



# STROUDWATER

CREATING VALUE FOR POST-ACUTE CARE

ATLANTA | NASHVILLE | PORTLAND, ME

[www.stroudwater.com](http://www.stroudwater.com)



## CREATING VALUE FOR POST-ACUTE CARE

Stroudwater Associates collaborates with healthcare leaders to achieve the highest standard of clinical excellence and financial sustainability in the post-acute care space. Continued sustainability for many post-acute care (PAC) facilities will be predicated on their ability to demonstrate lower cost and higher quality clinical care than that of peers in their markets. Stroudwater can quickly identify performance issues and facilitate strategic planning related to care delivery structures, systems, and models of care.

Providing the highest level of care is just the beginning for the PAC organization. Partnering effectively with hospitals, Accountable Care Organizations (ACOs), and health plans to participate in preferred provider networks and in new payment alternatives will be important measures of a successful, high-value PAC organization.

Stroudwater Associates provides services to evaluate and solve common challenges faced by PAC organizations, strengthening the organization's ability to:

Improve overall operational performance

- Reducing avoidable ER visits and hospital readmissions
- Maximizing value by improving quality of care while controlling costs
- Planning and implementing a strategy to maximize Centers for Medicare and Medicaid Services Star Ratings

Become partner of choice for acute care hospitals, ACOs, and health plans

- Demonstrating consistent value-based care delivery with strong data
- Increasing readiness for alternative payment models, such as bundled payments
- Implementing a mid-level-provider-based medical management program

## REPRESENTATIVE SERVICES

Stroudwater offers a comprehensive set of services and solutions to identify and correct PAC organizational challenges and transform care delivery. Our Post-Acute Care Transformation Services include the following five areas of focus:



## COMPREHENSIVE ORGANIZATIONAL PERFORMANCE ASSESSMENT

Due to evolving market/patient needs and regulations, the operations of PAC organizations are in a state of continuous change, which can lead to significant operational inefficiencies and inconsistent care delivery. Such inefficiencies are often the root cause of issues such as low quality ratings, high ER and inpatient hospital utilization rates, cost overruns, low profitability, low patient satisfaction, low CMS Star ratings, and high employee turnover.

We begin by establishing a baseline understanding of internal operating performance using a combination of onsite interviews and observation, review of the organization's cost and utilization data and other internally established metrics, and industry benchmarks, augmented by the Stroudwater team's experience working with facilities across the country.

We also evaluate the PAC organization's external strategic market position and opportunities based on consumer and patient perceptions and publicly reported data. By comparing performance with neighboring facilities and similar facilities in other markets, we create a comprehensive set of objectives that are achievable in a defined time and at an affordable cost.

Our approach includes a comprehensive study of the PAC organization's market dynamics, operating and financial performance, provider engagement, and quality of care and compliance. The ultimate goal of this evaluation will be to establish a **culture of continuous performance improvement**, margin enhancement, and education, enabling internal managers to sustain a high-performing organization long after the conclusion of the consulting engagement.

## DEVELOPMENT OF MID-LEVEL PRACTITIONER MEDICAL MANAGEMENT MODELS

Studies have shown that using an onsite medical management model such as engagement of Nurse Practitioners (NPs) or Physician Assistants (PAs) leads to **improved clinical outcomes and greater patient satisfaction at lower cost to payers**. However, thoughtful planning and stakeholder engagement are crucial for the success of such a program.

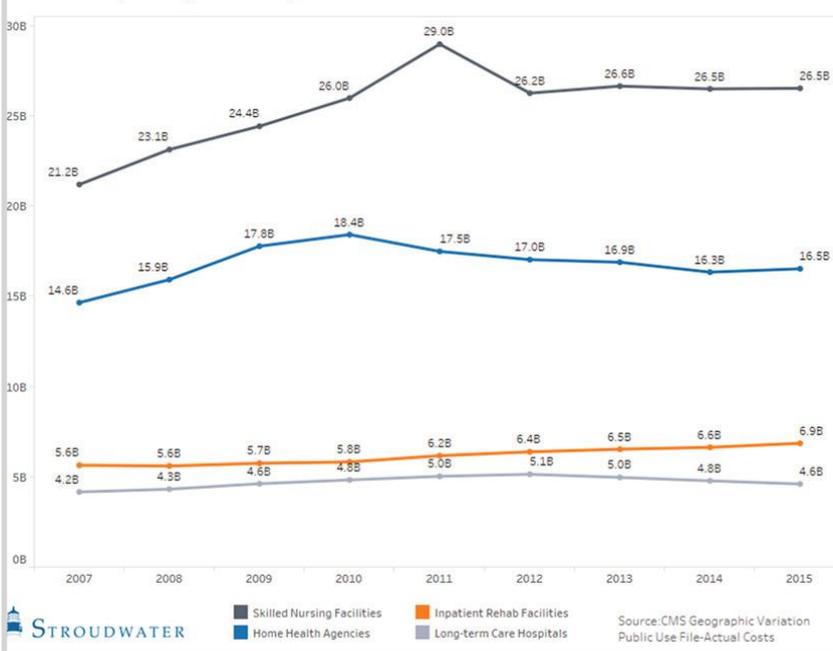
### OUR APPROACH TO MID-LEVEL PRACTITIONER MODELS

