Service Line Strategy: Procedures to Pathways

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Introduction. The health care system is rapidly evolving in an attempt to broaden coverage to more patients while reducing costs to the federal and state agencies, commercial insurers, and providers. There are several initiatives focused on this objective, attempting to anchor reimbursement to the quality and efficiency of an episode of care, rather than the volume of procedures done and tests performed.

In the past five years, Penn Medicine has been working to get ahead of this transformation through the organization of key service lines that work across the continuum of care.These service lines include: Cancer, Heart & Vascular, Neurosciences, Musculoskeletal & Rheumatology, and Women's Health.

The Musculoskeletal and Rheumatology (MSKR) Service Line is a strategic partnership between Orthopaedic Surgery, Rheumatology, Physical Medicine and Rehabilitation, Family Sports Medicine, Pain Medicine, and Radiology. Through this collaboration, we have organized disease teams that manage patient care pathways throughout the health system. Figure 1 shows the disease teams that have been designed to manage the care pathways, listed in order of implementation.

Figure 2 highlights the priorities of the MSKR Service Line. All strategies and initiatives for the service line are designed within the context of this framework. The development of patient pathways is the core of all of the strategic goals, and it is supported by four primary efforts: improved quality and value, regional integration, profitability, and alignment.

Patient Pathways. The central theme is the management of patients through defined pathways. Pathways map the current state process of a patient's experience from initial presentation through recovery. Opportunities for improvement are highlighted and an optimal map is designed. A multidisciplinary group of physicians, nurses, therapists, social workers, and administrators meet regularly to review a sample of patients and their experience on the pathway. Through each case review, processes are refined and systems are developed to move towards an ideal state. Figure 3 shows an example of our geriatric hip fracture pathway and revisions resulting from a multidisciplinary collaborative effort.

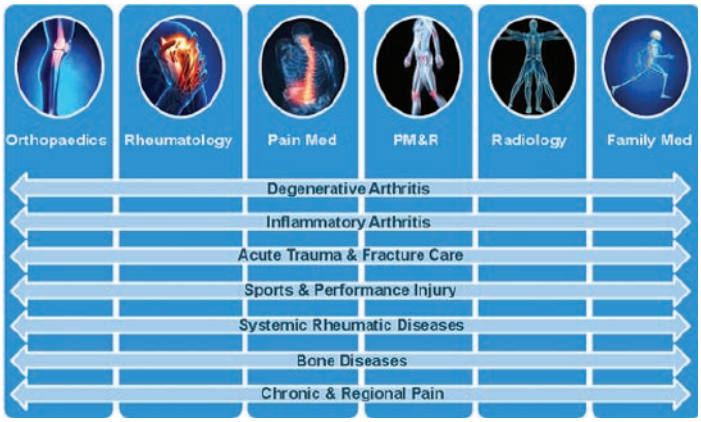

Figure 1. Moving From Departments to Diseases. Departments participating in the MSKR serviceline are listed across the top and the multi-disciplinary disease-teams" are listed vertically.

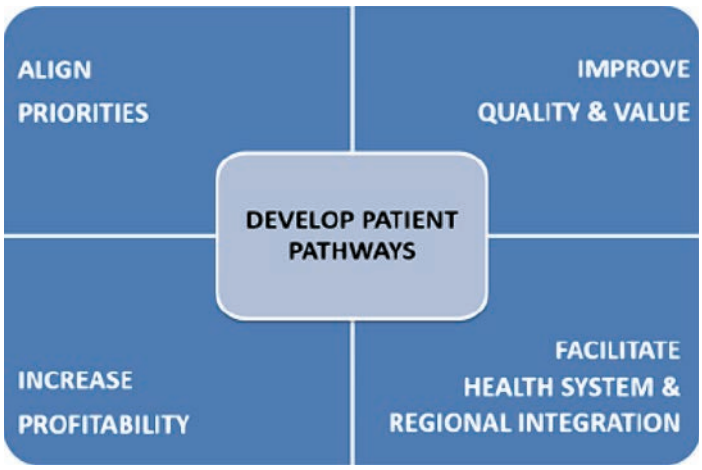

Figure 2. MSKR Service Line Goal Framework.

Improvement of Quality & Value. Some of the most significant national attention given to payment reform focuses on bundled payments. Penn Medicine has been participating in the CMS Bundled Payments for Care Improvement (BPCI) Program for just over two years. Primary hip and knee replacement, managed out of the degenerative arthritis disease team, is currently the most significant bundle for Penn Orthopaedics. Since 2014, the team has seen vast improvements on inpatient length of stay and readmissions. Now the team is focused more narrowly on the post-acute pathways for patients, partnering closely with local skilled nursing facilities (SNFs) and home care agencies.Together, this group creates pathways that delineate which patients can go home safely as well as identify length of stay guidelines for participating SNFs.

