



Essential Benchmarking and Trend Analysis for LTACS



In June Vindicet held an executive round-table to discuss opportunities for improving quality management in post-acute settings. During discussion, Vindicet CEO Yann Beullan and CMO Dr. Joe Padula talked about the importance of benchmarking and trend analysis to LTACS. The following is taken from that conversation.

Why is benchmarking and trend analysis so important to LTACS?

Joe Padula: Benchmarking is important for all healthcare entities. We owe it to our patients to ensure they're getting the best care and that we are continually striving to improve. There's an old story of how 90% of physician practices felt they were in the top 10% in quality. We can't afford to delude ourselves about the quality of the product we deliver. To continuously improve we need to continuously measure.

Yann Beullan: Joe is absolutely right, and of course other industries have been doing this for a long time. A few years ago, as a consultant with UPS, I was involved in an effort related to saving fuel. We were asked to crunch the data on the 100 miles or so that each van covered every day. We used the findings to perfect the navigation software in each delivery van. We were able to reduce each route by 1 mile on average and save the company 50 million dollars in fuel per year! That taught me the value of aiming for lots of small wins that together make a big difference, and the importance being a data-driven organization has in finding those wins.

Should LTACS benchmark different outcomes compared to Acute Hospitals?

Joe: LTACS have a narrower range of diagnoses than the short term acute. The focus is on ventilator care and wounds. However, it's still important to monitor performance relative to infection control, medication safety and falls as these are applicable to all inpatient settings.



What DRGs do you benchmark?

Joe: Statistical significance requires a certain minimal number of cases. To assure that the conclusions drawn from data are valid, benchmarking should focus on major diagnostic categories based on admission frequency.

Yann: If you're not already tracking them, Pneumonia, CHF and AMI would be good places to start since readmissions related to those will have the most immediate impact on reimbursements from CMS.

Can benchmarking for LTACs help manage RTAs (Returns to Acute)?

Joe: LTACs are positioned to be important transitional care facilities. There's a group of patients that are not ready to thrive in an outpatient setting. Benchmarking lets LTACs demonstrate their success with these patients in helping them transition to home and manage their health rather than depend on bouncing in and out of short term acute facilities for support.

How can CFOs benefit from benchmarking? What is the relevance or importance of benchmarking financial results based on DRGs?

Yann: In the end, good care is financially responsible care. Benchmarking data can indicate where a process is not functioning well and needs attention. A CFO can point out to the clinical team variation in their care. Modern medical care, e.g. best clinical practices, is about reducing variation. Reduction in variation leads to improved results. This is where financial and clinical can come together to improve outcomes.

How should you evaluate the effectiveness of your current benchmarking?

Joe: The most important thing to ask is "Is the data we're getting focused and usable?" Any institution would want to focus on only that data they can use to improve financial and clinical outcomes. Time and personnel need to be used efficiently and raw data in and of itself has little value. It's the analysis of that data which is important. Any benchmarking tool should aid the institution in studying its data and then reporting it in a usable format.

If you're not benchmarking now, how do you get started?

Yann Beullan: I would suggest keeping two things in mind. First, capitalize on your current data collection. The aim is to get more value out of the data you are already collecting, not to add new work collecting data you don't really care about. And second, identify the internal teams and processes that



will use the benchmarking data you collect. As a former logistics executive, I utilized benchmarking to promote change and deliver improvements in quality, productivity and efficiency; which in turn brings “innovation and competitive advantage.”

Joe: Right. That’s your opportunity. Focus on relevance and use that information to direct efforts. There is a saying that statistics never lie, but they must be tortured to tell the truth! Benchmarking is the process of telling the truth, or at least not living in fantasy. Rather than using benchmarking as a way to compete, it can be a vehicle to raise the standards of the entire industry. And as we know CMS and payers are looking very intently at LTACs. Going forward, the success of all benefits the populations we serve and helps the industry survive.



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Yann has 20 years of experience in developing new products, business plans, and strategy. Prior to Vindicet, he served as VP of eBusiness Development & New Ventures at Aetna, where he developed innovative joint offerings with companies including WebMD, J&J, Pfizer, MasterCard and Discovery Health.



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As the former Medical Director of Highsmith Rainey Specialty Hospital, LTACH and Medical Director of Kindred Hospital in Greensboro, North Carolina, Joe brings practical insights to managing large populations of very sick patients.