

Keeping revenue healthy while transitioning to outcomes-based payments

Posted on Apr 29, 2014

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Keeping a hospital's revenue cycle healthy while transitioning to outcome-based quality payments requires both a "hard" and "soft" approach.

For New Jersey's Barnabas Health, that two-pronged strategy means fostering an overarching culture emphasizing the needs of patients and relying on data and analytics.

Barnabas has been "strong in understanding" its data by using data analytics to drive its understanding of how its programs are working and where it needs to improve processes, or by using other programs it needs in place to achieve optimal care, said Deborah Larkin-Carney, Barnabas' vice president of quality. "Without strong data, I don't think you're going to be successful."

However, organizations also must build a culture that puts patients first.

At Barnabas' six campuses, leadership and staff put the focus on patients by using tools such as score carding, performance analytics and measurements. They also regularly communicate and collaborate with stakeholders and are especially vigilant about following up with high-risk patients upon their discharge to ensure they understand the care they require and take their medications, said Larkin-Carney. This teamwork and collaboration with stakeholders has put Barnabas on the path of reducing its readmissions and complications.

Building a culture that supports patients is also core to Catholic Health Initiatives' revenue cycle strategy as it makes the transition to outcome-based payments.

Knowing there is great potential for miscommunications when patients are discharged, CHI, headquartered in Denver, formed a transitional care program, which includes resources in the case management and clinical environments, as well as health coaches and primary care space to ensure patients aren't leaving the facility without support as needed, said Juan Serrano, CHI's senior vice president of payer strategy and operations.

Furthermore, CHI establishes a "direct relationship" with patients before they depart by providing them an opportunity to talk about whatever barriers to care prescribed by the hospital they might face so that CHI can provide assistance, said Serrano.

To marry the “hard” approach of maximizing data to the “soft” approach of building a culture around patients in order to support a healthy revenue cycle, hospital leadership must encourage a coordinated relationship between physicians and other clinicians and the hospital’s financial professionals, said Patrick Pilch, managing director of New York-based BDO Consulting and National Healthcare Advisory Leader of BDO’s Center for Healthcare Excellence and Innovation.

Coordination between these groups will put processes in place to ensure that the shift to outcomes-based payment doesn’t negatively impact the revenue.

One such process, Pilch said, is tracking patients after discharge. For example, if a recently discharged patient who isn't tracked following release from the hospital is readmitted to a hospital within 30 days of discharge, the provider may incur a penalty, but, if a patient is tracked and a care management plan is followed, the provision of care – including where, when and at what cost – can be determined, and the new process can pave the way for better measurable outcomes and have a positive impact on payment, he said.

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