Community Hospital100
For Hospitals & Health Systems Providing Community-Based Care

Hospital Solutions White Paper Series

In cooperation with: PHILIPS

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Reduced Readmissions Thru Structured Care Team Coordination

Today's hospitals are deeply challenged by rising operational costs and a growing senior population living longer with chronic diseases such as heart failure. In addition, full implementation of the Affordable Care Act (ACA) means some 32 million more Americans newly covered by health insurance will soon demand a wider scope of care.

The ACA is also understood to be a step toward "bundling" patients for episodes of care (instead of reimbursing for individual services). Under Medicare's Bundled Payments for Care Improvement initiative, healthcare providers enter into lump-sum payment plans that include cost and quality accountability.

Even as government tries to reduce costs, it's adding stringent metrics to help ensure quality care. For hospitals, these include a stick: penalties for excess hospital readmissions that climbed to two percent of hospital Medicare payments in 2013 and will increase to three percent in fiscal 2015. Hospitals have also been given a carrot: value-based purchasing incentives that can enhance reimbursement for the best-performing cost and quality providers.

To be successful addressing the stick and leveraging the carrot, hospitals must work within care systems (accountable care organizations, for example) that reward improved patient outcomes and cost-efficient performance. One way to do this is by bridging the gap between hospital and home through telehealth.

A New Care Model to Consider

Although not new, telehealth is getting renewed attention as a networked care model that responds to Medicare's announced "triple aim": improve patient experience, improve population health and reduce the per capita cost of healthcare. Combining home monitoring, interactive communication and patient/family engagement strategies – telehealth can enable a hospital to stay in touch with hundreds of patients at a time, keeping them healthy at home following hospitalizations.

Many studies have demonstrated the clinical and operational benefits of telehealth. Telehealth can improve clinical outcomes by helping to significantly reduce the risk of death and hospitalization while increasing patient compliance and satisfaction. Telehealth increases efficiency by helping physicians make

better care management decisions and community caregivers stay connected to patients while reducing home visits. Yet, until recently, it wasn't clear telehealth could impact financial performance by actually bending the healthcare cost curve.

A Recent Telehealth Pilot Study

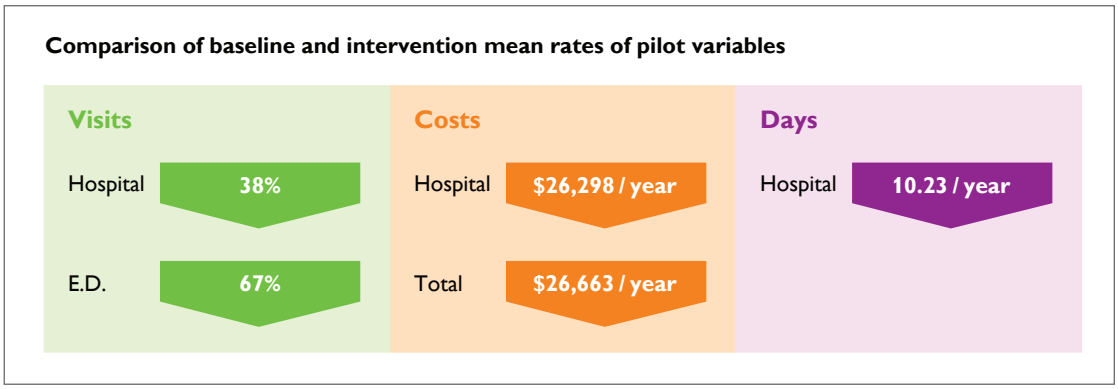
The Medicaid Home and Community Based Services/Frail Elder (HCBS/FE) pilot study[1] was a collaborative effort between the University of Kansas Medical Center for Telemedicine and Telehealth, the Kansas Department on Aging and Windsor Place At-Home Care of Coffeyville, Kansas. Windsor Place provides a continuum of services for seniors including in-home services, assisted living arrangements and skilled nursing care.

The study assessed a wide variety of factors, including the number of emergency department visits, hospital visits, and nursing home placements along with the costs of these services for patients with a variety of chronic conditions and multiple comorbidities. Patient perceptions were also measured, particularly the extent to which patients felt more engaged in their health care via telehealth monitoring.

