Quality↔Revenue↔Reputation

Short Stay Hospitalizations

Becker's Healthcare

Chicago, Illinois

B. Justin Krawitt MD, MHCDS, CHCQM

System Medical Director of Utilization

&

Clinical Documentation

Dartmouth Health

- **Asst. Professor of Medicine at Dartmouth College & Dartmouth Health**
- **80:20 Department of Finance – Department of Medicine System Medical Director of Utilization & Clinical Documentation**
  - Medical Director of Transfer Center (Care Coordination Center)
  - Medical Director of Care Management
  - Medical Director of Bed Management
- **President of NH-VT Society of Hospital Medicine**
- **Advisory Board of MCG**
- **President & Founder of Hanover Physician Advisors**

Dartmouth Health

Agenda

1) Utilization Management as a driver for higher value care
   Utilization Review and Resource Management
2) SSU Assessment & Optimization
3) ROI & Appropriate Revenue Capture
4) Quality & Reputation how DRG's drive metrics

Dartmouth Health

Service Line Request

- Take over control of the SSU – 12 Bed Observation Unit
  - Adjacent to the Cath Recovery Unit
  - $2.1 Million opportunity for increased Cath Lab throughput
  - Purported poor utilization of the SSU
  - Sounds Great right?
- Let's run this by the Utilization Management team shall we?

Dartmouth Health

Utilization Management

- Achieve quality healthcare outcomes in a cost-effective manner.
- Continuously evaluate the necessity, appropriateness, efficiency, and regulatory compliance of medical care services ordered.
- Provide fiscal sustainability for our health system.
- Ensure that the patient is receiving safe, quality care with the right care in the right place at the right time.

Summary

	Scenario	Incremental Net Patient Service Revenue	Process	People	Culture	Timeframe	Change Required (+ total)
1	Shift SSU-appropriate patients from med/surg to SSU	$ 4.1	+	+	+	+	4
2	Open SSU to 7 days a week and shift appropriate patients from med/surg to SSU	$ 2.5	+	++	++	++	7
3	Discharging SDNO/Obs patients home from Same Day and SSU on day of procedure	$ 1.2	++	++	++	++	8
4	Hybridized observation unit with some beds allocated to service lines		+++	+	+++	+++	10
5	Close SSU for observation and fully dedicate to service lines	($ 9.4)	+++	+/+++	+/+++	++	7 or 11*

