

NCVHS Testimony

Long Term and Post Acute Care

December 10, 2009

Scott Ranson CIO, Brookdale Senior Living

Dan Cobb CTO, HealthMEDX, Inc. & IT Chair:
Nat'l Association for the Support of LTC

Agenda

- LTPAC EHR Systems Perspective
 - Long Term and Post Acute Care (LTPAC) Overview
 - LTPAC Health IT Collaborative
 - LTPAC EHR Systems Readiness
- LTPAC Provider Perspective
 - Brookdale Senior Living Overview
 - Provider Challenges
 - Provider Readiness

LTPAC Overview

- Care settings include but are not limited to
 - Nursing Facilities & Skilled Nursing Facilities
 - Home Health Care
 - Hospice
 - Assisted Living Communities
 - Continuing Care Retirement Communities

LTPAC Overview

- LTPAC size and scope
 - Nursing Facilities (2009 stats from AHCA)
 - 1.7 million beds nationwide in 16,000 facilities
 - Medicare and Medicaid estimated to spend \$78 billion on nursing home services (2009)
 - 1.75 million employed
 - Home Health Care (2007 stats from NAHC)
 - 7.6 million patients served by 17,000 providers
 - Total expenditures of \$57 billion
 - 913,000 employed
 - Other care settings add significantly to these figures...

LTPAC HIT Collaborative

- LTPAC stakeholders working together on national HIT goals including 5010 & ICD-10
 - Annual HIT Summit
 - Biannual HIT Roadmap



LTPAC EHR Systems Readiness

- LTPAC provider adoption of EHR Systems
 - almost all Nursing Homes (NH) and Home Health Agencies (HHA) use health IT applications to support patient assessments and claims UCDenver/HHS ASPE November 2009
 - Nearly 43% of NHs had some form of EHR Resnick HE, Manard BB, Stone RI, Alwan M. **Use of Electronic Information Systems in Nursing Homes: United States, 2004.** In *Journal of the American Medical Informatics Association (JAMIA)*, 2009;16:179-186
 - 58.5% of HHAs have some type of EHR Fazzi R, Ashe T, Doak L. **Philips National Study on the Future of Technology in Telehealth & in Home Care** April 2008
- Majority of EHR Systems in LTPAC are purchased versus provider-developed

LTPAC EHR Systems Readiness

- LTPAC EHR Systems certification process
 - Via CCHIT LTPAC Workgroup
 - Initial CCHIT LTPAC draft to be released next week with certification to begin in June 2010
 - Standards will be required
 - Continuity of Care Document C32
 - NCPDP SCRIPT 10.6
 - SNOMED-CT
 - And more...

LTPAC EHR Systems Readiness

- ICD-10 system change is largely a technical translation
- ICD-10 and Federally Mandated Assessment Instrument coordination is necessary
 - OASIS-C for Home Care (Jan 2010)
 - MDS 3.0 for Skilled Nursing Facilities (Oct 2010)
 - State Mandated Assessment Instruments
 - CARE instrument for Home Care, Skilled Nursing Facilities, Inpatient Rehab Facilities, Long Term Acute Care Hospitals (tentatively Jan 2013)

LTPAC EHR Systems Readiness

- Opportunities for standards in Assessment Instruments, such as CDA, LOINC, SNOMED-CT
- HIPAA 5010 system change is largely a technical translation
 - 837 for billing
 - 835 for payments
- NCPDP D.0 and 3.0
 - Not applicable for LTPAC providers
 - ePrescribing progressing via NCPDP SCRIPT 10.x

LTPAC Provider Challenges

- ICD-10 training is key –
 - Will there be enough qualified trainers for train-the-trainer approach in the LTPAC industry
 - Most LTPAC clinicians don't have a strong background in completing diagnosis coding
 - Increased risk for claim rejection/denial for incorrect code reporting (SNF/HH)
 - Increased risk for inaccurate reimbursement (HH)

LTPAC Provider Challenges

- ICD-10 training is key – continued
 - Brookdale estimated costs
 - Home Health & Nursing Facility RN staff – 16 hours each or \$308,000
 - (16 hours x \$35 x 550 nurses = \$308,000)
 - Therapy staff (PT,OT,ST) – 8 hours each or \$840,000
 - (8 hours x \$35 x 3000 therapists = \$840,000)
 - Total costs will range between \$1.2m and \$1.5m
 - Business process analysis
 - Identify all areas and personnel that touch diagnosis or procedural coding (clinicians, billers, QA, managers, etc)
 - 6 to 9 months of analysis and 1600 man hours

LTPAC Provider Challenges

- ICD-10 training is key – continued
 - Increased documentation and coding time
 - Additional 10 min. per SOC/ROC in queries to Physicians
 - Estimated 20k events per year or additional 3,333 hours or \$116K
 - Additional 15 min. per coding event (completed in conjunction with OASIS and MDS)
 - Estimated 44k events per year or additional 11,000 hours or \$385K
 - Total estimated ongoing cost increase of \$501K
 - Stated differently, a 1% drop in productivity equals \$300k in lost revenue per month
 - Increase in business office processing & management
 - Potential increase in claim rejection, review, denial due to ICD-10 code reporting resulting in additional business office time.

LTPAC Provider Challenges

- HIPAA 5010
 - Provider prospective – behind the scene technical change
 - Depend on software providers to make the change
 - Challenges
 - Getting the standards to software providers for changes
 - Software vendors getting updates to us for testing and technical implementation

LTPAC Provider Challenges

- Implementation, training and ongoing costs will compete with other capital projects and could challenge revenue
- Beyond cost there are limits to the number of new initiatives Brookdale and other providers can implement each year

LTPAC Provider Readiness

- Software & Technology
 - The best way to get the LTC industry ready is to work with the software vendors on standards well before deadlines
- Operational Implementation
 - Based on size and scope prepare implementation timelines
 - Estimate one-time and potential ongoing costs

Questions?
Thank you

Scott Ranson sranson@brookdaleliving.com

Dan Cobb dan.cobb@healthmedx.com