved from more efficient acute services increases likelihood of more appropriate (and perhaps earlier) use of post acute services
- For bundled payment models, fewer resources used on the inpatient acute portion of the bundle increases the likelihood of sufficient funds to pay for post acute services and shared surpluses
- Data on ‘best practice’ for all anticipated services within bundle provides guidance on how cost and quality metrics can be achieved

Patient Protection/Methodological Design Decisions To Consider

- Adjustment for Severity of Illness insures correct amount of resources are used in setting benchmark targets (eliminates incentives to “cherry pick”, “stint” and “steer”)
- Best Practice Norms derived from practice in the community
- Incentive amounts are reasonable (consistent with Medicare PIP rules)
- Limit on incentive payments to discourage new and untried practices
- Physician incentives are conditioned upon compliance with quality measures

How to Secure Physician "Buy-In"

- Strictly voluntary
- No change in process or form of current physician payments
- Provide detailed data on individual physician utilization and quality metrics, adjusted for severity of illness
- Provide ongoing, regular feedback to physicians
- Encompass non-clinical and clinical opportunities
- Quality evaluation based on overall performance
- Incentive only/no risk or penalties, based on individual performance
- Provide loss of income protection
- Transparency – notification to patients about program

Continuum Health Partners
Pay for Performance/Gainsharing Overview

- Began 2006 with Commercial/Managed Care patients
- Designed to compensate Physicians who
  - Improve quality of care and patient safety
  - Implement more efficient practice patterns and reduce inpatient costs
- Beth Israel granted waiver by CMS to include Medicare Fee for Service patients in 3 year Gainsharing Demo (began Oct 2008)

Gainsharing – Basic Framework of Inpatient Program

- Inpatient Cost Savings are shared with physicians that provide efficient, quality care
- Physicians rewarded for reaching benchmarks and/or making significant improvement in performance
- All cases severity adjusted to 4 levels using APR-DRGs
- Benchmarks established using physicians actual experience – average cost (by APR DRG) of the top 25th percentile (lowest cost) performers (Best Practice Norm – BPN)
- Monies to pay bonus come from hospital savings generated by improvements in efficiency. If hospital achieves no savings – no bonuses paid out.
- Payments withheld from physicians who do not meet quality standards.

Physician-Specific Quality Data Reviewed

- Infection Prevention Practices
- Infection Indicators
- Compliance with Medicare CORE Measures
- Medical Record and Operating Room Dictation Completion
- Patient Complaints
- Mortality Rates
- Readmission Rates
- Other Quality Initiatives

Report 2

Inpatient Summary by Product Line

Statistics Based On Best Practice DRGs/Physicians; January 2008 through December 2008; Commercial Claims

Excludes Psychiatry Product Lines and APRDRGs (540,541,560,626,640) For Normal Deliveries and Newborns

00001 General Medical Center

Product Line	Admissions (Eligible)	Average LOS	Average BP LOS	Average LOS Variance	Actual Total Cost	Best Practice Total Cost	Best Practice Variance	Savings Opport	Marginal Savings Opport [50%]
All Inlier Claims	**10,038**	**5.32**	**2.68**	**2.64**	**$66,961,537**	**$44,556,969**	**$22,404,569**	**$25,416,738**	**$12,708,369**
132 General Surgery	1,182	7.16	3.74	3.42	$13,361,381	$9,904,506	$3,456,874	$4,110,699	$2,055,349
050 Cardiology	1,355	4.15	1.80	2.35	$6,538,896	$3,646,255	$2,892,641	$3,045,617	$1,522,808
125 Gastroenterology	1,005	4.52	2.16	2.36	$5,162,624	$2,874,673	$2,287,951	$2,470,773	$1,235,387
165 Infectious Disease	552	6.91	3.27	3.64	$3,977,873	$1,991,526	$1,986,347	$2,079,852	$1,039,926
296 Pulmonary	928	4.94	2.78	2.16	$4,929,830	$3,322,663	$1,607,167	$1,881,447	$940,724
274 Orthopedic Surgery	696	5.77	2.75	3.02	$7,064,648	$5,605,126	$1,459,522	$1,807,393	$903,697
255 Neurology	729	4.29	2.11	2.18	$3,633,997	$2,240,503	$1,393,494	$1,531,404	$765,702
250 Nephrology	342	5.77	2.65	3.11	$2,010,139	$1,137,027	$873,111	$937,915	$468,958
267 Oncology	136	9.56	3.54	6.02	$1,429,998	$769,494	$660,504	$746,724	$373,362
145 Hematology	144	5.17	1.90	3.27	$913,649	$417,746	$495,902	$506,926	$253,463
252 Neurological Surgery	93	9.19	3.86	5.33	$1,471,037	$996,571	$474,465	$561,426	$280,713
055 Cardiovascular Surg	56	10.86	4.84	6.02	$1,071,623	$667,793	$403,829	$461,553	$230,776
129 General Medicine	177	4.03	1.56	2.46	$839,439	$443,111	$396,328	$415,862	$207,931
133 Thoracic Surgery	77	10.18	3.77	6.42	$1,080,529	$713,085	$367,443	$396,849	$198,424
045 Myocardial Infarction	65	9.29	2.80	6.49	$729,393	$374,271	$355,122	$374,357	$187,178
090 Endocrinology	173	4.51	2.24	2.27	$769,557	$446,394	$323,162	$359,010	$179,505
245 Neonatology	276	5.24	3.89	1.34	$1,250,746	$930,080	$320,666	$430,398	$215,199
276 Orthopedics	204	4.00	2.25	1.75	$875,544	$571,640	$303,904	$353,451	$176,725
330 Rheumatology	85	5.74	2.40	3.34	$531,929	$244,745	$287,184	$304,342	$152,171
095 Diabetes	139	3.99	1.72	2.27	$581,803	$308,941	$272,862	$287,326	$143,663
325 Rehabilitation	314	12.20	8.36	3.84	$2,631,911	$2,359,650	$272,261	$613,077	$306,538
387 Urological Surgery	143	3.87	1.80	2.07	$940,080	$708,378	$231,703	$282,341	$141,170
070 Dermatology	153	3.41	1.55	1.86	$553,956	$324,015	$229,941	$238,532	$119,266
135 Gynecological Surg	393	2.43	1.77	0.66	$1,819,219	$1,610,295	$208,924	$286,872	$143,436
280 Other Obstetrics	254	2.17	1.19	0.98	$582,886	$378,725	$204,161	$227,474	$113,737
040 Invasive Cardiology	25	7.52	2.96	4.56	$482,909	$284,077	$198,831	$206,012	$103,006
390 Urology	85	3.11	1.29	1.81	$316,782	$168,472	$148,309	$156,191	$78,095
283 Otolaryngology	160	2.29	1.22	1.08	$408,485	$262,683	$145,801	$156,409	$78,204
269 Cardiac Surgery	24	5.17	1.46	3.71	$637,926	$576,679	$61,247	$75,650	$37,825
085 ENT Surgery	42	3.31	1.07	2.24	$272,269	$214,127	$58,142	$82,047	$41,024
137 Gynecology	29	2.69	1.79	0.90	$83,672	$57,239	$26,433	$28,466	$14,233
271 Ophthalmologic Surg	2	1.50	1.00	0.50	$6,811	$6,477	$333	$344	$172

Performance Based Incentives
Physician Report 1
Performance Incentive for January 2010 through June 2010; Commercial Claims

Provider Number **Provider Name**
Responsible Physician

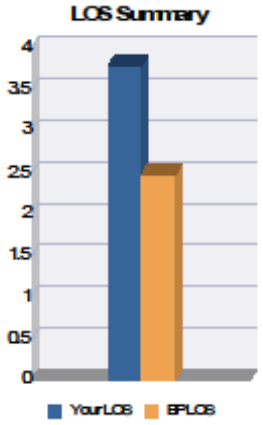
Total Physician Incentive	**$3,664.07**
Maximum Physician Incentive	**$10,366.46**
Total Unearned Incentive	**6,702.39**
Total Eligible Cases	**52 out of 68 cases**

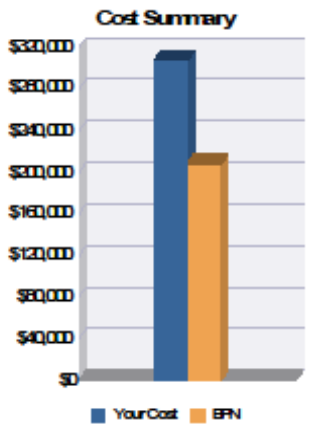
Patient	APR / SOI	Case Type	Actual LOS	Actual Cost	BP LOS	BP Cost	LOS Opport	Savings Opport	Maximum Incentive	Total Physician Incentive
105947767	2511	Medical	2	$2,183	1.00	$1,012.31	1	$1,171	$90.00	$0.00
105947781	1211	Surgical	2	$1,768	2.00	$4,200.97	0	$0	$182.88	$182.88
105949453	2441	Medical	2	$2,222	2.00	$2,303.01	0	$0	$162.32	$162.32
105949471	2821	Medical	2	$2,101	2.00	$2,193.87	0	$0	$154.63	$154.63
105949564	2214	Surgical	12	$22,688	14.00	$23,400.84	0	$0	$1,018.71	$1,018.71
105950671	3842	Medical	1	$1,435	1.00	$827.79	0	$607	$90.00	$39.71
105953677	2251	Surgical	3	$5,442	1.00	$3,412.60	2	$2,029	$148.56	$0.00
105954041	2531	Medical	2	$2,117	1.00	$1,453.29	1	$664	$102.43	$38.03
105954290	2631	Surgical	3	$5,927	1.00	$3,647.89	2	$2,279	$158.80	$0.29
105954374	2251	Surgical	1	$4,399	1.00	$3,412.60	0	$986	$148.56	$0.80
105954391	2252	Surgical	6	$12,506	3.00	$4,411.93	3	$8,095	$192.07	$0.00
105954412	2252	Surgical	4	$7,498	3.00	$4,411.93	1	$3,086	$192.07	$1.39
105955370	2242	Surgical	11	$12,648	6.00	$8,720.41	5	$3,928	$379.63	$0.38
105955623	2242	Surgical	10	$11,502	6.00	$8,720.41	4	$2,782	$379.63	$11.59
105956943	2442	Medical	3	$4,640	3.00	$2,993.79	0	$1,646	$211.01	$10.15
105956987	3421	Medical	2	$1,809	1.00	$848.62	1	$961	$90.00	$9.91
105957100	3611	Surgical	2	$4,728	1.00	$4,463.17	1	$265	$194.30	$158.60
105957524	2841	Medical	2	$1,526	1.00	$1,807.21	1	$0	$127.37	$127.37
105957541	2252	Surgical	3	$6,463	3.00	$4,411.93	0	$2,051	$192.07	$15.07
105957844	2631	Surgical	1	$3,327	1.00	$3,647.89	0	$0	$158.80	$158.80

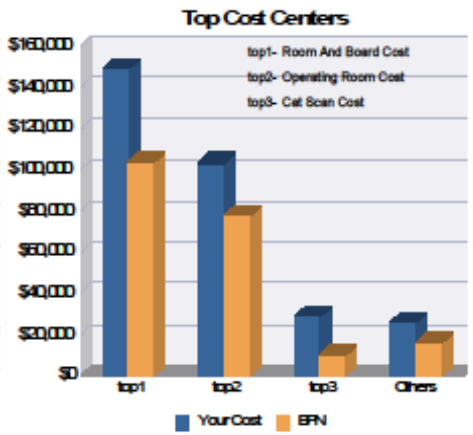
DASHBOARD
St Lukes Hospital
Performance Incentive for January 2010 through June 2010; Commercial Claims

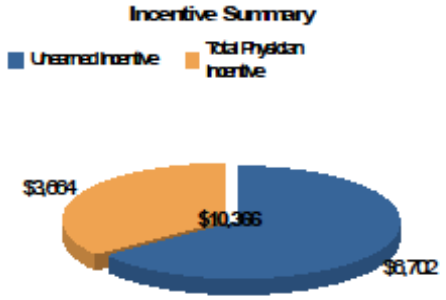
Analytics

Responsible Physician	**173407**						
QUICK STATISTICS	**Cost**	**Average LOS**	**INCENTIVE**				
Your Information	$307,747	3.77	**Maximum Incentive**	$10,366			
Best Practice Norm (BPN)	$208,085	2.46	**Your Incentive**	$3,664			
Variance	$99,662	1.31	**Unearned Incentive**	$6,702			
Admissions by Complexity Level (SOI)	**SOI 1:** 25	**SOI 2:** 23	**SOI 3:** 3	**SOI 4:** 1	**Total:** 52		