Dartmouth Health

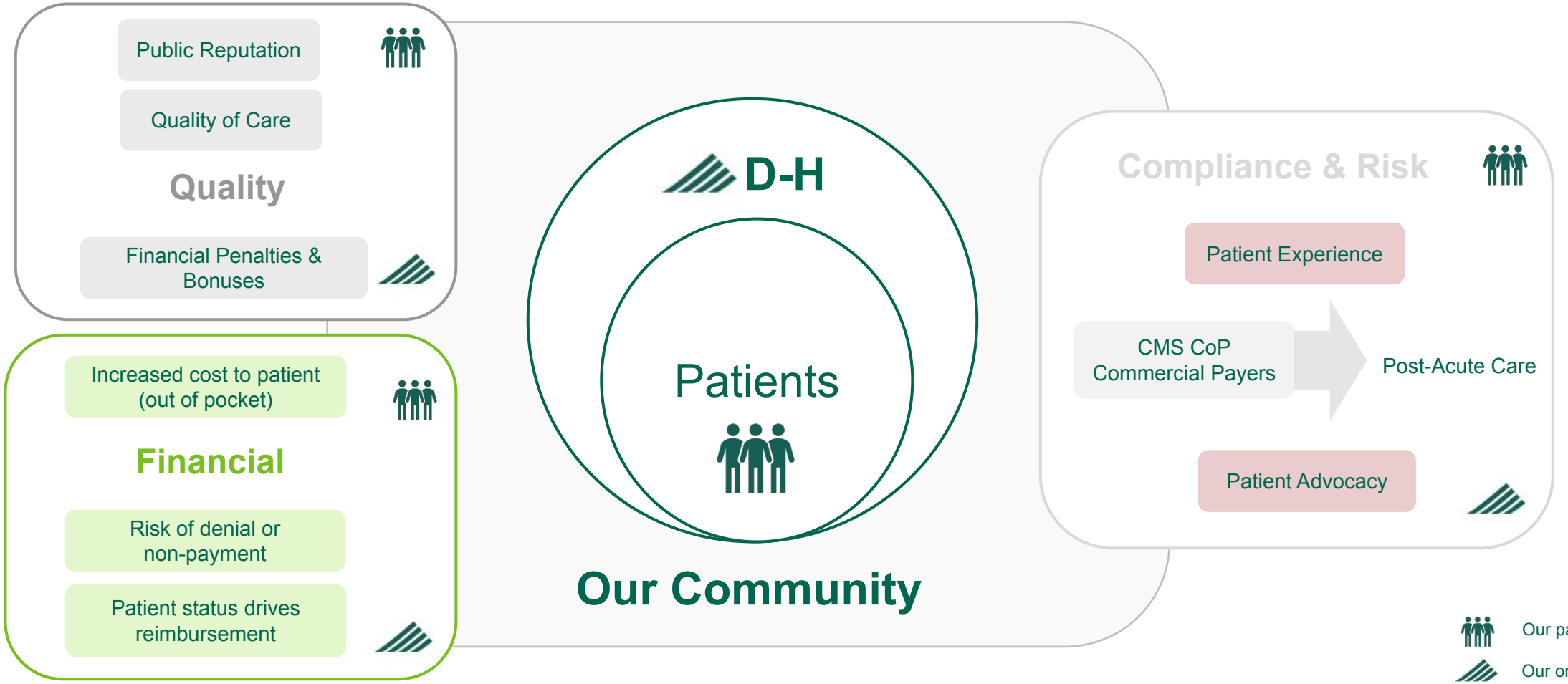
Problem Statement

- There is an opportunity to restructure SSU in a way that serves the appropriate observation population with greater efficiency and add additional populations. **In its current state the unit is used largely for outpatient SDO encounters and results in unreimbursed care.**
- Currently there is no standardized approach to identify and address current utilization. Additionally, there is no process in place to validate, present & prioritize opportunities to appropriately allocate these beds. Creation of a new process will potentially create **higher value care (Improved efficiency, quality at lower cost)** as well as significant bed day creation creating opportunity for improved floor utilization.

Dartmouth Health

Why Does Patient Status Matter?

providing each person the best care, in the right place, at the right time, every time



