A WHITE PAPER FROM THE HEALTHCARE EXPERTS AT Primaris Healthcare Business Solutions

ADAPTING TO CHANGE

A Value-Based Care Guide for Nursing Homes

For several years now, the US government has incrementally been driving the healthcare industry away from volume-based payments and toward value-based care. The goal in doing this, of course, is to improve the quality of care that healthcare providers deliver to patients while also keeping costs in check. In simple terms, the shift to value-based incentives is intended to reward institutions that deliver on cost, quality and patient outcome measures. To keep up with changes and new reimbursement requirements, the entire healthcare community has had to adapt and make adjustments. While some early adopters have been paving the way, many medical providers – including a majority of skilled nursing facilities – are still learning the rules and trying to understand how to navigate through all of the changes in this new value-driven era.

This resource offers a look at how the move to value-based payments is impacting nursing homes, and also what facilities need to do to successfully transition to a new care model.

The Basics of the Value-Based Model

Understanding the basics of the value-based model is the first step to success. Here are a few key things nursing homes need to recognize about value-based care:

The value model rewards performance. That can mean different things, for example, achieving high quality scores or making improvements over time. Either way, providers must meet certain standards for care and cost in order to be eligible to earn financial incentives and to avoid penalties.

For long-term care facilities there are both opportunities and challenges tied to value-based care. It takes time and effort to implement changes, plus there are risks involved. However, there are also opportunities for financial rewards – and that is the payoff.

The value-based care model is extremely data driven. Measuring and reporting performance outcomes is part of the assessment process that determines whether or not nursing homes earn incentives. This means healthcare providers need to be focused on measurement and data.

For nursing homes, the rules of the game are still being defined. The Centers for Medicare and Medicaid Services (CMS) has been working to put together concrete rules surrounding skilled nursing and value-based reimbursements for several years. Although there are still some gray areas, certain quality measures (like hospital readmissions) have emerged as areas where nursing homes need to focus their efforts, especially with the Skilled Nursing Facility Value-Based Purchasing Program (SNFVBP) on the horizon. The most important thing to understand is that payment changes are happening and organizations that don't make adjustments will be at a disadvantage.

Collaboration is an important success factor under value. Since patient health outcomes are part of what drives reimbursement, nursing homes need to collaborate with other providers – like acute care, primary care physicians, home health and even pharmacies – to understand how to achieve the best outcomes for the individuals under their care. Value-based care needs to be coordinated care.

How to Adapt

For nursing homes, the time is now to make adjustments related to payment changes. There is no doubt that value, quality, outcomes and efficiency are going to become more important and that these things will increasingly impact funding.

Adopting new processes, training staff on new procedures and implementing other adjustments takes time, so rather than wait, it makes sense to get started now and be flexible as new guidelines are developed. The following suggestions point to areas where skilled nursing homes should focus initially.

Push For Greater Use of Electronic Medical Records

Nursing homes typically tend to be low-tech environments where paper charts are more common than electronic medical records (EMR). When it comes to adopting EMR technology, nursing homes are well behind hospitals and physician offices. This is understandable because of the money and the resources it takes to put EMR programs into place — the required investment can put EMRs out of reach for nursing homes that have a tough time securing funding. Also, nursing homes were not originally offered the same meaningful use incentives that attracted other medical providers to the technology.

But long-term care is suffering because of the barriers surrounding EMRs. For one thing, without EMRs the internal sharing of residents' clinical data is not as easy or efficient. This makes it harder for staff to do their job effectively. It also means that resident health is compromised. Case in point, a study of the California Healthcare Foundation's On-Time Pressure Ulcer Prevention program showed that EMR use plays an important part in reducing pressure ulcers in nursing home residents. Take EMRs out of the picture and patients are at a higher risk for developing bed sores. This is just one of many examples that illustrates how EMRs can improve outcomes for residents and help long-term care facilities meet value-based care goals.

