Welcome to Case Study:



How Structured Modality Programs Improve Patient Outcomes and Operational Metrics

Tuesday, June 16, 2015

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Featured Speakers

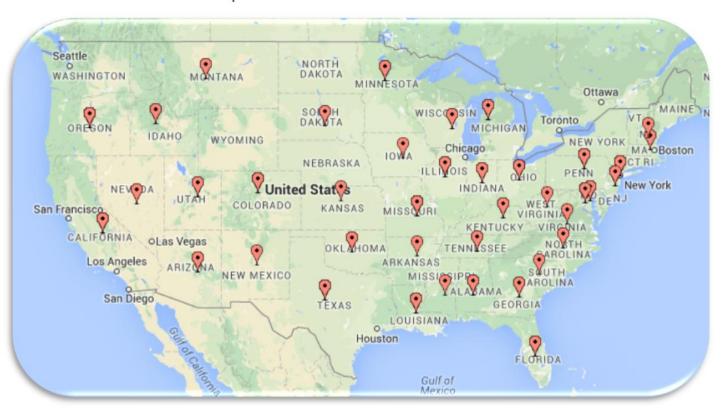
Case Study:

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Who's In the Audience?

A diverse audience of over 375 professionals registered from 24 states and provinces.



Poll #1

What are your top two challenges when it comes to modality programs?

- Return on investment is not clear
- Insufficient skilled training resources
- Difficult to drive utilization
- Difficult to quantify impact on patient outcomes
- Other

Featured Speakers

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Value-Driven Therapy *Historical Compass*

Today's Situation? ► PAC Healthcare Reform

- 2001 2012 spending 2x
- Growth in PAC payments related to therapy
- Socialistic vs. capitalistic
- QM show little improvement



Medicare Payment Advisor Commission (MedPAC) Report to Congress January 2015



No Diversification

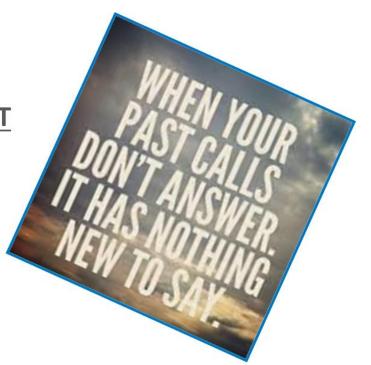
Most PAC services IP, Skilled, and Rely on Medicare Dollars

Value-Driven Therapy - Historical Compass

How Did We Get Here?

 "Medicare payment systems are neutral and sometimes negative toward quality." MedPAC Report to the Congress Pre-op Stim for TKA =
↓ LOS

- Fee for Service (FFS)
 - Currently reimbursed per procedure, which is <u>based on what we do and NOT</u> on whether the procedures represent <u>best practice</u>, let alone whether they lead to a favorable outcome.



MedPAC '15, Hart et al '07

Value-Driven Care - Historical Compass

Where Have We Come From?

- 1960s 90s
 - Cost –based reimbursement
 - Fee-For-Service
 - Incentives -

Providers Do More
Patients Receive More
Providers PAID More

- 1990s today
 - Balanced Budget Act
 - Prospective Payment (PPS)
 - Affordable Care Act
 - Incentives -

Focus on patient need

Providers PAID based on delivered service

Value-Driven Care - Historical Compass

Where Are We Headed?

- Manual Medical Reviews (MMRs) Scrutiny for QA
- PEPPER Scrutiny for QA
 - Program for Evaluating Payment Patterns Electronic Report



Diversification

- Accountable Care Organizations (ACOs)
- Site Neutral Payments (SNP) Align payment between PAC Setting
- Value-based Purchasing [P4P] "APTA Choosing Wisely Campaign"
 - Care based on <u>need</u>; <u>payment</u> based on <u>results</u>



Is EBP now Required by Payers?

