Avoidable Delay Day Analyzer
Data Identification Tools for Effective Case Management
Gayle Riley, RN, PHN, MPA/HSA

Does your facility struggle to reduce the number of avoidable hospitalization days for your Medicare patients? Are those avoidable days hacking away at your bottom line? Are they hindering your quality of care?

Now you don't have to struggle! HCPro introduces a one-of-a-kind resource with proven solutions for reducing the number of unnecessary days Medicare patients spend in the hospital—Avoidable Delay Day Analyzer: Data Identification Tools for Effective Case Management. It's a user-friendly CD-ROM with a step-by-step user’s guidebook.

Catholic Healthcare West in San Francisco used the methods found in Avoidable Delay Day Analyzer and reports phenomenal results. Take a look!

- $18.4 million annual cost savings (using only $350/day saved per patient)
- Greater than 52,000 bed-days increase annually
- $21.6 million in new revenue annually due to increased admissions

Did you know that every unnecessary day a Medicare patient spends in the hospital can cost anywhere from $600 to $1000? This tool will help you collect valuable data so you can identify poor practices that are resulting in avoidable days and show you how to combat the problem.

Avoidable Delay Day Analyzer features an easy-to-use Access database—accompanied by step-by-step instructions—that will allow you to:

- Identify, track, and code potentially avoidable hospital days involving Medicare patients
- Create letters and reports to help you share your data with physicians and department managers, get senior leadership buy-in, and fix the problems that result in delays

With this book and CD-ROM you'll also find:

- The Potential Avoidable Day Indicator Report
  It’s an innovative Excel spreadsheet tool that will help you to determine the monetary value of the days your hospital can save based on CMS length of stay criteria—great for CEO/CFO buy-in!
- Interqual® education and criteria documentation
  We'll walk you through the criteria CMS uses to determine when a patient is ready for discharge and provide tips for educating case management staff on how to apply it more effectively
- Validation audit
  Instructions for conducting an audit of records to help you determine a realistic goal for the number of annual days you could potentially save
- Utilization management policy and procedure
  A solid base to help you minimize avoidable hospitalization days
- Collection of case studies
  What better way to learn than by successful examples!

With the ingenious tools and easy-to-implement techniques you'll find in Avoidable Delay Day Analyzer: Data Identification Tools for Effective Case Management, your facility can begin to reduce delay days and increase revenue today.

Gayle Riley, RN, PHN, MPA/HSA
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Chapter One

The Avoidable Delay Day Analyzer: Moving from an Ordinary Case Management System to an Extraordinary One
How does the chief executive officer (CEO), chief operating officer, chief financial officer, chief nursing executive or case management (CM) director of a hospital or a hospital system know if the CM/utilization management department is working effectively and efficiently? One measure is the number of denials a hospital receives from health plans and Medicaid—denials should be minimal. Another way is by examining data revealed through an Avoidable Day Program (ADP). However, not all ADPs are created equal.

CM departments are usually fairly effective in helping health plans and Medicaid programs manage length of stay (LOS). But many hospitals—and yours may be one of them—do not hold as a priority the

An elderly Medicare patient presents with pneumonia. She’s given IV antibiotics, IV fluids and O₂/NC. By the second day, her O₂ SAT is 97; she is afebrile, ambulating, and eating well. All stats are the same on the third and fourth days. On the fifth day, the patient trips over an IV stand in her room and breaks her hip.

Your Medicare patients account for upward of 40% of your patients and some 32% of their acute-care days (according to one internal study of hospitals with length-of-stay issues done by Catholic Healthcare West, a hospital system headquartered in San Francisco) may not be medically necessary.

This book will give your organization a system for measuring case management effectiveness and tools to collect and code data to help you identify Potential Avoidable Days (PAD), like the ones identified above, and then introduce a process to reduce them.

