Balancing Care and Cost

The Value of Outsourcing Case Management

HARMONY HEALTHCARE

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Introduction

Today's healthcare system is undergoing fundamental changes in care delivery and payment models, transforming the very nature of the care continuum. Healthcare organizations are under intense pressure to decrease cost, improve quality, and measure and report on outcomes. This environment is challenging in many ways prompting stakeholders to focus on value-based case management—coordinated, patient-centric, and data-driven care delivery.

Discover how case management can help your organization track and manage your patient population, facilitate collaboration with other providers, decrease costs, and improve patient outcomes. Use this eBook to see what questions you should be thinking about, and why an outsourced service might be a better solution.

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Moving towards value-based care

Increasing costs, the growing occurrence of chronic disease, and an aging population have strained the healthcare system. Many have blamed the reactive and episodic "fee-for-service" model—a model that fails to reward care coordination and often leaves providers with a lack of information they could use to inform treatment decisions. As such, healthcare stakeholders are moving toward value-based care, and its emphasis on quality and outcomes. Value-based care focuses on prevention, recognizing that many medical conditions can be avoided through lifestyle changes, simple medical procedures like screenings, holistic treatment, and patient-centric treatment.

Because value-based care is holistic, its implementation requires a greater degree of data collection, care coordination, and information exchange.

A comprehensive, value-based case management program allows healthcare organizations to:

1. Build a continuing record of care, including care received from other providers.
2. Better assess the value of ordering additional diagnostic tests.
3. Improve patient safety by avoiding contradictory medications.
4. Better evaluate the effectiveness of treatments and potential outcomes by tracking progress.

Balancing quality care and cost

Today's competitive healthcare environment demands constant attention to improvements in quality, safety, and the patient's experience with care. The goal of any healthcare provider is to have patients want to return to them when necessary for their healthcare needs. If healthcare organizations fall short on quality, they will be at greater risk in the highly competitive marketplace in terms of patient care and now, in terms of reimbursement, as well. Value-based care is a form of reimbursement that ties payments for care delivery to the quality of care provided and rewards providers for both efficiency and effectiveness.

Leveraging case management services can increase efficiencies across the healthcare management process and lead to better outcomes for all parties involved. In fact, when used effectively, case management creates savings by reducing length of stay, preventing unnecessary treatment and utilization of resources, and lowering hospital readmission rates. According to estimates from the Medicare Payment Advisory Commission,

75 percent of readmissions could have been prevented with better care coordination.[1]

From initial triage to appointment follow-ups, case managers help guide patients through the continuum of care, making for the most effective, tailored care program and increased patient satisfaction.

The presence of a case manager not only empowers and supports the patient, but also provides a facilitator to other resources. If a patient shows signs of deterioration, or has multiple comorbidities which may inhibit improvement, the case manager has first-hand insight to identify these triggers for additional intervention management. Serving as a navigator during the journey of care, the case manager can consult other care providers through an integrated approach to benefit health outcomes while ultimately lowering cost.

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Measuring the ROI of case management

Clearly today's dynamic care environment is one in which every dollar counts, and C-level executives need to focus on process improvements to make the organization more profitable and productive. As mentioned, case managers play an immense role in process improvement acting as the process coordinators guiding the patient through his or her stay, reducing fragmentation in care delivery, and increasing the quality of services provided. Connecting their contributions to measurable outcomes however can be a challenge.

To better measure the value of case management, consider the following:

1

TAKE A CLOSER LOOK AT LENGTH OF STAY (LOS).

LOS drives the cost per case. C-level executives should ask the following questions regarding case management and LOS:

a. Did the case manager's intervention and contact with post-discharge facilities allow for a timely discharge?
b. Did the case manager intervene to reduce unnecessary days? If so, calculate the cost of the additional unnecessary days.
c. What would the outcome have been if a case manager had not intervened?

2

CONSIDER REIMBURSEMENT.

Case managers may not directly contribute to reimbursement, but they often work with the revenue cycle team to ensure clean claims. Case management involvement in preventing medical necessity denials is extremely important to cash flow. Quality measures and discharge planning also relate back to reimbursement.

3

INCLUDE PATIENT OUTCOMES.

