Over the last few years, value-based care models, like bundled payment systems and accountable care organizations, have focused on providing high-value care by removing fee-for-service incentives. By incenting quality care delivery rather than the quantity of care, value-based models shift payments to the right care – those that drive better outcomes for patients.

The Medicare Access and Chip Reauthorization Act (MACRA), through its Quality Payment Program (QPP) effective this past January 1, encourages physicians and other clinicians to dive deeper into value-based care – beyond quality and resource use measures – toward a path to Advanced Alternative Payment Models (APMs). In addition to MACRA, other value-based programs such as Accountable Care Organization (ACO) programs, reinforce the transition toward alternative payment models to deliver better care at lower costs.

Unlike earlier initiatives, these programs focus on improving the outcomes and efficiency of care through primary care and ambulatory care, or at the community level, rather than through hospitals. This is shining the spotlight not only on the 600,000 physicians and other clinicians who participate in the Medicare fee-for-service program, but also renewing the focus on nursing case managers to reach quality and performance indicators.

A recent study, Value Based Purchasing and Nursing Case Management[1], revealed that case management contributes to the reduction of hospital admissions and discharges, emergency visits, hospital readmissions and to the development of care programs to support these objectives. These findings included cost estimates and benefits of case management – a practice at the heart of care transitions – to support value-based care goals.

A Value-based Spotlight on Case Management

The study examined three Syracuse, New York hospitals responsible for about 73,000 inpatient stays collectively per year: Crouse Hospital, St. Joseph's Hospital Health Center and Upstate University Hospital. It collected historical data from three key components under MACRA to evaluate:

1. Hospital adult medicine admissions/discharges and emergency department visits from 2010-2016.
    - The study revealed that during this time, the total number of admissions/discharges in the combined hospitals decreased by 7 percent, from 32,503 to 30,235, and adult medicine discharges considered at the Minor type on the Severity of illness scale, decreased by 14.9 percent, from 4831 to 4112.
    - Another indicator, emergency department utilization, showed an increase

between 2011 and 2015 but then began to stabilize over the final two years of the study.

2. Inpatient readmissions within 30 days between 2012 and 2016.
    - Results indicated that medical-surgical readmission rate for the hospitals decreased by 11.8 percent between 2012 and 2015, while the number of annual readmissions decreased by 3.1 percent.
    - The study suggests that through increased care coordination with home health, long-term care facilities and physician practices, case managers were able to support the reduction of readmission rates.
3. The potential costs and benefits of nursing case management under value-based care.
    - This component analyzed the costs and benefits of case management related to reduction of hospital admissions/discharges and savings associated, especially for ACOs and other bundled payment models. By assessing 2 to 15 percent – 82 to 617 patients – of all 4,100 payer adult medicine patients for which hospitalization could be avoided, and accounting for case management time and expenses, plus home care and medication expenses, the findings reveal savings ranging from $73,800 to $555,300.

The Impact on Value-based Initiatives

With MACRA comes change, but understanding and addressing the impact of program requirements is paramount to drive success under value-based care. As the study suggests, case managers serve an increasingly important role in support of primary care and ambulatory care services in order to improve outcomes and reduce utilization – both of which are measured indicators in a fee-for-value model.

The research further supports the belief that nursing case management serves a critical role – beyond the walls of the hospital or long-term care settings – in employing value-based care initiatives through the proper coordination of healthcare services at the community level. This use of case management primes the potential for increased cost savings and financial benefits for healthcare payers and patients.

For example, with risk factors for readmission increasingly related to happenings outside the acute care setting walls, the importance of effective care coordination through case management is critical even after the patient is discharged. Have the follow-up appointments been scheduled? Has medication reconciliation been completed with instructions provided to the patient? Is there a streamlined process in place for follow-up reminder calls or notifications to the patient or caregiver? Does the patient have transportation to get to and from physician appointments?

What Should Case Managers be Doing Right Now?

As payment models shift, case managers should begin to make the necessary adjustments to implement best practices under the new programs. Proactive education and identification of resources and informed partners can help case managers navigate the transition period and the many stages to come from MACRA.

Meeting with post-acute providers, such as skilled nursing facilities or home health agencies, to better understand their scope of services is a valuable, and longstanding effort carried out by case managers. Now case managers should also utilize network resources to meet with physician groups or physician practice managers to discuss and understand their workflow and what case managers can do to better support and streamline care to their patients. Do they make referrals to home health care directly from their office? If they get a call from a patient with an urgent need, do they direct patients to the emergency room if they have no available appointments?

It is important to not only speak to groups of physicians with admitting privileges, but also to collaborate with community-based groups who provide the post-discharge follow-up. Case managers should understand their follow-up processes or programs that are in place. Engage these community-based groups by asking important questions such as how they track patients in the hospital and how their workflow and operations contribute to this effort of tracking a patient's progress and status.

Identify baseline levels for utilization indicators such as hospital admissions/discharges, emergency visits and hospital readmissions, to monitor activities and implement performance efficiencies under value-based care. As suggested in the study, data analysis and information support can help case managers make the proper adjustments and employ care coordination programs or approaches to drive success under value-based care.

When physicians provide quality care with the support of case managers and the entire care community, hospitals will benefit, and most importantly, so will patients.

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For more MACRA resources and analysis, please visit Cardinal Health's MACRA Resource Center.

[1] Pernisi, L., Lagoe,R., Drapola, B. and Littau, S. (2017) Value Based Purchasing and Nursing Case Management. Open Journal of Nursing, 7, 307-317.

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