

## POST-ACUTE CARE

# “Risk” is real: A blueprint for success in a value-based healthcare world

## 5 strategies for post-acute providers

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*Modern problems require modern solutions.*

*Nowhere is this more true than in post-acute care today. From staffing shortages to a rapidly aging population, shrinking reimbursements and new care models, post-acute organizations are being forced to uncover new ways to solve difficult challenges.*

### Key challenges

**Quality improvement** – First, you must define quality and then figure out how to measure it. Is your organization using data to benchmark and show your value? What strategies do you have in place to increase patient satisfaction scores?

**Staff burnout** – Employers in all sectors are facing labor shortages, and care providers are no exception. What can you do to [create a work climate that reduces staff turnover and increases job satisfaction?](#) What types of digital tools and technology do you provide to make your employees jobs easier, so they can experience more job satisfaction?

**Cross-continuum collaboration** – Whole-person care is the goal, but it requires a high degree of communication and transparency across care settings. How can your organization ensure [cross-continuum collaboration](#) to optimize patient outcomes?

**Shrinking reimbursement** – The transition to value-based care is compressing reimbursement, driving providers to take more risk and pushing care delivery to lower-cost settings.

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***Risk-based payment models are where healthcare is heading: will you be at the forefront or tail end of the movement?***

“By 2030, all baby boomers will be over the age of 65.”

“Nearly every payer predicts that 80-90% of their contracts will be value based within a few years.”

“Keeping people as healthy as possible, as long as possible, and reducing the 911s going to hospitals will have a huge impact on healthcare costs.”

## Introduction

Nearly every payer predicts that 80-90% of their contracts will be “value based” vs. fee-for-service within a few years. Yet providers only have 25% or less of their revenue currently tied to value-based contracts<sup>1</sup>.

Home health, hospice, long-term care and senior living leaders must accelerate digital transformation within their organizations to meet the increasing demands of payers and consumers — and to survive in a value-based healthcare world.

To succeed with this new paradigm, provider organizations have to “make the leap from a commodity approach (getting paid for delivering a service) to an outcomes approach (getting paid for making an impact),” says OPEN MINDS associate Ken Carr. “That requires a shift in business model and a shift in technology and data management. Organizations need the right technology and information to drive outcomes and demonstrate those outcomes.”

All post-acute organizations should be planning for value-based reimbursement (VBR) and other alternative payment models.

If you’re not on a path to becoming a more digitally mature organization to succeed with VBR, you’re behind the curve.

[This paper outlines a 5-step approach to catch up.](#)

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## Overview

While the pandemic brought about a decade’s worth of healthcare transformation almost overnight, post-acute leaders must continue to focus on both organizational resiliency and efficiency. However, neither is possible without technology and a pump on the pedal toward digital advancement.

On the positive side, the pandemic spurred increased acceptance of digital tools for caregivers, patients and family members. As a result, the healthcare system can now serve more individuals, react more quickly to patient needs and bring more efficiencies to care delivery than ever before.

Going forward, technology innovations will continue to advance the healthcare system on a number of levels. Organizations will be able to predict with greater accuracy a person’s health risk and proactively treat them before there’s an incident. How providers get paid will be entirely automated. And greater [interoperability will empower better communication and coordination](#) between patients, providers and payers.

Keeping people as healthy as possible, as long as possible, and reducing the 911s going to hospitals will have a huge impact on healthcare costs. But to achieve that, it all comes down to data — real-time data. And being able to get that data cleanly and securely ... and then use it.

Now, as COVID becomes “normalized” and government funding slows, organizations must figure out how to control costs, expand services and grow revenue. [Value-based purchasing contracts will continue to grow](#) as well as new care delivery models, requiring providers to uncover new solutions to solve new problems.

## 5 success factors of new value-based programs

These five critical success factors drive effective value-based programs.

“Without the total picture, total care is out of reach.”

### 1 Success factor #1: Develop a data-informed culture

Provider organizations that have the ability to embrace data – lots of it – and use it to make better, faster decisions will succeed.

Successful organizations will aspire to create a data-informed culture rather than a data-driven culture. Data shouldn't be touted as a replacement for expertise or experience. Instead, information should enable front-line staff to see the total patient picture, so they can make the most informed decisions. The result? Staff are able to perform their jobs with confidence and job satisfaction rises.

Without the total picture, total care is out of reach. It's important to ask: Do I have the technology infrastructure to support true interoperability where I have a clear line of sight to a comprehensive patient record — [with full data integration beyond the four walls of my organization?](#)

To get a full picture of each patient, providers need access to multiple pieces of technology and data sources. But the picture won't come together unless there is an interconnected system where all the technology solutions work together to bring in the necessary data.

An interoperable digital framework creates the data machine to support and actuate the key goals of any provider organization: engage the consumer, enable the care team, improve clinical and operational outcomes and grow the organization.

### 2 Success factor #2: Accelerate digital transformation across the organization

“To be successful, providers must think beyond the EHR and pivot toward a fully integrated platform to power their organizations.”

As mentioned, modern problems require modern solutions, and this very much applies when it comes to transforming your organization's operating system to one that will succeed in a value-based future.

Clearly, maneuvering effectively in a value-based world calls for provider organizations to become digitally mature and rethink investment in technology.

This means deploying a digital-first strategy across your healthcare organization. Traditionally, providers have viewed the operating system of healthcare to be their EHR, but to be successful, providers must think beyond the EHR and pivot toward a fully integrated platform to power their organizations.

An [integrated platform approach](#) results in fewer vendors and a much higher level of interoperability thus reducing total system costs and providing greater access to data. What's more, a core vendor-partner (versus a vendor-only relationship) maintains a mindset that they and the healthcare organization win or lose together.

