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10 steps to success in the ACO world

How to flourish in partnerships under health reform

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The Patient Protection and Affordable Care Act may prove to be the single most impactful piece of legislation for post-acute care since the Social Security Amendments of 1965 introduced Medicare and Medicaid. Despite conversations regarding potential repeal of certain components of health reform, full repeal of the law is unlikely. It is time for responsible and forward-thinking providers to become partners in making this evolution a success for the American people.

Which organizations form [Accountable Care Organizations](#) (ACOs), and how they are formed and managed, will differ from market to market. It is critical that post-acute providers understand this nuance of healthcare reform. It will be imperative for leaders in post-acute care to be aligned to ensure they are “at the table” when formal partnerships and alliances form over the next 2-3 years. Below are specific steps that must be taken for providers to be successful in the reform-driven, ACO world:

1. **Post-acute facilities must become masters of the Medicare system.** Those who only provide Medicare services to their long-term residents who have a decline in condition, go to the hospital, and return with a skilled Part A benefit will not be successful in the long run. Your facility must be prepared to be a leader in short-term, post-acute care, and be ready and willing to link with other post-acute care providers such as home health and medical homes. If you have not previously been considered a leader in post-acute short stay rehabilitation, reach out to external consultation or management services to assist you in correctly positioning your business.
2. **Understand your hospital CEO’s world.** If you do not have a relationship with the C-suite office holders of your local hospital, you need to cultivate these relationships in earnest. Too many post-acute care providers do not envision their leadership role as equal to that of a hospital CEO. While the requirements and compensation may differ, the roles for overall organizational leadership are the same. With this understanding, you can establish your local knowledge base of how your partners are responding to reform.
3. **Understand the impact on your physicians.** Many physicians have realized that it is simply financially detrimental to their practice to leave their offices and see patients in post-acute settings. We must develop alternative opportunities to partner with physicians’ groups and ACOs to provide timely, quality physician attention to patients, particularly those at-risk for re-admission to the acute care setting. As reform continues to evolve, both ACOs and physicians’ practices will be incentivized to control unplanned re-hospitalizations will be more participatory in identifying solutions to these issues. Your role as a post-acute care provider is to work with your physician community now to begin to identify opportunities. This may include the addition of nurse practitioners or physician’s assistants to support physician presence within your facility. Facilities with a higher percentage of short-term post-acute care patient days will have more leverage in working with others to possibly have additional physician presence funded by other sources.

4. **Align your medical director leadership for the future.** Medical directors cannot be relied upon to simply be the physician of record for the preponderance of your patients. This practice raises significant issues related to the medical director's mandated regulatory expectation to oversee all medical care. This cannot be accomplished if they are the attending physician for most patients. Your medical director needs to be actively engaged in clinical education and pathway development in alignment with local ACO models, an active liaison to other physicians, and an active participant in the evolution of medical care at the post-acute care setting.
5. **Know the impact of healthcare reform on your discharge planners.** Be aware that the role of the case managers and discharge planners will evolve and change. Some will find themselves held accountable for unplanned re-hospitalizations, particularly if patients choose to seek post-acute care in a setting not within the ACO network. The patient's right to choose an ACO may remain but it is realistic to assume that once this choice is made, the ACO directs post-acute care placement, just as an acute care hospital directs patient placement on certain specialty areas of a hospital today. If discharge planners are held accountable for re-hospitalization rates, it will be the responsibility of the post-acute care providers to keep them actively engaged.
6. **Your competitors are now your partners.** As ACO networks mature, you will likely receive admissions from sources other than hospitals, including home health, skilled nursing, assisted living, medical homes, and hospices. Non-medical support services may report findings to physicians or ACO admissions coordinators who may direct admissions to your setting. You need to be keenly aware of the numerous providers in your areas, their role in an ACO network, and how you will interdependently work with each other for the successful care of each patient you may share.
7. **Take care of sick people.** Patients who admit to a post-acute care setting on Thursday with a diagnosis of pneumonia simply cannot be readmitted to an acute setting two days later with... pneumonia. Regrettably, many facilities have staff who feel that any level of health decline requires hospitalization. This causes a significant strain on the patient's quality of care as well as the cost of that care.
8. **Assess your clinical prowess and make changes.** The clinical talent and skills of your staff must be assessed and necessary skills must be acquired quickly. This may require additional certification and education along with re-examination of the distribution of licensed staff, particularly LPNs/LVNs and RNs. Regularly scheduled skill checks (at least annually) and ongoing skills development will be essential.
9. **Monitor your performance and share your results.** This is another opportunity where the data can be your best friend or your downfall. Clearly, the current primary metric to be measured and managed is unplanned re-hospitalizations. It will be important in your regular conferences with ACO leaders (see #2) that you can clearly articulate and illustrate how you are monitoring the metrics most important to your ACOs, and candidly address the issues which impact performance to those metrics. Make no mistake: In the new world of healthcare reform, your "report card" changes. It is much more than a successful survey experience.
10. **Educate your direct customers.** When these initiatives begin to play out and directly impact the lives of your customers, it will be a time of confusion and angst for many. This presents a tremendous leadership opportunity for you to become a public voice and positive influence. Yes,

care delivery will change, but quality will improve as well. The responsibility falls to us as healthcare leaders to clearly communicate what will occur within our specific markets, positively inform the public, and guide them through these changes. We must be seen as helping our customers through the changes within our local healthcare systems.

Much will continue to evolve in the months and years to come related to the passage of health reform. The accompanying regulations are yet to be released as of this writing. Will the three-day required hospital stay be upheld with reform? Where will the rights of patients fall in choosing their post-acute care service provider? How will your specific healthcare community respond to reform? These issues, and others, will continue to be a part of the changing reform landscape. Your active partnership in leading your post-acute care setting and your community is critical to success.



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