

Care Transitions: Building the Business Case

February 23, 2011



AoA Affordable Care Act Webinars



Agenda

- Introductions/housekeeping
- The Business of Aging
 - Robert Logan, Director of Regional Operations, Administration on Aging
 - Costas Miskis, Regional Administrator, Administration on Aging
- Building the Business Case: The Cincinnati Experience
 - Ken Wilson, Director of Program Operations, Council on Aging of Southwestern Ohio
- Resources
- Next training
- Questions & answers



The Business of Aging

Robert Logan

Administration on Aging, Washington DC

Costas Miskis

Administration on Aging, Atlanta, GA



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Session Objectives

- Examination of current business practices
- Examination of new opportunities for growth-care transitions
- Challenges in creating a care transition program

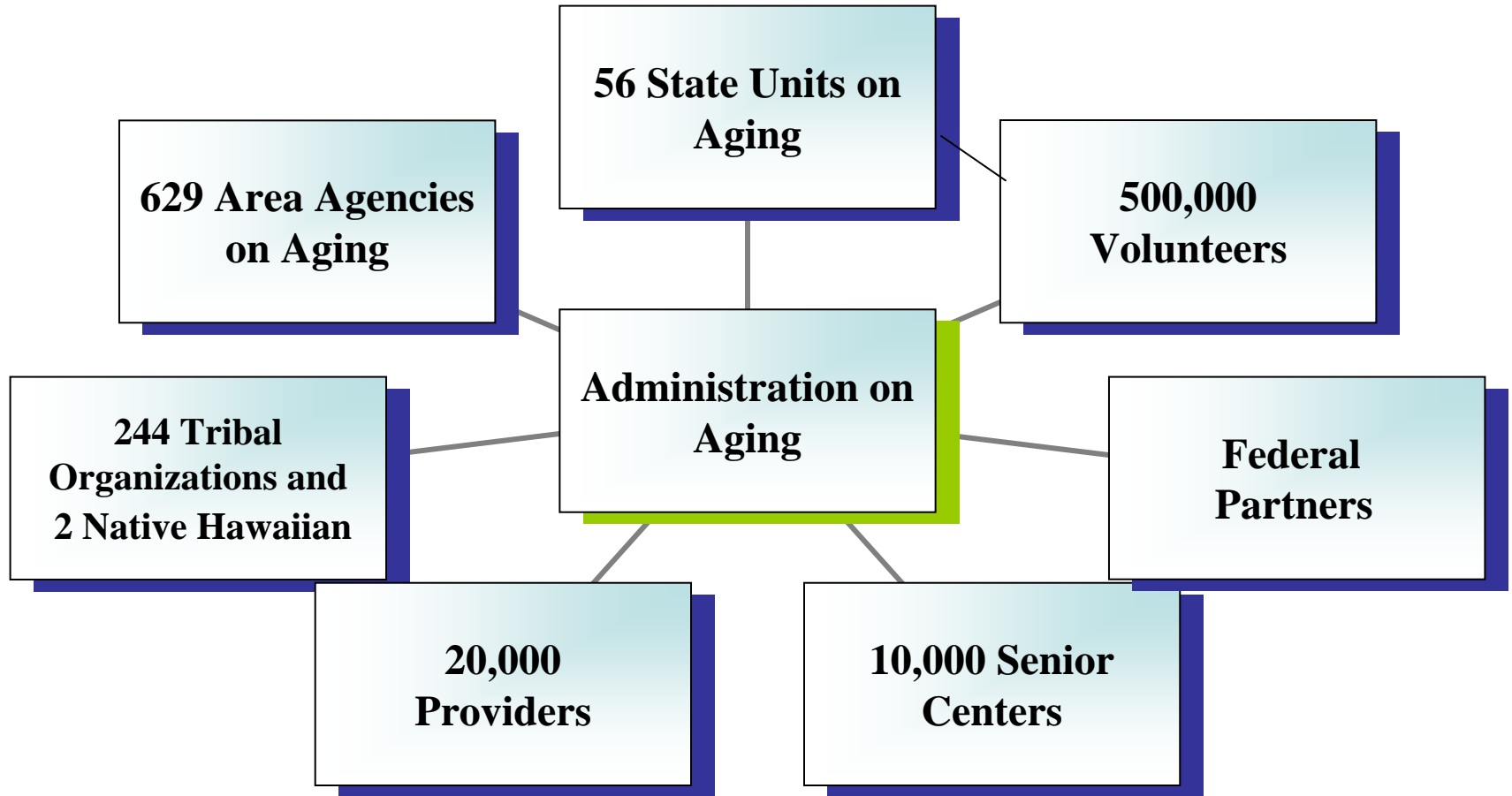


Who Will Benefit From This Webinar?