- New Terms Applicable to Coverage Policies in PAC
 - EBM Data ► CDM (Skill vs. Tech)
 - P4P \$\$ Incentive ➤ Quality (Pay)
 - CE MDC \triangleright Quality (Pay)
 - LCA − MCID ➤ Quality (Pay)
 - CED Trial ► Quality (Pay)



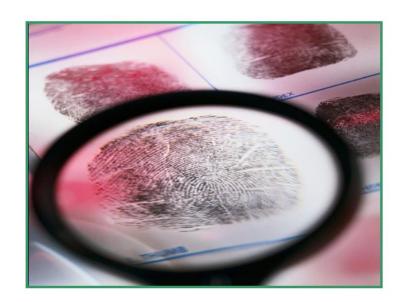




2012 CED: Transcutaneous Electrical Nerve Stimulation for Chronic Low Back Pain (CAG-00429N)

Coverage With Evidence Development: A Policy-Making Tool in Evolution '07

Evidence-Based Modality Programs in LTC to Improve Patient Outcomes



Evidence

"The deepest sin against the human mind is to believe things without evidence." — Thomas H. Huxley 1825-1895

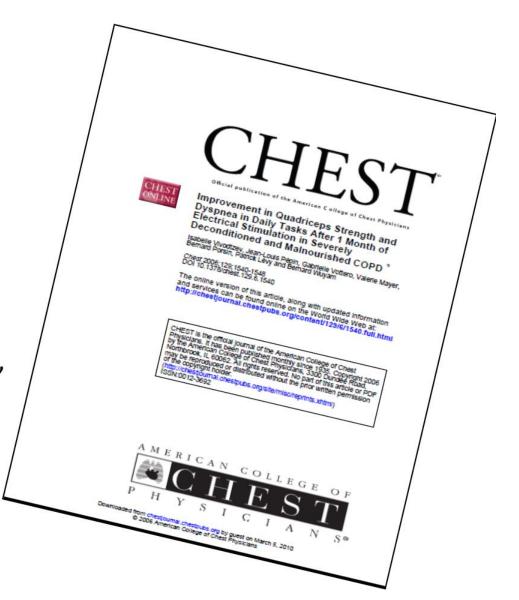
Extrinsic Validity: "Ideal" Conditions

Subject Profile

- FEV ≤ 50% predicted
- Inability or ↓ ability to exercise (3-5 min)

Results

▶ EPA Group 2 fold ↑ in MVC, ↓ dyspnea w/ADLs, ↑ walking distance, ↑muscle mass, ↑ quality of life.



Outcome Instruments

Rehabilitation Outcome Measure (ROM)

- ICF Activity and Participation Level
- Variant of discipline-free FIM

OT/PT

- 0.0 Dependent
- 0.5 Maximum
- 1.0 Moderate
- 1.5 Minimum
- 2.0 Standby Assist
- 2.5 Modified Independent
- 3.0 Independent

SLP

- 0.0 Profound (SLP)
- 0.5 Severe
- 1.0 Moderate/Severe
- 1.5 Moderate
- 2.0 Mild/Moderate
- 2.5 Mild
- 3.0 Independent

Practice-Based Evidence Clinical Practice Guided by ICF

Health Condition

Eg. Diabetic Neuropathy & Associated Conditions



Best Available Clinical Evidence

Body Function/Structure

Impairment:

- Neuropathic Pain
- Neuromuscular Dysfunction

EPAs Prescribed:

- Diathermy (Clinical)
- Light (Laser/MIRE)

Activity

Activity Limitation:

- ADLs/MADLs
- Walking to kitchen

EPAs Prescribed:

- E-Stim (Clinical)
- Ultrasound/Combo

Participation

Participation Restriction:

- Leisure/Community
- Parenting/Grandparenting

EPAs Prescribed:

- E-Stim (Portable)
 - TENS/IFC
 - FES

Intrinsic Validity: "Real-Life" Conditions

Rehabilitation Outcome Measures

- All data is for planned post-acute (MCR Part A) D/Cs
- All data is for 1-1-14 thru 12-31-14

GDG	Deficit Area	% Pts Using EPA		#	Age	Admit	D/C	Gain	LOS	D/C Home
All Pts	All	11.15%	EPA	8,564	78	0.68	1.96	1.28	35	64.98%
			w/o							
			EPA	68,227	78	0.93	2.04	1.11	27	51.76%

What about specific GDGs and deficit areas?

- All Pts (Wounds): 24%
- Dementia (all deficits): 18%
- Respiratory (all deficits): 16%
- Ortho-Hip (all deficits): 13%



Functional and Operational Outcome Metrics to Quantify ROI



Business Case: Biotechnology in PAC LEAD not Follow PRACTICE INNOVATION

Board Definitions of "Specialty"

American Board of Medical Specialties

"...goes above and beyond basic medical licensure."

American Board of Nursing Specialties

"...achievement of a standard beyond licensure."



"... advanced clinical knowledge, experience, and skills."