LOS could denote a positive outcome, as could high patient satisfaction scores; case managers contribute to both factors. According to a Deloitte survey of healthcare consumers, patient satisfaction accounts for a difference of $444 of net patient revenue (per adjusted patient day) between "excellent"-rated and "moderate"-rated hospitals.[2]

4

MEASURE QUALITY OF CARE.

Unlike LOS, measuring quality of care is more difficult. A reduction in hospital-acquired conditions or an increase in recovery audit contractor recoupments may be two indicators, but they're only clues as to the actual increase in the quality of care provided.

The case for outsourcing

There can be no doubt that the growing occurrence of chronic disease in the U.S. has caused great strain on the healthcare system. In fact, chronic conditions affect millions of Americans. The most expensive segment of Medicare, accounting for hundreds of billions of dollars in healthcare spending every year, is directed at patients with multiple chronic conditions. A new Rand study reveals 60 percent of American adults now live with at least one chronic condition; 42 percent have more than one. [3]

In January 2015, to address the needs of this growing population of chronically ill Medicare patients, the Centers for Medicare and Medicaid Services (CMS), introduced CPT code 99490 to encourage wider chronic care management (CCM) availability to patients. Healthcare providers may now bill for non-office care given to Medicare patients with two or more chronic conditions. [4]

However, as noted in a 2015 article in The Annals of Internal Medicine[5], CCM reimbursement presents both an opportunity and a dilemma for healthcare organizations. By incentivizing population management and care coordination, the overall total cost of care will be markedly reduced. As argued, case management plays a crucial role in operations. But health providers fear that the total time spent for all patients will add up quickly, resulting in the potential need for increased staff—not only for consultations, but for documentation and billing requirements. Thus, although the CCM payment could result in nearly $500 in annual revenue per eligible Medicare patient, healthcare organizations may hesitate to seek these payments because much of this revenue may be offset by costs incurred to meet CMS requirements.

"Many practices could experience a net revenue loss if physicians exclusively provide (CCM) services due to opportunity costs of forfeited face-to-face visits... Our findings highlight the critical nature of non-physician staff in the delivery of CCM services,"

the AIM authors report.

Further, quality is now highly dependent on the functions of the case management team.

CPT code

99490

encourages wider chronic care management availability to patients

This shift in responsibility—caused by changes in reimbursement to value-based care—creates challenges. The typical pathway to becoming a case manager is via floor nurse with very little training on case management functions. Despite the importance of the role completely changing, the level of skill for case managers hasn't changed from a market perspective. Add to that a long-standing shortage for case managers; a situation further aggravated by the national shortage in nurses overall. Healthcare organizations are thus faced with considerable challenges.

Conclusion

The case for basing case management outside the health system is strong. As the AIM article demonstrates, establishing a CCM and/or case management program is a labor-intensive process requiring the recruiting and training of certified staff who will need ongoing training, technology and EHR systems to track care plans and document monthly calls. They need to be available to patients 24/7 and they will need office space. Couple that with a position that is short-staffed nationally with increasing importance and difficulty in delivering without any formal training pathway. Instead of taking on the challenges of creating an in-house program, healthcare systems should consider outsourcing since an outsourced service provider can act as an extension of the organization without the costly or unnecessary expenditures. And because an outsourced service provider has the economies of scale to source qualified candidates nationally.

The future holds much promise for case management to have an elevated role in health system operations. To fully leverage the potential of expert case management resources, healthcare organizations must find ways to streamline the patient care continuum and make the best use of staff time through outsourcing care coordination to a trusted service provider.

Growth in outsourcing case management continues, and for good reason. Strategies that bring the expertise and advantages of service providers to the table have been proven to deliver returns on investment and increase operational efficiencies to lower healthcare costs and to keep organizations at the forefront of their industry.

About Harmony Healthcare

Harmony Healthcare's Case Management and Utilization Review solutions support the physician and interdisciplinary teams in the provision of patient care with the underlying objective of enhancing quality of clinical outcomes and patient satisfaction while managing the cost of care across the continuum and providing timely and accurate information to payers.

Take your first step toward transformation and improved patient outcomes. To learn more about Harmony Healthcare's Case Management services, visit www.harmony.solutions.

Sources

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