

Reducing Acute Care Hospitalization (ACH): What's In It for You?"

Identifying the Risk

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Information for Health Care Improvement



Imagine . . .

- Safe and smooth transitions from hospital to home
- Activated and informed patients
- Engaged and supportive physicians
- Effective and efficient home care

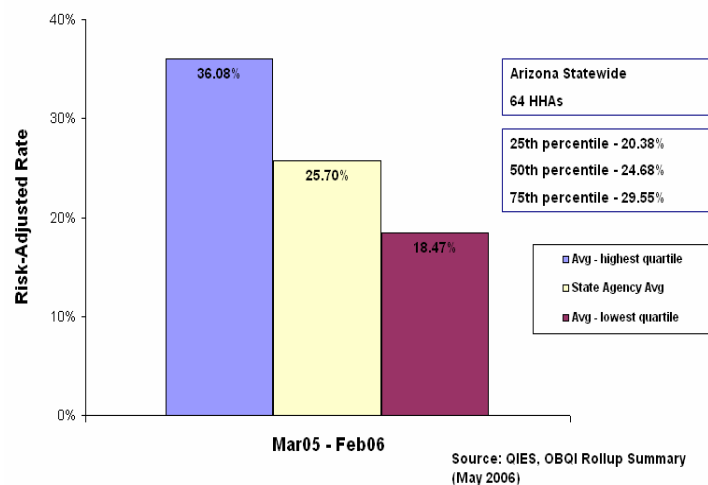
Information for Health Care Improvement

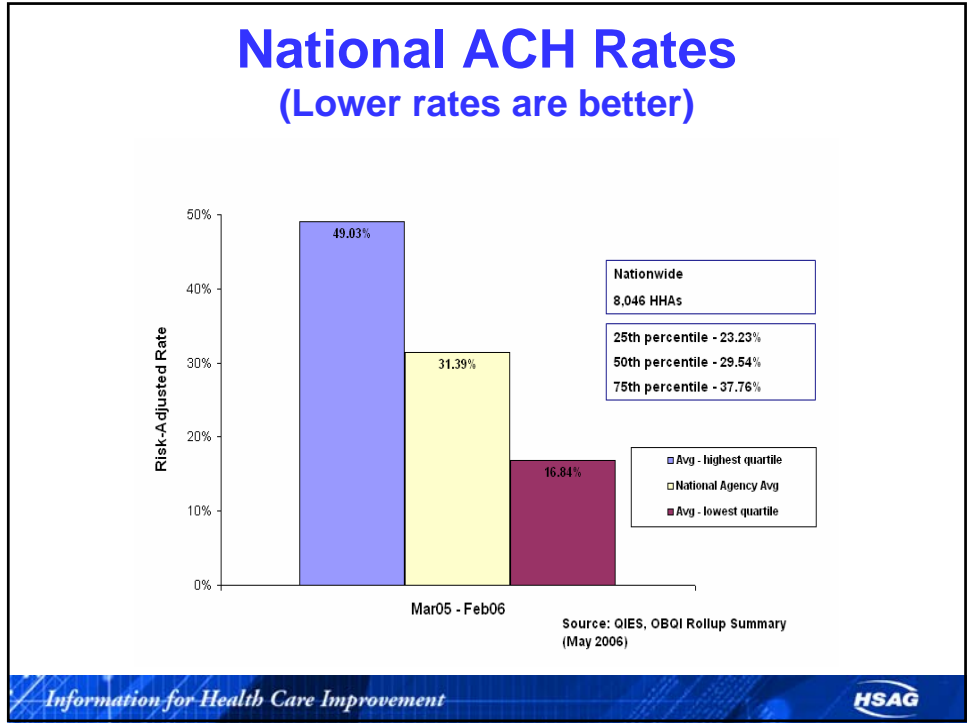


The Reality

- Lack of accountability in care transitions and coordination
- Unengaged physicians
- Uninformed patients
- Inadequate information and communication systems

Arizona Statewide ACH Rates (Lower rates are better)





Arizona is a Top Performer

Top 12 States	Baseline (October 2004)	February 28, 2006	Change
	23.84	23.34	+0.51
	22.42	22.16	+0.26
	22.01	22.00	+0.01
	24.80	24.80	+0.00
	21.40	21.52	-0.12
	24.45	24.70	-0.25
	24.74	25.04	-0.30
Arizona	24.40	24.93	-0.53
	22.56	23.14	-0.59
	26.55	27.66	-1.11
	21.55	22.69	-1.15
	23.90	25.14	-1.24

Information for Health Care Improvement **HSAG**

Does it Matter in Arizona?