- Development of framework to implement new models of care, including provider staffing/reporting structures, research of relevant state/federal regulatory requirements, and creation of needed tools such as job descriptions and collaborative practice agreement templates
- Development of strategic and tactical implementation plans and communications plans to ensure stakeholder engagement in the integration process
- Identification/recommendations for appropriate provider billing processes, including relevant state and federal billing regulatory requirements
- Recommendations related to clinical operational processes, workflows, and tools to integrate new models of care
- Tools for continuous monitoring of performance and outcomes of the program
- Assistance to implement mid-level practitioner models of care



## ORGANIZATIONAL READINESS ASSESSMENT FOR ALTERNATIVE PAYMENT MODELS

Medicare Spending on PAC by Sector in Billions



Passage of the ACA in 2010 heightened national attention to the IHI's Triple Aim of improving the patient experience of care, improving population health, and reducing per capita costs of healthcare. An Institute of Medicine report in 2013 identified PAC as the source of 73% of the variation in healthcare spending, significantly increasing attention to the cost and quality of post-acute care services. Between 2007 and 2015, program payments to PAC providers rose to a total of more than \$54 billion, as shown on the adjacent graph.

The steady rise in total Medicare spending for PAC has prompted the Centers for Medicare and Medicaid Services (CMS) to launch several new value-based reimbursement arrangements that include PAC in a defined episode of care. These include bundled payment initiatives such as the Bundled Payments for Care Improvement (BPCI) initiative, and most recently, the Medicare Comprehensive Care Joint Replacement (CJR) pilot.

Initiating new models of care and care delivery changes, while simultaneously conducting day-to-day operations, can be challenging for PAC organizations. Stroudwater offers a comprehensive solution, including performance of an Organizational Readiness Assessment to evaluate the organization's preparedness to move from volume-based to value-based reimbursement models.

Similar to the Comprehensive Performance Assessment (described previously), but with a focused objective of responding to particular regulatory and reimbursement changes, we perform a comprehensive Gap Analysis to assess the current state of the organization and chart a realistic roadmap to implement the desired changes effectively.

Using our methodology, a PAC organization can **become better positioned to participate in value-based reimbursement arrangements.**

### OUR APPROACH TO ORGANIZATIONAL READINESS ASSESSMENT

- A detailed, data-based analysis of regional patient referral patterns
- An analysis of internal utilization, cost, and quality metrics in comparison with regional benchmarks, as a competitive advantage
- A strategy to navigate the transition from volume-based to value-based reimbursement models
- A strategy to articulate and communicate the organization's value proposition to potential partners
- Recommendations regarding clinical pathways, reporting protocols, and dashboards to enhance collaboration and transparency among the parties and manage risks while boosting profitability
- Assistance to implement high priority recommendations/APM models

## DEVELOPMENT OF QUALITY AND OUTCOMES DATA ANALYSIS AND REPORTING CAPABILITIES

With continued changes in reimbursement linked to cost and quality, the ability to accurately collect, aggregate, analyze, and report cost and quality data to internal and external stakeholders is of paramount importance. Our data management framework and analytic services are designed to provide the support needed by PAC facilities to accurately and efficiently collect data and provide analyses that can be used to make decisions in real time.

We utilize a standardized methodology to reduce bias and variation, while focusing on maximizing the value of information. Our goal includes enhancement of data visualization using customized dashboards to provide timely and relevant information for all users, from frontline staff to executive leadership.

