

CbPC Business Plans: Principles to Guide Development of a Sustainable Program

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Join us for upcoming CAPC webinars and virtual office hours

→ Webinar:

- **Innovative Approaches to Caring for Complex Patient Populations: The Community Paramedicine Experience**

Thursday, April 21, 2016 from 1:30 - 2:30 PM ET

Featured Presenter: Dr. John Loughnane, Commonwealth Care Alliance, Inc.

→ Virtual Office Hours:

- **30 min Program Management**

- Andrew E. Esch, MD, MBA
- April 15, 2016 at 11:00 a.m. ET (Members Only)

- **Planning for Community-Based Care**

- Jeanne Sheils Twohig, MPA
- April 19, 2016 at 1:00 p.m. ET (Members Only)

- **Palliative Care Models in the Community**

- John Morris, MD, FAAHPM
- April 19, 2016 at 3:00 p.m. ET (Members Only)

- **Program Staffing and Clinical Protocols**

- Andrew E. Esch, MD, MBA
- April 20, 2016 at 1:00 p.m. ET (Members Only)

- **Registry Roundtable: Registry metrics and hospital reports (OPEN TO ALL)**

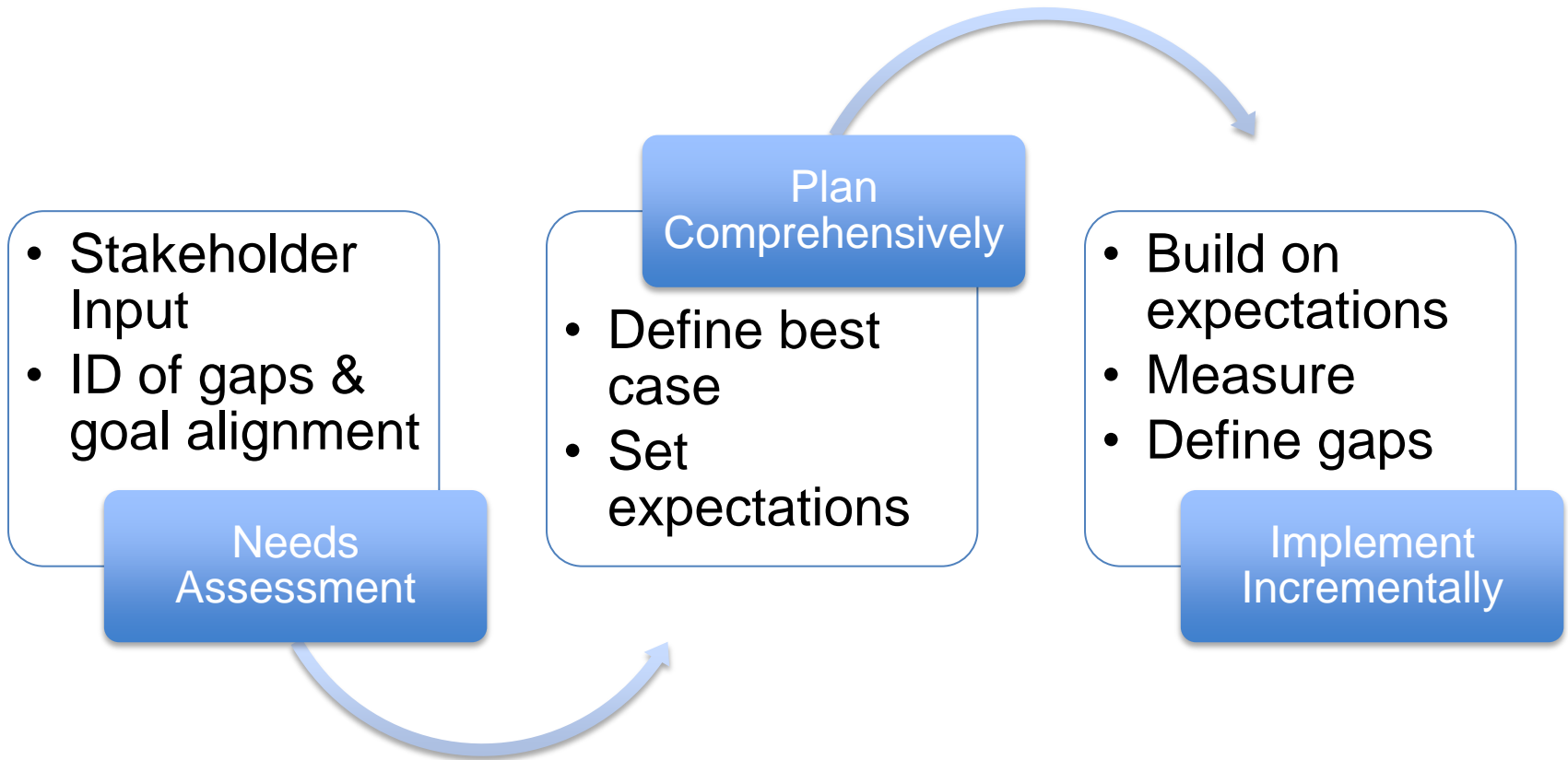
- Tamara Dumanovsky, PhD & Maggie Rogers, MPH
- April 20, 2016 at 4:00 p.m. ET