A hot topic surrounding EMRs right now is interoperability. Healthcare providers know that they need to communicate with external providers in their community and coordinate patient care. But right now there are several barriers that make data sharing difficult. Luckily, interoperability breakthroughs are on the way, and new requirements will soon force EMR systems to be interoperable. Nursing homes that have not adopted EMRs (or are not using their system to capacity) need to push for greater use of electronic medical records.

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Be Entrepreneurial

If you look at the healthcare organizations that have best aligned themselves with the value model, you'll see that they have a few things in common. For starters, the organizations that are leading the value revolution didn't get to where they are by sitting back and doing things the same way they had always been done. Instead, their leaders embraced change and adopted an entrepreneurial management structure that is focused on maximizing innovation. This isn't surprising – it takes an innovative environment to achieve change and progress.

Nursing home leaders need to push their organizations to embrace new processes and technology, make quality improvements, and work more cooperatively. They can do this by encouraging innovative thinking, flexibility and creative problem solving. This is particularly important when it comes to things like hospital readmissions and other areas CMS has targeted for Medicare skilled nursing facility payment rates.

Let's face it, because of the many challenges nursing homes experience in every area from funding to staffing, some facilities have gotten very good at finding creative solutions to problems. These are the institutions that are going to be most successful under the value-based reimbursement model. When leaders encourage staff to find better ways of doing things, and they don't punish people for not getting it perfect on the first try, real progress can be made. Things start to work better and more efficiently — which is an important part of value-based care.

Demonstrating to hospitals that your facility is forward thinking and has taken steps to adapt to payment changes is important. Acute care is also grappling with how to adapt to value-based incentives. Hospitals now recognize that they need to have relationships with post-acute providers that are able to help them meet guidelines surrounding things like readmissions.

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Strengthen Ties to External Providers

As pointed out earlier, value-based care is coordinated care. Any organization (nursing home or otherwise) will have a difficult time meeting value-based payment measures if they are not working cooperatively with other providers across the care continuum. For skilled nursing facilities it is important to establish relationships and strengthen ties to external providers.

The people nursing homes care for generally have long, and often complex, medical histories. Some have been in and out of the hospital multiple times. Most have chronic health conditions. Decoding layers of complicated medical records can be challenging (or even impossible) without help from other providers. On the other hand, good communication and collaboration with hospitals, primary care doctors, and specialists can make it easier to understand the needs of individuals and provide appropriate care.

Overall, people that enter nursing homes today are in worse health than those admitted in the past.

THE FIRST STEPS

Some of the steps nursing homes can take to improve care coordination with other providers include:

- **Bringing external providers into care planning meetings.**
- **Meeting with hospitals and repairing strained relationships. (Dropping the blame games over readmissions.)**
- **Reaching out to pharmacies to get better information and insight regarding medication.**
- **Working closely with primary care doctors to ensure patients receive necessary routine and follow-up services.**

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Embrace Change

There is time to prepare before Medicare's SNFVBP program is launched. Nursing homes need to recognize that change is inevitable, and they need to begin making adjustments now. Doing so will help organizations operate more successfully as value-based payment programs advance in the future.

A final point for nursing homes (especially for management) is this: the standards that measure the success of your organization today — financial or otherwise — will not be the same in two years. Change is happening.

The Centers for Medicare and Medicaid Services (CMS) plans to roll out the Skilled Nursing Facility Value-Based Purchasing Program (SNFVBP) in 2019. CMS has said that the SNFVBP will pay participating nursing homes for services based on the quality of care, not just quantity of the services they provide in a given performance period.

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For more information on transitioning to value-based payments and making quality improvements, contact Primaris today.

Primaris is a healthcare consulting firm that works with hospitals, physicians and nursing homes to drive better health outcomes, improved patient experiences and reduced costs. We take healthcare data and translate it into actionable quality improvement processes that create the foundation for highly reliable healthcare organizations.

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