This high-trust, high-respect partner relationship keeps a long-term (versus sales) focus where both organizations enter into mutual risk-sharing, pursue co-development initiatives and earn high levels of executive sponsorship.

“In a value-based world, referrals become your lifeblood.”

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### Success factor #3: Build strong partnerships with referral sources

In a value-based world, referrals become your lifeblood. To become the provider of choice to your referral sources, they need to know you are easy to work with and can deliver proven quality care.

It would be a distinct advantage in this highly competitive, risk-bearing market to be able to process and respond to referrals quickly. The more quickly you can admit a patient, the more quickly you start collecting revenue for that patient.

Communication is everything in a [referral process](#). However, a cumbersome process, reliant on texts and emails, with no centralized platform for admission teams to collaborate, frustrates everyone. Even more concerning is the risk of an error because of missing medical information, broken communication and delayed treatment, which directly impacts health outcomes for patients.

Without a fully digitized referral process, your organization will likely be passed up when a patient is discharged from an acute facility or physician group.

By building strong partnerships with referral sources (hospitals, primary care doctors, specialists) through a centralized platform, you make it easy for them to do business with you and become their preferred provider.

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### Success factor #4: Effectively manage patient populations

If you are going to take on risk and participate in alternative payment models, then you must be able to [manage patient populations, especially those with chronic conditions](#).

In a recent survey, 98% of healthcare executives believe population health management is important for their organizations' future success, yet only 31% of respondents reported they were at least very prepared to accept financial risk for managing patient populations.<sup>2</sup>

To avoid costly ER visits and hospitalizations, provider organizations must be able to stratify high-risk patients, match them to the best care intervention and track outcomes — all of which requires a fluid flow of information to power [care team collaboration](#).

The reality is that post-acute organizations are dealing with multiple disparate data sources and technology that often don't talk with another, forcing CIOs to try and patch different solutions together to achieve the seamless information flow that care teams need.

Why? Healthcare leaders are trying to solve each problem in their organization separately using a point solution approach. The downside to this approach is that while it addresses and delivers on one specific need, the solution often functions in isolation and only solves a small piece of a complex puzzle.

However, with a platform approach — meaning an end-to-end framework with seamless interoperability — it's possible to pull the right information, deliver it to the right person to act in near or real time. In doing so, you are able to drive true care team collaboration and more effectively manage patient populations.

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### Success factor #5: Measure clinical, financial and organizational performance

A hallmark of value-based programs is the ability to demonstrate value to your community and referral partners.

To do that requires you to [quantify financial, operational and clinical performance](#) to better target where to spend resources for future advancement. As the adage goes, what you don't measure, you can't improve.

Without the ability to perform root cause analysis by digging deep into the data, organizations will struggle to fix problem areas and improve outcomes. Fortunately, doing so does not require advanced skills in [data analytics](#). With access to easy-to-read and share dashboards that display key performance indicators, leaders can quickly track performance against business goals and industry standard metrics.

To become part of a preferred provider network and successfully participate in value-based payment models, organizations need to be able to consistently track value and report outcomes to payers.

#### How to evaluate readiness for, and execute on, value-based programs

Participating in value-based arrangements has proven to make provider organizations resilient during times of challenge, such as the COVID-19 pandemic.

Common checkpoints of organizations that have successfully executed on value-based programs include:

- The referral process is nearly fully digitized
- A clear line of sight to a comprehensive patient record – with full data integration inside and outside their four walls
- A quick-to-adopt clinical charting system with data integrity from patient chart to data warehouse
- Ability to aggregate multiple types of data coming from multiple sources
- Virtual care technology that can be quickly deployed and is easy to use
- Effective tools to stratify highest risk patients, recommend proper interventions and track patient health
- The right data to effectively measure cost and utilization against populations they serve

“Netsmart is on a relentless pursuit to help our clients embark on digital transformation across their enterprise.”

## Summary

Competitors and disruptors are moving quickly. Payers and consumers are demanding more. Now is the time to implement strategies and advanced IT solutions that drive measurable improvements.

[Networks are narrowing](#), pushing away the under-performers, to include only those post-acute organizations that can increase quality, improve outcomes and coordinate across the care ecosystem. Those that can do this will gain growth and stability, no matter what comes next.

In summary, the future of post-acute care will combine the best of technology and digital tools with the irreplaceable power of human interaction. As Edo Banach, president and CEO of the National Hospice and Palliative Care Organization, reminds us, “People need human touch, so we have to make sure we use technology appropriately, not to replace the human touch.” Leaders in healthcare will move forward giving equal consideration to both parts of this equation.

Netsmart is on a relentless pursuit to help our clients embark on digital transformation across their enterprise. See how our [CareFabric® platform](#) can put you on a modern digital playing field, so you can succeed in a value-based world.

## About Netsmart

*Netsmart, a leading provider of Software as a Service (SaaS) technology and services solutions, designs, builds and delivers electronic health records (EHRs), health information exchanges (HIEs), analytics and telehealth solutions and services that are powerful, intuitive and easy-to-use. Our platform provides accurate, up-to-date information that is easily accessible to care team members in the human services and post-acute care (which is comprised of home care and hospice and senior living) markets. We make the complex simple and personalized so our clients can concentrate on what they do best: provide services and treatment that support whole-person care.*

<sup>1</sup> <https://www.lumeris.com/the-state-of-value-based-care-readiness/>

<sup>2</sup> <https://nai-consulting.com/numerof-state-of-population-health-survey/>  
<https://www.census.gov/newsroom/press-releases.html>