

Amarillo Legacy Medical ACO Reduces Skilled Nursing Facility and Home Health Utilization by Over 15% in One Quarter

Skilled nursing facilities (SNFs) and home health agencies (HHAs) have expanded opportunities for providers to treat patients outside of the inpatient care setting. Their efforts to offer more personalized care have resulted in substantial financial savings and quality improvements.

Formed in 2012, Amarillo Legacy Medical ACO (ALMA) promotes efficient, cost-effective care to their Northwest Texas facilities. With over 140 providers among their 23 practices, they are the only Accountable Care Organization (ACO) in their region that serves over 10,500 Medicare patients across five states.

ALMA discovered that their SNF and HHA utilization was high and therefore needed a more efficient way of identifying which patients were eligible for CMS allowances, such as the SNF 3-day waiver, along with monitoring the quality of the facilities where they hold partnerships. ALMA utilized the Lightbeam platform to perform tasks such as notifying care managers if a Medicare patient was eligible for the SNF waiver, along with using their CMS CCLF data to identify facilities that were low cost and high quality. ALMA's use of this data saved them over \$600,000 in one quarter and they are estimated to have a total savings of \$2.5 million for the entire year.

Challenge

The ACO administrators at ALMA concluded that they needed to better monitor SNF and HHA usage. Their efforts required two fundamental changes: data transparency and stricter gatekeeping of vital resources. Additionally, there needed to be greater accountability for the quality of facilities where patients were sent, manual processing for patients admitted into SNFs and HHAs, and enough time spent with patients to evaluate courses of treatment outside of automatically sending them to one of the facilities.

ALMA signed up for the CMS SNF three-day waiver two years ago and was approved to begin use at the beginning of 2019. Of the six SNF facilities they partner with, four are eligible to use the waiver based on their current STAR ratings. On a given month, 15 to 30 Medicare patients using the waiver in an ALMA SNF facility. For HHAs, the primary concern besides overutilization was the facilities' quality. The ACO administrators decided that before anyone else was sent to either a SNF or HHA, ALMA needed to be heavily involved in determining utilization to lower costs.



"Lightbeam gave us the insights we needed to make critical changes to our processes for admitting patients to SNFs and HHAs. Their ability to show utilization and cost data between our partner facilities and keep care managers informed on patient activity undoubtedly helped us achieve these substantial savings."

Mary Jo Zallar, RN, BSN

Chief Operating Officer, Amarillo Legacy Medical ACO

Amarillo Legacy Medical ACO

www.amarilloaco.com

Amarillo, TX

Outcomes

- \$636,000 in one quarter
- \$8 decrease PMPM in SNF utilization, a 15% reduction in one year
- \$12 PMPM decrease in HHA utilization, a 17.6% reduction in one year
- Estimated total savings of \$2.5 million for the entire year

Solution

Lightbeam's Population Health Management Platform



Goals

- Reduce the overutilization of SNF and HHA facilities
- Use available data to compare facility performance and act on findings
- Apply stricter gatekeeping practices around admittance to SNFs and HHAs

Solution

To kick off their initiatives and become more involved with their SNFs and HHAs, ALMA's ACO administrators began to meet with their representatives quarterly to review data and address concerns. Beginning with SNFs, the administrators analyzed each facility's data within Lightbeam to see how they compared to their peers in:

- Length of stay
- Amount of 30-day readmissions and inpatient admissions during the stay
- Patients' ER utilization during the SNF stay
- Risk-adjusted cost per stay
- Johns Hopkins ACG risk score
- Medicare STAR rating

For HHAs, the ACO administrators decided to take a different approach to promote healthy competition and quality control. ALMA invited two representatives from each HHA in their network with adequate Medicare patient volume and had a formal presentation of each facility's PAP data. The HHAs with the lowest scores felt convicted but did not challenge the data. While the lowest-performing facilities spent time restructuring practices, ALMA restricted patients' access to them and spent time educating their physicians on steps to prevent financial waste by enrolling patients in chronic care management (CCM).

An ACO administrator handles the gatekeeping on HHA recertifications by managing encounters and formulating next-step recommendations within the Lightbeam platform. By actively recommending next-step alternatives such as CCM, physical therapy, and others, ALMA saw a decrease in HHA recertifications.

Result

After committing to transparency, gatekeeping, and reliance on data to identify quality gaps, ALMA's savings were substantial. Comparing their SNF numbers from January through December of 2019 to January through March of 2020, they saw an \$8 decrease in SNF spend per member per month (PMPM), a 15% reduction in SNF spend. For the first quarter of 2020, that equates to a savings of \$254,000 with an annual run rate of \$1 million in savings. Comparing their home health numbers from January through December of 2019 to January through March of 2020, there was a \$12 PMPM decrease, or a 17.6% reduction in HHA spend. For the first quarter of 2020, that equates to a savings of \$382,000 with an annual run rate of \$1.5 million in savings.

What's Next

Moving forward, the ACO administrators of Amarillo Legacy Medical ACO will continue the practice of better vetting patients who need SNFs and HHAs. They will use Lightbeam to notify team members at other care venues and draw comparisons between facilities to ensure they maintain high-quality standards. They anticipate considerable future savings with these measures to continue to strengthen the ACO and better support patients' needs.