Integrated Practice Units

Opportunities For Gainsharing
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Integrated Practice Units (IPUs) - Value Drivers

• Only Physicians and Provider organizations can innovate and lead transformation

• Only Patient engagement, education and an integrated evidence-based approach can
  • Reduce costs and improve outcomes driving value oriented patient care

• Integrated Practice Units (IPUs) are integral to a high-value health care delivery system.
  • Organize care around the patient’s medical condition
  • Utilize an integrated, holistic, transparent, value driven approach.
  • Robust IT infrastructure to capture process and outcomes measures
Enhanced Recovery Pathways (ERP) - IPU example

- Focus on Hemodynamic optimization of high risk colorectal surgery patients thru the perioperative period leads to decreased Length of Stay (LOS) and a decrease in Potentially Preventable Conditions (PPC) such as Surgical Site Infections (SSI).

- Post Surgical complications such as SSI may approach 25 percent in high risk patients.

- $18,000
  - average extra cost to treat post surgical complications

- 9.8 Days
  - Average increase in LOS with complications

- Complications lead to readmissions
ERP-Goals

- Focus on specific DRGs related to high risk colorectal surgery patients. Use of Standardized Protocols that require compliance with each element across the surgical episode.

- Reduce LOS for all patients by 2 days by establishing and promoting multi-disciplinary, high value patient centered initiatives. **Goal is to accelerate recovery not to discharge patients early**

- Reduce rate of PPC’s specifically SSI. Evidence-supported interventions have reported dramatic reduction (50 percent)

- Reduce readmission rate related to post surgical complications.

- Real-time monitoring of process and outcomes measures allowing for continuous quality improvement and enhanced patient satisfaction.
ERP- Estimated Savings

- At current volume, DRG 329-330-331 estimated annual cost savings related to reduction of PPC’s = $128,760 and average cost reduction per patient = $2220.

- 56% reduction in morbidity.

- Average LOS reduction 1.95 days resulting in overall savings of $130,404 and average per patient reduction = $2248.

- LOS reduction opens beds for more procedures. Based on 29 extra days potential extra revenue for similar procedures = $557,786.

- Reduced readmission rate also opens beds and avoids penalties under ARR.

- IPU drives value oriented care which results in additional referrals for DRG 329-330-331.
Current Environment

- Hospital Based Physicians and On-call physicians require significant subsidies to accommodate for Case Mix and uncompensated/undercompensated care.

- Recent HSCRC actions have put such subsidies in jeopardy without a clear pathway to transition to viable gain-sharing programs.

- Hospitals and physicians must be incentivized to enter gain-sharing arrangements that will promote development of IPUs.

- IPUS will help achieve the objectives of the Triple Aim and contribute to the waiver goal of reducing per capita costs by 330M$ in 5 years.
Gain-sharing

- Creation of well-defined quality objectives. Incorporate IPU-specific and institution-specific quality measures.

- Create gain-sharing opportunities that are IPU specific. Based on achievement of specific quality metrics that are measurable and reasonable.

- Creation of a Steering Committee which is composed of not less than 50% physicians with adequate representation from all specialties. The Steering Committee will be charged with developing incentive payments that are aligned with quality improvement.

- Third-party data storage and analytics to ensure fair and appropriate incentive payments. Reporting to clinical data registries.