Clinical Operations – Specialty Practice

The primary objective of Specialty Practice is to achieve optimal outcomes Same as Others Aim of Specialty Most people get average results geriatric Average Performers (68%) enhanced modalities than Deople get better

than average results 34% 34% Morst than Others
Few Deople get results
Than average results Poor Performers (16%) 68% 14% 14% 95% 2% 2% 0.1% 0.1% 70 20 30 40 50 60 80

Regulatory Operations

- Optimize state survey results
- Improves quality indicators/quality measures
- EPA Enhanced ► Continence Improvement Program
 - Reduction of costs (e.g. disposables, catheters, laundry, barrier creams)
- EPA Enhanced ➤ Skin Care Program
 - Reduction of dressings
 - Reduction of specialty bed rentals
- EPA Enhanced ► Falls Management Program
 - Reduction in injurious falls center D/Cs
 - Reduction in specialty equipment
- EPA Enhanced ➤ Pain Management

Regulatory – Quality Measures



CASPER Report MDS 3.0 Facility Level Quality Measure Report

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Control of the contro

Note: Dashes represent a value that could not be computed

Note: S = short stay, L = long stay

Note: I = incomplete; data not available for all days selected Note: * is an indicator used to identify that the measure is flagged Report Period: 10/01/12 - 03/31/13 Comparison Group: 08/01/12 - 01/31/13

Run Date: 04/22/13

Report Version Number: 2.00

Measure Description	CMS ID	Data	Num	Denom	Facility Observed Percent	Facility Adjusted Percent	Group State Average	Group National Average	Group National Percentile
SR Mod/Severe Pain (S)	N001.01		10	43	23.3%	23.3%	20.2%	20.1%	63
SR Mod/Severe Pain (L)	N014.01		5	59	8.5%	7.1%	9.5%	9.4%	47
Hi-risk Pres Ulcer (L)	N015.01		4	60	6.7%	6.7%	6.6%	7.1%	54
New/worse Pres Ulcer (S)	N002.01		0	60	0.0%	0.0%	1.4%	1.4%	0
Phys restraints (L)	N027.01		2	83	2.4%	2.4%	1.2%	1.7%	77 *
Falls (L)	N032.01		28	84	33.3%	33.3%	45.0%	44.5%	20
Falls w/Maj Injury (L)	N013.01		1	84	1.2%	1.2%	3.1%	3.4%	23
Antipsych Med (S)	N011.01		0	34	0.0%	0.0%	2.9%	3.0%	0
Antipsych Med (L)	N031.02		14	67	20.9%	20.9%	20.7%	22.1%	52
Antianxiety/Hypnotic (L)	N033.01		0	42	0.0%	0.0%	11.1%	11.6%	0
Behav Sx affect Others (L)	N034.01		6	69	8.7%	8.7%	19.4%	25.2%	15
Depress Sx (L)	N030.01		1	74	1.4%	1.4%	4.7%	7.2%	34
UTI (L)	N024.01		0	83	0.0%	0.0%	5.6%	7.2%	0
Cath Insert/Left Bladder (L)	N026.01		2	78	2.6%	2.7%	4.4%	4.4%	37
Lo-Risk Lose B/B Con (L)	N025.01		19	32	59.4%	59.4%	55.9%	43.5%	79 *
Excess Wt Loss (L)	N029.01		11	83	13.3%	13.3%	8.9%	8.5%	83 *
Incr ADL Help (L)	N028.01		14	74	18.9%	18.9%	17.6%	16.6%	65

