

Emerging Reimbursement Models: Preparing for What Lies Ahead for Skilled Nursing

An Executive Roundtable Discussion of Key Post-Acute Care Executives

A special event hosted by *Provider* magazine

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Executive summary

The challenge

“We can’t simply be last in line for payments and expect the outcomes to be the same as today.”

— Bill Levering
President and CEO
Levering Management

Medicare in the United States is turning 50 years old, an anniversary that is also ushering in new models for health care reimbursement. We are moving quickly towards payment models based on quality rather than quantity of care, which in turn will have a major impact for the entire long term care industry.

In October of 2015, 14 key executives from various segments of the post-acute care industry met at the American Health Care Association/National Center for Assisted Living (AHCA/NCAL) Annual Convention & Expo in San Antonio, TX, for an executive roundtable to share their observations and predictions for the future of long term care reimbursement models.

The bottom line

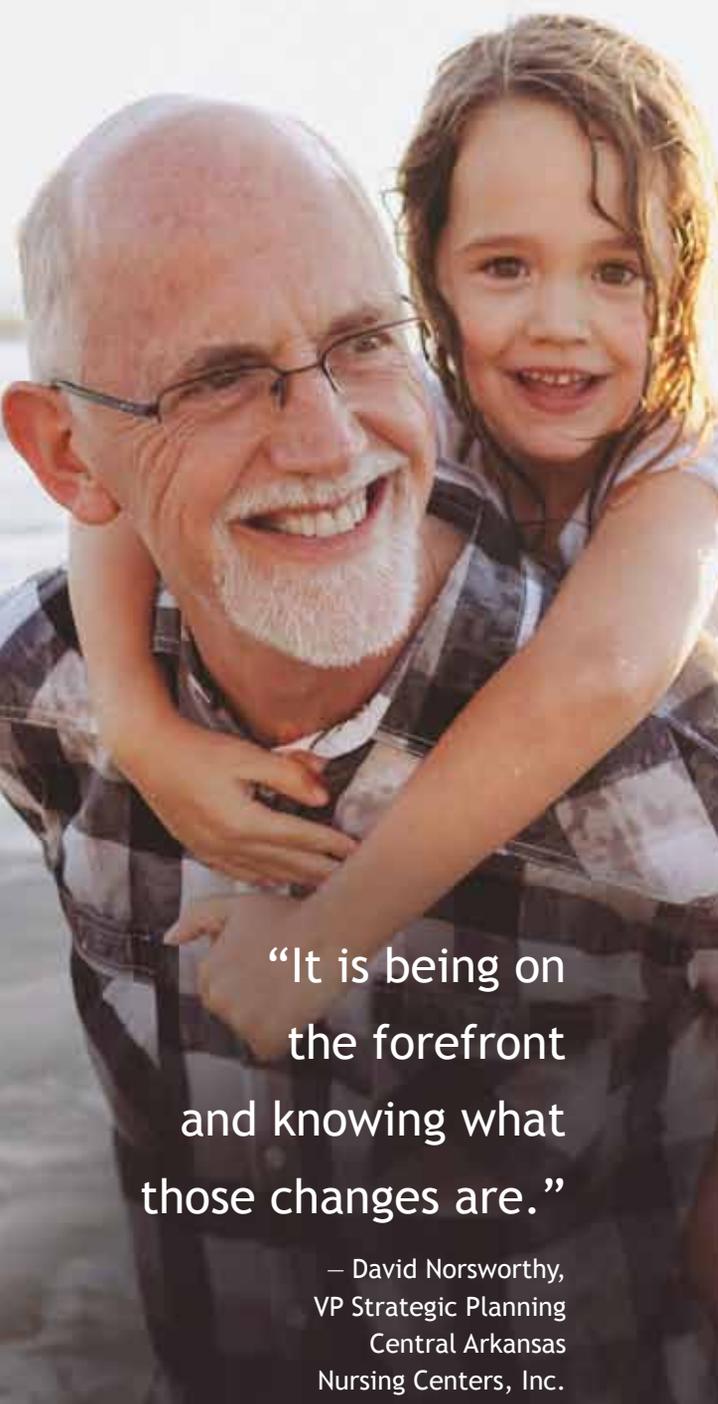
Traditional fee-for-service models are becoming a thing of the past for the long term care industry. Most panelists already participate in reimbursement models, such as Accountable Care Organizations (ACOs) and bundled payments, and feel that surviving and flourishing in the future will require a new level of innovation, data sharing, and collaboration with partners.