We offer two broad categories of services:

1. Data collection framework and process design
2. Data analysis and decision support

### DATA COLLECTION FRAMEWORK AND PROCESS DESIGN

With a focus on efficient collection of accurate data, we optimize internal data collection processes to satisfy the organization's reporting needs and establish a self-sustaining data management program. Specifically, we focus on:

- Identifying the data collection and reporting needs of the organization
- Cataloging and estimating efficiency and accuracy of current processes
- Facilitating identification of appropriate financial, operational, and quality metrics
- Redesigning the data management process to achieve optimal performance
- Providing training for staff
- Establishing mechanisms for periodic revision of the processes, to adapt to future changes

### DATA ANALYSIS AND DECISION SUPPORT

Using automated data transformation methodologies, we convert the raw data into useful information to inform decision making. Specifically, we focus on:

- Data aggregation and formatting for external reporting
- Measuring and comparing historical trends and future projections
- Benchmarking with industry standards
- Measurement and tracking of improvement in the value of care (cost versus quality)
- Estimation of ROI and impact on quality of specific quality improvement initiatives

## FACILITATING COLLABORATIVE PARTNERSHIPS

Changes in reimbursement, whether as part of the Affordable Care Act or outside of the ACA, have been moving toward a value-based rather than a volume-based payment structure. Bundled payments, readmission penalties, capitation models, etc. are becoming common. Many hospital systems, health plans, and ACOs are establishing preferred Post-Acute Care (PAC) provider networks that provide consistent, high quality, cost effective PAC services to their patients/members, thus sharing the risk and rewards across the entire continuum of care.

This is a golden opportunity for PAC organizations to align with other healthcare organizations to participate in shared savings or other gain-sharing arrangements, while also providing better quality patient care. Such alignments can range from an informal “preferred referral” arrangement to a formal affiliation or change of ownership.

### OUR APPROACH TO COLLABORATIVE PARTNERSHIPS

- Evaluate, identify, and facilitate collaborative opportunities between PAC companies and their external partners - hospitals, health plans, and ACOs
- Improve transitions of care and care coordination across the care continuum
- Adopt/implement consistent, evidence-based clinical guidelines and care pathways across the care continuum
- Reduce avoidable hospital admissions, readmissions, and ER utilization
- Establish clinical data-reporting capabilities that enhance accountability and transparency between partners
- Reduce costs and increase potential for shared savings between partners
- Facilitate formation of formal/informal relationships between external partners and PAC providers

From development of the conceptual partnership design to the final implementation of a comprehensive care coordination program, we are with you every step of the way.





## CASE STUDY: NP MEDICAL MANAGEMENT MODEL

The Centers for Medicare/Medicaid Services (CMS) has implemented financial penalties for hospitals experiencing high volumes of avoidable readmissions for certain medical conditions. This significant change created a financial incentive for hospitals to collaborate with post-acute care/long term care (PAC/LTC) facilities and providers to improve transitions of care and to reduce potentially avoidable hospital readmissions of their shared patients/residents. In today's environment, a successful mid-level provider program strengthens the nursing home's position as an attractive partner for hospitals and health systems.

Our client, an integrated care delivery system offering an array of skilled nursing facility, home health, hospice, assisted living, and rehabilitation services, sought to examine the feasibility of incorporating the role of nurse practitioners into their skilled nursing facilities, increasing onsite presence of providers to evaluate and treat their residents in a consistent, proactive, timely manner. The client engaged Louise Bryde and Bob Moore, Principal and Senior Advisor respectively at Stroudwater, to help them make this initiative a reality.

### PHASE I OF THE ENGAGEMENT:

Stroudwater evaluated several NP Models and presented recommendations to client leadership for their consideration/adoption. Stroudwater subsequently researched and developed multiple deliverables related to the selected NP Model, including:

- High-level Strategic and Tactical NP Model Implementation Plan
- Internal/external Communications Plan
- Draft NP position description and NP-MD Collaborative Practice Agreement

### PHASE II OF THE ENGAGEMENT:

Stroudwater provided comprehensive support to integrate the role of employed NPs into the client's care delivery system at selected pilot sites. Key deliverables included:

- Development of a core foundation of information and tools essential for them to implement the NP Model Pilot effectively
- Preparation of a comprehensive NP Model Implementation Manual, including multiple tools and resources
  - The Manual addressed all facets of the process to integrate the NP role more broadly into the client's care delivery system, in preparation for future expansion and system-wide integration of the NP Model



# STROUDWATER

## STROUDWATER'S CORE POST-ACUTE CARE TRANSFORMATION TEAM

Stroudwater is a team-based organization, and our consultants regularly collaborate across disciplines and service lines. The consultants listed below are leaders in our PAC Transformation practice and have access to the full complement of Stroudwater experts as necessary.



### LOUISE BRYDE, PRINCIPAL

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Principal Louise Bryde, RN, BSN, MHA has more than 30 years of experience in the healthcare industry and a proven record of accomplishment in developing and executing initiatives to enhance access and improve quality and cost-effectiveness of healthcare delivery in both the public and private sectors. Her recent client engagements include Nurse Practitioner integration for a regional post-acute care/long-term care company, interim leadership and care model redesign of a Regional Health Plan's Medical Management Department, and comprehensive evaluation of Rehab Services for a multi-hospital healthcare delivery system.