- Anyone who has ever said that an idea will not work because it was tried before years ago.
- Anyone who uses the rationale that their State, Board, or the Older Americans Act (OAA) will not permit them to move forward and try something innovative.
- Anyone who has used the phrase “it’s not in our budget” as a rationale not to improve and change.
- Anyone who wants to improve the operation of their organization.

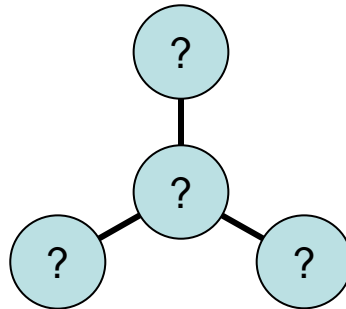


Fixed Roles & Relationships



Roles & Relationships to be Defined

- No reserved roles
- Determined by business relationships
- Determined by ability to deliver services
- Constantly evolving



Developing & Defining Services

- Fungible services
- Bundled services – Total package
- Satisfy business partner process needs
- Responsive to demand
- Cost-plus pricing
- Economies of scale
- Meet clients' needs



What Direction Would You Take if You Owned Your Own Business?

- Would you be operating with the same staff?
- Would you be headed in the same strategic direction?
- Is your Strategic Mission driven by data and community need or by grants and funding sources?
- Would you be committing more of your time and energy into the business operation?
- Would you be more aggressive in developing new funding sources?



Do You Know Your Care Transition Marketplace ?

- Who are your potential customers?
- Who is your current or future competition?
- What must you do as an organization to prepare for the new opportunities?



Creating A Strategic Vision To Create A Care Transition Program

- Examine the way you are currently doing business to become a care transition agent
- Decide what changes need to be made
- Choose strategic partners
- Create a business plan and develop a road map for change



Characteristics of a Successful Care Transition Provider

- Fee-for-service, understanding your product costs
- Availability for service 24/7
- Strategic partners
- Profitable
- Competitive organization
- Timely strategic decisions



Creating A Business Plan To Implement Your Care Transition Program

- Create a business plan that will change the way you are currently doing business
- Bring in a consultant to help you develop a business plan, if needed
- Seek outside funding to create your business plan, i.e., foundations or a philanthropic business, if necessary
- Select hospitals and community-based organizations as partners that will mutually benefit from your strategic vision (possible Board or Advisory Council members)