Cost Center Summary		Percentile	Your Cost	BPN	Variance
1	Room And Board Cost	36	$149,518	$103,620	$45,898
2	Operating Room Cost	33	$103,304	$77,934	$25,371
3	Cat Scan Cost	3	$29,103	$10,203	$18,900
4	Intensive Care Unit Cost	56	$11,525	$6,514	$5,012
5	Pharmacy Cost	40	$10,132	$5,862	$4,270
6	Cardiopulmonary Cost	37	$3,109	$1,018	$2,091
7	Medical Surg Supplies - Implants Cost	67	$294	$1,357	$-1,063
8	Blood Storage Cost	46	$762	$1,354	$-592
9	CCU Cost	100	$0	$201	$-201
10	MRI Cost	100	$0	$22	$-22

Report 11
Inpatient Cost Center Detail (Average Costs) by Physician
All Providers in CY 2008
Statistics Based On All Physicians for Best Practice DRGs; January 2008 through December 2008; Commercial Claims
Product Lines with > 2.5% of Variance for Provider or over $100,000 in Variance
Excludes Psychiatry Product Lines and APRDRGs (540,541,560,626,640) For Normal Deliveries and Newborns

0001 General Medical Center

040 Invasive Cardiology

170 Extreme Perm card pacemak w AMI/HF/Shk

Responsible Physician 00248

Type	Admits	Total	Avg LOS	ANS	A_P	ASC	BLD	CCL	CCU	CLI	CPL	DEL	DIA	DRU	EEG	EKG	EMR
Actual	1	$32,496	20.00	$0	$10,093	$0	$284	$0	$0	$0	$0	$0	$0	$1,574	$0	$871	$320
Best Practice	14	$22,485	9.00	$13	$5,689	$0	$149	$869	$1,406	$0	$0	$0	$0	$591	$0	$1,090	$395
Variance		$10,010	11.00	$-13	$4,403	$0	$135	$-869	$-1,406	$0	$0	$0	$0	$983	$0	$-219	$-76

	ICU	IVT	LAB	MRI	MSS	NCU	NUR	OCC	ORR	PHT	RAD	RAI	RAT	RRR	RSP	SPH	OTHER
Actual	$3,410	$0	$3,509	$0	$8,344	$0	$0	$0	$2,395	$72	$1,225	$0	$0	$207	$0	$191	$0
Best Practice	$1,410	$9	$1,763	$98	$6,179	$0	$0	$40	$1,063	$233	$676	$33	$0	$165	$547	$29	$37
Variance	$2,001	$-9	$1,746	$-98	$2,166	$0	$0	$-40	$1,333	$-161	$549	$-33	$0	$42	$-547	$163	$-37

170 Major Perm card pacemak w AMI/HF/Shk

Responsible Physician 00222

Type	Admits	Total	Avg LOS	ANS	A_P	ASC	BLD	CCL	CCU	CLI	CPL	DEL	DIA	DRU	EEG	EKG	EMR
Actual	2	$29,603	11.00	$0	$6,531	$0	$284	$0	$0	$0	$0	$0	$0	$310	$0	$188	$320
Best Practice	46	$16,413	7.00	$38	$5,132	$41	$78	$386	$162	$0	$0	$0	$65	$404	$4	$750	$337
Variance		$13,190	4.00	$-38	$1,398	$-41	$206	$-386	$-162	$0	$0	$0	$-65	$-93	$-4	$-561	$-17

	ICU	IVT	LAB	MRI	MSS	NCU	NUR	OCC	ORR	PHT	RAD	RAI	RAT	RRR	RSP	SPH	OTHER
Actual	$0	$0	$1,825	$0	$18,435	$0	$0	$0	$1,258	$36	$278	$0	$0	$138	$0	$0	$0
Best Practice	$471	$30	$982	$6	$5,590	$0	$0	$4	$1,006	$97	$400	$57	$0	$201	$94	$0	$79
Variance	$-471	$-30	$843	$-6	$12,846	$0	$0	$-4	$252	$-61	$-122	$-57	$0	$-63	$-94	$0	$-79

Responsible Physician 00096

Type	Admits	Total	Avg LOS	ANS	A_P	ASC	BLD	CCL	CCU	CLI	CPL	DEL	DIA	DRU	EEG	EKG	EMR
Actual	2	$22,307	13.00	$0	$6,531	$0	$0	$0	$0	$0	$0	$0	$0	$422	$0	$884	$320
Best Practice	46	$16,413	7.00	$38	$5,132	$41	$78	$386	$162	$0	$0	$0	$65	$404	$4	$750	$337
Variance		$5,895	6.00	$-38	$1,398	$-41	$-78	$-386	$-162	$0	$0	$0	$-65	$18	$-4	$134	$-17

	ICU	IVT	LAB	MRI	MSS	NCU	NUR	OCC	ORR	PHT	RAD	RAI	RAT	RRR	RSP	SPH	OTHER
Actual	$2,274	$0	$2,421	$0	$6,869	$0	$0	$0	$1,258	$0	$1,123	$0	$0	$207	$0	$0	$0
Best Practice	$471	$30	$982	$6	$5,590	$0	$0	$4	$1,006	$97	$400	$57	$0	$201	$94	$0	$79
Variance	$1,803	$-30	$1,439	$-6	$1,279	$0	$0	$-4	$252	$-97	$723	$-57	$0	$6	$-94	$0	$-79

Sample Practice Changes that Contribute to Improve Efficiency and Quality of Care

- Increased detail/accuracy and timeliness of documentation
- Earlier consultation with Discharge Planner
- Round/writing discharge order prior to noon and increase discharges on weekends
- Increase understanding/interest in implant costs and implementation of demand matching
- Decrease time between request for consultation and occurrence of consultation
- Earlier transition from ICU to standard acute floor

Engage Your Physicians and Sustain Interest

- Regular meetings – Grand Rounds, 1:1 etc.
- Review data by MD, APR DRG, cost center
- Identify key physician leaders/liaison
- Involve physicians in design of process change, renegotiation of vendor contracts
- Be flexible/supportive of creative bonus distribution models

Movement Toward Reduced Variation in Practice

- Get closer to your goal – shrink variation between bottom 75th and the top 25th percentile
- Physicians ask – 'What is the top 25th percentile doctor doing that I'm not doing?'
- Most physicians have at least one case in the top 25th percentile so reassured they can hit benchmark
- Greater acceptance/easier transition to clinical guidelines/care maps

Gainsharing

The Beth Israel Experience

I. Michael Leitman, MD, FACS
Chief of General Surgery and Graduate Medical Education

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New York, NY

Bundled Payments for Care Improvement: ADLS #6, April 6, 2012

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Beth Israel Medical Center, NYC: A Case Study

- 2 Campus-1,000 Bed System
- Over 2,000 Physicians on staff
- Beth Israel Petrie Division with 750 beds is a teaching hospital affiliated with Albert Einstein College of Medicine with 60% voluntary staff in Manhattan
- Beth Israel Brooklyn Division is a 250-bed hospital with nearly 100% voluntary staff in Brooklyn
- ~6 year experience (2006-present)

The Beth Israel Medical Center Experience

- Discharging physician credited for admission
- Excluded cases
  - Medicaid
  - Psychiatry
  - Neonatal
  - Delivery cases
  - Ambulatory care
  - Deaths

The Beth Israel Medical Center Experience

- Physicians not included:
  - Anesthesia
  - Radiology
  - Pathology
  - Intensivists*
  - Emergency medicine

Gainsharing: Beth Israel Timeline

- Program began 2006 with 2005 data
- CMS Demonstration Project 2008
- Physician peer-to-peer meetings began 2009
- Threshold for 20% discharge LOS at BPN (top 25th percentile)
- Hospitalists added 2009
- Intensivists added 2011
- BPN recalibrated 2010
- Threshold for 25% discharge LOS at BPN (top 25th percentile) 2011
- 100% core measures compliance requirement

Quality Measures

Quality Measure	Goal
Readmissions within 7 days for the same or related diagnosis	Decrease, or less than 10% of discharges
Documentation--quality and timeliness of medical record and related documentation, including date, time and sign all chart entries	No more than 20% of average monthly discharged medical records incomplete for more than 30 days
Consultation with social work/discharge planner within 24 hours of admission for appropriate pts	>80% of all appropriate cases
Timely switch from intravenous to oral antibiotics in accordance with hospital policy (%)	>80
Unanticipated return to the operating room	Decrease or < 5%
Patient complaints	Decrease
Patient satisfaction (HCAHPS)	>75% physician domain
Ventilator associated pneumonia	Decrease or < 5%
Central line associated blood stream infections	Decrease or < 5 per 1000 catheter days.
Surgical site infections	Decrease or within 1 standard deviation of NHSN
Antibiotic prophylaxis (%)	>80
Inpatient mortality	Decrease or <1%
Medication errors	Decrease or <1%

Quality Measures

Quality Measure	Goal
Delinquent medical records	<5 charts delinquent more than 30 days
Falls with injury	Decrease or <1%
AMI: aspirin on arrival and discharge (%)	>80
AMI-ACEI or ARB for LVSD (%)	>80
Adult smoking cessation counseling (%)	>80
AMI- Beta blocker prescribed at arrival and discharge (%)	>80
CHF: discharge instructions (%)	>80
CHF: Left ventricular function assessment (%)	>80
CHF: ACEI or ARB for left ventricular systolic dysfunction (%)	>80
CHF: smoking cessation counseling (%)	>80
Pneumonia: O2 assessment, pneumococcal vaccine, blood culture and sensitivity before first antibiotic, smoking cessation counseling (%)	>80

Report Card/Quality Review

Hospital Summary Report 1
Performance Based Incentives
Total Incentive by Physician (Ranked High to Low by Number of Admissions)
Performance Incentive for July 2009 through December 2009; Commercial Claims
13244 : Beth Israel Med Ctr Kings

Responsible Physician	Total Eligible Admissions	Core Measure	Delinq MR	LOS BP<20%	SSI Rate Actual/ Expected	CLABS Rate	Readm	RCA-soc not met	Never Events	Mortality	Complaints	Unmet Guarantee	Final Outcomes
215612	34	ok					1	None	None	0	None		1
166539	15	ok					1	None	None	0	None		1
114671	3	ok		X			-	None	None	0	None		1
116505	8	ok					-	None	None	1	None		1
188986	146	ok					3	None	None	0	None		1
237916	2	ok					1	None	None	0	None		1
192803	23	ok					-	None	None	0	None		1
207002	1	ok					-	None	None	0	None		1
196116	37	ok					2	None	None	0	None		1
187004	1	ok					-	None	None	0	None		1
184217	9	ok		X			-	None	None	0	None		1
242278	3	ok					-	None	None	0	None		1
187411	18	ok		X			-	None	None	0	None		6
236005	4	ok					-	None	None	0	None		1
232339	32	ok				0	-	None	None	0	None		1
225854	6	ok		X			-	None	None	0	None		1
148064	6	ok					1	None	None	1	None		1
232785	6	ok					-	None	None	0	None		1
210753	4	ok				0	-	None	None	0	None		1
158543	3	ok					-	None	None	0	None		1
204601	79	ok					4	None	None	0	None		1
151874	24	ok					1	None	None	0	None		1

Physician Feedback

- The report
- The “dashboard”
- The letter
- The check
- The meeting

Journal of HOSPITAL MEDICINE www.journalofhospitalmedicine.com

ORIGINAL RESEARCH

Quality and Financial Outcomes From Gainsharing for Inpatient Admissions: A Three-Year Experience

I. Michael Leitman, MD
Ruth Levin, MPA
Michael J. Lipp, MD
Latha Sivaprasad, MD
Christine J. Karalakulasingam, MD
David S. Bernard, MD
Patricia Friedmann, MS
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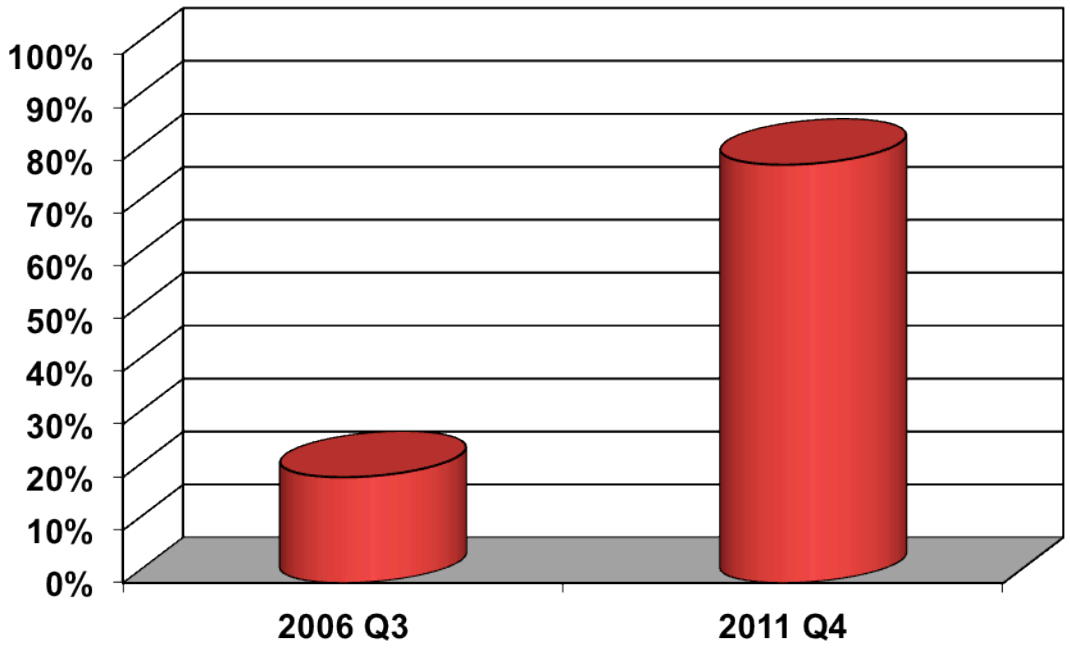
Disclosure: None of the authors have any financial relationship with the commercial products described herein.