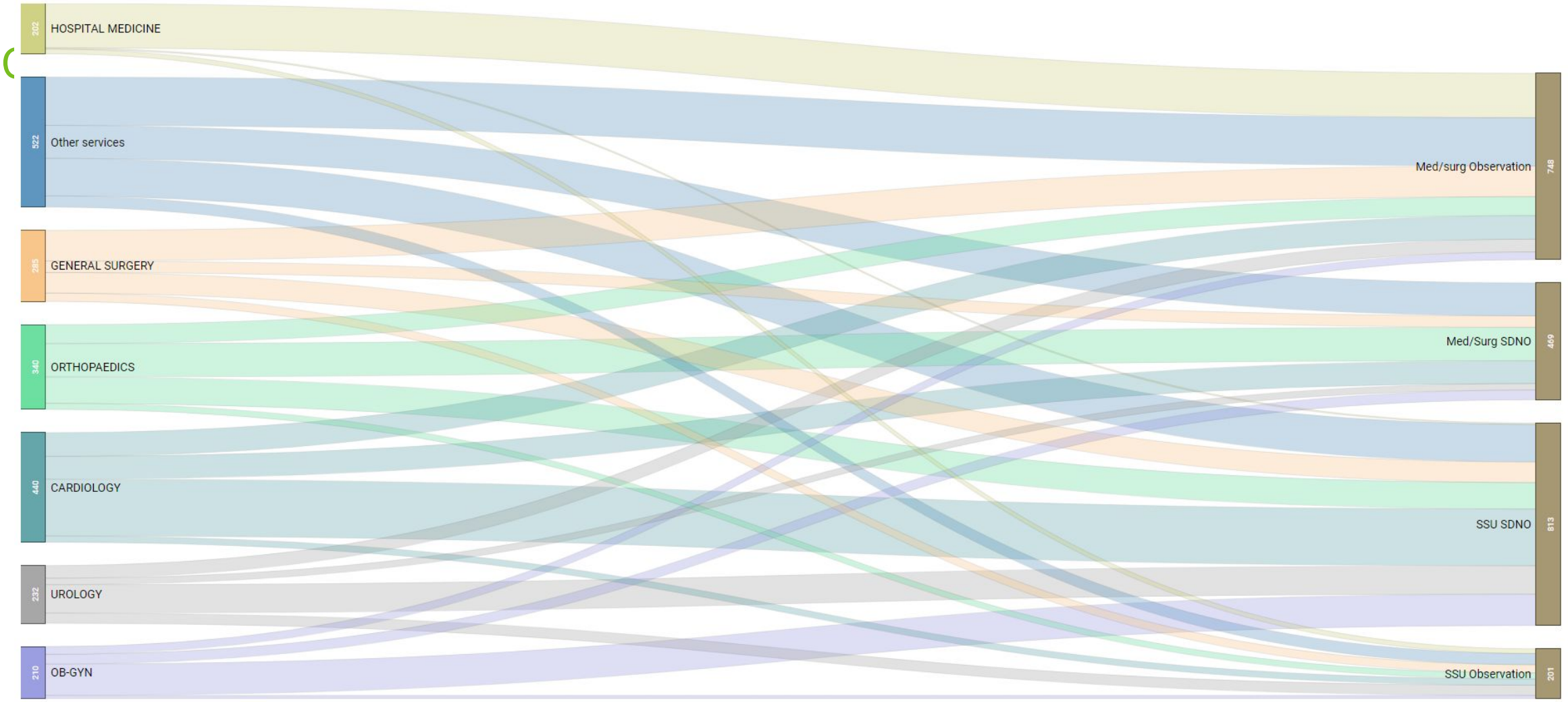
Dartmouth Health

Definitions

- **SDO:** outpatient status patients who have extended recovery who require an overnight stay* (outpatient in a bed)
- **Observation:** outpatient status patients with clinical complexity requiring extended monitoring (not a bookable status/unforeseen)
- **Same Day:** 34 bed pre and post procedural care and pediatric care area (Mon–Fri 6:00-20:30)
- **Short Stay Unit:** 12 bed outpatient observation unit (Mon 11:00-Sat 15:00)
- **SSU Opportunity:** SDNO or Observation patients that were on the med/surg unit but were appropriate for SSU & creating capacity through discharging patients in a timely manner
- **Inpatient Opportunity:** Backfill to the inpatient unit with capacity created by moving SDNO and Observation patients moved to the SSU.