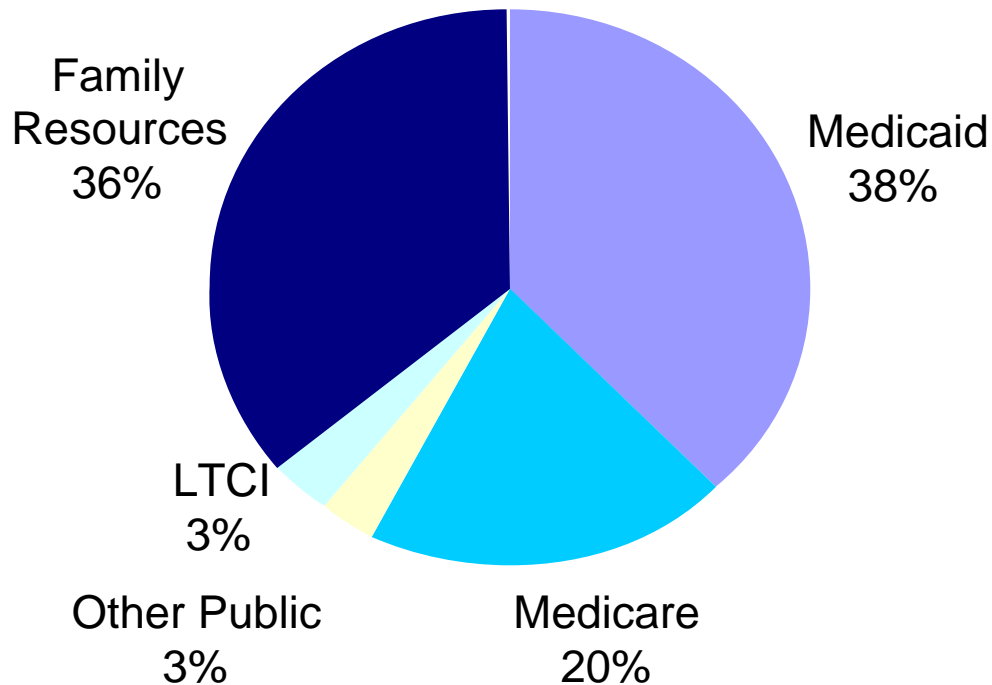


Creating A Business Plan (continued)

- Include your partners in the development of your business plan
- Monitor your business plan and make adjustments as needed
- Develop a confident attitude and a willingness to change if road blocks occur



Sources of Long-Term Supports and Services Financing for Seniors



Source: The Lewin Group based on the Long Term Care Financing Model.

Other Opportunities

- The time you spend now creating a strategic plan can only help you when it comes to future opportunities (ACA and other)
 - Accountable Care Organizations
 - Health Homes
 - Patient-Centered Medical Homes
 - Others??



Building the Business Case: The Cincinnati Experience

Ken Wilson

Council on Aging of Southwestern Ohio

Cincinnati, OH



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Cincinnati AAA Experience

- Strategic plan: Develop program to divert nursing home placement at the time of hospitalization
 - More than 60% of long term nursing facility (NF) placements begin as a post-acute stay.
- Problem: No source of funding



Cincinnati AAA Experience (continued)

- Solution: Prioritized existing staffing resources to invest in a new department “nursing home diversion and transition”
 - Organization restructuring that eliminated positions and departments and created new positions and departments



Communicating our value

- Presentations to hospitals and health plans on our value, and the benefits of working with our AAA
- Community Leader presentations



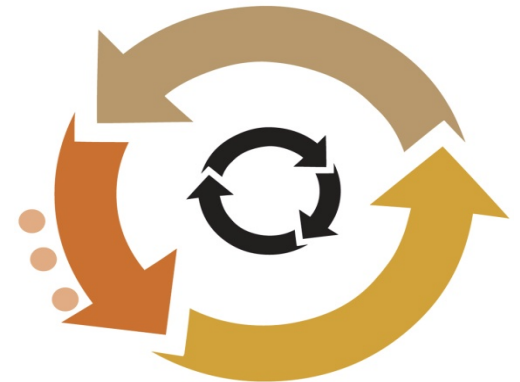
Shared Goals, Mutual Benefit

Poorly executed care transitions lead to poor clinical outcomes, dissatisfaction among patients, and inappropriate use of hospital, emergency, and post acute services.

1 in 5 are readmitted in 30 days

1 in 3 within 90 days

\$15 billion cost



Our Motto...The Perfect Fit

*The right **care**,
at the right **time**,
in the right **setting**,
at the right **cost**.*



“I love being able to stay in my own home. It means something to my heart.” Ruth

Development of Our Model

- Adopted the Coleman Care Transitions InterventionSM (CTI) Model
- Integrated Care Transitions with value-added services available through our AAA:
 - Access to community based services
 - Unbiased information
 - Care Management