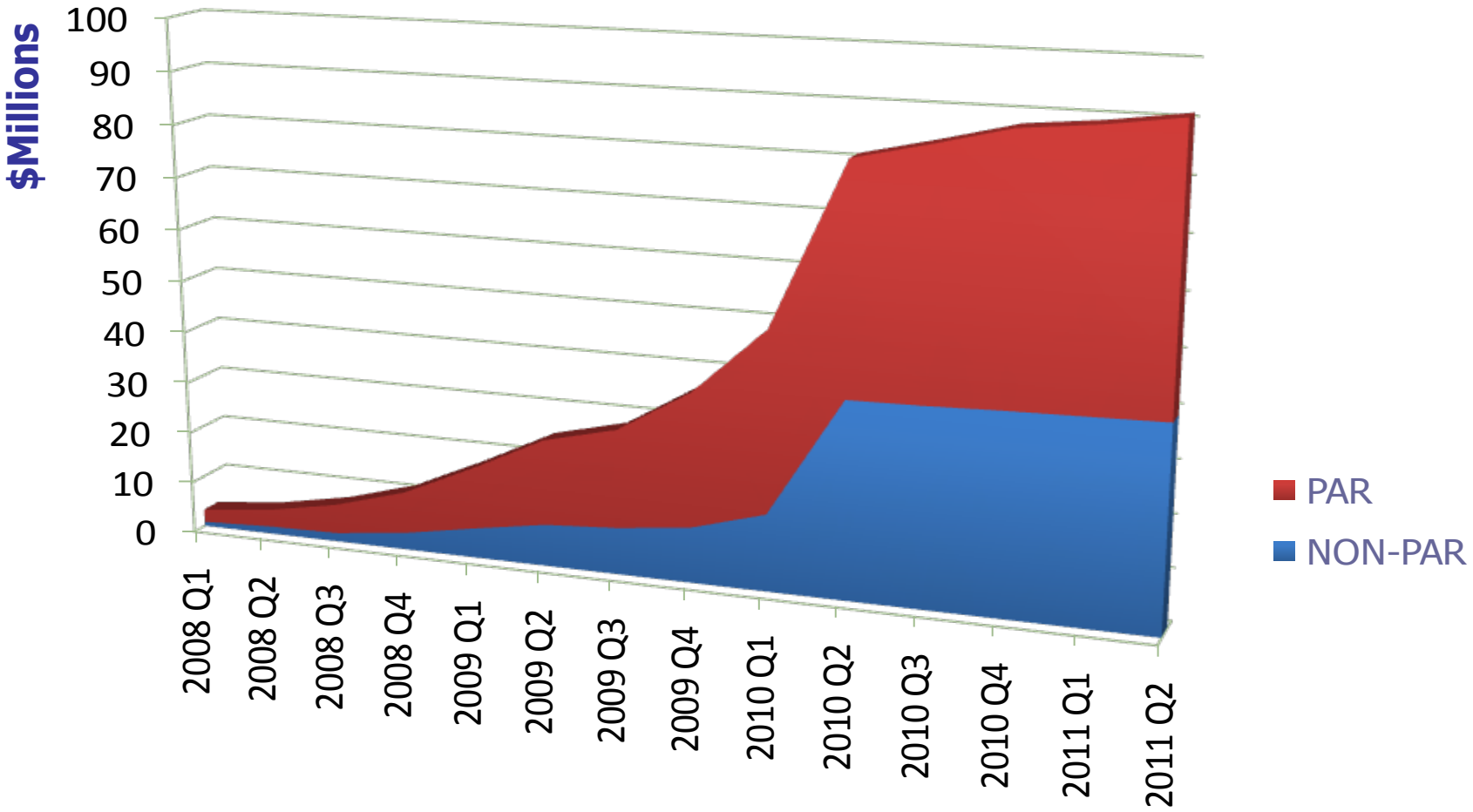
Leitman IM, Levin R, et al. JHM 2010: 5(9); 501-507