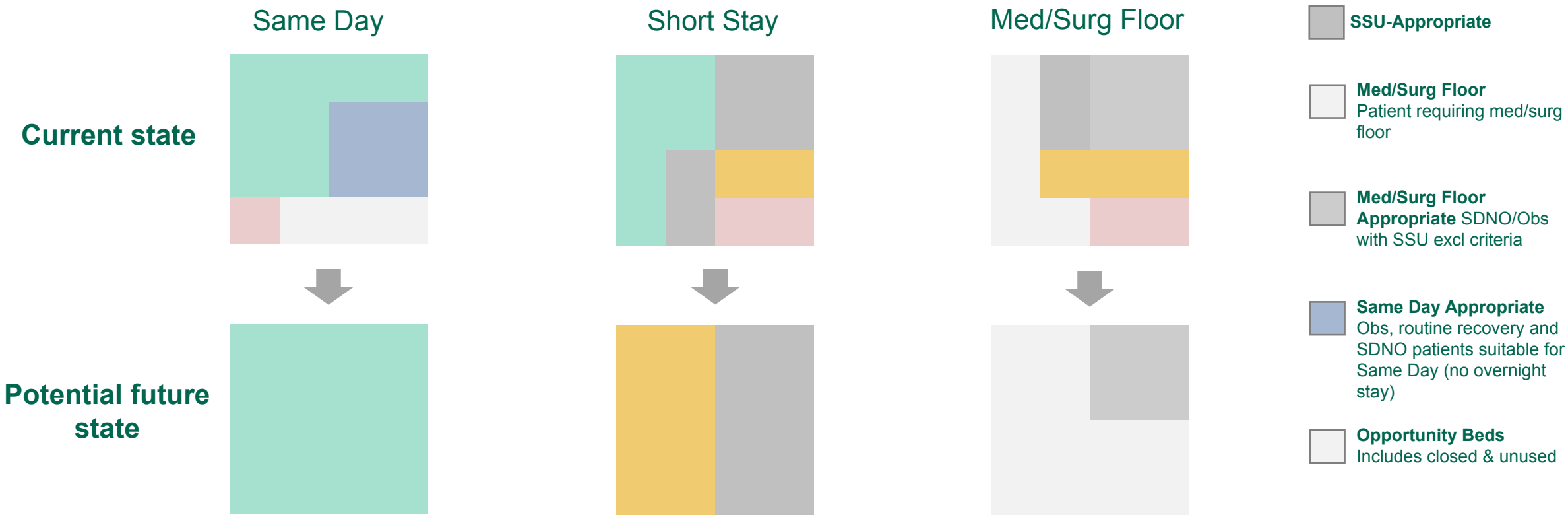
*SDOs have historically stayed overnight but changing clinical practice patterns can shift to a percentage of these patients to same day discharge

Dartmouth Health



Data timeframe Jul 2020-Dec 2020

Conceptual Framework “right time right place”



Hypothesis: Shifting patients to the appropriate setting based on need will increase inpatient capacity and result in improved throughput, improved quality metrics, and increased margin

Assumption: current capacity if optimized and demand remains the same or increases from 2020

Dartmouth Health

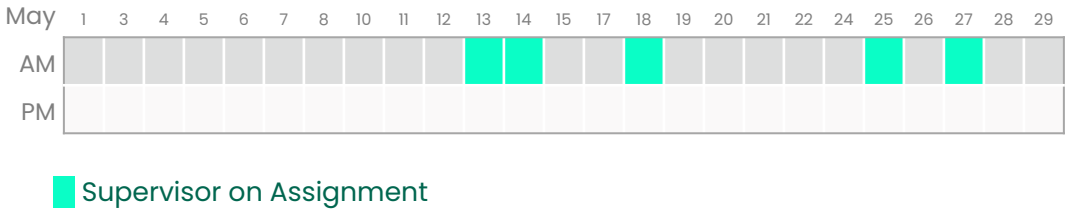
SSU Staffing Data

	# Discharges before noon	Average LOS (hrs)
Supervisor	5.8	19.3*
Supervisor on Assignment	4.4	24.7*
LNA Floated	5.2	19.6
Supervisor Assignment & LNA Floated	5	21.7
Mean May 2021	5.4	19.7

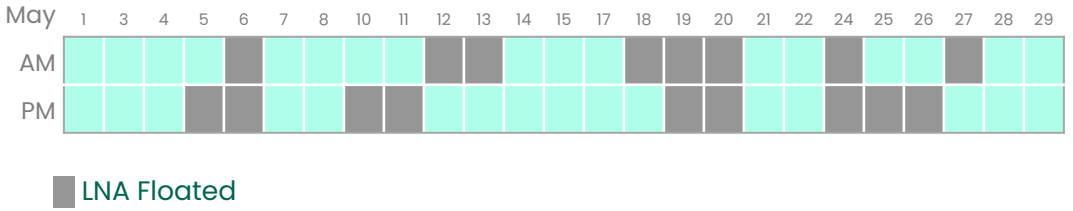
*p=.018

~1/3 time supervisor was on assignment
Adds ~$500 of cost per patient in SSU (~$1100 on med/surg)