### CARLA BROCK WILBER, SENIOR CONSULTANT

• cwilber@stroudwater.com • 207-221-8276

Senior Consultant Carla Wilber, DNP, RN, NE-BC is an accomplished nurse administrator with an extensive background in critical care, education, and emergency services. Carla's recent work includes facility assessments and process improvements in care management and care transitions for critical access hospitals, rural and urban health systems, and provider groups, including utilization review and discharge planning with subsequent recommendations and action planning. Before joining Stroudwater, Carla served as Director of Enterprise Excellence at Wake Forest Baptist Health-Lexington Medical Center; in this capacity, she led, facilitated, and supported the Lean transformation initiative across the continuum of care and health systems, and was responsible for the development, implementation, and ongoing assessment of comprehensive performance improvement and Lean redesign initiatives within the healthcare facility.



### RAHUL GHOTGE, CONSULTANT

• rghotge@stroudwater.com • 207-221-8296

Consultant Rahul Ghotge, MD, MS, MBA is a physician, engineer, and hospital management professional with black belt in Lean Six Sigma. Rahul completed medical training in India and England. He holds an MBA from Duke University with focus in Finance and a Masters in Biomedical Engineering from the University of Tennessee. Rahul's deep operations experience includes supervising operations of a hospital based LTC facility and designing and implementing LTC-IT systems. Since joining Stroudwater in 2015, Rahul has been instrumental in combining technology with cost accounting to develop tools for rapid operational improvement.



### LINDSAY CORCORAN, CONSULTANT

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Consultant Lindsay Corcoran, MHA is a practice-management professional with over ten years of healthcare and medical office experience. Lindsay's recent work has been focused on supporting and sustaining healthcare access for rural communities through hospital operational improvement and affiliation strategies, and has assisted rural and community hospitals and clinics across the country to improve operational and financial performance. Before joining Stroudwater, Lindsay worked in an outpatient physical therapy setting as a practice administrator for three clinics in southern Maine.



## STROUDWATER CONTENT SPECIALISTS

Stroudwater has a number of additional consultants with deep domain expertise in various aspects of health systems development and operations, including strategy development, operations, affiliations, and cost optimization. Selected specialists are featured as follows.

### PHYSICIAN RELATIONS



#### MICHAEL FLEISCHMAN, PRINCIPAL

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Mike Fleischman brings more than 40 years of experience in the healthcare industry to each client engagement. As a consultant, Mike's focus over the past 29 years has been on helping providers develop integrated clinical systems, including physician-hospital relations, medical group strategic planning, group governance, medical staff development plans and community needs analysis, practice operational assessments, PCMH development, and HIPAA. Early in his career, Mike worked as an Educational Specialist and Clinic Director for the Centers for Disease Control and Prevention, and served as Project Officer for Section 330 Primary Care and Certificate of Need programs for the U.S. Public Health Service. During this time, he received the US Surgeon General's Special Recognition Award for Meritorious Service.

### HOSPITAL PARTNERSHIPS AND AFFILIATIONS



#### DOUGLAS JOHNSON, PRINCIPAL

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Principal Doug Johnson has a record of accomplishment in transactions, business development, and financial accounting, specifically in the general acute care hospital, rehabilitation hospital, and ambulatory surgery center space. Throughout his career, Doug has consistently demonstrated his ability to direct non-routine, sensitive, and complex transactions and to prepare clear, accurate, and management-focused deliverables. He is particularly effective at building relationships of trust with prospective clients and disseminating their real needs and concerns, as well as identifying leaders and decision-makers within targeted organizations.

### REVENUE CYCLE AND REIMBURSEMENT OPTIMIZATION



#### JOHN E. BEHN, PRINCIPAL

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Principal John Behn serves as President of Stroudwater's revenue cycle arm, Stroudwater Revenue Cycle Solutions. John has over 20 years of experience in healthcare financial management and consulting. His focus has been on chargemaster auditing, revenue cycle initiatives, and hospital and physician practice management. John has led initiatives to increase physician and departmental productivity, to implement physician-specific and hospital-wide revenue-cycle protocols, and to develop chargemaster maintenance policies and procedures. He has successfully grown gross revenue and net reimbursement through combining operational improvements, chargemaster effectiveness, and efficient business-office protocols.