Percentage of Eligible Doctors Enrolled at BIMC

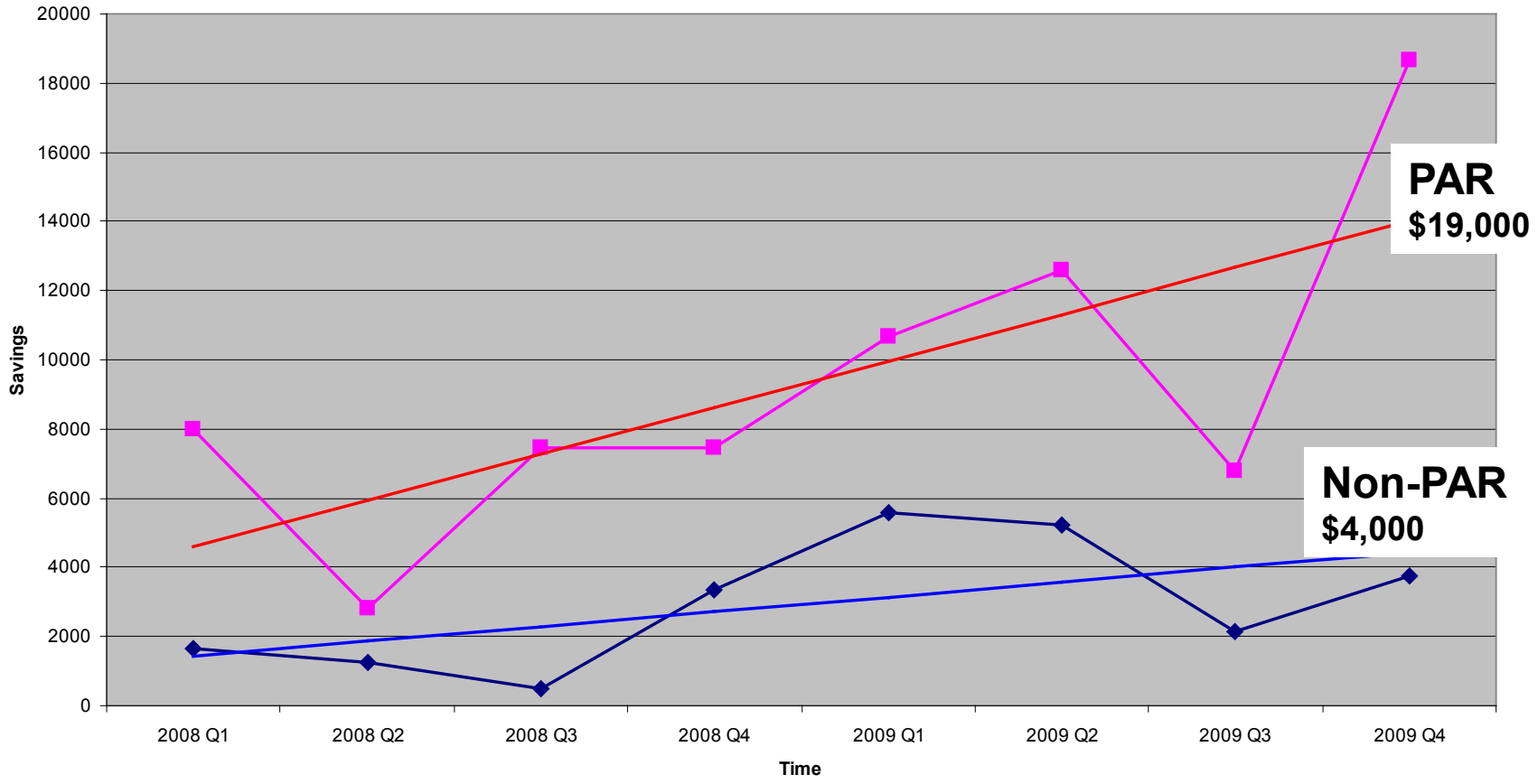


n=389 Eligible Doctors

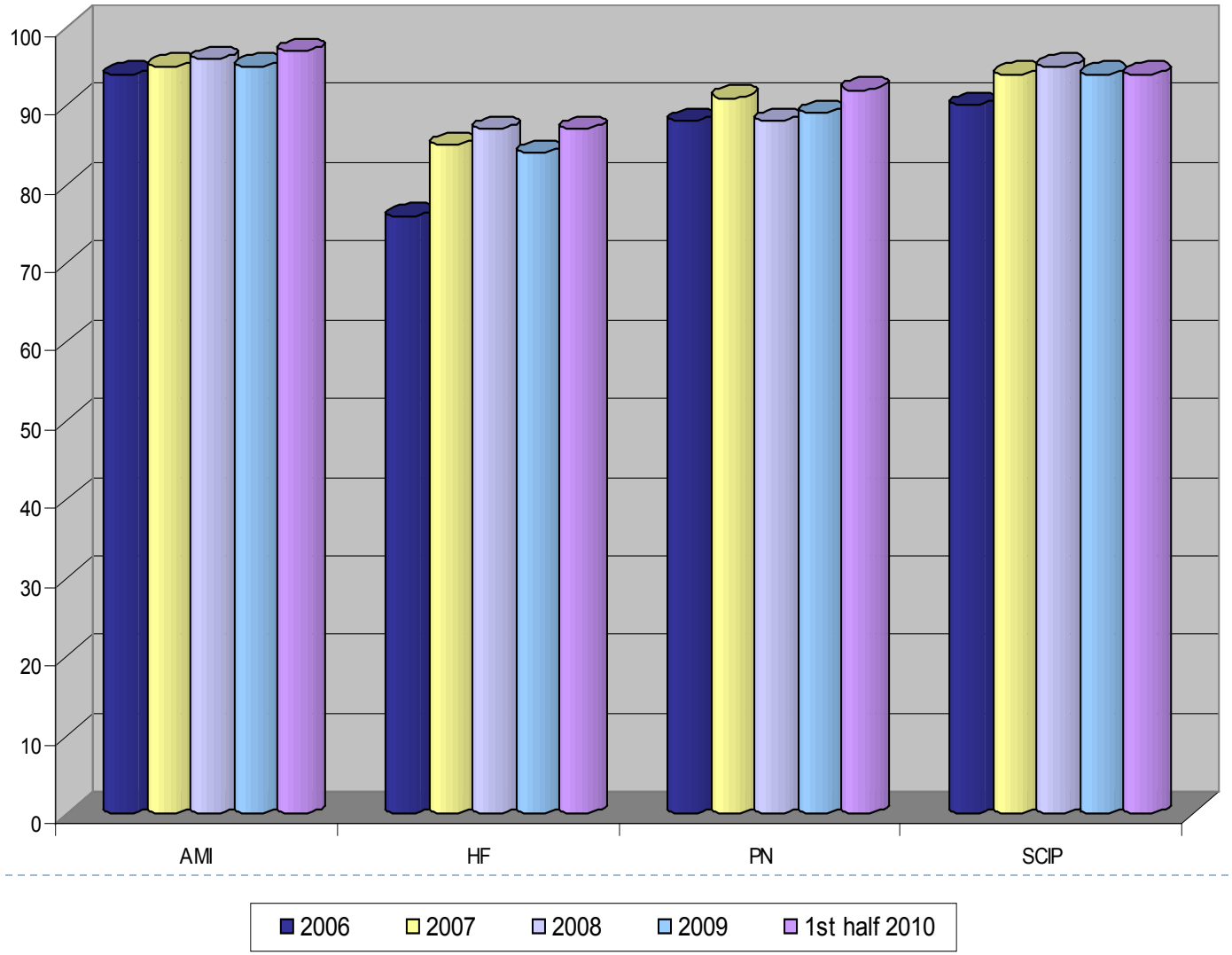
Cumulative Savings



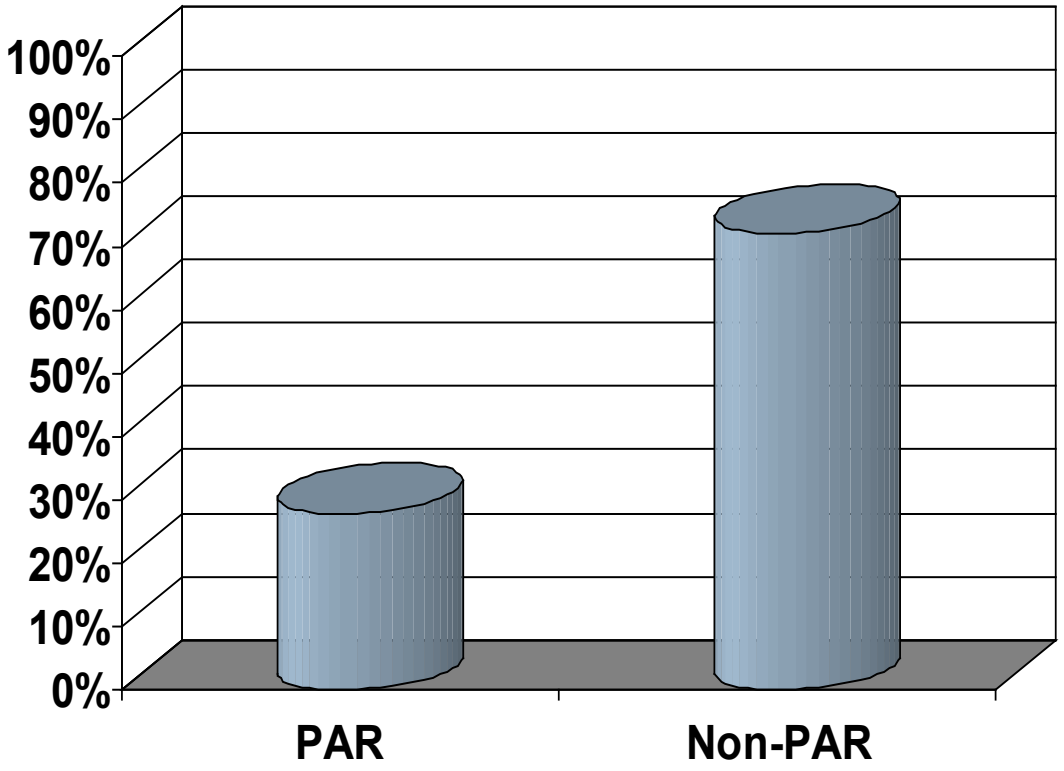
Average Savings per Physician
BI Petrie-Commercial