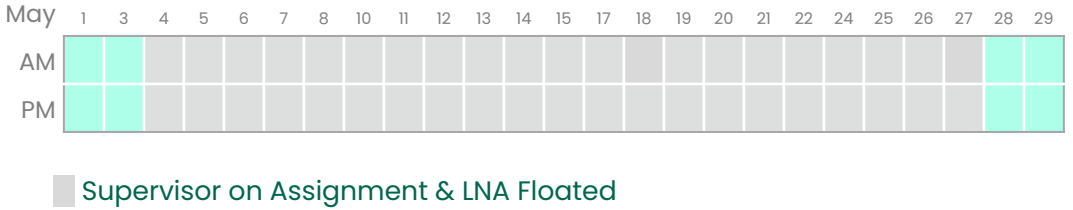
Supervisor (AM)



LNA



Supervisor & LNA



Summary

	Scenario	Incremental Net Patient Service Revenue	Process	People	Culture	Timeframe	Change Required (+ total)
1	Shift SSU-appropriate patients from med/surg to SSU	$ 4.1	+	+	+	+	4
2	Open SSU to 7 days a week and shift appropriate patients from med/surg to SSU	$ 2.5	+	++	++	++	7
3	Discharging SDNO/Obs patients home from Same Day and SSU on day of procedure	$ 1.2	++	++	++	++	8
4	Hybridized observation unit with some beds allocated to service lines		+++	+	+++	+++	10
5	Close SSU for observation and fully dedicate to service lines	($ 9.4)	+++	+/+++	+/+++	++	7 or 11*

Utilization Management
Extended Hour Pilot
UM Nurses
&
Physician Advisor
Second Level Reviews

Dartmouth Health

UM Extended Hour Pilot

5 Day Pilot M-F UM/PA Coverage until 9PM

- 8/53 SSU patients – SDO/OBS> IPI
- 9/60 med/surg – OBS/SDO> IPI

- Compliance - $48K in Revenue (4K/Encounter
  - Annualized ~ $2.5M – 5 day ($3.3M if 7 day)
  - Easier to meet the 3 night inpatient stay for SNF placement if needed
  - Getting patients to the appropriate bed at the appropriate time
  - Approaches true concurrent encounter reviews
  - Decreased status change the following

Dartmouth Health

UR & PA Team Expansion

1. **Extend UM hours with PA coverage to 9 PM**
   - Cost - $160K UM & Physician Advisor time for Concurrent UM patient status review
2. **Service lines**
   - Education of Service lines on patient class
3. **Outpatient in a Bed (SDO, ES)**
   - Discharging home from Same Day

Dartmouth Health

One Year Later…..

- $5.8 Million in New Revenue (Patient Status)
  - $3-6 Million in Backfill from Same Day Discharges
  - ~$10 Million Realized
- 3600% ROI
- Future State
  - Expand to 7/day week
  - System Members

Dartmouth Health

Discharge SDO/Obs patients from SDS day of procedure

- Goal: Real time discharge of patients when they meet clinically appropriate discharge criteria
- Strategies:
  - Implementation of clinical pathways with discharge milestones
  - Conversations with provider teams around reassessment later in the evening for some patients with discharge as appropriate

Dartmouth Health

Patient Encounter Journey

Payor Denials

Prior Auth

Medical Necessity

DRG Denials

Audit Denials

Providing Care

SDS/ES Observation

7[illegible] Pre-Op Services

Inpatient DRG

Coded

DRG 466, LOS 7.0, $60K

DRG 467, LOS 3.3, $40K

DRG 468, LOS 1.9, $31K

Quality Metrics (PMC & Physician) Penalty or additional $$

Documentation

Outpatient

Inpatient

Scripting to Avoid PSIs, Denials, Happy MDs & Collect $$$

CCs & MCCs

X:O
X:O
X:O

O:X
O:X
O:X

Costing

(+ Margin) LOS ~3k/day (-Margin)