Objectives

1. Be equipped to utilize a “needs assessment” process to define goals and identify conditions for funding support
2. Identify 3 assumptions that will significantly impact costs and service capacity
3. Define services with clarity (to help grow, evaluate, and fund your program)
4. Identify 3 CAPC tools to help develop a sustainable program

Key Principles of Planning



Dilemma in CbPC: Alignment of investment & benefit

Total Costs

Medical

Community

Caregiver

Medical Costs

Insurance

Providers

Out of
pocket

Specific Entity

Hospital

Hospice

Practice

SNF,
other

Needs Assessment as a STRATEGY

- What matters?
- Who makes decisions?
- What problems keep people up at night?
- Who can fund?
- Baseline data regarding gaps and opportunities
- Who is already doing what?
- Process for evaluation of plans

Business Principles in CbPC

- There is often a way to do the right thing...
- Know your stakeholders and respect their interests
- Be creative and define service costs (know your business!)
- Align and evaluate benefits

Financial Realities

- Best care for complex patients is unlikely to be fully funded by Fee-for-service (FFS) norms
- It is likely to be cost-effective “in the big picture” but costly in the small picture
- Even risk bearing organizations like ACOs have difficulty reallocating costs
- Few organizations are fully risk bearing, so you may serve a “mixed model” patient base

Root Causes of avoidable costs:

Does our service design address some of these?

- Reliable, timely, accessible care not available = Use ED, get admitted
- Lack of skills/knowledge regarding risk factors and how to address them
- Lack of simple and reliable processes to get needs met
- Services that **ARE** covered in hospital are **NOT** covered elsewhere
- Complex discharge care plan = risk of slippage with Rx, follow up, and caregiver support
- Silo consultant activity = different stories/ lack of coherent plan of care as consistent goal for all; NO PLAN, PLAN NOT KNOWN
- Logistics (transportation, social support, out of pocket \$\$)

Planning Common Ground: What Patients Want

Asked to rank order *what's most important*:

- **1st - Independence** (76% rank it most important)
- **2nd - Pain and symptom relief**
- **3rd - Staying alive**

Fried et al. Arch Int Med 2011;171:1854

Survey of Senior Center and Assisted Living subjects, n=357, dementia excluded, no data on function.