Core Measure Trends BIMC

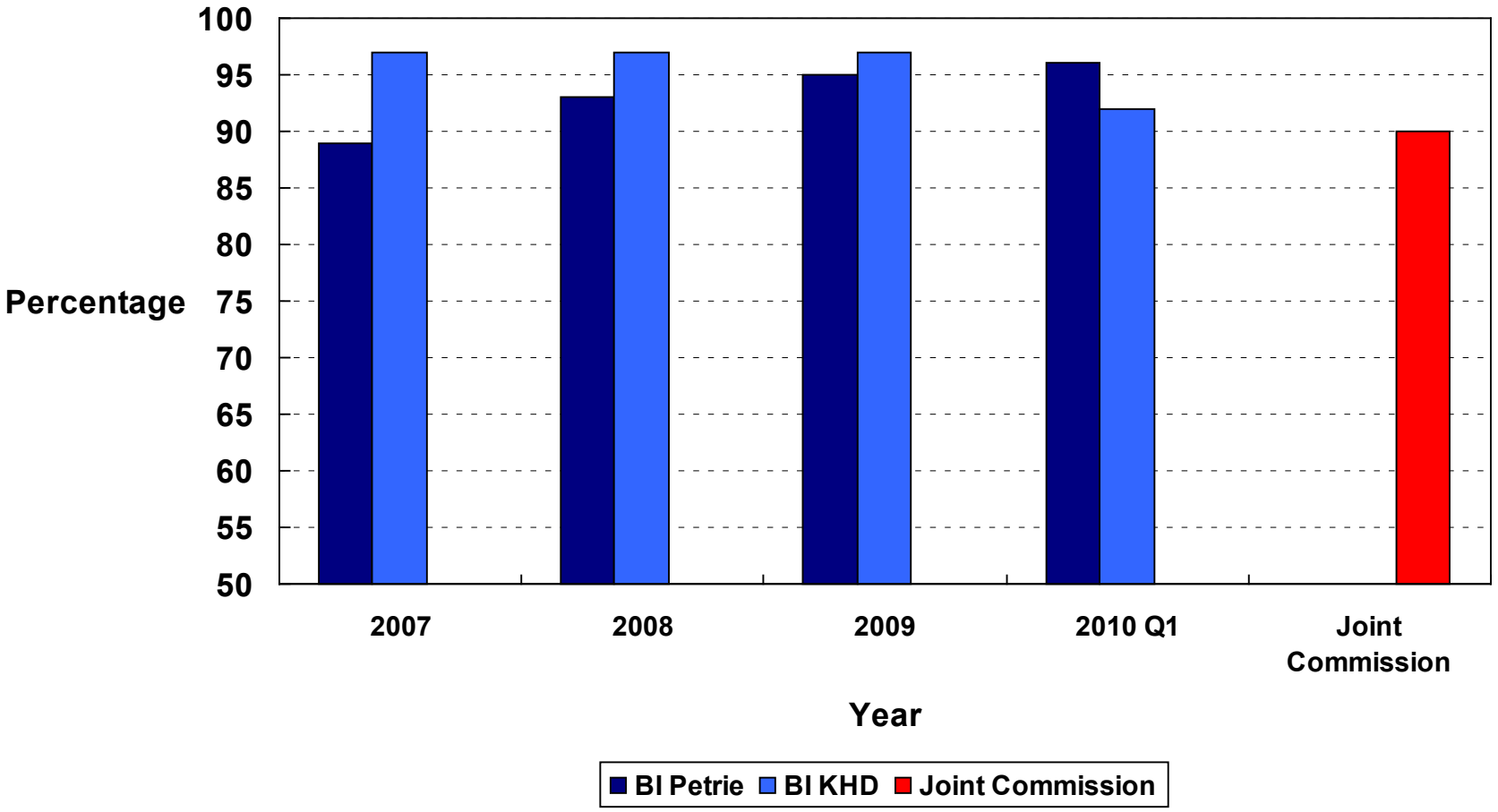


Incomplete Medical Records
Petrie-2010

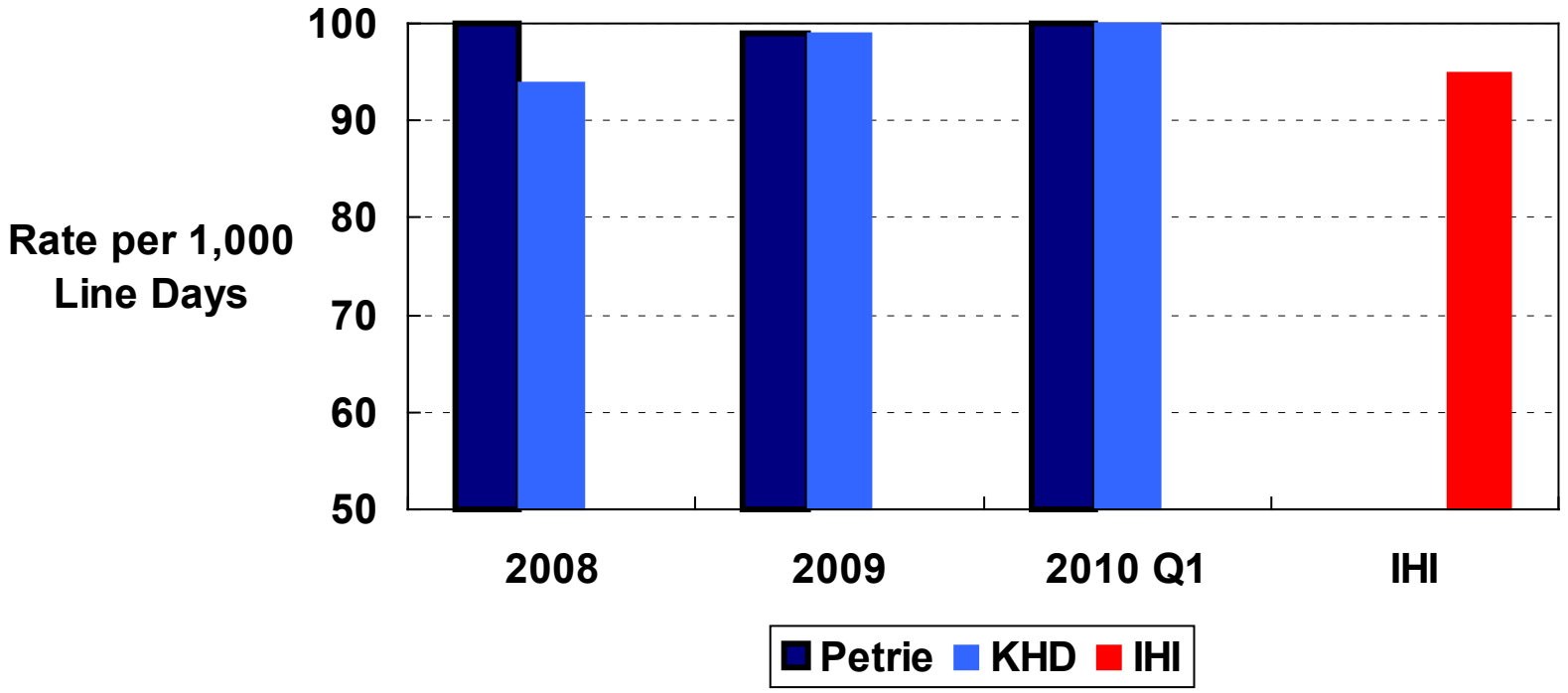


n= 2,379 records

Hand Hygiene



Infection Prevention, CLABS: Insertion Bundle Compliance

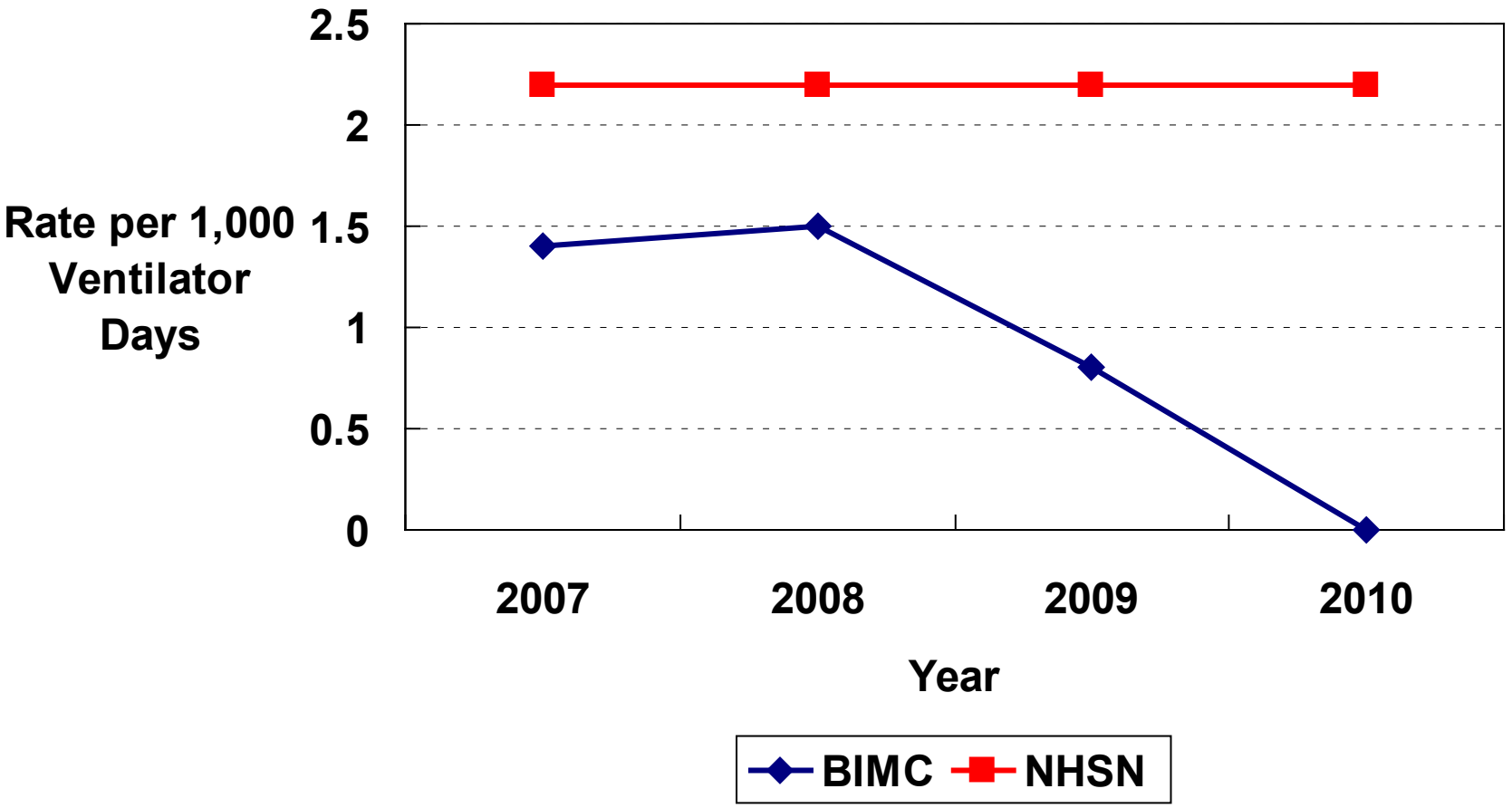


Major focus now on maintenance of lines and access

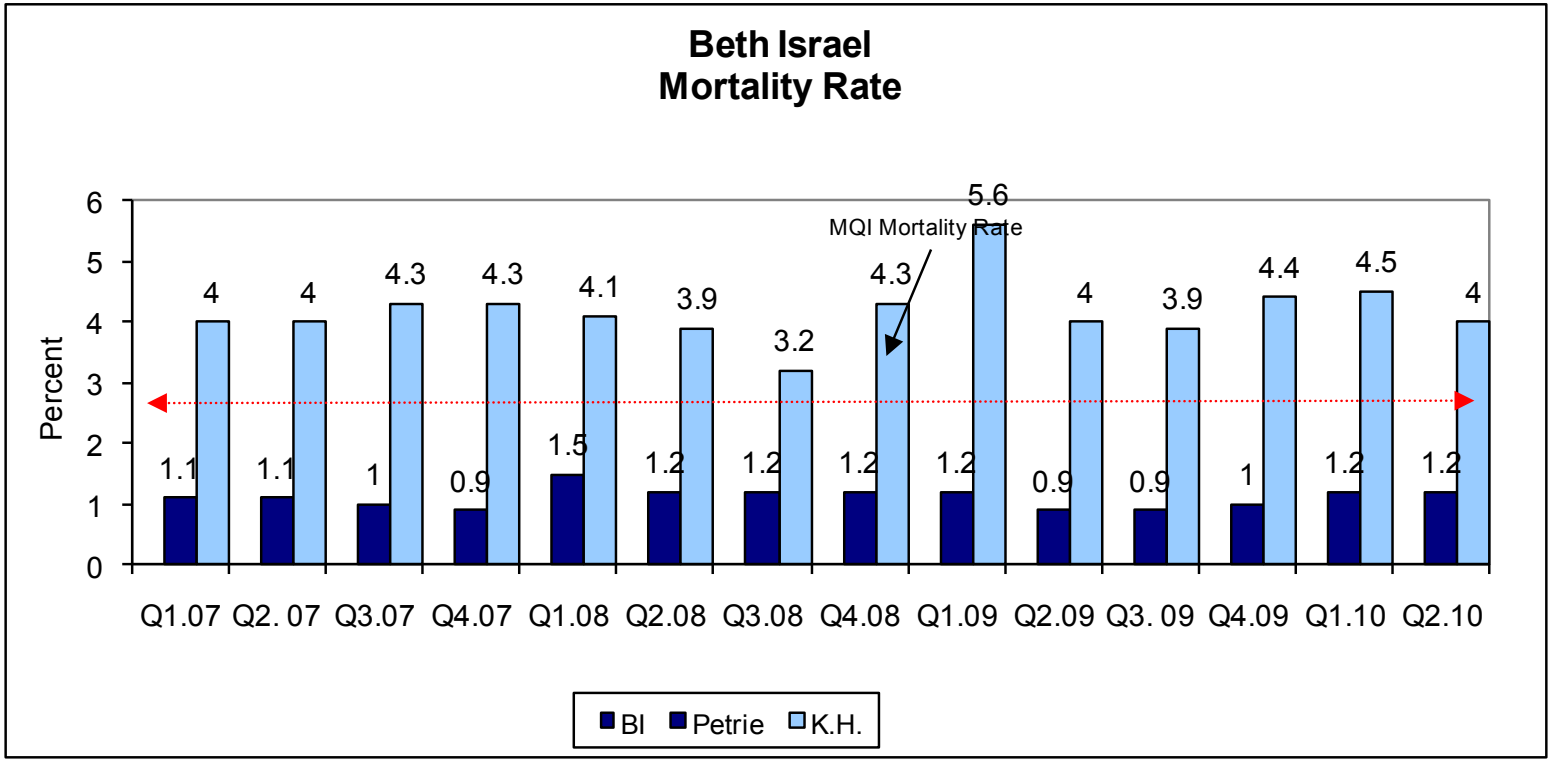
- address patients with longer lengths of stay
- introduction of chlorhexidine wipes to prevent CLABs

Focus continues on getting lines out earlier in patient's course

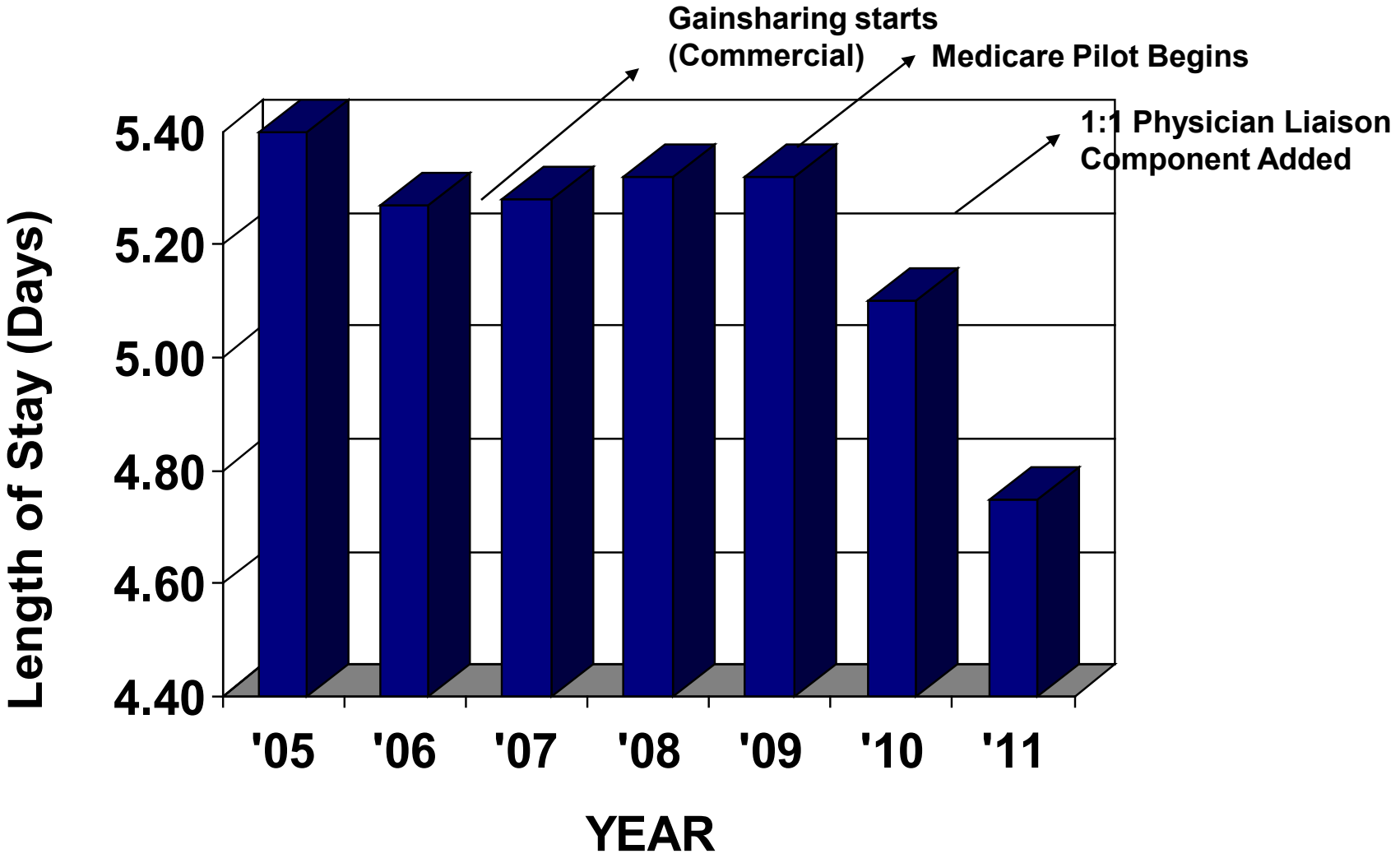
Ventilator Associated Pneumonias-BIMC



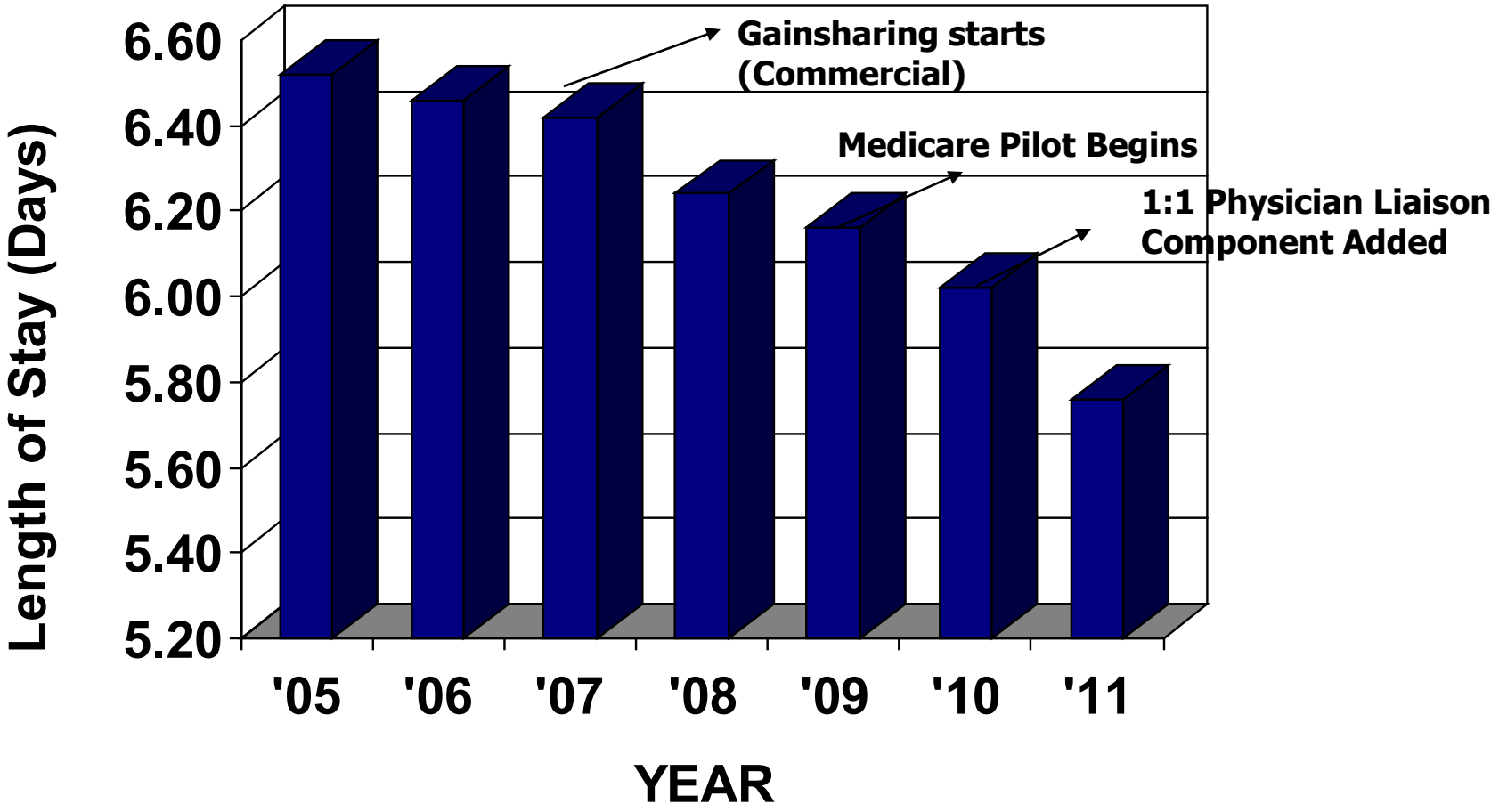
Mortality Rate Trends



Length of Stay Trend (Petrie)



Length of Stay Trend (Brooklyn)