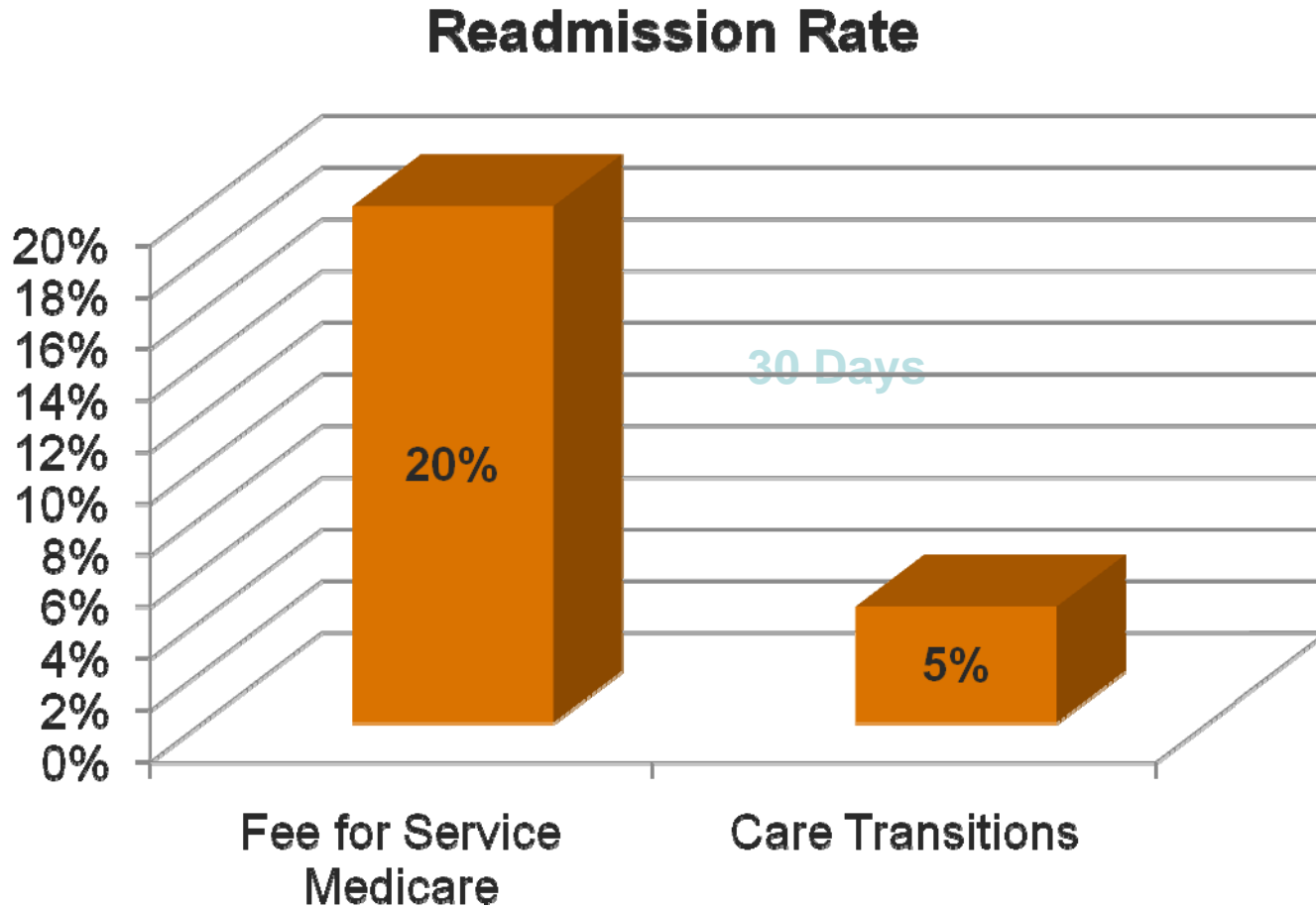
Cincinnati Area Hospital

- We implemented the model at the hospital with highest readmission rate in the state.



Our Initial Results:

Re-hospitalizations @ 30 days



Partnerships

- Health Information Exchange (HIE)
 - Electronic Information exchange
 - Hospitalization alerts
 - Shared medical record?

