

## **Inpatient Care Management Redesign Seeks to Boost Health System's Clinical Performance**



**A major health care system serving a large MediCal population needed to substantially improve its outdated and disparate inpatient care management. Over several years, the system's care management practices and results had deteriorated, leading to disparate care coordination.**

### **Problem to Solve**

Done well, care management (CM) can improve the quality of care and help reduce avoidable costs.

A major health care system serving a large Medi-Cal population needed to substantially improve its outdated and disparate inpatient CM. The organization's inpatient CM division needed to meet several new CM-related government mandates, improve clinical outcomes, ensure the sustainability of revenue streams and become more competitive. Over several years, the system's CM practices and results had deteriorated, leading to disparate care coordination and suboptimal clinical outcomes, including excess length of stay and a high rate of readmissions. These issues were due to:

- Inadequate adherence to CM best practices and internal expectations
- Ill-defined staff roles and responsibilities
- An operational disconnect between CM and the revenue cycle

- Vacant key leadership positions
- Historically complex and challenging labor issues

The health care system engaged Freed Associates (Freed) to restructure its inpatient CM division across multiple hospitals, align its CM standards to industry best practices, transform its organizational infrastructure (roles, processes and systems) in order to improve the quality of patient care, throughput and revenue maximization, and increase stakeholder and staff engagement. This would be a multi-year engagement projected to deliver significant long-term benefits.

### **Strategy and Goals**

The health care system was undergoing a significant transformation and recognized that a comprehensive redesign for CM would be required to support its strategic goals.

To that end, Freed supported the creation of a task force, comprised of C-level executives from cross-functional areas throughout the organization, to identify the work required to meet its CM goals including:

1. Assess the current state of CM operations and develop a plan for CM improvements
2. Implement the CM transformation, including developing an internal CM communication plan
3. Develop a CM adoption and work plan and track progress throughout the engagement
4. Develop future-state workflows and consolidated data and reporting requirements, relative to the CM redesign
5. Design and deliver staff training, based on the new workflows
6. Develop staff policies and procedures to adhere to compliance

To complete this work, the CM redesign required a large, systemic organizational restructuring, a realignment of staff roles and responsibilities to align with licensing requirements and best practices, workflow optimization and additional staff resources. Training and development for clinical and non-clinical staff was fully integrated into this effort.

It was critical to have the system's leadership and physicians engaged and on board with all planning, execution and follow-up work. Besides leading and gaining key input from the system's CM task force, Freed consultants partnered with leaders in care management, medical staff, human resources, finance, revenue cycle and ambulatory operations.

Freed's industry knowledge and previous client CM experience meant its analyses, recommendations and initiatives were aligned with industry standards and best practices. This was important as the health system's

employees were represented by a labor organization that needed to partner with the client to ensure that several workplace change-related questions were answered. The union employees needed to have a good understanding of the context for why and how staff roles and responsibilities would be changing.

In concert with the health care system, we developed a new and cohesive inpatient CM division, a comprehensive two-year strategic plan and roadmap for ongoing development and improvement across all of the health system's facilities and departments. The strategic plan and roadmap included an organizational vision of care management, a transformative organizational structure and an implementation plan to improve CM operations.

A crucial side benefit of this work was creating a new staffing model aligned with industry best practices to ensure accountability for all CM-related departments and staff members. These HR-related changes featured:

- Updated staff roles and responsibilities, including new roles to support the CM division
- A comprehensive professional development plan based on re-defined core competencies
- A communication plan between CM staff members and the system's leadership
- A new and well-organized operational plan, based on workflow needs and reporting templates

## **Results**

Through its CM enhancement, the health care system improved the quality of patient care, including reducing readmissions and length of stay, enhanced revenue and increased patient and staff satisfaction. In the process, the health care system gained:

- New, standardized CM processes
- Clearer staff roles and responsibilities, based on scope of practice
- New CM-related professional development opportunities
- Focused management of inpatient utilization and throughput
- Improved discharge planning
- Improved reporting

Given the extent of the health care system's core CM needs, and the complexity and challenges of its labor environment, it will likely be several years before the health care system can fully measure and realize the substantive clinical and financial gains from its CM transformation. This is why senior leadership engagement and buy-in of the long-term CM strategic plan was so critical to this engagement – to make the tough decisions today that are necessary to move the organization forward, and make strategic investments to better-position the

organization for the future.

### **Conclusion**

An initiative as broad and significant as the health system's inpatient CM redesign would all be for naught if it could not be perpetuated. Freed partnered with the client to document and develop requirements for future maintenance and sustainability of this initiative, in accord with the client's overall strategic plan and roadmap.

The client gained the awareness, tools and willingness required to directly address its long-standing issues with care coordination, improve its clinical outcomes and leverage the gains made possible through its inpatient CM redesign. It is anticipated that these enhancements will continue to make a significant positive difference to the health care system's population health vision of strong clinical and financial performance.