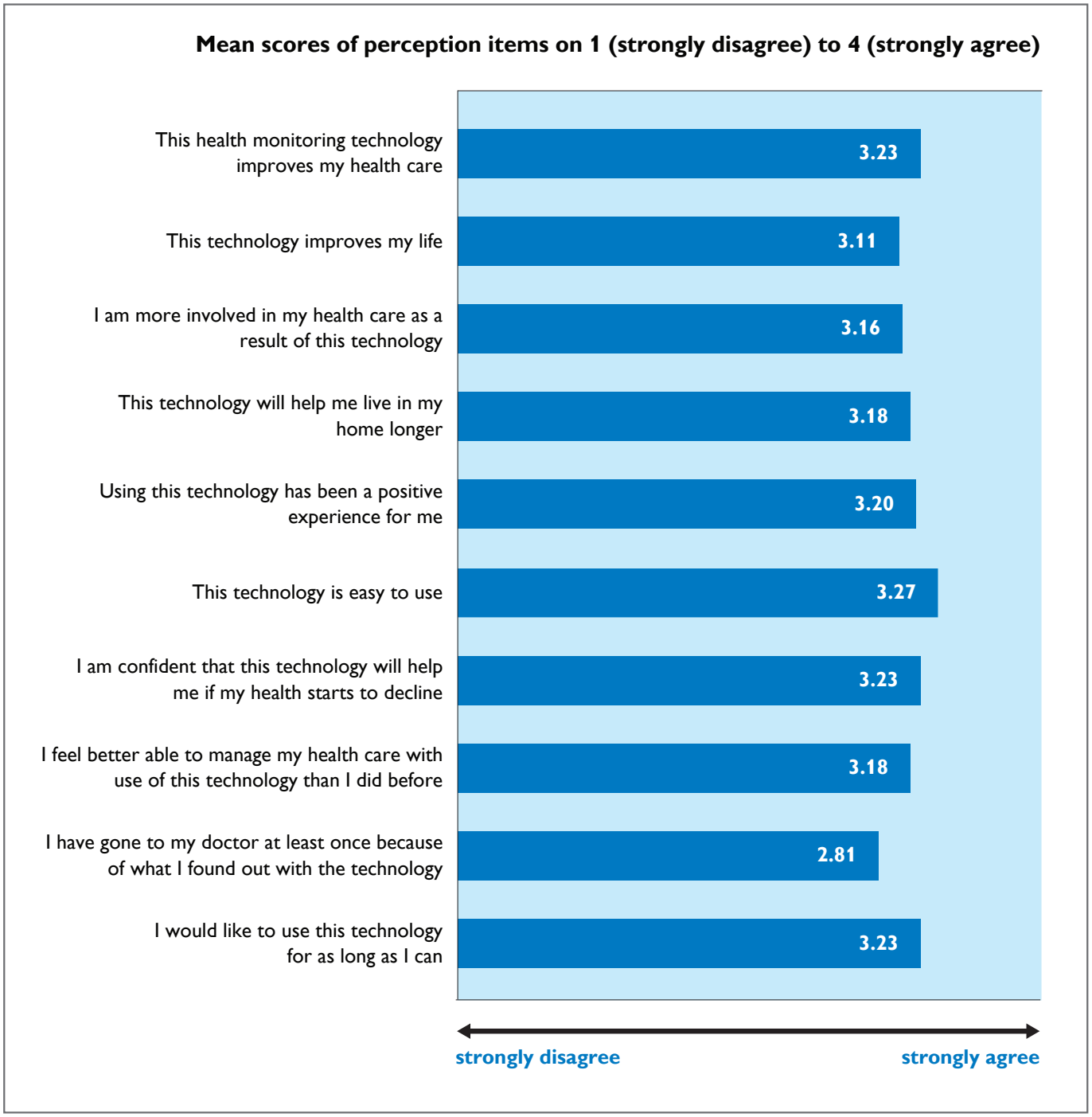
Results From the Pilot Study

The results of the HCBS/FE pilot study demonstrated that telehealth had a significant positive impact, including:

- Reduction in the rate of emergency department utilization, inpatient hospitalizations and associated Medicare costs for HCBS/FE clients.
- Substantially lower costs for telehealth equipment, labor and program ($2,160 total per patient annually) compared to a hospitalization alone ($26,298 per patient annually).
- Lower annual rate of nursing home placement for telehealth patients during the three-year study period than the observed rate for all Kansas HCBS/FE clients.
- Continuing positive and stable patient perceptions of the telehealth program over time.



1 Spaulding R, Alloway G. Center for Telemedicine & Telehealth, University of Kansas Medical Center. Medicaid Home and Community Based Services/Frail Elder pilot study. Available at http://www.healthcare.philips.com/main/shared/pdfs/KDOA%20Pilot%20Final%20Report.pdf


Mean scores of perception items on 1 (strongly disagree) to 4 (strongly agree)
This health monitoring technology improves my health care
3.23
This technology improves my life
3.11
I am more involved in my health care as a result of this technology
3.16
This technology will help me live in my home longer
3.18
Using this technology has been a positive experience for me
3.20
This technology is easy to use
3.27
I am confident that this technology will help me if my health starts to decline
3.23
I feel better able to manage my health care with use of this technology than I did before
3.18
I have gone to my doctor at least once because of what I found out with the technology
2.81
I would like to use this technology for as long as I can
3.23
strongly disagree
strongly agree

Telehealth Solutions

To respond to the growing interest in telehealth programs that operate like the HCBS/FE pilot study, healthcare companies have developed comprehensive telehealth solutions. Hospitals looking to enter the telehealth arena should begin their planning by consulting healthcare companies that can provide:

- *Remote patient/clinician communication stations* that automatically collect vital sign data from wireless devices, and then securely transmit data by landline or cell phone. They should be customizable to manage virtually any disease and automatically sends follow-up surveys when vital signs are out of predetermined limits.

- *Vital sign measurement devices* that feature one-button operation, audio and visual prompts, plus large LCD screens, buttons and fonts for easier viewing. Wireless capability can allow patients to place the devices anywhere in the home.

- *Web-based clinical software* that enables clinicians to assess patient health status quickly, focus their attention on decompensating patients and make better-informed care decisions.

- *Clinical Programs, not just technology*. Telehealth requires organizational changes in clinical and operational practice. Your Telehealth partner should be in it for the long haul, and capable of providing the knowledge, resources, flexible pricing arrangements, and leadership to help transform the provider organization to the intended state.

A Way Forward

The results of the Medicaid Home and Community Based Services/Frail Elder pilot study demonstrate that telehealth can be one key to the future success of hospitals – and healthcare – by contributing significant clinical, operational and financial advantages. Focusing on the hospital-to-home continuum and adopting its telehealth component, hospitals can remain connected to patients throughout their recoveries – preventing readmissions and improving patient outcomes. Hospital bottom lines can get better, too. ■

View a video of the Medicaid Home and Community Based Services/Frail Elder pilot study ("Real Customers, Real Results") at:

http://telehealth.philips.com/testimonials.html