Under-recognized Stakeholder: Boards

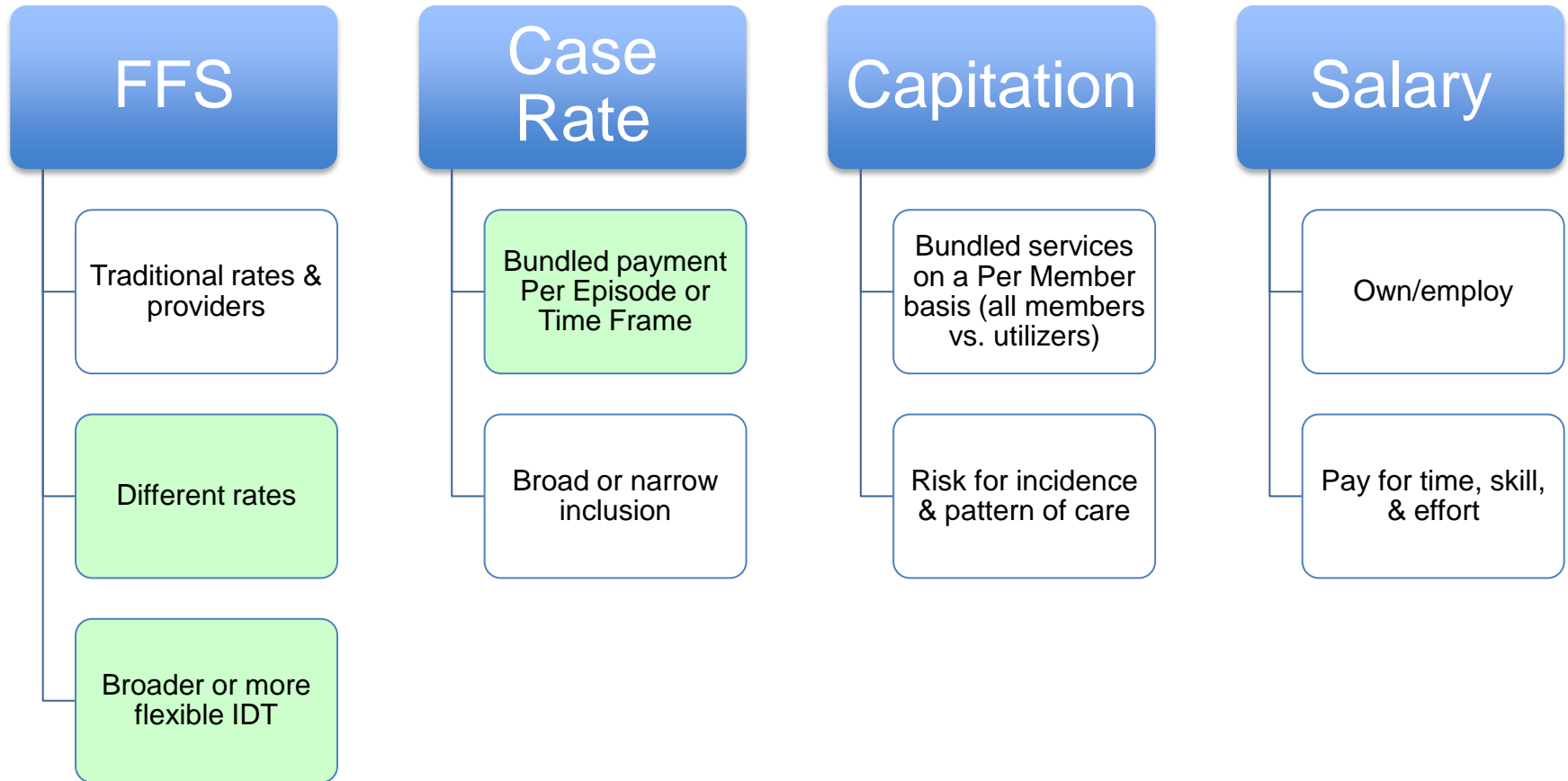


Hospital board members care about quality, cost, and reputation in community. They are also older adults, vibrant, and vulnerable.

- *Reduced risk of loss of control?*
- *Reduced time in hospital?*
- *Better Q of Life?*

They “get it” and value it.

Payment environment impacts viable options



Implications of Health Care Reform

- More value given for longer term and downstream costs (like SNF)
- Increased attention to “continuity”, “continuum” and “consistency”
- Pressure for full scale, reliable service, potentially in and out of the hospital
- Preference given to clear “bundles” with defined processes and outcomes

