

Post-Acute Care Partners: A Make-or-Break Choice

Mark J. Dubow, Director, Veralon

Your selection of post-acute care (“PAC”) partners can make or break your value-based payment programs and care management initiatives. Even where fee-for-service is still dominant, having the right post-acute care partners can improve economic performance by reducing length of stay and minimizing acute care readmissions.

Most health systems and hospitals do not own PAC facilities, and so must develop alliances. The emerging trend is for acute care providers to establish a PAC strategy and form a narrow preferred provider network of appropriate PACs, often including an inpatient rehabilitation facility, one or more skilled nursing facilities (for adequate bed capacity), one or more home health agencies (for effective geographic coverage) and a hospice.

The choice of partners should be driven by a focus on optimizing care coordination and management, rather than on minimizing the number of separate relationships.

A critical initial step in the PAC partner selection process is determining your clinical objectives and requirements. Consider:

- Which clinical services do we need our PAC strategy to support?
- Do we want to support a bundled payment initiative, or Comprehensive Care for Joint Replacement? A Clinical Integration or ACO initiative?
- What care management objectives are we seeking to address (e.g., reduced length of stay, lower cost, fewer readmissions; enhanced care coordination, quality, patient experience)?
- What scope of PAC partners is required? (continuum, geographic coverage, capacity)



Once you are clear on your objectives and the scope of services required, you can select potential partners, comparing them on a scorecard based on a uniform set of criteria. A partial list of evaluation criteria includes:

- **Clinical care quality indicators:** There are many published quality indicators available, including CMS' Nursing Home Compare and Home Health Compare. Some of the information in the "Compare" series comes from CAHPS (the Consumer Assessment of Healthcare Providers and Systems) which also provides consumer ratings of home health agencies and hospices. Rates of complications, medication errors, and readmissions should be assessed against benchmarks. You will want to consider the clinical capability of the staff, and staff direct care time per patient.
- **Availability:** The value of your relationship with the facility or service will depend on its willingness to accept your patient transfers regardless of payer class, clinical condition, or acuity (consistent with the skill of the staff).
- **Patient and family experience:** Patient experience is determined by how smoothly things flow and how comfortable patients and families are with the environment. To assess this, look at whether patient transitions – from acute care into the entity and the return to independent living - are timely and patient-friendly. Evaluate the nature of care coordination among clinicians. Explore whether patients and family feel well-informed and if they play a role in decision-making. Investigate perceptions of the facility, social interaction and activities, and emotional and spiritual support services.
- **Cost:** An efficient and effective PAC partner will help you lower the cost per episode of care. Benchmark the average cost per episode of care and understand what steps the PAC entity takes to manage costs.
- **Financial stability and viability:** Your organization will be investing in a relationship with long-term importance. You want to be sure your post-acute partners will be there. Verify that licensure and accreditation are current and determine the status on any corrective action requirements. Assess trends in utilization, operating and cash-flow positions, and debt capacity in relation to condition of the physical plant. Consider the stability of the management and clinical team.
- **Fit with your organization:** It's important to understand the reputation of the PAC entity in the medical community and the payer community, and consider how a partnership would impact the value you are offering. Be sure that your PAC partners' philosophy about care management aligns with yours.

- Seek to understand the potential partner's willingness to adopt a hospital-provided medical director or "SNF-ist," use of evidence-based care protocols, and performance improvement processes. Assess the potential hurdles required to integrate electronic health records, computerized physician order entry, and digital images between the PAC entity and your systems.
- **Readiness to partner:** You'll want to understand the potential partner's ownership structure, which decisions the PAC entity can make locally, and which, if any, must be made by a corporate entity located elsewhere. A complex structure can encumber the ability to make timely decisions and slow implementation of a partnership.

Application of these criteria provides a strong start to the process of screening and selecting PAC partners. The old adage of the devil being in the details holds true not only in the nuances of the evaluation process but also in the succeeding implementation steps, particularly in regard to establishing an appropriate preferred network structure with effective incentives and accountability.

Acute care providers need PAC partners for success in both fee-for-service and fee-for-value environments. The most desirable PAC partners are in short supply. Ensure your success by being proactive. ●