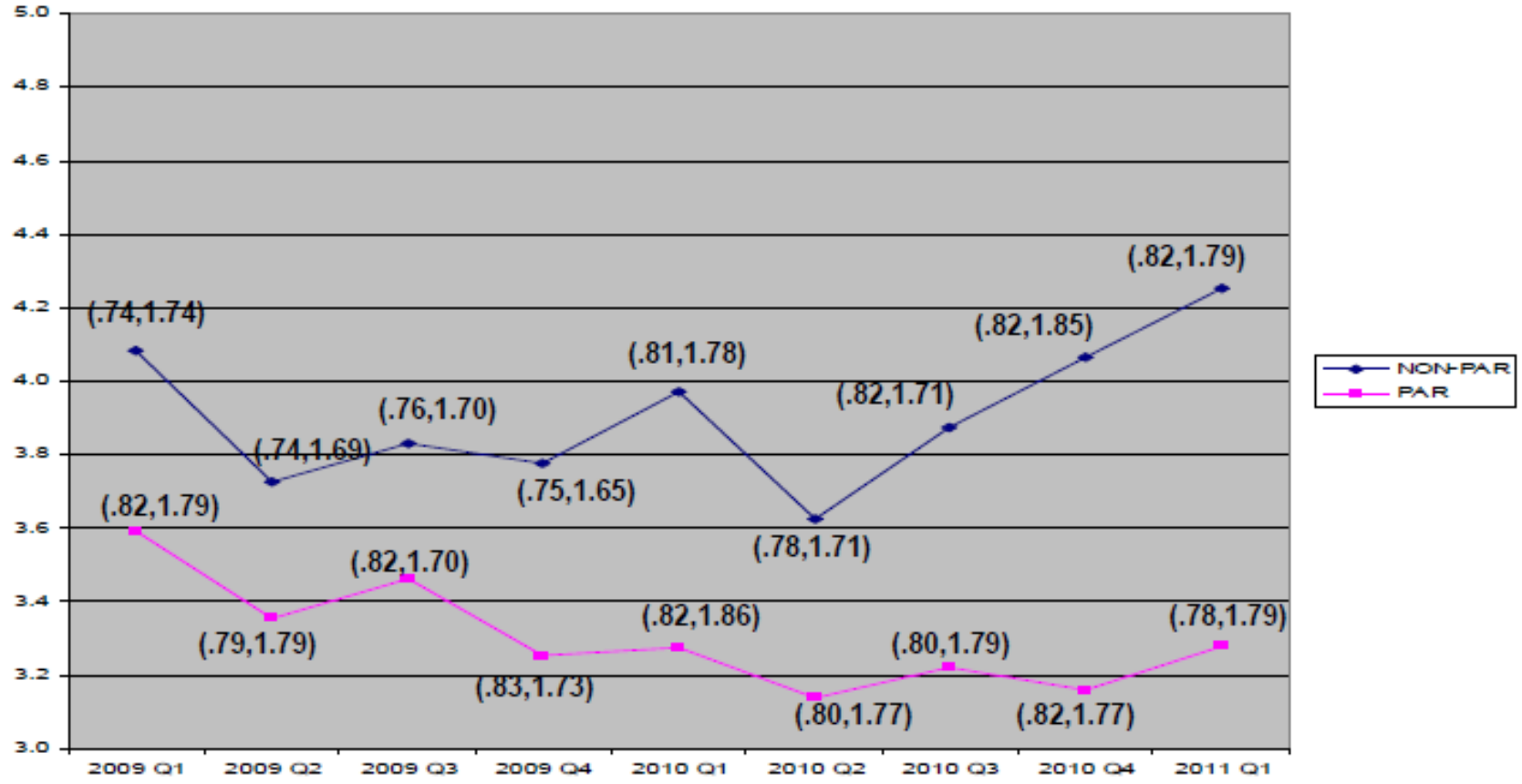
Total Incentive Paid Out: BIMC Commercial Cases (Q1 2006-Q2 2011)

$8,804,339

Sample Practice/Behavior Changes that May Improve Efficiency and Quality of Care

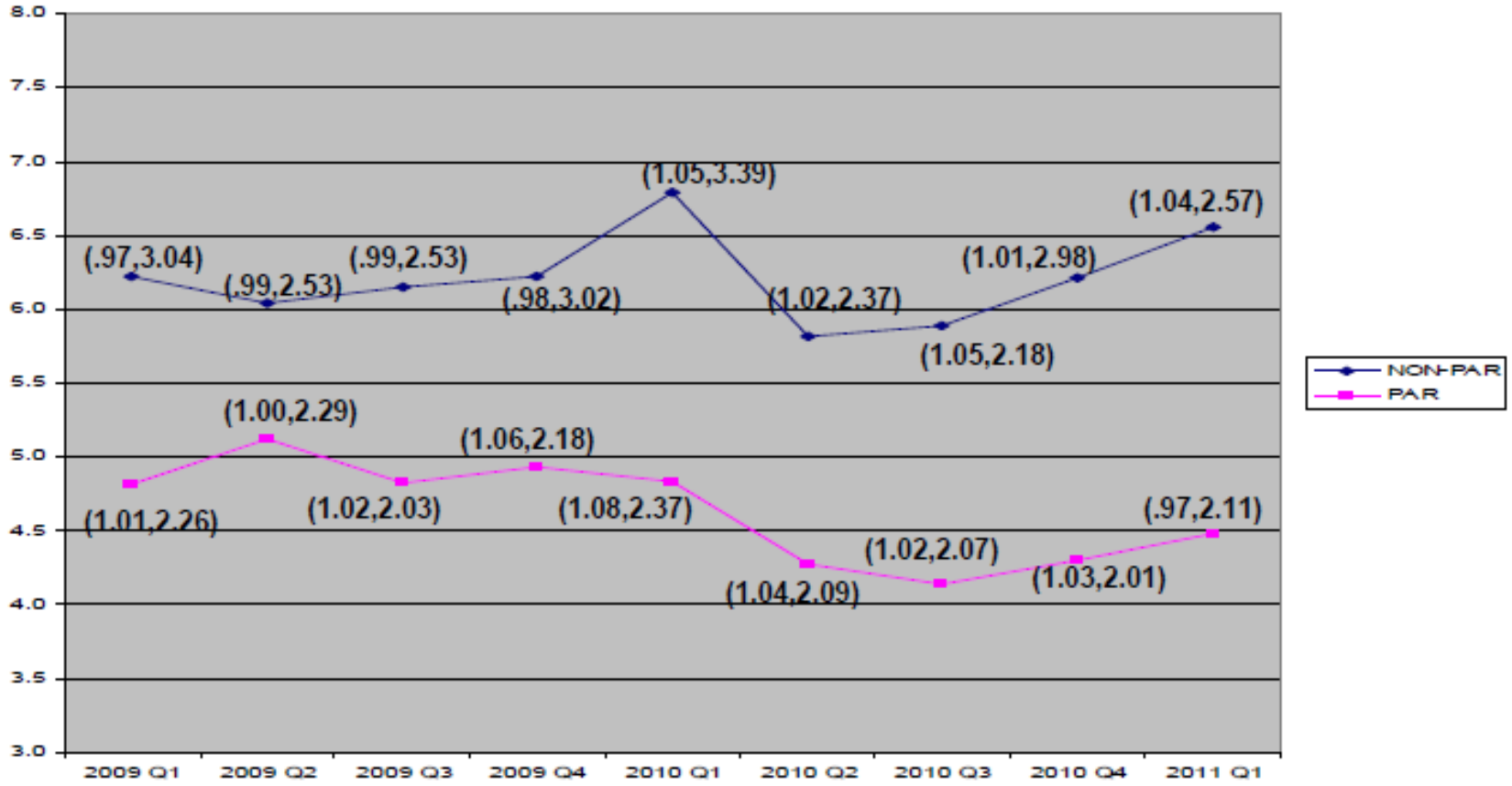
- Increased detail/accuracy and timeliness of documentation
- Early consultation with Social Worker and Discharge planner
- Round and write discharge order prior to noon
- Increase proportion of discharges on weekends
- Decrease time between request for consultation and occurrence of consultation
- Earlier transition from ICU to standard acute floor

Petrie Average LOS with CMI (Medical, Surgical) Commercial



PAR Admissions: 2009: 8,116 2010 : 8,282 Q1 2011: 2,215
Non-PAR Admissions 2009: 5,641 2010 : 7,119 Q1 2011: 1,692

Petrie Average LOS with CMI (Medical, Surgical) Medicare



PAR Admissions: 2009: 3,195 2010 : 3,304 Q1 2011: 860
Non-PAR Admissions 2009: 3,086 2010 : 3,895 Q1 2011: 958

Summary of Cost Outcomes

- Average savings per admission: $1835
- Average annual incentive per physician: $4500

Specific Service Line Initiatives: Hospitalists

Hospitalists BI Petrie 2010-Commercial	Best Practice-BI Petrie Cases (Base Year 2007)
Total Cases: 1,784 (51%)	Total Cases: 1,787
Average LOS: 3.34	Average LOS: 1.45
Average Patient Age: 56	Average Patient Age: 58
Self Pay Cases: 5.73%	Self Pay Cases: 4.06%
% Cases with ICU Costs: 2.8%	% Cases with ICU Costs: <1%
% Cases with MRI: 8.3%	% Cases with MRI: 2%
% Cases with CT: 42%	% Cases with CT: 28%

***Based on Top APR DRGs: 111, 113, 139, 140, 141, 144, 191, 192, 194, 197, 198, 199, 201, 203, 204, 241, 243, 249, 254, 282, 347, 351, 383, 420, 422, 460, 463, 663, 861**

General Surgery

General Surgery BI Petrie 2010-Commercial	Best Practice-BI Petrie Cases (Base Year 2007)
Total Cases: 368	Total Cases: 267
Average LOS: 3.20	Average LOS: 1.88
Average Patient Age: 46	Average Patient Age: 49
Self Pay Cases: 3.0%	Self Pay Cases: <1%
Average OR Costs: $2542	Average OR Costs: $1620
Average Implant Cost: $215	Average Implant Costs: $79
% Cases with ICU Costs: 1.6%	% Cases with ICU Costs: 0%
% Cases with CT: 42%	% Cases with CT: 17%

***Based on Top APR DRGs: 220, 221,225,227,247,254,263,284**

Orthopedics

Orthopedics Petrie 2010-Commercial	Best Practice Petrie Cases (Base Year 2007)
Total Cases: 1,161	Total Cases: 369
Average LOS: 3.02	Average LOS: 2.53
Average Patient Age: 56.1	Average Patient Age: 59.1
Self Pay Cases: 0%	Self Pay Cases: 0%
Average OR Costs:$3897.32	Average OR Costs: $2801.16
Average Implant Costs: $4478.33	Average Implant Costs $3237.79
% Cases with ICU Costs: 1.8%	% Cases with ICU Costs: <1%
% Cases with CT:4.0%	% Cases with CT: 5.9%
% Cases with MRI: 1.2%	% Cases with MRI: 1.8%

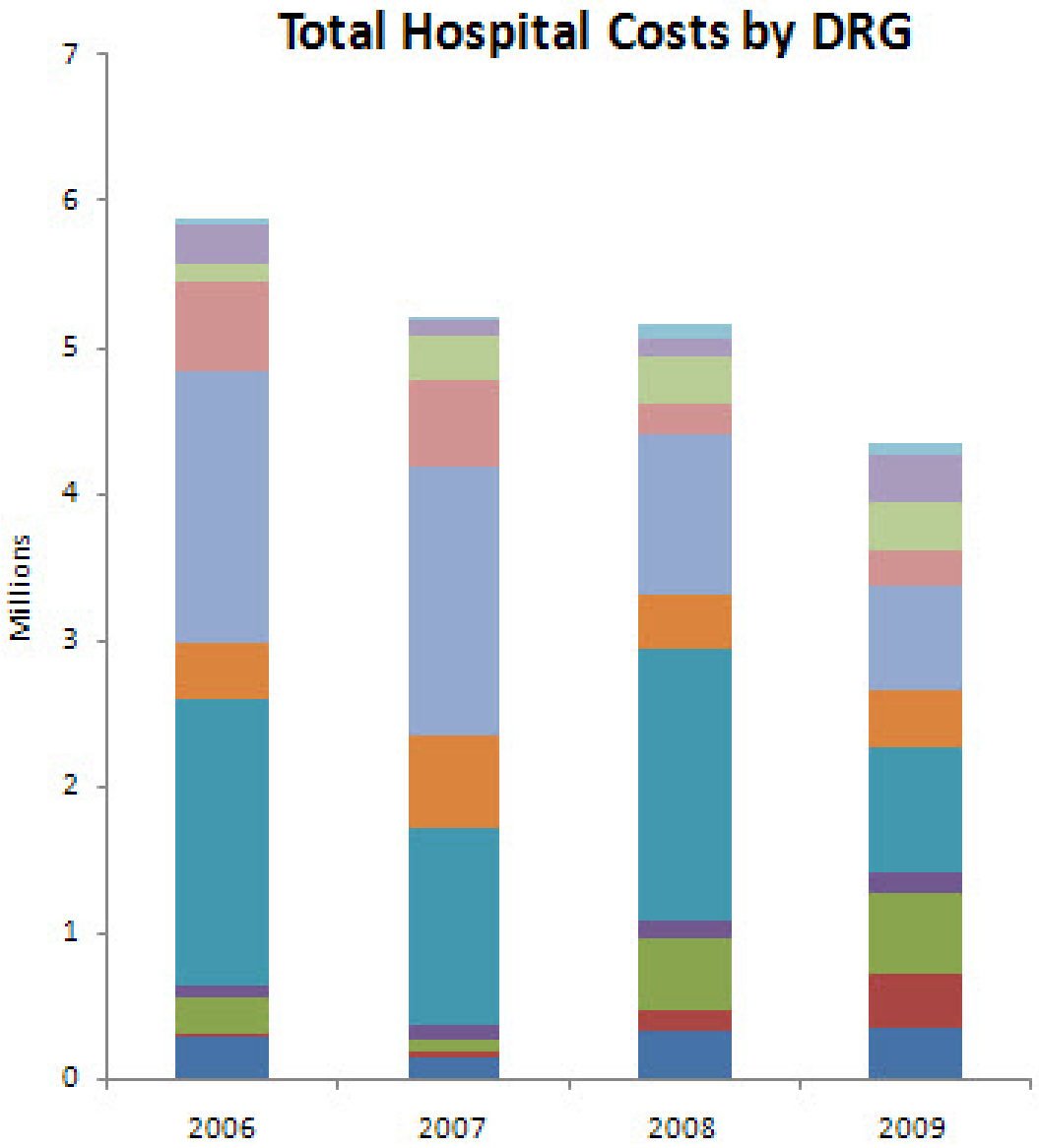
*Based on Top APR DRGs: 301,302,303, 304,308, 310, 313, 314, 315, 316, 321, 351