<p>Southwestern Ohio's Area Agency on Aging Since 1974 Council on Aging is a non-profit organization designated by the state of Ohio to serve the older adults of Butler, Clermont, Clinton, Hamilton and Warren counties. We are experts on aging with a variety of programs available as free and low-cost public services. Our mission: Enhance the lives of adults by assisting them to remain independent at home through a range of quality services.</p> <p>Council on Aging of Southwestern Ohio 175 The County Parkway, Cincinnati, OH 45246 (513) 721-1025 ~ (800) 252-0155 ~ www.hcnp4seniors.org</p>	<p>CLIENT CONTACT INFORMATION</p> <p>(Address) _____</p> <p>(City, State, Zip) _____</p> <p>(Phone Number) _____</p> <p>BIRTH DATE</p> <p>(Month/Day/Year) _____</p> <p>EMERGENCY CONTACT</p> <p>(Name) _____ (Phone) _____</p> <p>(Alt. Phone) _____ (Relationship to Client) _____</p> <p>(Address - Street, City, Zip) _____</p> <p>The cardholder receives services through Council on Aging of Southwestern Ohio. In the event of an ER visit or hospital admission, please contact the cardholder's emergency contact and then the COA care manager. If the care manager can not be reached, please call (513) 721-1025 or 800-252-0155.</p>
<p>Council on Aging of Southwestern Ohio CLIENT ID CARD</p> <p>(Client First Name) _____ (M.) _____ (Last Name) _____</p> <p>(Consumer Number) _____ (Program Name) _____</p> <p>COA CARE MANAGER INFORMATION</p> <p>(Name) _____</p> <p>(Office Phone) _____ (Cell Phone) _____</p>	

Partnerships (continued)

- Partnerships with two universities for grant writing, and evaluation.
 - Health care expertise
 - Health economist
 - Credibility



Developing a cost model

Important market analysis needed:

1. Determining your fully allocated cost
2. Determining what the market is willing to pay



Determining our cost

We considered both direct and indirect costs:

1. Staff Salaries and wages
2. Payroll taxes
3. Benefits
4. Professional and consultant fees
5. Travel
6. Postage
7. Office Supplies
8. Telephone



Determining our cost (continued)

Direct and indirect costs (continued):

9. Legal
10. Maintenance
11. Insurance
12. Occupancy/Rent
13. Printing and Publications
14. Communication
15. Minor equipment
16. Depreciation



Unit Calculation

- Billed Unit definition:
 - Completed Care Transition Intervention?
 - Hospital visits that don't result in CTI enrollment?
 - Hour of service?
- Important: Understand the program dynamics, productivity levels, costs

Closing thoughts

- Care transitions represents a huge opportunity for the aging network, AAAs in particular
- The window of opportunity to develop the product to meet the need is small
- If you don't step up, someone else will



Resources: Business planning

- <http://www.n4a.org/resources-publications/readi-center/> (n4a Resource Exchange for Aging Data and Innovation [READI] Center – including Business Academy)



Resources: Care Transitions

- <http://www.cms.gov/DemoProjectsEvalRpts/MD/itemdetail.asp?itemID=CMS1239313> (Community-based Care Transitions Program)
- <http://www.adrc-tae.org/tiki-index.php?page=CareTransitions> (AoA's Aging and Disability Resource Centers and care transitions)
- <http://www.cfmc.org/caretransitions/Default.htm> (Care Transitions Quality Improvement Organization Support Center)



Resources: Data Sources

- <http://www.hospitalcompare.hhs.gov> (U.S. Department of Health & Human Services' consumer-oriented website that provides information on how well hospitals provide recommended care to their patients)
 - For Professionals:
<http://www.hospitalcompare.hhs.gov/staticpages/professionals/poc/data-collection.aspx>
- <http://www.medicare.gov/Download/DownloadDB.asp> (Medicare's downloadable databases)
- https://www.cms.gov/DemoProjectsEvalRpts/downloads/CCTP_FourthQuartileHospsbyState.pdf (Data by state on high readmission rate hospitals)



Resources: Affordable Care Act

- http://www.aoa.gov/Aging_Statistics/Health_care_reform.aspx (AoA's Health Reform web page)
- <http://www.healthcare.gov> (Department of Health and Human Services' health care reform web site)
- <http://www.thomas.gov/cgi-bin/bdquery/D?d111:1:./temp/~bdsYKv:./home/LegislativeData.php?n=BSS;c=111> (Affordable Care Act text and related information)



Next Training

- We will continue our webinar series in March with a focus on care transitions
 - Watch your email for date, time and registration information



Questions/Comments/Suggestions for Future Webinar Topics?

Send them to:

AffordableCareAct@aoa.hhs.gov



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