Stroudwater designs solutions for healthcare leaders’ most pressing challenges. We employ thought leadership and focused analytics in a collaborative process that engages our clients and empowers their transformation. Our practice areas are highly focused on the mission-critical strategic, operational, and financial areas where our perspective offers the highest value. Our solutions are client-driven and client-focused. Instead of selling a product or offering a prepackaged solution, we are your trusted advisors who rise to the challenge of discovering the unique solution for each client need.

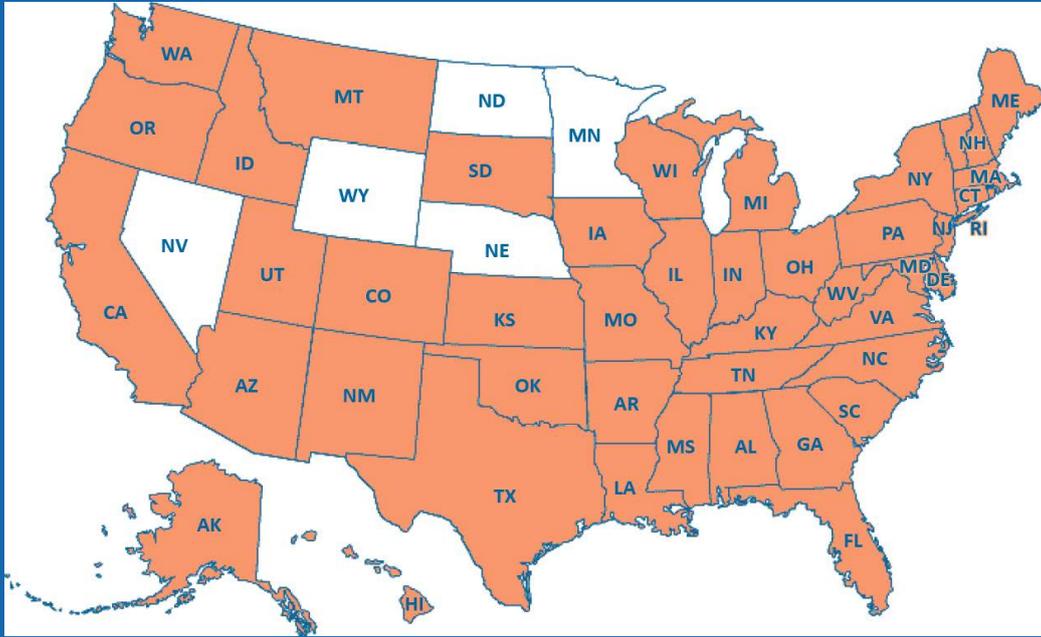
Stroudwater professionals have deep domain expertise. The Stroudwater team is made up of clinicians, managers, corporate officers, investment bankers, financial analysts, and other experts. Stroudwater is recognized nationally in markets from rural to community hospitals, healthcare systems, and large physician groups. We believe this type of broad understanding and experience with all the elements of the delivery system is critically important for serving clients in an increasingly interconnected and interdependent environment. In this context, our practice areas are focused on:

- Affiliations and partnerships
- Strategic planning and Accelerated Operations Improvement (AOI)
- Population health
- Strategic master facility planning
- Physician-hospital alignment
- Capital planning and access
- Post-acute care
- Revenue cycle (Stroudwater Revenue Cycle Solutions)
- Quality/performance improvement

Founded in 1985, Stroudwater’s mission is to improve healthcare provider performance with the highest value advisory services customized to each client’s unique needs. Considering the complexity of these problems, we firmly believe that client engagements require leadership by deeply experienced advisors. Our consultants author industry-leading studies on facility investments and regularly publish both white papers and articles on topical healthcare issues, such as the “Affiliations Value Curve” and “Beyond Medicare ACOs: Preparing for Value-Based Payments.” As leaders, we recognize the importance of first seeking to understand, then to be understood. We develop bold, independent points of view based upon diverse perspectives and experience. We are passionate about what we do, and we recognize how precious healthcare resources are to the fabric of the communities served by our clients. We approach each assignment with focus, energy, and a drive to get it right.

In summary, Stroudwater offers:

- A commitment of senior principals to each engagement
- The ability to plan facilities in the context of the strategic, financial, clinical and operational objectives of the organization
- A model for engaging the client and its major stakeholders, with the goal of timely and pragmatic implementation
- A devotion to creating customized solutions on time and on budget
- A national practice that applies relevant experience from a wide variety of environments and clients to the unique requirements of individual clients



Stroudwater is a nationwide firm and has served clients in all 50 states. In 2016, we worked in 45 states.



# STROUDWATER

To learn more about Stroudwater's Post-Acute Care services, please contact:

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