Interventional Cardiology

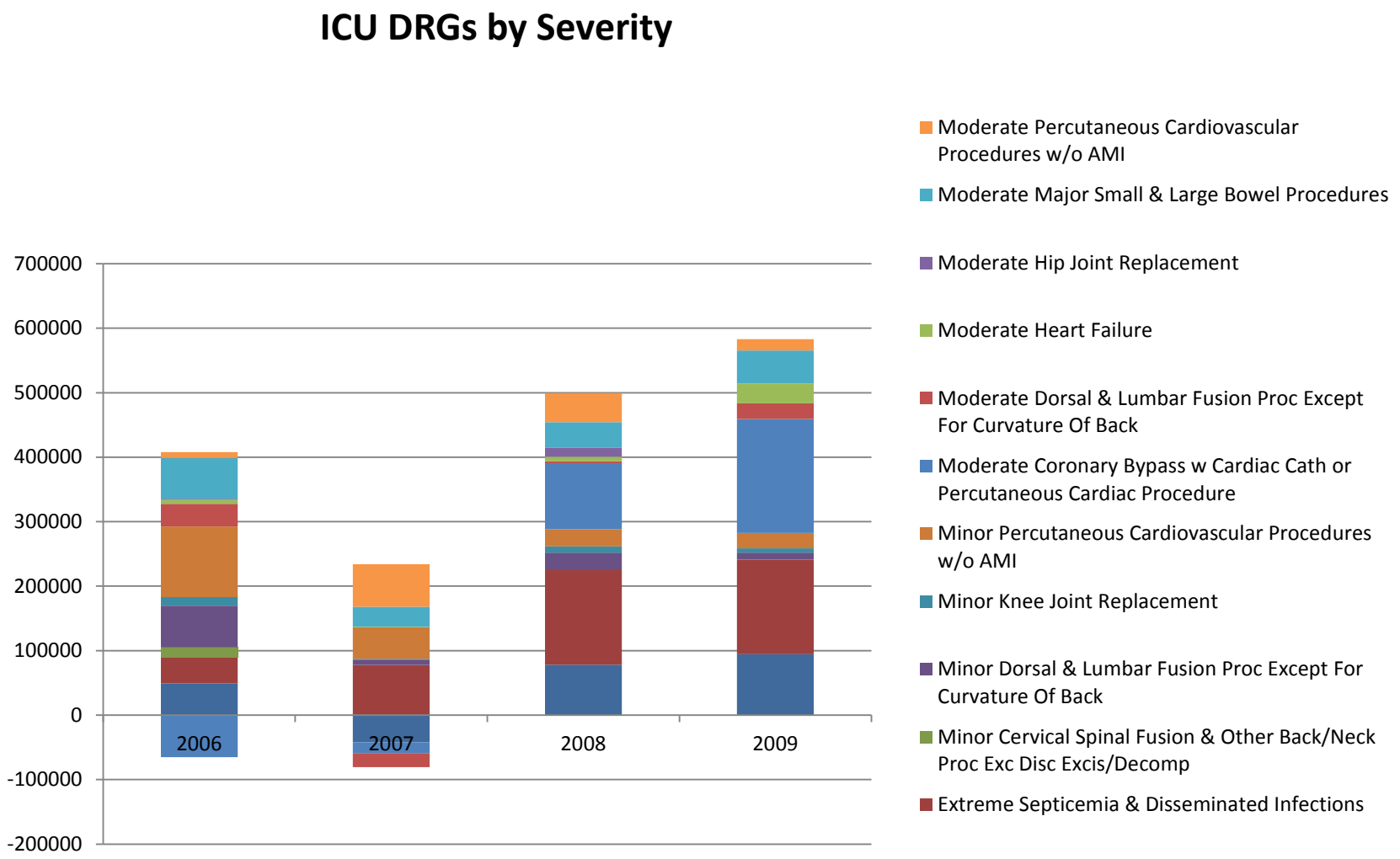
Interventional Cardiology Petrie 2010-Commercial	Best Practice Petrie Cases (Base Year 2007)
Total Cases: 1,454	Total Cases: 399
Average LOS: 1.70	Average LOS: 1.22
Average Patient Age: 62.7	Average Patient Age: 61.6
%Self Pay Cases: <1%	Self Pay Cases: <1%
% Cases with ICU/CCU Costs: 6%	% Cases with ICU/CCU Costs: 1.5%
% Cases with CT: 3.5%	% Cases with CT: 2.7%
% Cases with MRI: <1%	% Cases with MRI: 0%

***Based on Top APR DRGs: 173,174,175, 192**

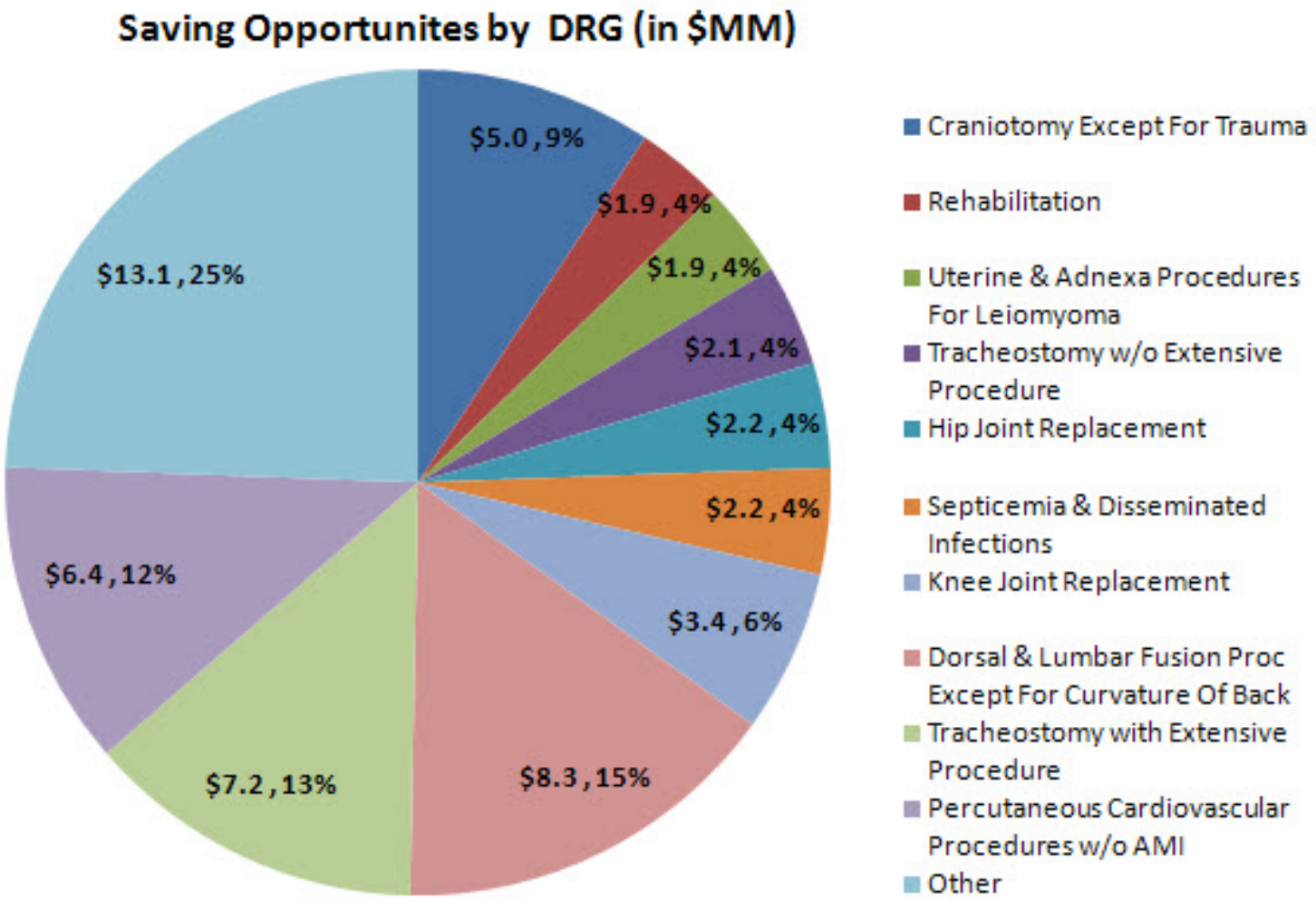
Gainsharing in the ICU



Gainsharing in the ICU



ICU Savings Opportunities



Gainsharing at Beth Israel
The Future: *How to sustain change?*

- Enhanced incentives for physicians, reduced for procedure based specialists
- Create mechanism to reward other physicians
  - Consultants
  - Emergency room physicians
- Continued emphasis on quality
  - No-pay readmissions (MI, CHF, pneumonia)
  - Additional quality measures
- Pay for performance (P4P) becomes pay for *outcome* (P4O)

Gainsharing: A Custom Approach

Bundled Payment for Care Improvement
ADLS #6

Gordon L. Alexander Jr., MD
Healthcare Consultant
Senior Advisor to the AAMC
April 6, 2012

Objectives

- Use gainsharing to improve all aspects of care
  - Reduce the cost of care
  - Improve quality
  - Improve the patient's/customer's experience
- Gainsharing
  - Provide incentives or reduce disincentives
  - Align incentives
  - Share the pain

AAMC – Very Disparate Organizations

- Different physician relationships
  - Employed group and volunteer medical staff,
  - One large group, several distinct groups,
  - Multiple individuals
  - Most have a mixture
- Many have an employed group (faculty +)
  - Salaried physicians
  - Pure productivity model

Development Approach

- Started with an inductive approach
- Outlined a set of high level gainsharing principles
- Surveyed the members on several key points
  - Gainsharing – yea or nay?
  - Losses too or just gains?
  - All providers or just "accountable" individuals?
  - Post-acute providers in?
- We test drove two models – fixed fee based on internal savings and a model of percentage of the savings from Medicare + efficiency savings
- Finalized a set of principles that will be supplied for the Convener application; each AMC will provide the detail for their own approach
- Provided a simple base-line gainsharing model that can be individualized

Areas of Divergent Opinions on Gainsharing

- What about gainsharing and the post acute providers?
- What about sharing losses?
- Sharing with single attending physician or the whole team?
- Fixed fee or percentage?

Fixed Fee or Percentage

- A fixed fee may be more appropriate for a specific action, e.g., to provide incentives to use a common prosthesis
- A percentage may be better suited to embracing a total change of the care model that will require multiple decisions in the episode

All or Some Providers?

