The Rodeo Begins...

The Future For Our Customers

Where are we?
What do we have to work on?
Where do we want to be?
How do we get there?

Helping our Customers

Win at the Rodeo!
Industry Landscape

- Trends and Health Care Reform
  - Post Acute Care Impact
- Reality Check
  - Operational Challenges
  - Impact on Consumers
  - Examples of Redesign in new environment

Healthcare Challenges

- Government Unrest
- Reform continues
- Reimbursement Changes
- Increased Costs
- Regulatory Changes
- External Oversight
- New Consumer
- Demand for Value and Quality
- Data Driven Decisions

Medicare Growth Impact

- Part A ($208.1 billion gross fee for service spending in 2015)
- Part B ($167.8 billion gross fee for service spending in 2015)
- Part C ($149.8 billion in 2015): Medicare Part C, the Medicare Advantage (MA)
- Part D ($85.2 billion projected gross spending in 2015)

Medicare Growth

- Projected Medicare Spending, 2013-2023

Challenges – Post Acute Care

- Why Change?
Reform Health Care!

- Quality Consistency
- Decrease Costs
- Decrease Reimbursement
- Increase Access
- Consumer Engagement
- Consumer Satisfaction
- Pay for Value – Data!
- Provider Relationships
  Key

Three Pillars: The Future of Health Care

Affordable Care Act

- Quality and Performance
- Consumer Engagement
- Compliance

National Quality Strategy
HR 4302 & IMPACT
OAPI
HHS/CMS Strategic Plan/Triple Aim/Work Plans
OIG - Work Plans/Compendium
Fraud Prevention System

Health Care Reform Outcomes

Accountsable Care Act (ACA)
- Link reimbursement to quality outcomes
- Move from Fee for Service to Bundled Payment methods
- Person Centered Care
- Consumer engagement and access to data

Destination:
Quality + Value = Lower Cost

Start 2010

Arrival 2015
and beyond

Reform Initiatives

REFORM DRIVERS
OF CHANGE
The Affordable Care Act (ACA) requires the Secretary of the Department of Health and Human Services (HHS) to establish a national strategy that will improve:

- The delivery of health care services
- Patient health outcomes
- Population health

The initial National Quality Strategy, required by the Patient Protection and Affordable Care Act (ACA), was published in March 2011. It established three aims, which are being pursued concurrently:

1. **Better Care**: Improve the overall quality of care, by making health care more patient-centered, reliable, accessible, and safe.
2. **Healthy People/Healthy Communities**: Improve the health of the U.S. population by supporting proven interventions to address behavioral, social, and environmental determinants of health in addition to delivering higher-quality care.
3. **Affordable Care**: Reduce the cost of quality health care for individuals, families, employers, and government.

Adopts unified measures across federal government, private sector, States, health systems, and providers.

Gauge performance outcomes.

Create continuity.

Consistency between providers.

Creates a “buying Value” initiative (VBP)

From the National Strategy for Quality Improvement in Health Care

http://www.ahrq.gov/workingforquality/nqs/totallist.htm

Guiding force in quality improvement efforts across the nation and health care entities

Develop a national QAPI model
CMS FY 2015 Overview

- **Medicare**
  - Budget includes projected savings of $407.2 billion in 10 years (VBP – efficiency and quality)
- **Medicaid**
  - Budget includes projected savings of $7.3 billion (Dual eligible initiative)
- **Program Integrity**
  - Fraud Prevention System (FPS) increased oversight (yield $1 billion over 10 years)

CMS FY 2015 Legislative Proposals

- **Implement Bundled Payment for PCA providers by 2019** (initiate data gathering and phase in) SNF, LTAC, IRF, HHA
  - Savings of $8.7 billion in 10 years
- **Adjust Skilled Nursing Facilities Payments to Reduce Hospital Readmissions**
  - 19 percent of Medicare patients that are discharged from a hospital to a SNF are readmitted to the hospital for conditions that could have been avoided.
  - To promote high quality care in SNFs, this proposal reduces SNF payments by up to three percent beginning in 2018 for facilities with high rates of care-sensitive preventable readmissions. ($1.9 billion in savings over 10 years)
CMS FY 2015 Legislative Proposals

- **Equalize Payments** for Certain Conditions Treated in Inpatient Rehabilitation Facilities and Skilled Nursing Facilities
  - Equalize payments of 3 conditions involving hips, knees and pulmonary
  - Commonly treated in both settings
  - CMS revising the IRF Quality Reporting Program to update measures
  - Decrease costs and increase efficiencies
  - Savings of $1.6 billion – 10 years

CMS FY 2015 Legislative Proposals

- **Implement Value-Based Purchasing**
  - SNF
  - HHA
  - Ambulatory Surgical Centers
  - Hospital Out Patient Departments
  - Beginning in FY 2016.
  - At least 2 percent of payments must be tied to the quality and efficiency of care.

CMS FY 2015 Legislative Proposals

- **Increased Program Integrity Actions**
  - Health Care Fraud and Abuse Control Funding (HCFAC)
    - Medicare FPS
    - Additional funding and positions
  - ROI
    - 1997-2013 - $4.3 billion recovered
    - Additional $7.4 billion to be saved over next 1- years

OIG FY 2015

- Partner with HHS and CMS
- CMS Oversight
- Continue with 2014 Work Plan
  - Improper payment initiative
- Ensuring Patient Safety and Quality of Care in Nursing Facilities and HHA
  - Focus on substandard QOC
  - Promote better care for the elderly

OIG Work Plan – 2015!