Arizona's Annual ACH Salary Cost =
(ACH episodes in 12 mos.) x (transfer + ROC time) x (average RN hourly wage)

Episodes of care resulting in hospitalization: Source: Feb 2005-Jan2006 OASIS Roll-up Report	Staff time for transfer and ROC Source: Unscientific survey of HHAs	RN hourly wage with benefits Source: http://nurseweek.salary.com retrieved 05/15/06	Arizona's annual ACH salary cost
11,699	3 hours	\$28.02	\$983,493.42

But Not All Hospitalizations Are Avoidable

2005 ACH Record Review

<u>Date of Review</u>	<u>Number of Records</u>	<u>States Participating</u>
5/29/05-6/07/05	297	35

Final Judgment Summary:

Hospitalizations (297)	Unavoidable: 56%
	Potentially avoidable: 40%
	Clinically unnecessary: 4%

Opportunity for Improvement!

Opportunity for Improvement for Arizona

Episodes of care resulting in hospitalization	Staff time for transfer and ROC	RN hourly wage with benefits	Arizona's annual ACH salary cost
11,699	3 hours	\$28.02	\$983,493.42
5% fewer episodes of care = \$49,174.67			

Opportunity for Improvement for Arizona

Episodes of care resulting in hospitalization	Staff time for transfer and ROC	RN hourly wage with benefits	Arizona's annual ACH salary cost
11,699	3 hours	\$28.02	\$983,493.42
10% fewer episodes of care = \$98,349.34			

Opportunity for Improvement for Arizona

Episodes of care resulting in hospitalization	Staff time for transfer and ROC	RN hourly wage with benefits	Your agency's annual ACH salary cost
Your agency ACH episodes	3 hours	\$28.02	?

Can you reduce your rate by 10% or more?

Opportunity for Improvement

	Episodes of ACH	Costs (3 hours of time)
12-month period	213	\$17,904.78
5% fewer episodes	202	\$16,980.12
Difference	11	\$924.68
12-month period	132	\$11,107.80
5% fewer episodes	125	\$ 10,518.75
Difference	7	\$ 589.05
12-month period	63	\$5,295.78
5% fewer episodes	60	\$5,043.60
Difference	3	\$252.18

Opportunity for Improvement

	Episodes of ACH	Costs (3 hours of time)
12 month period	213	\$17,904.78
10% fewer episodes	192	\$ 16,114.30
Difference	21	\$1,790.48
<hr/>		
12 month period	132	\$11,107.80
10% fewer episodes	119	\$ 9,997.02
Difference	13	\$1,110.78
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12 month period	63	\$5,295.78
10% fewer episodes	57	\$4,766.20
Difference	6	\$529.78

**Addressing ACH rates
doesn't cost—
it pays!**

Private Purchasers Are in the Lead, but Medicare Is Not Far Behind . . .

- Leapfrog categorizes over 90 private insurer P4P programs
- CMS has numerous P4P demonstrations
- State Medicaid programs have been experimenting with P4P
- Most P4P is regional, but national programs are emerging

CMS/Premier Demonstration Program

- Over 253 hospitals
- 34 quality measures
- Top decile = 2% bonus
- Second decile = 1% bonus
- Below 9th decile = 1% less DRG payment
- Below 10th decile = 2% less DRG payment

Reducing Acute Care Hospitalization Pays!

**Be a leader in our state and
across the nation!**

Take Action

- Align organizational priorities
- Prepare now for future performance expectations
- Pay attention to efficiency
- Invest in health information technology
- Build systems of care through partnerships
- Provide community leadership

Contact Information

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