Beyond payment reform, there is an increasing environment of consumerism. More and more, patients choose their care providers based on reputation, outcomes, and cost. One driver of consumerism is the rise in higher co-pays and deductibles for patients. Higher out-of-pocket costs heighten patient awareness of what "products" are available in the market and increase their expectations of their experience. Consequently, we can no longer rely on our outstanding high quality care; we have to provide the service edge. Patient pathways give us an important patient-focused framework to think about how people interact with the health care system and what

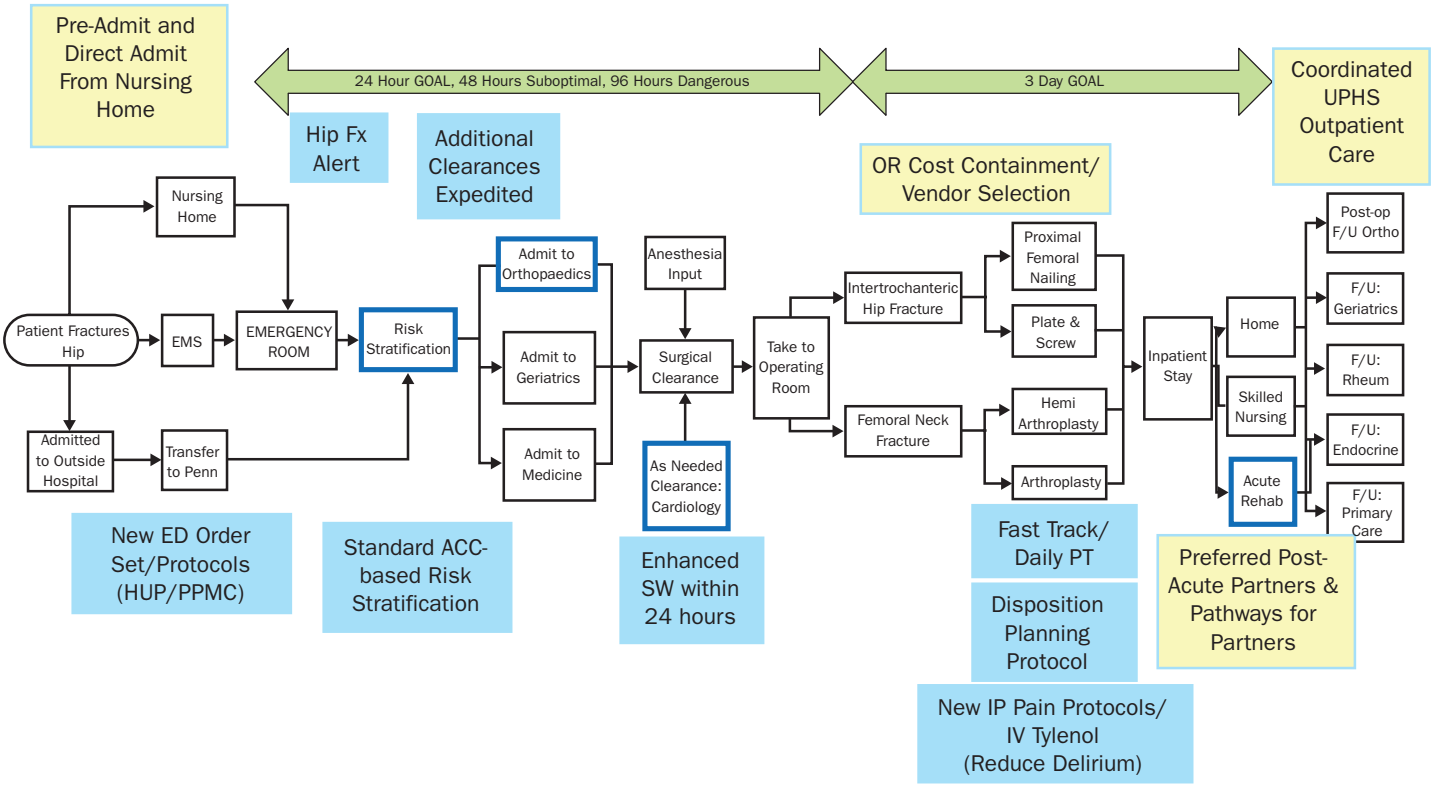

Figure 3. Geriatric Hip Fracture Pathway. This map serves as the guide for improving the geriatric hip fracture patient experience. The flow chart represents the patient's steps (highlighted boxes showing refinements). The comment boxes are improvements implemented to date and existing opportunities.

they expect of their providers. Pathways are not necessarily "evidence-based", they are more practice and experience based but normalized across providers for the ultimate quality and patient outcome experience.

Increase Profitability. In addition to new payment models, health reform is driving reductions in payments and therefore overall revenue. As such, the health system has renewed focus on decreasing unnecessary costs to improve overall margin and allow for programmatic and facility reinvestment. The service line is focused on variations in practice among both physicians and hospitals. From implants to sutures, unit costs are analyzed, identifying savings and reducing waste. Examples of cost improvements made through this initiative include: standardization of high volume surgical trays to reduce sterilization costs and labor; standardization of implants to improve pricing of high ticket items; and evaluation of the efficacy of specialty products.

Facilitate Health System and Regional Integration. Another national trend is the consolidation of hospitals and existing health systems into large regional health systems. Over the past three years, Penn Medicine has acquired one new suburban hospital and one community health system, growing the health system to five acute care hospitals in all. Pathways provide a vehicle for organizing and integrating care across disease populations within the health system and beyond, especially given the level of growth and expansion that we have experienced lately. It also facilitates the circulation of best clinical and operational practices among entities.

Align Priorities. Due to the multidisciplinary nature of pathway management, priorities of different departments must be aligned to achieve a common goal. The MSKR Service Line has a shared incentive plan that benefits all participating departments. The incentive is designed to financially benefit departments directly as well as create a central pool managed by the service line executive committee for investment in service line priorities.

Conclusion. While we have planned for a major shift in health care delivery and reimbursement, there are still quite a few unknowns. There is little certainty in how quickly CMS and private payers will move to more value-based payments or the extent to which it will impact some of the high acuity care we provide. Additionally, consumers continue to demand price transparency, on-demand access to providers, and more agile use of their own medical records. We have adopted the service line strategy and disease based pathways as one viable way, and no-regret move, for us to advance our patient centered care.