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Top 10 Trends That Make Case Management EVEN MORE Important

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In this current economic recession, prudent executive teams are reviewing operational practices to identify ways to improve efficiency. A significant area of opportunity for both near and long-term results is the evolution of case management functions. As margins erode, the case manager plays an essential role in managing the cost per patient-day through effective resource consumption while maintaining quality of care.

Here are the top 10 ways for case managers to impact performance in today's environment.

- 1. One Day Length-of-Stay (LOS) and Observation Status.** The Medicare Modernization Act implemented a three-year demonstration project in 2005 to identify over and under payments for services provided under Medicare Part A and B. Findings included \$1 billion in improper payments due to medically unnecessary services or settings. This pilot will be expanded across the country in 2009. Organizations need to evaluate their internal processes for identifying the correct patient status and addressing compliance issues. Case managers help assure that all patients receive treatment in the right settings through such roles as an Emergency Department or Admissions Case Manager. Activities include verification of the correct level of care and clearly documented physician orders for patient status. All patients should be screened with 100 percent compliance to prevent payment errors.
- 2. Readmission Rates within 30 Days.** Although the readmission rates for major diagnostic categories (MDC) vary by hospital and geographic region, the nation's median rate is 18 percent for a readmission within 30 days.¹ Case managers should lead care coordination to include multi-disciplinary proactive discharge plans, patient and family preparation for acute care discharge, and transitions to appropriate post acute venues of care. They should also focus on aftercare preparation of care delivery in the community. Key areas include providing patient education, community support, and appropriate resources for management of chronic illnesses to prevent "failure to manage" in the outpatient setting.
- 3. Hospital-acquired Conditions (HAC) and Present on Admission (POA).** Beginning in October, 2008, CMS adjusted or eliminated hospital payments for ten high volume, high cost diagnosis-related groups (DRGs) for preventable hospital-acquired conditions unless there was documentation that the condition was present on admission. Four additional conditions have since been added to that list. This policy could have significant reimbursement implications to hospitals. Case managers must have a predictive mindset, stay current in the evolving reimbursement policies, and quickly adopt the appropriate interventions into their practice. A key activity is to work closely with the admitting practitioner to ensure that the admitting documentation.
- 4. Denial Management.** Third party payers will continue to focus on denials as their financial margins erode from employers unwilling or unable to tolerate insurance rate hikes to cover their employees. Denials may be administrative (e.g., no authorization for admission), clinical (e.g., patient was in a higher level of care than required), or carve-out (e.g., no treatment on a particular day due to system constraints). Case managers should proactively review all cases to ensure the appropriate level of care and treatment protocols. There should be a well documented process to trend denied patient-days and review them at the Utilization Management Committee, with feedback provided to healthcare practitioners.

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¹ Karen Davis, "You Can Get There from Here: Mapping the Way to a Transformed U.S. Health System, President's Message, 2008 Annual Report" The Commonwealth Fund, New York, NY, p.11.

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- 5. Avoidable Days Management.** Avoidable days fall into several categories that include patient and family compliance, community resource availability, physician practice issues, and system barriers. Case managers should trend any avoidable days identified during their daily clinical reviews and collaborate with their Case Management Medical Director to address significant issues through performance improvement teams. Trending avoidable days is especially important for Medicare and other case rate-based payers.
- 6. Strong Medical Staff Relationships.** Strong physician relationships will continue to serve the organization well. Aligned operational and strategic goals, enhanced patient volumes, growth of service lines, and optimized revenue are outcomes to be realized. Case managers are in a key position to partner with the medical staff in both patient care delivery and on key operational initiatives.
- 7. Human Capital Changes and Challenges.** Coordination of care along the continuum will be an increasing challenge with greater utilization of hospital-based physician specialists (e.g., hospitalists, intensivists, laborists, and surgicalists). Compound that with geographic-based shortages of key healthcare professionals and the patients' desire to be partners in their care delivery. The result, unfortunately, is often a continuity of caregiver challenge. The case manager should coordinate care across multiple disciplines and care delivery venues to optimize clinical outcomes for the patient.
- 8. Information Technology.** IT promises to revolutionize the way care is delivered and coordinated. This access will allow connectivity between a patient's primary care provider and required specialists. Case managers are essential conduits for effectively gathering and managing this information in creating a truly differentiated patient experience of the highest quality. Case managers should evaluate their effectiveness through scorecards or dashboards for key operating metrics.
- 9. Clinical and Quality Transparency and Pay-for-Performance.** As regulatory bodies continue to elevate the clinical standards of healthcare providers to enhance patient safety and quality, clinical care outcomes will be transparent with reporting at the payer, state, and federal levels. Case managers must ensure that care is measurable, patient specific, incorporates patient education and participation, and that goals are part of the plan of care.
- 10. Preparation for Acute Care Episode (ACE).** CMS is proposing an Acute Care Episode payment that would combine payment for hospital and physician services. The demonstration project will include 28 cardiac and 9 orthopedic surgical procedures selected because volumes and profit margins for these services have been historically high. Case management roles will evolve to focus on clinical resource management through development and implementation of order sets, appropriate level of care placement, and review of intensity of diagnostic and clinical services provided. Case managers should coordinate care across the continuum to ensure that the clinical, quality, and financial indicators are achieved to the mutual benefit of the patients and providers.

For more ideas on how to optimize a case management department, please contact Patricia Hines at 310-320-3990 or phines@thecamden.com or Michael Randall at 312.775.1710 or mrandall@thecamden.com.