

Making the Connection: Post-Acute Care and ACOs

ACO Expo, Fort Lauderdale
February 27, 2014
Carrie Nixon, Esq.



HEALTHCARE SOLUTIONS
CONNECTION

Revenue sources are changing

- Today, approximately 50% of health system revenue comes from those 65+
- By 2018, this will increase to 70% for the typical health system
 - Aging population
 - Higher acuity of patient
- Post-acute services will increase as a percent of total revenue

The Facts

FACT: Approximately 40% of Medicare beneficiaries need some form of post-acute care after leaving the hospital.

FACT: CMS is penalizing hospitals for preventable readmissions of cardiac and pneumonia patients.

FACT: CMS' Shared Savings Program incentivizes integrated, evidence-based care resulting in good outcomes and high patient satisfaction at a reduced cost.

FACT: 78% of all health plans are now participating in an ACO.

The Facts, cont.

- Post-acute care providers can safely reduce hospital readmissions and provide patient-centered, quality care in lower cost settings.

BUT

- Less than 5% of MSSP certified ACOs include post-acute care providers as ACO participants!

Why the disconnect?

- Post-acute providers were not at the table during the conversations about healthcare reform.
- Post-acute providers may believe that they lack the resources to participate in an ACO
- Misinformation

Who can participate in a Medicare ACO?

- ACO must be formed by:
 - Physicians/physician networks
 - Hospital/Physician partnerships
 - CAH, RHC, FQHC
- Suppliers and Providers who bill Medicare can participate in the ACO
 - Skilled Nursing/Rehabilitation Facility
 - Home Health Agency
 - Hospice
 - Outpatient therapy services (PT, speech, mental health)

Fraud & Abuse Waivers

- **ACO pre-participation waiver** allows an ACO participant or ACO provider/supplier, e.g., a hospital, to furnish or fund ACO development services for the economic benefit of all of the ACO's participants.
- **ACO participation waiver** allows an ACO participant or ACO provider/supplier to fund or otherwise support an ACO's operations during the term of the ACO's participation agreement, including arrangements benefiting other ACO participants or ACO providers/suppliers.

Waivers, cont.

- **Shared savings distributions waiver** protects distributions to ACO participants and ACO providers/suppliers, and protects distributions to outside parties if conveyed as compensation for activities reasonably related to the purposes of the Shared Savings Program.
- **Patient incentive waiver**
- **Stark waiver**

Post-Acute Care Networks (PACNs)

Possible PACN participants:

- Home care
- Rehabilitation therapy
- Assisted Living
- Skilled Nursing
- Hospice

PACNs cont.

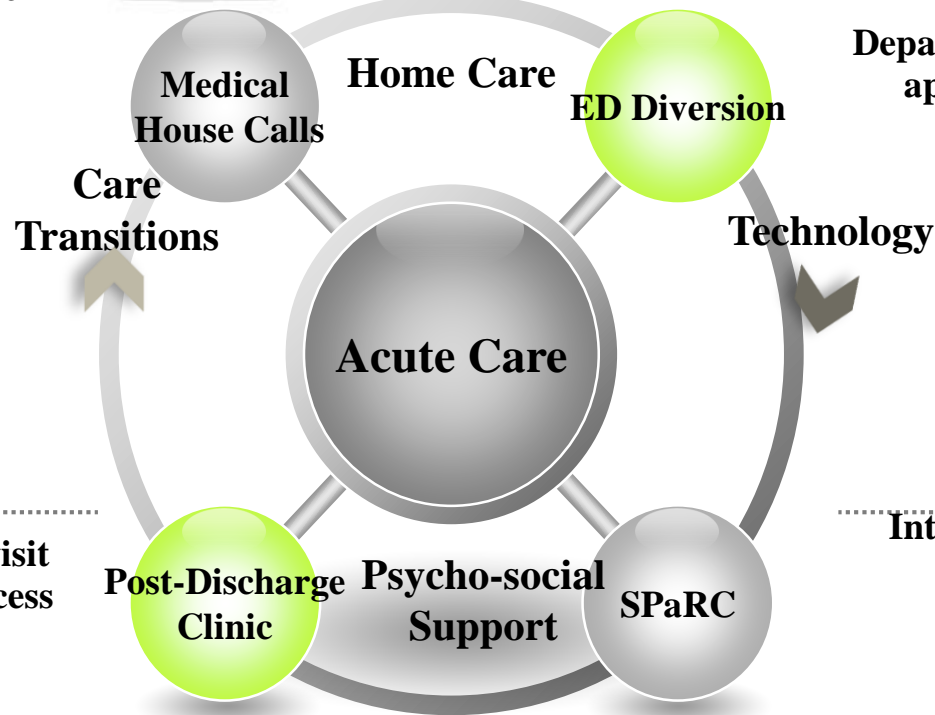
PACN/ACO relationships:

- affiliation agreement
- contractual arrangement
- full partnership as ACO participant

Redefining the Post-Acute Value Statement

Integrated Solutions to Post-discharge Care Management

Medical care delivery in the patient's residence



Offering Emergency Department physicians clinically appropriate options to an I/P admission

Alternative for follow-up visit to busy PCP office with access and scope limitations

Integrated, collaborative care in a SNF using physicians and Advanced Practice Providers

Post-Discharge Clinics

Overview:

- 3 to 5 half-days/week, co-located with another facility, 40-minute visit per patient, staffed by N.P. or M.D.

Results:

- 36% reduction in re-admits, 26% reduction in Emergency Department visits

Conclusions

- The status quo is not sustainable
- All players should understand the need for quality, cost-effective post-acute care
- ACOs should reach out and develop formal relationships with the post-acute community
- Post-acute providers should actively position themselves as attractive partners who can added demonstrable value

What should you do?

- Assemble your team
- Do your due diligence
- Develop a strategy that incorporates post-acute as part of the big picture

Thank you!



Carrie Nixon, Esq.
(703) 795-9763

carrie.nixon@nixonlawgroup.com

www.nixonlawgroup.com

www.healthcaresolutionsconnection.com

