



EXECUTIVE BRIEF:

New Insights to Grow your Hospice Business in Today's Value-Based Healthcare Economy

Proof of Value = The New Healthcare Reality

As healthcare reimbursement models continue to evolve toward higher care quality and lower care delivery costs, new opportunities are emerging for the hospice industry. In fact, recent statistics from Excel Health's Home Health and Hospice Quarterly Trend report shows 4.6% year-over-year growth from Q3 2016 to Q3 2017 in hospice utilization at the national level.

How can hospice leaders be sure their organizations are equipped with the right tools to capitalize on growth opportunities in their own communities? This paper provides unique insights into the new dynamics of patient care and what hospice leaders can do today to dramatically increase referrals.



According to Excel Health's most recent Home Health and Hospice Quarterly Trend report, hospice utilization saw 4.6% year-over-year growth in 2017. For hospice leaders who are looking at the big picture of an aging population with a growing array of terminal diseases, this should come as no surprise. But population demographics and illnesses are not the only reasons healthcare industry experts are painting a positive picture of growth potential for the hospice industry.

Much of the opportunity is coming from the broader healthcare industry's rapid transition from Medicare fee-for-service to fee-for-value reimbursement models. While Medicare reimbursement for services has historically been predicated on the quantity of services provided, the focus is rapidly shifting toward the quality of service and how that quality influences better patient outcomes. Why? Because better patient outcomes equate to lower Medicare Spending Per Beneficiary (MSPB), which is a hallmark measure for both acute and post-acute value models.

With the convergence of value-based purchasing for hospitals, home health and skilled nursing facilities (in 2019), hospice providers have a unique opportunity to become a focal point for referrals of patients most appropriate for end-of-life care. The expansion of hospice utilization not only improves the quality of care and patient experience for those in the last six months of life, it also helps to curtail the massive costs that terminally ill patients often incur as the end of life approaches.

“Value-based programs reward health care providers with incentive payments for the quality of care they give people with Medicare.”

– CMS Value-Based Care definition, 11/2017, www.cms.org

Payment Reform Produces New Hospice Growth Opportunities

80% of hospitals experienced CMS readmission penalties totaling \$564M in 2017.

Given analysts' projections that, at the current rate, the Medicare Trust Fund will exhaust its reserves by 2028¹, improved patient outcomes and cost reduction are front-and-center among CMS initiatives, including several active innovation projects, such as:

- The Medicare Choices Model aimed at hospice patients
- The Value Based Purchasing demonstration projects
- The Hospital Readmission Reduction Program
- An array of proposed payment bundling initiatives.

(1) Wall Street Journal, "Social security, Medicare face insolvency over 20 years, Trustees Report" June 2016



CMS, in 2016, said that it expected that at least 50% of Medicare fee-for-service reimbursement would be directly tied to quality and value by 2018, and, so far, CMS has delivered on that promise. Whether it is an independent physician or a physician group, a standalone hospital or an integrated delivery network, virtually all healthcare providers are rethinking their care delivery strategies and looking for new ways to improve clinical quality and outcomes.

For every hospital in America, there is a delicate balance between optimally caring for patients while at the same time maximizing available reimbursement by timely moving stable patients to the most appropriate post-discharge venue. And, this is exactly where well-informed hospice teams can use readily available data to help hospital partners understand and operationalize better discharge decisions.

Since the Excel Health solution includes data from 100% of all Medicare Part A and B data from CMS's Chronic Conditions Data Warehouse, hospice leaders can leverage insights gained from an examination of CMS claims information to help hospital executive leaders, clinicians, and discharge planners better understand the post-discharge outcomes of their patients to achieve better discharge decisions.

Hospices that understand what the new value and quality dynamics mean to the institutional providers in their communities will be uniquely poised to get more of the projected hospice growth. Armed with Excel Health's data-driven insights from the shortcomings of inpatient discharge and referral behaviors that directly affect reimbursement and patient outcomes, these hospices are changing the game when it comes to educating physicians and hospitals about smart post-acute care strategies and the important role that hospice can play in improving overall outcomes of care.

**Post-acute
care providers**
play a significant role in helping
hospitals achieve their value-
based care objectives.

A Win-Win-Win Situation

"The amount of clinical data our hospice partner was able to provide us about our own patient population was astounding," said a discharge planner at a large hospital after working with one of Excel Health's hospice customers. "For the first time, we were able to see evidence of where we were falling short in our post-acute care discharges. I could also see how different hospice providers in our area were performing against our own quality metrics and make the right choice to partner with the organization we felt would take the best care of our patients, while also helping us meet our quality objectives."

On the other side of the equation, Excel Health data was able to help the hospice organization better understand the total volume of patients being discharged to hospice in its area and align its sales resource more appropriately with the right physicians to help grow the business.

By better understanding the new pressures referral sources face and aligning their own value-added strategy accordingly, hospices can effectively position themselves as the right partner to succeed in the new era of quality and value-based care.