- The case for "all providers" is essentially one for getting everyone pulling together - healthcare is a team sport
  - The option of a single accountable physician works for straight forward surgical cases, ones without complications
- The goal of the pilots is to redesign the care model and will most likely have multiple components, i.e., testing, drugs, discharge planning, aggressive f/u; involving all is key

Gainsharing - Beyond Discharge

- In general, a desire for Post Acute Providers (PAP) to be included – but how?
- PAP costs can be profoundly affected by actions of others - positively and negatively
  - Increased use of lower cost settings, e.g., Home Health instead of a Rehab. Facility, or a Rehab. Facility instead of acute care
  - A growing desire to support patients at home
- PAP can also impact the bundle cost by actions of their own doing
  - Reduction of length of stay - reducing revenues
  - Reducing readmissions – increasing expenses
- Frequently the PAP serve patients of many acute care providers and vice versa

Gainsharing - Beyond Discharge

- Probably makes most sense to agree to payments for certain actions or impacts of actions as opposed to a percentage
  - Specific payment for a specific reduction of LOS
  - A specific payment for the first home health visit within 4 hours
- There will be other upsides and downsides that will be hard to predict and to deal with in a gainsharing approach, i.e., consequences of the actions of others

Sharing Losses

- Individuals and institutions deal with lost revenue in different ways
  - Institutions frequently react with an expense reduction or a reduction in force
  - For individuals, those two options are frequently not as usable, a reduction in salary (take home pay) frequently occurs
- Thoughtful conversations!
- If ...
  - In model 2 & 3, if losses are shared there has to be an agreement by physicians or PAP to deposit into a fund as traditional payments are received or they agree to pay the Awardee if a negative reconciliation occurs
  - For model 4, if losses are shared, some sort of withhold with physicians is required

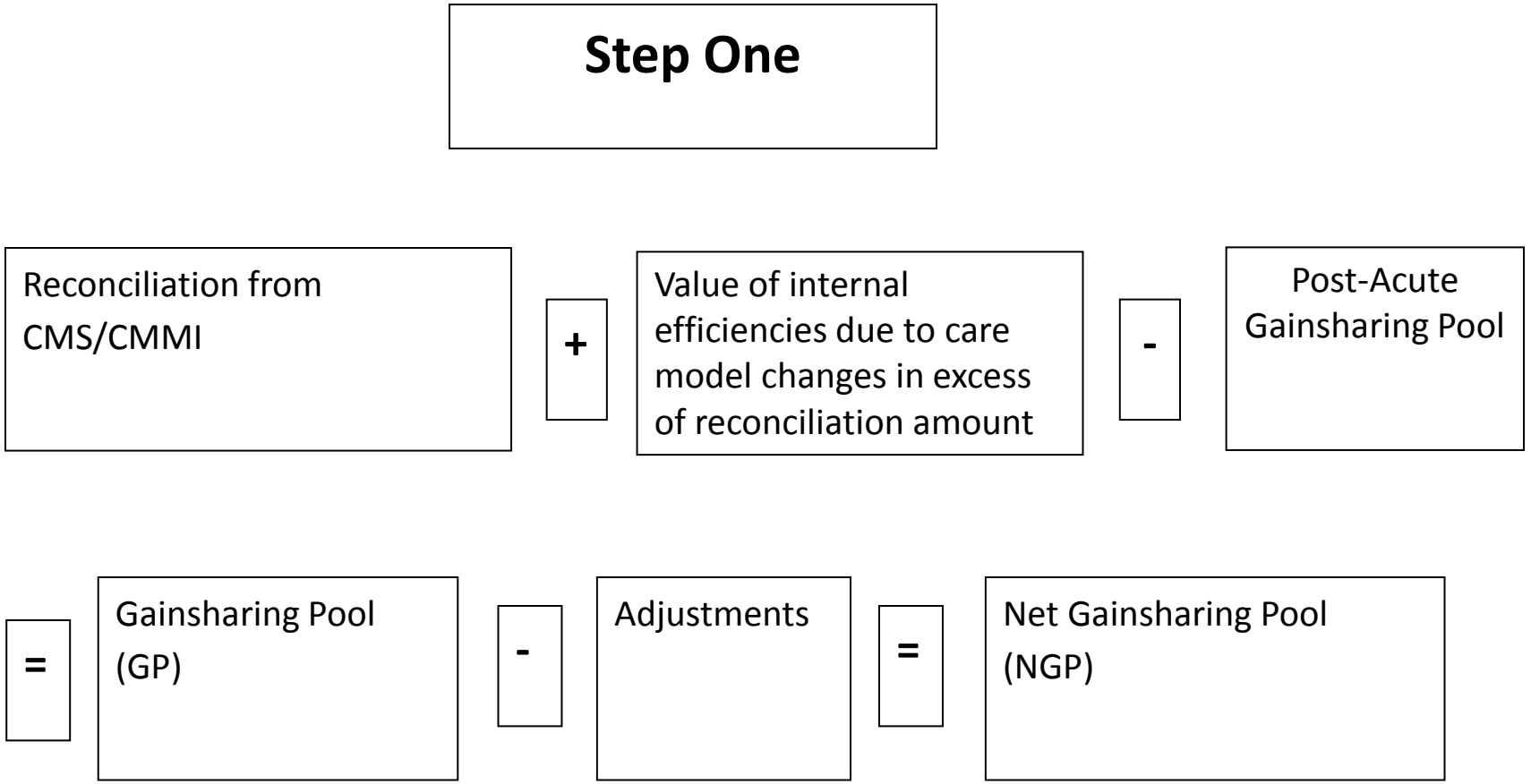
Quality

- Threshold performance required for any gainsharing for any individuals (and for a reconciliation to Awardee)
- Balanced scorecard for quality, e.g., access, outcomes, process, patient experience, efficiency; with an agreed upon set of targets
- Move to graded performance over time,
  - e.g., meeting base standards pays 50-75% of pool,
  - all metrics to top quartile pays 100% of pool,
  - best-in-class performance pays a percentage greater than 100%.
- Transparency of all metrics

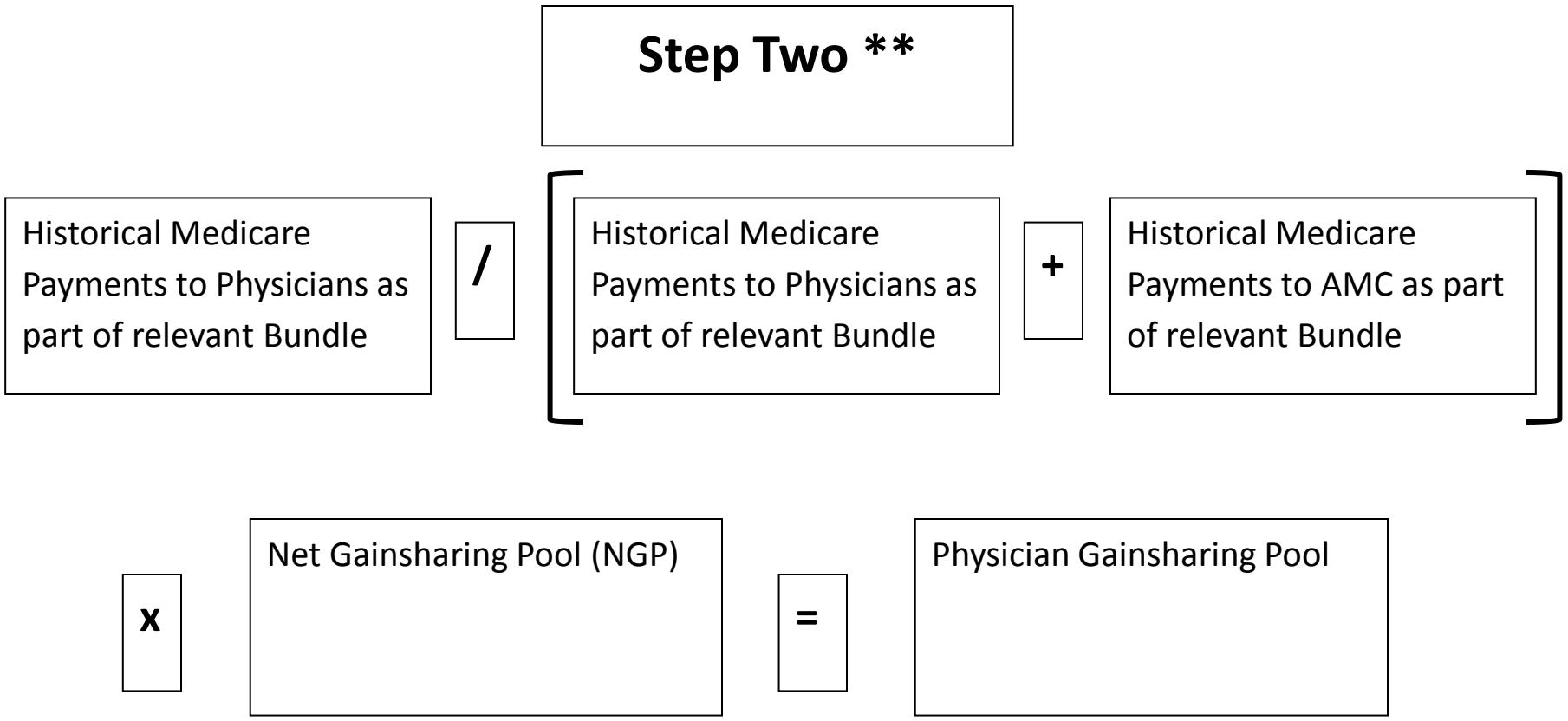
"At the end of the day …"

- All providers that "play" are in
- Generally share with groups who make split between individual providers
- Losses are not "in" first year, probably not in at all
- For physicians, percentage of the gain, not fixed fee
- Quality metrics size the pool, work measures used to split among providers
- Post acute providers in the plan, on fixed fee for actions or performance
- Transparency of all metrics – quality and otherwise

Gainsharing 4-Step Model



Gainsharing 4-Step Model



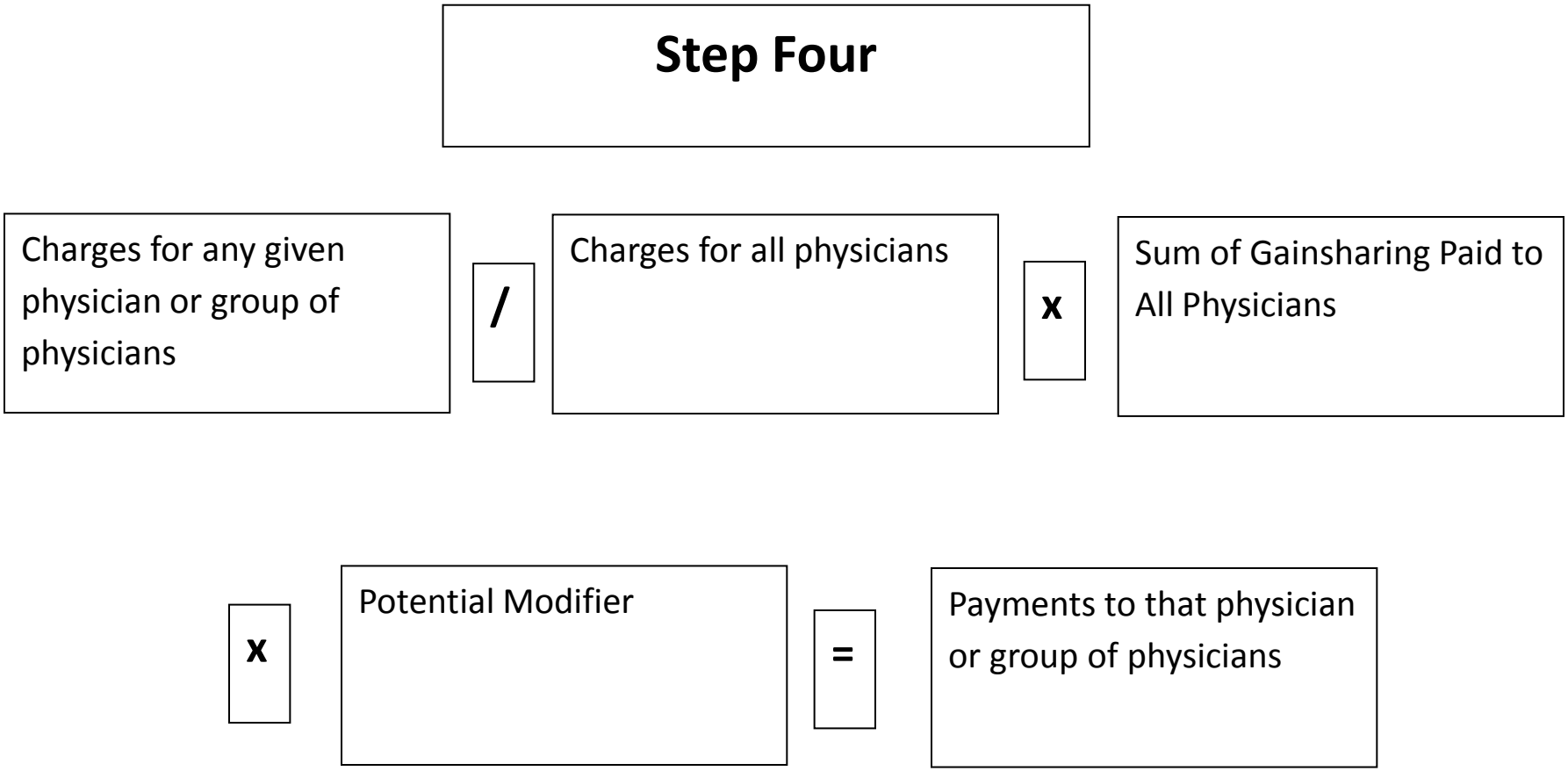
** Percentage may be negotiated

Gainsharing 4-Step Model

Step Three

Physician Gainsharing Pool	x	Quality Modifier	=	Sum of Gainsharing Paid to All Physicians

Gainsharing 4-Step Model



Questions for Presenters

1. Ask a question of one of today's speakers by using the chat function.
2. Direct a question about CMS Innovation Center Bundled Payment for Care Improvement Initiative to: BundledPayments@cms.hhs.gov.

Remember

Find announcements, slides and transcripts: http://cmmi.airprojects.org/bpci.aspx

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