

# Integrated Practice Units

Opportunities For Gainsharing

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# Integrated Practice Units(IPU) – 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 patients 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 130404\$ and average per patient reduction=2248\$
- LOS reduction opens beds for more procedures. Based on 29 extra days potential extra revenue for similar procedures =557786\$
- 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.