

New Care Coordination Program at Out-Of-Network Hospitals Saves Health Plan \$21.4M in First Year



A national health plan reduced stays and cut costs by enhancing care coordination at out-of-network hospitals. This strategic move saved them \$21.4 million in the first year by addressing inefficient care coordination, which had previously led to prolonged hospital stays and higher expenses.

The challenge: Complicated discharge planning at out-of-network hospitals

One of the costly outcomes of the patchwork US healthcare system is that patients who are covered by health insurance may end up seeking care and being admitted to hospitals that are out-of-network or not covered by their plan. While many plans may cover all or part of this care, it almost always results in a higher cost of care both for the member and the health plan.

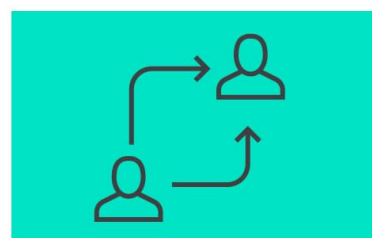
Discharge planning for members at out-of-network hospitals can be complex, leading to longer lengths of stay, which negatively impacts health plans, hospitals, and, more importantly, members. Hospitals are unable to open beds for new patients as quickly as they would like, and unnecessary hospital days for patients impact their care quality. Health plans often pay more for out-of-network stays than for the same services at in-network hospitals, resulting in significant cost increases. Finally, patients stay in the hospital longer when they can recover in the comfort of their home or a more appropriate level of care facility.

To address this challenge, a national health plan engaged Freed Associates' (Freed) experienced consultant team to address and improve discharge activities at out-of-network hospitals.

Poor Care Coordination at Out-of-Network Hospitals

While the health plan had an existing remote coordination program for out-of-network hospitals, they saw the opportunity to improve discharge and care coordination. Without strong relationships with out-of-network hospitals and staff, by the time the plan learned that one of their members was receiving inpatient care at an out-of-network hospital, the process of coordinating their care was delayed and fractured. The health plan wanted to pilot a program to put boots on the ground inside high-volume, high-cost, out-of-network hospitals. In partnership with existing case management teams, this new care coordinator's role focused on supporting timely discharges of the health plan's members at the out-of-network hospital.

The onsite care coordinator role benefits everyone.



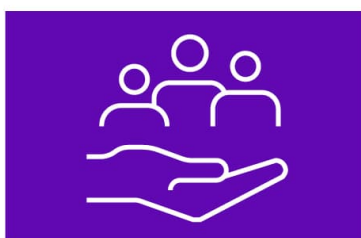
Enhance Care Coordination

- Create needed bed capacity
- Reduce barriers for hospital Case Managers in transitioning patients to right level of care



Improve Partnership

- Dedicated support to navigate health plan processes
- 'Boots on the ground' to assess key improvement opportunities
- Identify technology resources to leverage to increase efficiency



Better Serve Community

- Improve the patient care experience
- Increase capacity to transition the patient to the right care, at the right place and the right time



Seek to Learn

- Gain understanding of inefficient processes & where to eliminate barriers for hospital partners
- Bolster hospital and health plan partnership

The onsite care coordinator role benefits everyone

Developing an Onsite Care Coordination Program

The Freed team partnered with the client to first develop the vision into a pilot and then to operationalize it into a repeatable program.

Step 1. Understand the Current State – First, the current process needs to be understood and documented.

Meetings with the health plan care management team revealed the current state for discharging members from out-of-network hospitals, and where challenges occurred.

Step 2. Build a Business Case – The Freed team analyzed available utilization data to develop a business case in support of having onsite care coordinators at out-of-network hospitals. High cost and high volume out-of-network hospitals were identified and prioritized as targets for on-site care coordinators.

Next, the team developed a pitch deck and trained health plan leaders to initiate conversations with the highest-priority hospitals. The objective was to build relationships and obtain buy-in for having the plan's team of care coordinators onsite at their hospital.

Step 3. Create the New Onsite Care Coordinator Role –The onsite coordinator’s objectives were to build relationships with the onsite hospital case management team, see care plans in real-time, communicate with patients and families, and act as a liaison to move information back and forth between the hospital and the health plan more quickly. They also were to actively work with the plan and hospital to solve challenges and remove barriers to discharge, such as securing a skilled nursing bed, expediting prior authorizations, or scheduling a follow-up appointment with the member’s primary care physician.

Significant collaboration with the hospital care managers and other staff was essential to ensure roles and processes were clearly defined. Meetings with the hospital team identified barriers to efficient discharges and opportunities for the new onsite care coordinator to reduce these obstacles.

Step 4. Demonstrate Value and Create a Repeatable Process – A successful pilot at one hospital led to expansion at nine different hospitals. The Freed team worked with the client to develop repeatable processes, job descriptions, communication platforms, standard work, and other tools that enabled a quick spread of the program. Data-driven dashboards were reviewed monthly with the executive team so the client could see the progress and successes of the program in near real time.

Onsite care coordination model saved the health plan \$21.4 million in the first year alone and shortened the average length of stay by 20%

By developing a process that was standardized and repeatable, Freed was able to take this from a pilot to a program to a program that saved the health plan over \$21.4 million in the first year, improved the quality of care for members at a stressful time, and built relationships with local hospitals.

The Freed team and the client initially targeted five high volume out-of-network hospital sites to launch in year one. However, the incredible pilot results accelerated the program and the team expanded to nine sites in the first year. The program is targeting an additional 12 sites for participation in year two.

Patients and the plan’s out-of-network hospital partners also benefited almost instantly, with reduced lengths of stay for plan members far exceeding the original expectations. The original target was to decrease the length of stays at out-of-network hospitals by an average of 5%. After one year, the average length of stay impressively decreased by 20% through improved care coordination. This led to an increase in quality care since “patients felt very cared for.”

This successful onsite care coordination model demonstrates that costly gaps in our “competing” healthcare organizations can be met with collaboration and innovative thinking. What initially began as simple in-person connections between a health plan and hospitals evolved into true partnerships, building trust and visibility on both sides. Institutional support of onsite care coordination created an environment where local care coordinators could take the time to understand a person’s care plan and connect them to appropriate in-network care.