Business Principles in CbPC

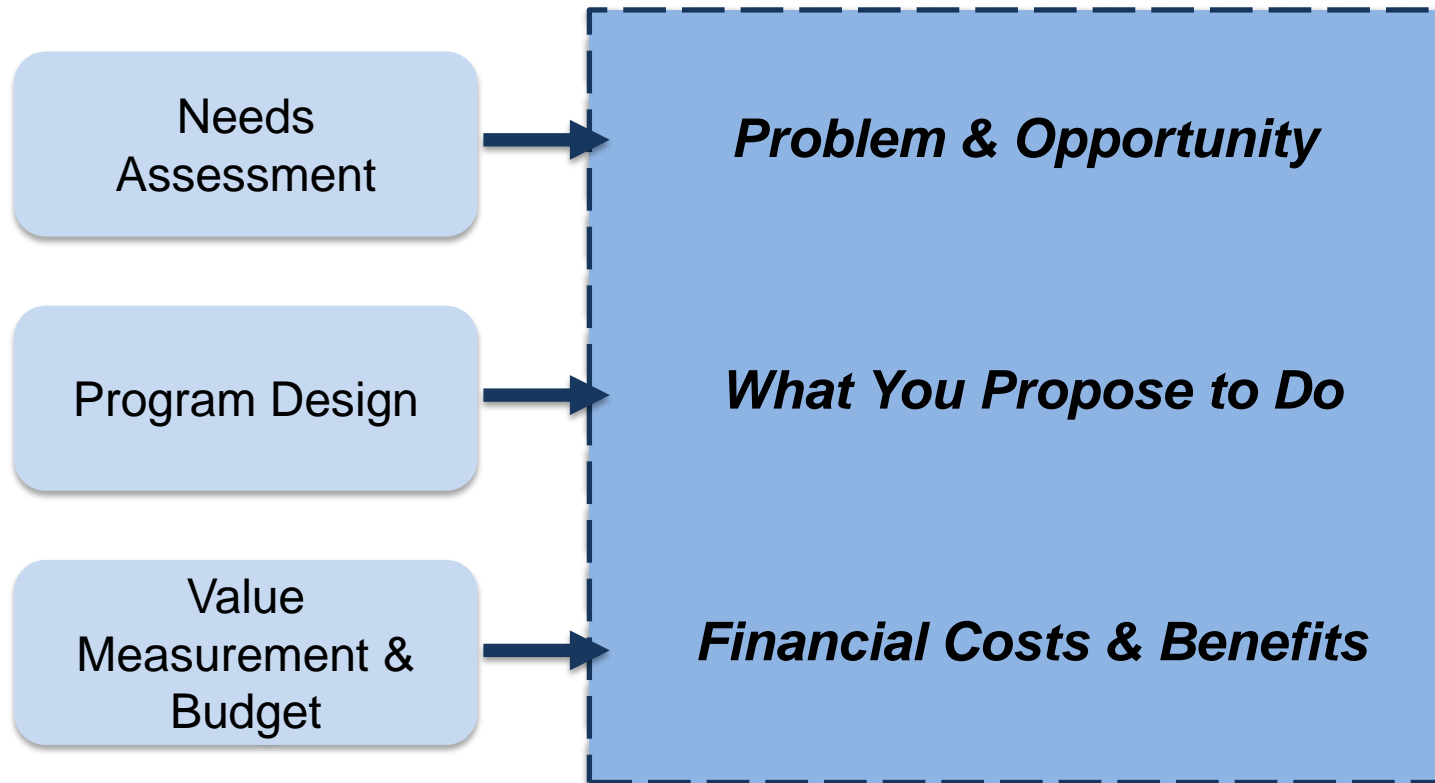
- If you can't define your services
 - Offer performance guarantees or standards (such as response time)
 - Know your costs and how scale impacts your costs



- It will be really hard to get paid appropriately.

Business Plan Outline

Connecting the dots. Telling the Story. Measuring Results.



Three Key Assumptions

1. Which patients and how many will you plan to/be able to serve (and why)?
2. What is your service model (and why)?
3. What is your staffing plan (and why)?

Assumptions Drive → → Business Case

→ What services to which patients?

→ How frequently?
(Frequency)

→ For how long?
(Duration)

→ By whom? (Team Composition and use; Billability)

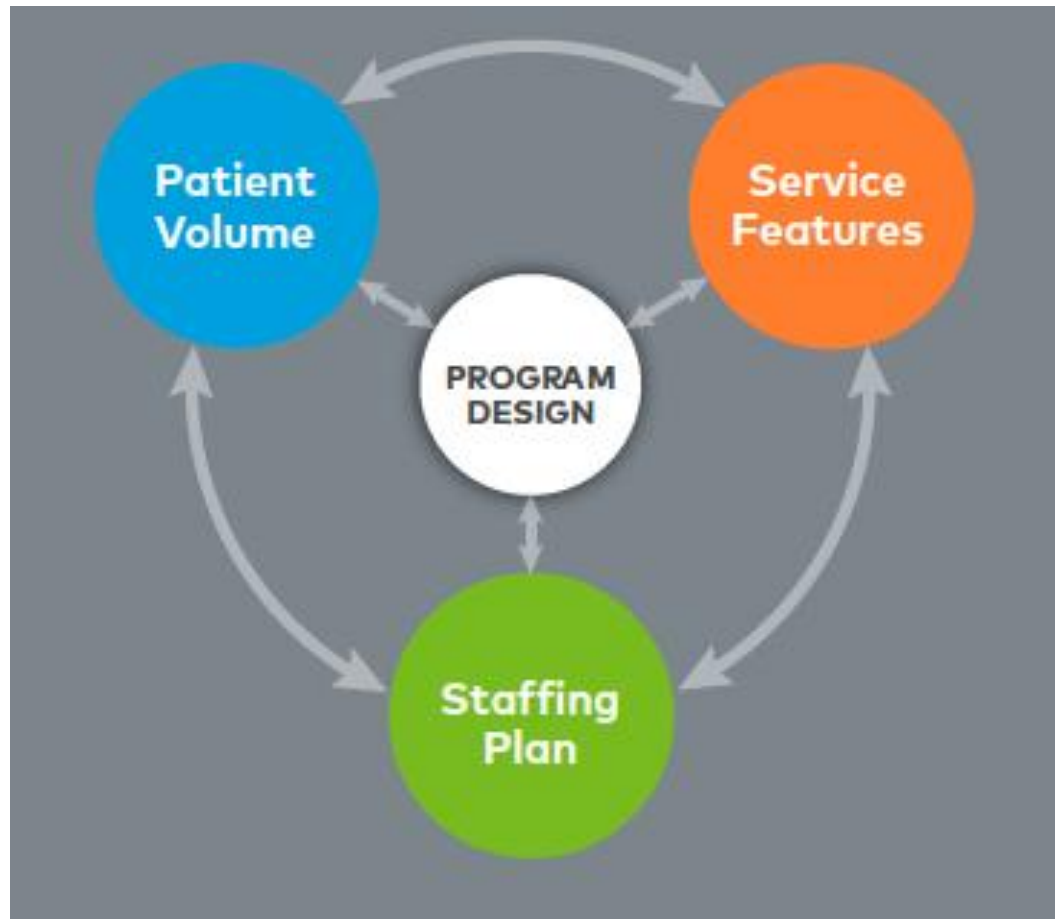
→ Where? (Travel time, Overhead, etc.)