This creates a win-win-win situation:

- For the patient and family members who receive a better end of life experience,
- For the hospital with lower readmission rates and better discharge planning protocols to preserve reimbursement and contribute to lower MSPB rates, and
- For the hospice that is able to grow its business and attract more referrals.

Getting the Right Insight: Practical Steps to Success

Many of today's hospice organizations still rely on hand-shake relationships and outdated, incomplete and inaccurate information to build and strengthen their referral networks. Many are ill-equipped to properly position their businesses to hospital leadership, discharge planners and physicians who are facing mounting pressures to deliver higher quality care at lower rates of reimbursement. Higher expectations are being set by referral partners, and hospice leaders must be prepared to respond.

Winners in today's data-driven environment will employ new technology solutions that dramatically shift the way hospice providers differentiate themselves from the competition. They will leverage both macro-trends and micro-data, which includes insights only available in Excel Health's solution, to identify and capture growth opportunities.

“With Excel Health data we found referral sources we should approach, and just as importantly we determined where we should not spend our time. This knowledge guides our liaisons in terms of effective time management and is aiding our decisions for future growth.”

–Norma English,
CEO,
Hospice Partners of America

Six key insights you, as a hospice leader, can gain with Excel Health are:

- 1 Insight into your own business, from both a clinical care delivery and financial efficiency perspective:** Identify key performance indicators, such as hospitalization rates and service intensity metrics for patients in the last seven days of life. This helps you to understand exactly how your business stacks up against the competition. Armed with this knowledge, your team will be able to take the corrective action needed to make sure that your hospice can put its best foot forward.

Hospice Name	NPI	County/ZIP	Total Visits Last 7 days	RN Visits			LPN Visits			Social Worker Visits			Home Health Aide Visits		
				This Hospice	County Average	State Average	This Hospice	County Average	State Average	This Hospice	County Average	State Average	This Hospice	County Average	State Average
HOSPICE G	7748893871	County /ZIP	6.36	3.07	3.04	2.92	0.73	0.69	0.89	1.07	0.96	0.73	1.49	1.62	1.30

- 2 Insight into competitors' performance metrics:** Using the most recent and complete claims data provided by Excel Health, your hospice team can demonstrate the unique advantages it brings to each referral partner's quest for better quality scores and higher reimbursement. By comparing your track record with the performance metrics of peers on hospitalization measures and visit volume in the last seven days of care, it will be easy to clearly set your hospice apart from the competition.

Hospice Name	NPI	County/ZIP	One Year Total	2017-Q3	2017-Q2	2017-Q1	2016-Q4	ALOS (days)	Patient Days	% Hospitalized: +30 days
HOSPICE A	4348893871	County ZIP	136	30	31	35	44	169	22863	5.3%
HOSPICE B	8934348871	County ZIP	511	129	133	146	125	115	71328	4.0%
HOSPICE C	8714348893	County ZIP	167	33	42	48	49	79	12435	2.7%
HOSPICE D	8893843471	County ZIP	625	161	155	176	145	95	61555	2.5%
HOSPICE E	3488943871	County ZIP	190	46	49	50	46	141	31475	2.2%
HOSPICE F	4383488971	County ZIP	134	38	38	40	21	95	12034	2.0%
HOSPICE G	4393488871	County ZIP	4319	1092	1170	1087	1055	83	375715	1.8%
HOSPICE H	3874348891	County ZIP	998	235	243	269	262	107	106915	1.5%

- 3 Detailed insight into complete market referral activity:** Being able to know, for certain, which discharge planners and physicians are referring which patients to which hospices not only helps you quantify your own market share; this understanding also helps focus sales resources on the areas with the highest potential for growth.

All													3 Months Prior				Last Claimed				Favorites: ☆				Search...
Physicians									All Hospices				This Hospice				Counts by Quarter								
Physician Name	NPI	Specialty	Total Hospice Patients	Total Patients	Attended	Last 3 Months*	Last Claimed	ALOS	2017-Q3	2017-Q2	2017-Q1	2016-Q4	2016-Q3	2016-Q2	2016-Q1	2015-Q4									
☆ FINKLE, JAMES, DR.	1396716825	Cardiology	273	191	-	191	12	24	50	62	64	16	25	56	62	62									
☆ SLIDELL, CIRTIS	3459998799	Cardiology	307	187	-	187	14	27	44	45	65	35	30	19	38	28									
☆ HASKEN, CARLOS, DR.	9283666840	Cardiology	255	151	<11	151	<11	28	31	34	37	49	20	18	27	21									
☆ CARR, MERIDETH, DR.	2038764639	Cardiology	204	148	-	148	<11	21	53	54	27	14	18	<11	20	16									
☆ BOBBISH SUBRAMAN RAGHBANANI	2497515618	Cardiology	189	145	-	144	<11	17	55	51	28	13	<11	<11	<11	<11									
☆ DAVIS, SAMANTHA	1637893003	Cardiology	193	132	<11	132	<11	24	29	42	38	24	18	18	24	17									
Unique Patient Total				-	2439	2436	2066	2187	30	614	642	692	553	562	508	530	514								

- 4 Insight into a referral source's discharge and referral behaviors:** Many Excel Health hospice customers know more about the post-discharge destinations of their hospital referral partners' patients than the partners do themselves. Being able to share provider-specific insights and work together to craft smarter post-acute care strategies positions the hospice's sales team as trusted advisors. It is a proven fact that discharge strategies based on reliable, relevant and recent data generate better patient and financial outcomes for both the referral source and the hospice.