- INITIATIVES AFFECTING POST ACUTE CARE

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**Currently in Motion!**

**INITIATIVES AFFECTING POST ACUTE CARE**
Initiatives

Hospital Readmission Reduction Program

Acute
Skilled Nursing
Home Care
Hospice
Soon...Assisted Living

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H.R. 4302 – Protecting Access to Medicare 2014

• Extension of Therapy Caps
• Extension of the two – midnight rule for acute care
• Skilled Nursing Facility Readmission Measure (10/1/15 – All Cause All condition hospital readmission factor) must be specified by the Secretary phase in 2016 and beyond
• Public Reporting of SNF – Readmission and other performance measures

SNF Readmission Measure

NEW - Readmission Measure
– 10/1/15 – All-cause all-condition hospital readmission measure
– 10/1/16 – Resource Use Measure
• Measure to reflect an all-condition risk adjusted potentially preventable hospital readmission rate for SNF
• Quarterly feedback to SNF on performance from CMS
• Public Reporting of readmission rate!

Components For SNF VBP

• SNF Performance Scores
• SNF Ranking Based on Performance Scores
• Readmission Rate – first measure
• Quality Measures – alignment with health care providers
• Value Based Incentive Payment
• Public Reporting

The Road to VBP

10/1/14
Data gathering and research

10/1/15
• HHS - Establish SNF all-cause hospital readmission measure to PRIOR to 10/1/15
• HHS - Establish SNF all-condition hospital readmission measure
• HHS - Align provider “confidential feedback” to IMB quarterly

10/1/16
PUBLIC REPORTING - Readmission Measure on Nursing Home Compare site

10/1/17

10/1/18
Medicare reimbursement rates for SNF will be based partially on their performance scores beginning on October 1, 2016
Initiatives

**NEW! IMPACT legislation**

- Standardized platform/assessment tool
- Quality Measures
- SNF Performance Measures
- Public reporting of Data
- Re design NH Compare
- New Payment Model


Patient Centered Care - Making Informed Decisions
- Public Reporting of Data
- Quality Rating Sites
- Quality Ranking System
- Consumer Engagement

Home and Community Based Services

- Least Restrictive Environment
- Chronic Disease
- Community based care
- Decrease Cost
- Case Management

Safe Care Transitions – Patient Safety

**New Measurement**

- Care Transitions
- Patient Education
- Medication Reconciliation
- Transfer protected information

Dementia Initiative

Palliative Care and Hospice Integration

End of Life Care

Advanced Care Planning
Initiatives

Technology and Impact on Healthcare
- Telehealth
- Electronic Health Record
- Diagnostics
- Virtual Health

Acute, Skilled Nursing, Home Care, Hospice, Assisted Living, HME, Physicians, others coming soon!

Expand Medicare and Medicaid sharing of information between entities – DATA!

Acute, Skilled Nursing, Home Care, Hospice, HME, Physicians, others coming soon!

Initiatives

Corporate Compliance and Fraud Prevention System
- RAC: Recovery Audit Contractors
  - Medicare RACs
- ZPIC: Zone Program Integrity Contractors
- MAC: Medicare Integrity Contractors
- HI: Fiscal Intermediary (now MAC)
- HEAT: Health Care Fraud Prevention and Enforcement Action Team (HEAT)
- UPIC: Unified Program Integrity Contractor

Initiatives

ICD 9 to ICD 10
- Transition
- Education
- Implementation
- Preparation
- Operational Readiness

Additional Initiatives
- Unnecessary Medications
- Antipsychotic
- Abuse prevention - BIG!
- National program for background checks

Initiatives

New – January 1, 2015!!
Initiatives

Bundle Payment methodology by 2017!
- Medicare Value Based Purchasing
- Performance based pay
- Quality metrics
- New-Performance Measures

Acute, Skilled Nursing, Home Care, Hospice, Assisted Living, HME, Physicians, others coming soon!

Training – Redesign

Clinical Reimbursement
Diagnostic New Consumer Quality
Data Outcomes Strategic Partners QAPI

Strategic Innovation

- Creation of growth strategy
- Creation of new products or services
- Creation of business models that change the game – Generating significant value for new consumers, customers and the organization

Innovation

Recurring Themes...

Affordable Care Act

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Provider of Choice - Redesign

Reassess and Redesign – Collaboration & Partners

<table>
<thead>
<tr>
<th>Strategic Innovation</th>
<th>Provider of Choice - Redesign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Competency</td>
<td>Work Force Development</td>
</tr>
<tr>
<td>Technology Solutions</td>
<td>Needs vs. LI</td>
</tr>
<tr>
<td>Quality Improvement</td>
<td>Value Proposition</td>
</tr>
<tr>
<td>Innovative Services</td>
<td>Diagnostic Capabilities</td>
</tr>
<tr>
<td>Robust Systems Support</td>
<td>Strategy Partnerships</td>
</tr>
<tr>
<td>Create Value</td>
<td>QAPI</td>
</tr>
</tbody>
</table>
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Motivate Change!

“Great leaders are almost great simplifiers, who can cut through issues or doubt to offer a solution everybody can understand.”

Colin Powell, Statesman, General Retired

Point Rider Updates

Pathway Division Updates

Insight | Expertise | Knowledge

SUMMIT SIZZLER
Branded Excellence

Panel Discussion with our Experts

POINT RIDER PANEL