Clinical Operations

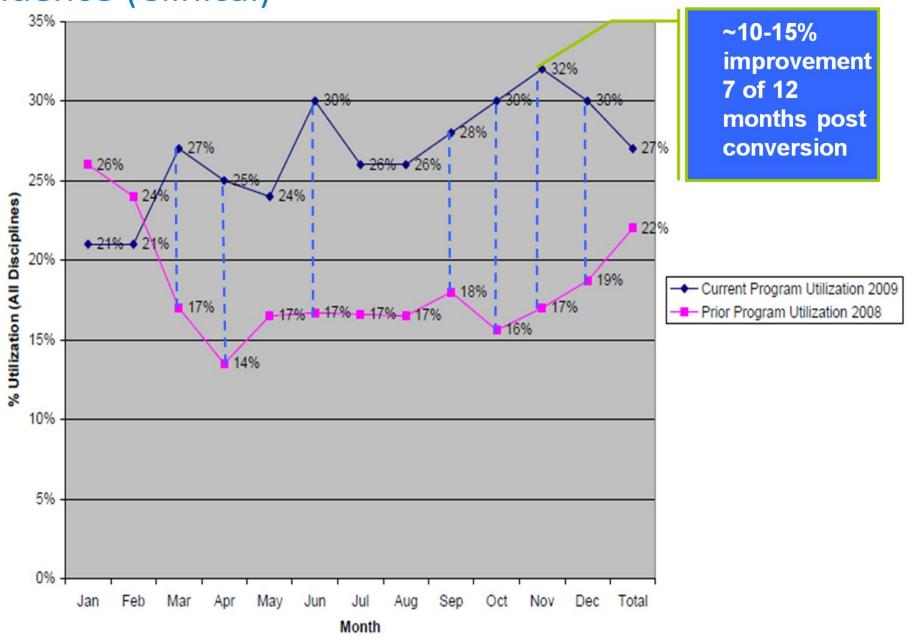


Improved clinical outcomes Pay-For-Performance

- Based on comprehensive, evidence-based clinical procedures
- Enhanced ability to treat chronic conditions
 - 68% of Medicare beneficiaries have 2 chronic conditions*
 - 36% have 4 or more*
- Decreases patients' impairments and functional limitations

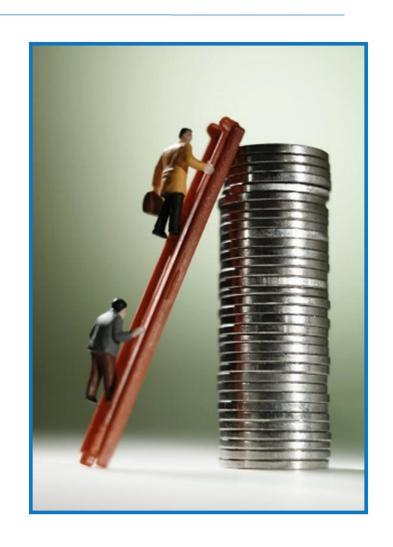
Program Utilization: Region 1 - All

Evidence (Clinical)



Financial Operations

- Improved financial outcomes
- Enhanced ability to treat across continuum
- Improved provider & pt. satisfaction
- Improved therapist satisfaction
- Increases patients' ability to manage self-care needs
- Additional marketing opportunity



Actual Clinical & Financial Data

Facility Profile: 118 bed facility; Q1 2015 data (3 mos); 38 patients treated; 19% utilization

	Quantities	Revenue	Labor	
Modality	393	\$ 5127.24	\$ 4993.80	
Incremental Other	119	\$ 3020.25	\$ 1724.10	
Total	512	\$ 8147.49	\$6717.90	\$ 1429.59

ROI

Assume equipment purchase cost of \$25K; amortized over 7 years (\$298/mo)

Revenue per month = \$2715/month \$ 1429 net for quarter = \$ 476/month

\$476 - \$298 = \$178 (6.5%)



LTC Market Strategy - Diversification



What's your Competitive Edge?

An Ideal Modality Program

"Cook"



"Chef"



Customer Perspective: Key Elements

EVOLVING from **COOK** to **CHEF**

Getting Starting: Key Elements

Program Features

- Service Options
- Procurement Options

Resources

- Human
- Capital

Development

Implementation ➤ Sustainability



Turn-Key and Customizable



Aegis GEM Equipment

Technical Advantage – Efficiency of Care:

- Multimodal
- "On-board" support
- Procedural Sequencing
- User-defined prescriptions
- Extended warranty services
- Field upgradable (wireless)



Aegis GEM Equipment

Clinical Advantage – Efficacy of Care:

- Combination procedures
- "On-board" FDA cleared pathways
- "On-board" Databases
- Data management system
- Coupling/contact indicators
- Flexible parameters



Aegis EPA Philosophy - Evolving from Cook to Chef

Clinical "Cook"	Clinical "Chef"
Protocols Application based Options → simplicity Poor Results → abandon Knowledge → authority Rationale → defer & regurgitate Outcomes → good	Reasoning Theory & application based Options → flexibility Poor Results → adjust Knowledge → evidence Rationale → explain & elaborate Outcomes → optimal

NOTE: "Cook" **DOES NOT** = **Inferior**

Next Steps

- Request evidence on the clinical impact of modality use and review.
- Learn more about how to implement a modalities program in your long-term care community
- Speak with a clinical professional on how to implement an ideal modality program
- Request more information: <u>Tina.Voss@djoglobal.com</u>

Ask the Experts



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