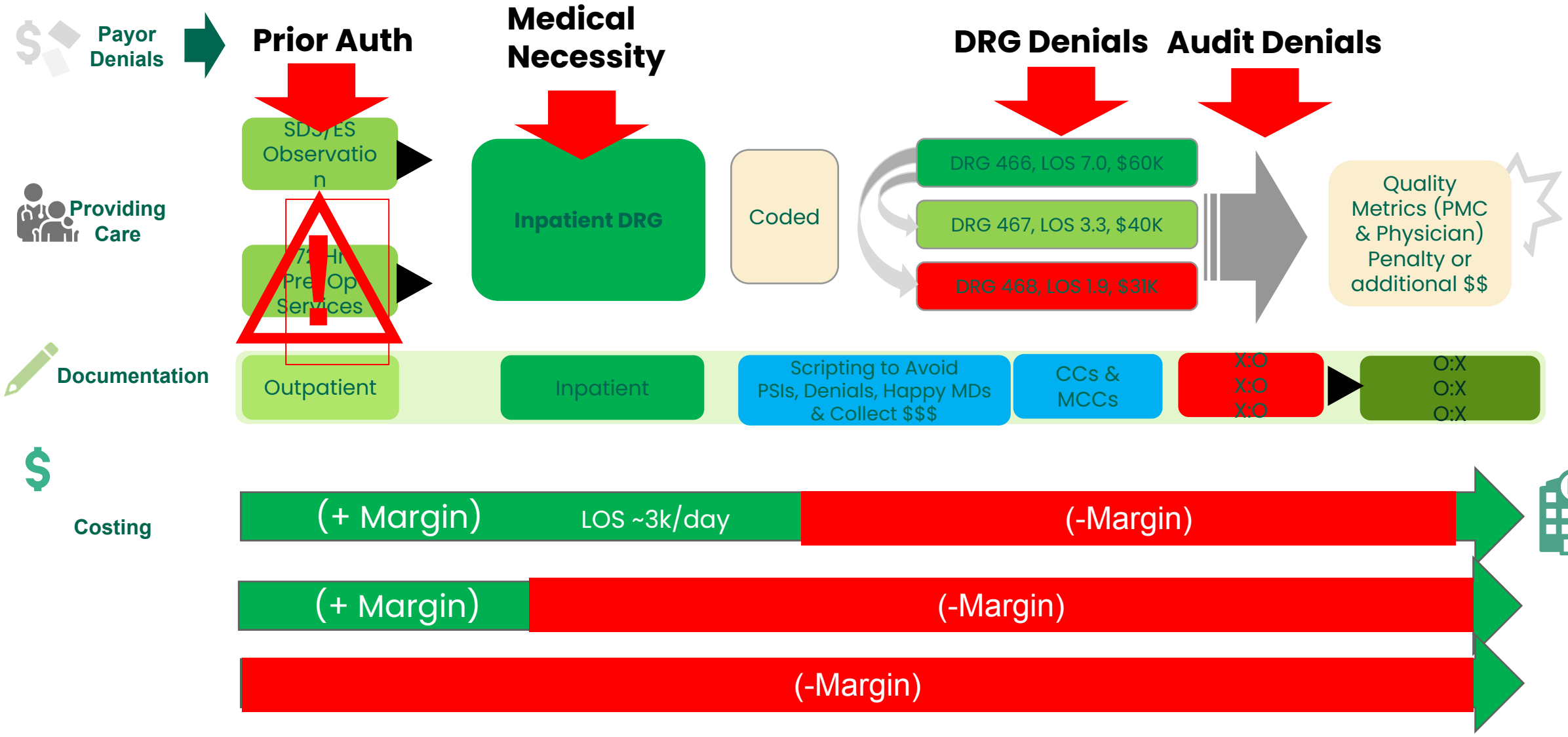
RVUs

Coded DRGs

Image: Drivemehugry

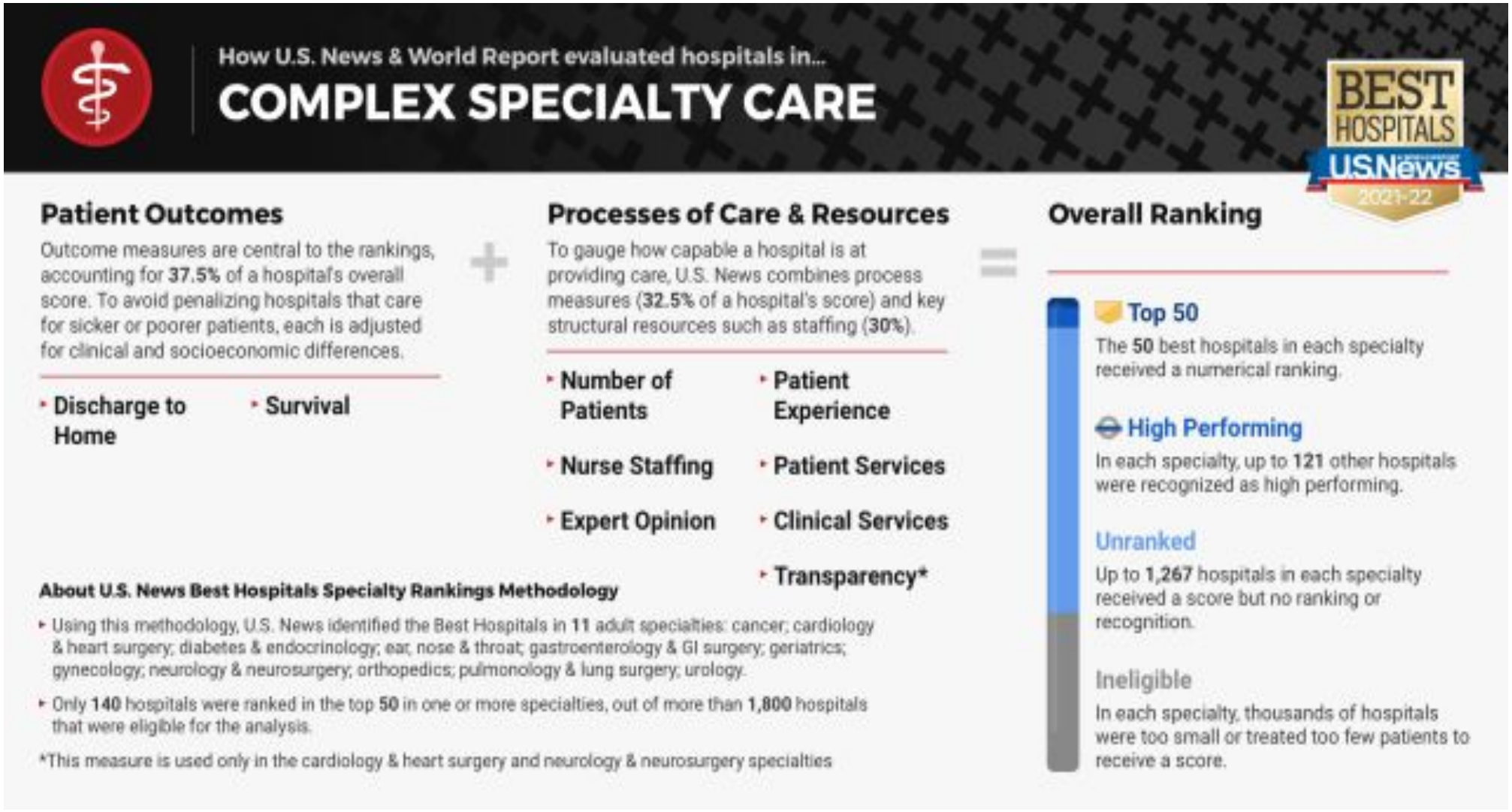
Dartmouth Health

Patient Encounter Journey



Dartmouth Health

U.S. News & CMS



Dartmouth Health

Quality↔Revenue↔Reputation

- Higher Value Care
- Drive Quality Metrics
  - –PSIs/HACs
- Drive Reputation
- Drive Revenue & Margins

Dartmouth Health

Quality↔Revenue↔Reputation

- Length of Stay (LOS)
- Mortality
- Boarding Times (ED & PACU)
- Case Mix Index (CMI)
- Patient Experience
- Readmissions
- Patient Safety Indicators (PSI)

Dartmouth Health

Questions

- b.justin.krawitt@dartmouth.edu

- Hanoverphysicianadvisors.com
- hanoverphysicianadvisors@outlook.com

Hanover Physician Advisors