Dilemma

- You need to plan the service to know its cost, and to predict its impact
- Whether you can afford to provide the service will depend on partners, payment methods, and translation of service into **VALUE** that matches up to specific entity interests

Strategy: **Do a DRAFT and TEST it**

Interactive Variables



How to choose?

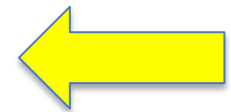
Option 1: Post acute stabilization	Option 2: Co-management with PCP
Requires rapid response & reliable f/u	May have some flex re initial visit, & f/u frequency
May have frequent activity over short duration (<3 months)	Often has duration >3 months
Can serve more patients / year for shorter period	Fewer patients served, long term benefit

***These are two of MANY possible examples, for illustration.*

Tool to Organize Assumptions

(From 504 Course Tools – CAPC On Line)

New Patients & Visits per Year	Scenario 1	Scenario 2	Your Assumptions
Patient Visit Time (in hours)	1.00	1.00	
Documentation, prep, & time	0.60	0.60	
Travel Time (roundtrip)	0.67	0.67	
Total (in hours)	2.27	2.27	0.00
Available Patient hours/wk	36.00	36.00	0.00
Capacity/wk	15.86	15.86	0.00
Weeks/year	44.00	44.00	0.00
Total Patient Visits/yr	698	698	
Assumption: Visits/patient/yr	6	12	
Total Patients/yr	116	58	0



****Cost per patient of Scenario 2 is Double, but = on a per visit basis.**

Balancing benefit & investment

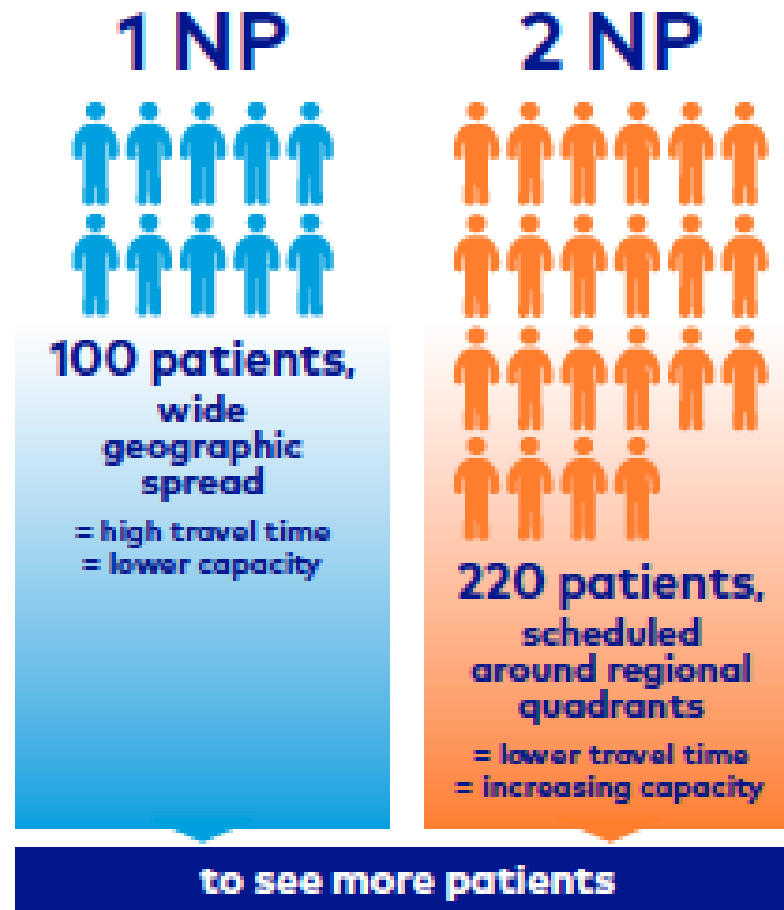
Example: Home Visit Program

- 3 month post-discharge intensive support
- 3-6 visits, NP & SW + telephonic support
- Cost: assume approximately \$2000 / patient

What are the *options for funding?*
ACO Environment? FFS system?