The takeaway

Major players in the post-acute care profession are starting to adapt to newer payment models, but success requires changes in both process and strategy. This paper summarizes the view of current thought leaders in the market, with top takeaways including:

- > New payment models signify a shift toward increased accountability for patient care outcomes.
- > For many operators, their best prospects lie in better visibility through improved use of data.
- > Long term care’s profitability increasingly rests with collaborative relationships across the continuum of care.





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– David Norsworthy,
VP Strategic Planning
Central Arkansas
Nursing Centers, Inc.



Change is coming

The U.S. Department of Health and Human Services (HHS) has set a goal of tying 30 percent of traditional, or fee-for-service, Medicare payments to quality or value through alternative payment models, such as ACOs or bundled payment arrangements, by the end of 2016, and tying 50 percent of payments to these models by the end of 2018.

The consensus is that these are fundamental changes that will impact the LTC business paradigm, with key points including the following:

1. Fear is giving way to acceptance—and opportunity.
2. Long term care needs a voice in this process.
3. Post-acute care is becoming more data-driven than ever.

Are you ready?

Set goals for your relationship with managed care organizations (MCOs), including risk-sharing models, and long- and short-term agreements

Central Arkansas Nursing Centers' David Norsworthy frames this issue around being proactive: "It is being on the forefront and knowing what those changes are. It is a matter of staying up with education and understanding."

Americare's Steve Hatlestad echoed a similar view. "I still believe that we are a small enough industry to react before someone else's failings become our failures."

Download the full 2015
AHCA Roundtable paper at

www.healthtech.net/2015AHCARoundtable

“Clinical data is going to help us. We need to be seen as a resource so patients see that effective care is given.” – Bill Levering, President and CEO, Levering Management

Value-based programs and bundling

It's time to move from reimbursement to revenue cycle management

Tammy Trasti of Golden Living in Texas noted that her approach is to be “payer agnostic”: “Price is not based on cost—it is based on value. To increase this value, you have to listen to your market, improve your star ratings, and improve your value proposition.” She recommends approaching the issue of value-based payments as a risk taker, piloting bundled payments, implementing true case management and care redesign, and educating and training your entire organization.

Bill Levering, President and CEO of Levering Management, emphasized that operators needed to be proactive in structuring the relationship with bundled payment partners. “LTC has to be part of the handling of the payment. We simply can't be last in line for payments and expect the outcomes to be the same as today.”

The role of technology

Greater visibility and the ability to share data with care partners are important

Bill Levering framed this issue as one that started with LTC facilities having better visibility. “Clinical data is going to help us. We need to be seen as a resource so patients see that effective care is given. AHCA's LTC Trend TrackerSM program can be the first exposure for facilities to a comprehensive system to help them understand where they stand.”

American HealthTech's President Teresa Chase emphasized that interoperability was a key priority for vendors such as hers. “We have been talking about interoperability for years. Infrastructures are expensive—we need to follow standards, build packets of data, and share that information back and forth between ourselves. This data has to move.”



Looking to the future

Our greatest opportunities

Participants in general saw new payment models as part of a greater opportunity to learn and reinvent their operations. Axiom Healthcare Services' President and COO Chance Becnel framed this around three areas:

- > Focus on clinical products—get really good at what we do, and good at the bedside;
- > Look at who we partner with in therapy, to combine resources and obtain valuable acute and post-acute data; and
- > Get executives to be at the table—much more of the future will be decided at the executive level.

Our greatest challenges

The greatest concerns revolved around changes to LTC business models, and how the economies of scale of new payment models would affect smaller operations. Tammy Trasti of Golden Living shared her concerns, including “shorter lengths of stay, delayed admissions, payment denials, and additional staff required. Also, getting approval from MCOs when therapy isn't delivered in time, because the hospital didn't have time to get prior authorization.”

The key is quality

Gerald Coggin, SVP of National HealthCare Corporation, summed up a common position among roundtable participants. “As long as we focus on continuing to care for our patients, we'll be okay. The key is quality, quality, quality. Sadly, there'll be winners and losers. We do have to accept this risk, because episodic payments are coming. I think we're going to be okay, but things are going to change.”

Get the in-depth story on everything that was discussed at the AHCA Roundtable.

Download the complete paper at:
www.healthtech.net/2015AHCARoundtable

“Our goal is not only to prepare the overall industry... but to position our members ahead of our industry as well.”

— James Michel,
Senior Director of Medicare Research and Reimbursement,
American Health Care Association

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