One major health system that used this process found $18.4 million in annual cost savings and $21.6 million in new revenue (due to increased admissions at its hospitals). And that was only the beginning.
management of Medicare PPS patients, and therefore they do not do it well. Consider this simple test: If you have Medicare HMO patients and Medicare PPS patients, what is the difference in the LOS between the two? If the Senior HMO LOS is lower by one day or more, and the 30-day readmission rate for this group of patients meets your quality indicator, chances are your Medicare PPS patients are staying longer than medically necessary and are not a case management priority in your hospital.

It is not unusual for CM nurses to focus on third-party payer patients as they are required to work with outside utilization review (UR) personnel for the prevention of denials. Because there is no daily UR oversight body for the Medicare PPS patient they are more likely to be a lower priority for review. The CM nurse will undoubtedly review the admission and determine probable discharge needs. And at the end of stay the CM nurse will respond to the physician’s discharge order and arrange for the postdischarge care. It is the continued-stay reviews that are not usually a priority; and even when they are performed, they are not done effectively resulting in

- elderly patients being put at an unnecessary risk for hospital-acquired infections, iatrogenic events, and falls
- an unnecessary use of precious acute-care beds
- an unnecessary consumption of Medicare reimbursement that should be used for the hospital’s community health improvement efforts
- a misuse of the Medicare patient’s finite acute hospital days (important to the patient)

Let’s suppose, for example, that your tertiary hospital (i.e., one that has an open-heart surgery program) has a LOS of 5.9. You might consider that to be good. But what if the Center for Medicare & Medicaid Services’ (CMS) geometric mean length of stay (GMLOS) for your hospital’s specific Medicare PPS population is 4.8? Most hospitals do not pay attention to that difference, but it is important.

Please look at the following example in Figure 1.1.

Editor’s note: This is an excerpt from a sample PAD Indicator Report, a preformatted Excel spreadsheet that is explained in detail in Chapter Two.
This hospital had 3,500 Medicare PPS discharges in FY 2002, with a PAD Indicator of 1.1. If this hospital’s average LOS (ALOS) was 4.8, this report reveals that there would be

- 3,850 additional bed-days available annually
- savings of $1.54 million dollars annually, using the monetary value of $400/day saved

The hospital CEO had set a goal for the CM department to earn a PAD Indicator of 0.6, which would require a drop in the hospital’s ALOS by 0.5 days, resulting in a LOS of 5.4. In response, the CM director said that the case managers were already capturing all avoidable days and that the patient population was too sick to have such a low PAD Indicator (or a lower LOS). A validation audit was performed. (See Chapter Three for more information on validation audits.)

The validation audit indicated that not only was the goal LOS reachable, but that the Adjusted LOS (possible LOS achieved after removing the number of avoidable days found in the audit) was 4.7 (0.1 days below the CMS GMLOS). Therefore a goal LOS of 5.4 days for FY 2003 was not only realistic, but future goals could be set for further efficiency. This is represented in the graph in Figure 1.2.
This scenario poses two questions:

1. Why was there such a discrepancy between what LOS figure is truly within reach and the figure the CM director thought was within reach?

2. How does a CM director reach the goal LOS while improving the quality of care and increasing patient safety?

The answers to these questions are contained within this book and accompanying CD-ROM.

In summary, the Avoidable Delay Day Analyzer will help

- CEOs measure the effectiveness of a hospital or hospital system CM department(s) using a PAD Indicator Report discussed in Chapter Two

- CM directors conduct a validation audit that will affix a number to the potential total Medicare days the facility could save and provide medical staff leaders and senior hospital leadership with an annual cost-savings amount associated with that number as well as bed-day savings for projection of annual admissions discussed in Chapter Three
• CM directors set up an ADP or enhance their current program through identification of “clinical” avoidable days, using the PAD Access database discussed in Chapter Four

• medical staff by providing a new peer-review source to improve patient safety and quality of care, which involves the objective identification of charts that exceed established “Criteria Pattern” thresholds, as discussed in Chapter Five

• CM directors educate staff on appropriate utilization review documentation and then monitor their effectiveness for continued success as discussed in Chapter Five
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