What is your “bundle”?

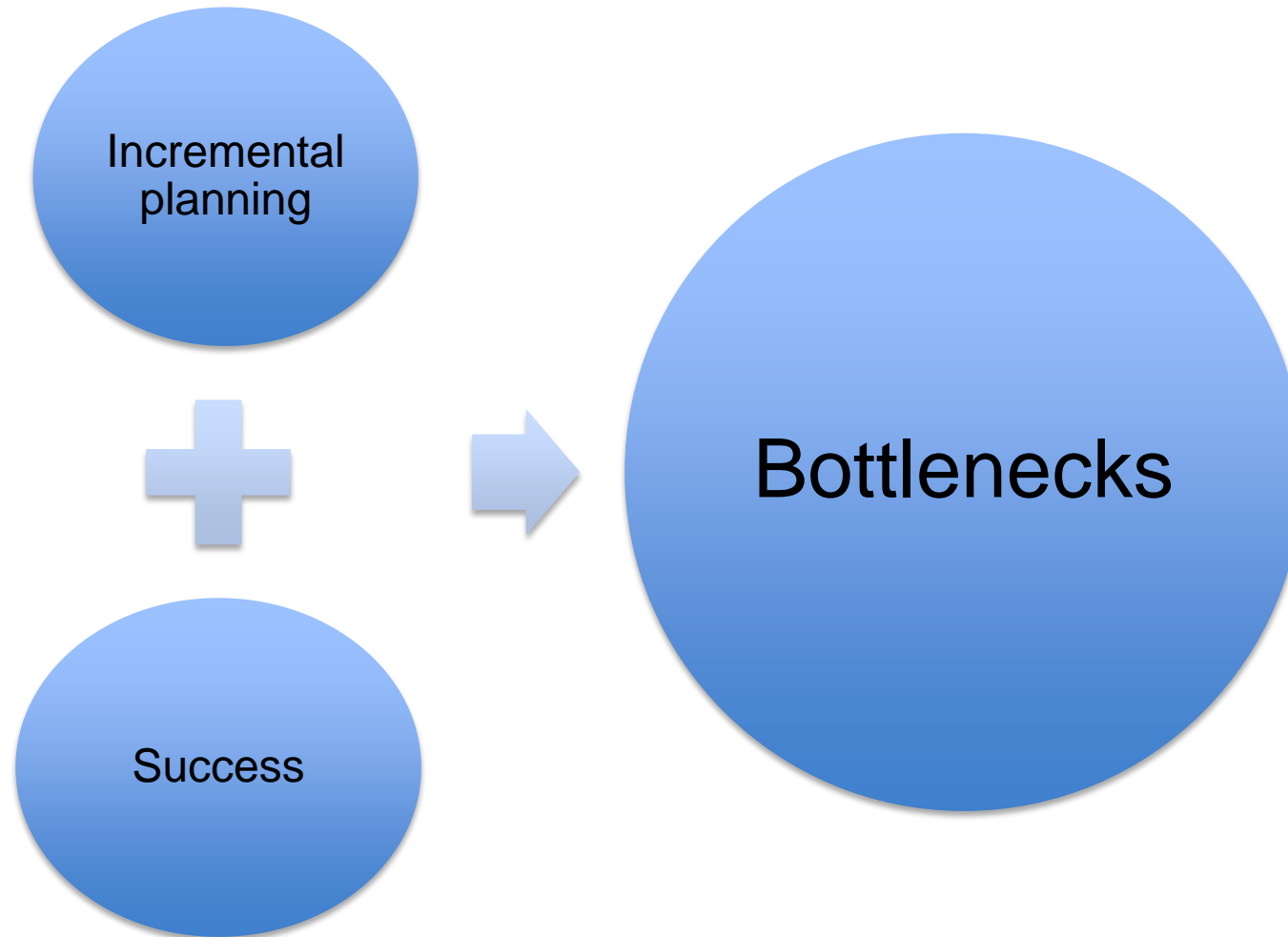
Scale Impacts Capacity, Cost, and Service



Value > Financial

- Reliability (closed process, no gaps, smooth transitions, no surprises)
- Access (capacity, appointments)
- SCALE to have significant impact
- Partner organizations' loyalty
- Quality; performance on public indicators
- Other?