Inpatient	Patients Coded w/Post D/C Instructions	Instructed Patients who Rec'd the Post Acute Care	Pts Entering Care Setting w/in 30 days of INP D/C	% Readmitted: 30 days			30 Day Mortality		
				This Facility	County Average	State Average	This Facility	County Average	State Average
INP to IRF	405	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
INP to LTCH	196	167	182	20.3%	18.6%	18.1%	15.3%	18.8%	16.3%
INP to HHA	2704	1687	2561	17.4%	13.4%	12.9%	1.6%	1.4%	1.4%
INP to HOS	397	367	576	2.0%	1.9%	1.6%	63.6%	58.1%	57.6%
INP to SNF	2119	1958	2224	23.9%	20.7%	19.3%	4.8%	5.4%	6.2%
No PAC	6777	6357	7914	15.8%	14.2%	12.7%	1.4%	2.1%	2.0%
Other	560	-	-	<i>n/a</i>	0.0%	0.0%	<i>n/a</i>	0.0%	0.0%
Unique Patient Total	11659	9931	11659	17.6%	15.8%	14.4%	4.3%	5.3%	5.8%

- 5 Insight into new growth opportunities:** By leveraging recent, detailed market data to fully understand a county, state or region that your hospice doesn't currently serve helps you consider smart expansion and acquisition opportunities.

County Totals									
	Last Four	2017			2016				2015
		2017-Q3	2017-Q2	2017-Q1	2016-Q4	2016-Q3	2016-Q2	2016-Q1	2015-Q4
All Medicare Patients		252,541	251,270	250,495	250,708	249,687	247,518	246,408	245,984
Hospice Total	6,769	1,660	1,709	1,803	1,597	1,560	1,574	1,724	1,629
Mortalities	10,849	2,485	2,557	2,972	2,835	2,505	2,579	2,944	2,704

- 6 Break through to underutilizing physicians:** Utilize each physicians metrics from Excel Health's professional claims data to analyze physician hospice utilization versus their peers. Find underutilizing physicians and craft a data-driven conversation about moving more patients to hospice, sooner. Highlight for these physicians the higher number of preventable hospital visits when hospice isn't used.

Hospice Utilization and Preventable Hospital Visits																
	# of Deaths		% of Deaths		Hospice Decedents		Hospice				Average Hospital Visits					
							Utilization		Decedent's ALOS		All Decedents		HOS Decedents		No-HOS Decedents	
	This Physician	State Avg.	This Physician	State Avg.	This Physician	State Avg.	This Physician	State Avg.	This Physician	State Avg.	This Physician	State Avg.	This Physician	State Avg.	This Physician	State Avg.
Patients expired within the last year and seen by physician six months prior to expiring	717	45.5	16%	13%	305	23.7	43%	52%	21.3	25.5	1.19	1.04	0.94	0.89	1.38	1.21



The More You Know, the More You Grow

Equipped with the right information, hospice leaders can consider both the macro trends that make their services more relevant and vital than ever before, as well as the detailed data that provides transparency into specific market dynamics. With access to 100% of all Medicare Part A and B data, it is possible to easily gain a more complete picture of the physician and facility affiliations in each market, patient concentrations and potential overlap with your hospice's existing business. Armed with Excel Health data, the only solution provider to offer professional claims data, in addition to institutional claims data, hospice leaders should expect the sales team to engage with referral sources on a more strategic level.

It's rare that a market segment is presented with the opportunity to make such a significant difference in both overall Medicare costs and outcomes for terminally ill beneficiaries. That is the exact opportunity that lies before hospice providers.

About Excel Health

Excel Health enables healthcare providers to thrive in the new paradigm of value-based care. With access to complete Medicare Part A and Part B data, refreshed quarterly with only a one quarter lag, (over 1.25 billion claims annually), Excel Health has put the most current, comprehensive, and robust medical database in the world at your fingertips in our easy to use Home Health and Hospice portals. Our goal is for care networks to be constructed and providers selected based on care efficacy (superior outcomes) and care efficiency (reduced utilization). The potential of our suite of on-demand, cloud-based data solutions to profoundly impact healthcare and patient lives is immediately evident in client success stories. For more information, please visit: <http://www.excelhealthgroup.com> or to see a demonstration email us at sales@excelhealthgroup.com.