Dilemma: Bottlenecks

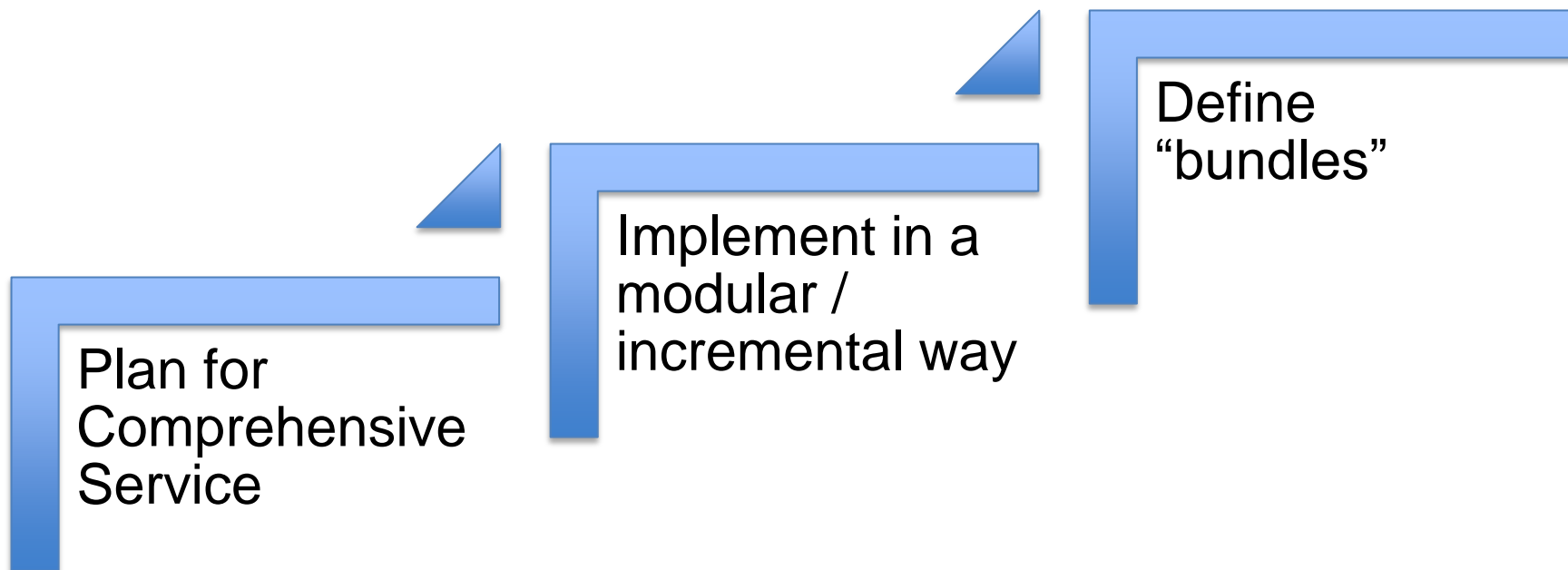


Reflections From Experienced Program Leaders

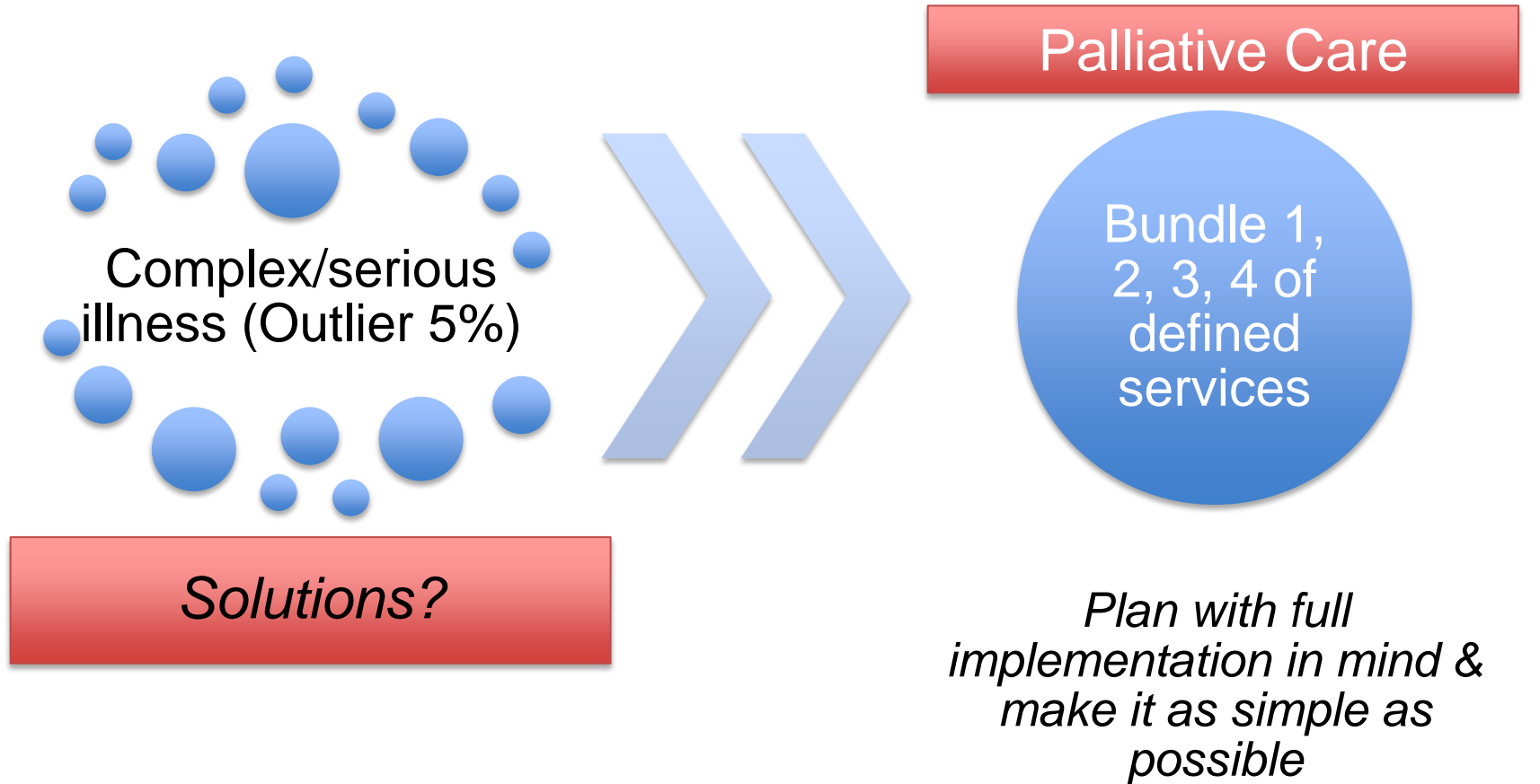
“The **single most common problem** encountered by palliative care programs is that they have **started services incrementally and reactively**. They want to meet a patient need...They respond with an incremental FTE...

Eventually the needs grow, the difficulty of juggling becomes problematic, and it is hard to get resources to sustain services. “

Recommended Approach



Define implementation “bundles”



New Tools

- ❑ Implementation courses (100 & 500 series) & IPAL OP
- ❑ Downloadable tools with courses (interview guides, budget templates)
- ❑ Virtual Office Hours

Key Components of a Plan



Executive Summary



Opportunity



Proposed Services



Budget Request



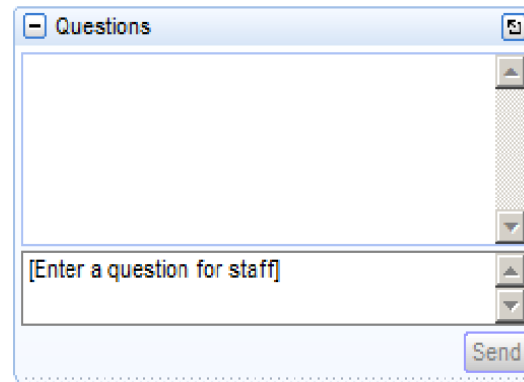
Value Measurement

Summary

- Take the time to think ahead
- Consider multiple partners or collaborators
- **Do not shrink from designing a great program**
 - Know the costs
 - Find a stakeholder
- Use CAPC tools (100, 500 series, IPAL-OP)
- Share your learnings!

Questions and Comments

- Do you have questions for the presenter?
- Click the hand-raise icon (🙋) on your control panel to ask a question out loud, or type your question into the chat box.



CAPC Events and Webinar Recording

- For a calendar of CAPC events, including upcoming webinars and office hours, visit
 - <https://www.capc.org/providers/webinars-and-virtual-office-hours/>
- Today's webinar recording can be found in CAPC Central under '**Webinars: Community-Based Palliative Care**'
 - https://central.capc.org/eco_player.php?id=186