



P4P—A Walk on the Home  
Health Tight-Rope Guided  
by Business Intelligence

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White Paper  
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## Background & Introduction

In today's home health environment, agencies must continuously manage the delicate relationship between the cost of providing care and the quality of service delivered. While agencies have negotiated this challenging relationship for some time, emerging market dynamics make this balancing act increasingly difficult. As pay-for-performance (P4P) develops into a home health business reality, the margin of error that agencies have in co-managing cost and quality becomes progressively more narrow as agencies attempt to walk the tightrope of achieving optimum quality thresholds within the parameters of appropriate resource expenditure.

It has never been more important to use information to drive decision-making in home health. Balancing acts require careful navigation: Thinking through the trajectory that provides the path of least resistance and the placement of each step to ensure that objectives are achieved. Businesses throughout the world have managed through the same challenges that we have ahead of us—and they have been quite successful doing it—simply by placing information in the hands of decision-makers, at the time that decisions are made, to ensure that rapid responses are also the right ones. This approach to integrating information into daily operations is called Business Intelligence (BI), and it is the key to success in home health care today and tomorrow.

While forward-thinking home health agencies across the country are currently using BI to manage the cost/quality equation and seize a competitive advantage, the majority of agencies continue to struggle with implementation of an information-driven management approach. Why? The answer is simple—Synthesis.

Unlike many other industries, home health does not exist in a data vacuum. Our challenge is not one of having enough information to facilitate data-driven decisions. Rather, our primary issue is one of data overload. If you can relate to the following scenario, you are not alone:

*An agency executive sits in her office among stacks of reports— OASIS, OBQI, Adverse Events, Financials, PPS information, Patient Satisfaction. After spending several days trying to find a dedicated block of time to review the reports amidst day-to-day management, and after moving beyond the initial overwhelm at the volume of information, the executive attempts to make sense of it all.*

*She digs into the reports searching for a morsel of insight into performance improvement opportunities. Ah-ha! She discovers an outcome area in need of further agency attention! After realizing that she has an area that needs improvement, the executive is then left with a phenomenal list of questions—What is driving the results? Is it a particular subset of patients? If I implement an improvement strategy, how do I know it is working? What will be the likely impact on my financial performance? How will my interventions affect my outcome scores? What about patient satisfaction? What happens if I need to course correct along the way, do I have information to support me in my decision-making process?*

It is at this point in the process that many executives become frustrated. Having identified an area in need of improvement, the agency's efforts are then stymied by the time-consuming and manual analysis that must be conducted to understand what needs to be done to actually achieve improvement. Therefore, the above approach to data analysis is a good first step, but generally not a good method to provide quick answers to complex operational questions in the midst of a rapid-fire, day-to-day business environment.

Imagine an alternative scenario—

*The same agency executive obtains a quarterly analysis report flagging sub-performing outcomes as compared to national risk adjusted benchmark norms (see example below).*

> Overall Agency Performance Summary\*

	Agency*	National	Regional*	
M0420 – Improvement in Pain	48%	42%	41%	😊
M0482 – Improvement in Surgical Wound Status	39%	48%	50%	😞!
M0570 – Improvement in Confusion Frequency	57%	56%	57%	😊
M0650 – Improvement in Upper Body Dressing	54%	64%	66%	😞!
M0670 – Improvement in Toileting	61%	62%	61%	😊
M0680 – Improvement in Bathing	57%	61%	64%	😞!
M0690 – Improvement in Transferring	34%	39%	42%	😞!
M0700 – Improvement in Ambulation/Locomotion	32%	44%	45%	😞!
M0780 – Improvement in Oral Meds Management	51%	52%	50%	😊
M0830 – Any Emergent Care Provided	17%	23%	24%	😊
M0855 – Acute Care Hospitalization	19%	26%	27%	😊
M0870 – Discharged to Home	78%	71%	70%	😊

\*Based on risk adjusted outcome for select measures listed

*Using management by exception, she immediately observes several opportunities for improvement. With a wound care program in place, and very low scores in the outcome Improvement in the Status of Surgical Wounds, she quickly refers to her specialized wound program reports. These reports demonstrate performance for her wound care patients across the key dashboard indicators of visit utilization, outcomes, adverse events, and financial performance. Based upon her reports, she observes that the agency could improve performance.*

*Her QI Team jumps into action. They immediately pull a list of patients that did and did not improve in this wound-related target outcome measure, followed by conducting quick automated chart reviews. The Team determines that they need to adjust wound care protocols and associated supplies to achieve maximum outcome improvement. As they implement the*

*new interventions, they simultaneously track the clinical and financial impact and course correct along the way.*

*This is Business Intelligence!*

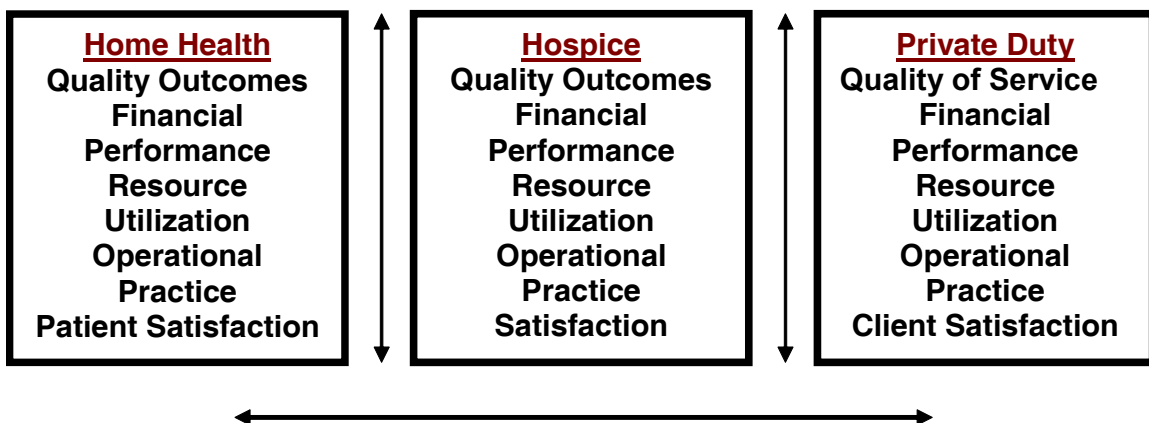
The cornerstone of BI is synthesis—by integrating data within and across business lines, and by having a means to access the information in a meaningful format, executives then have the business intelligence necessary to drive decisions.

## Achieving Data Integration

Data integration is a concept that is “easier said than done,” largely because of the infrastructure required to support the complex synthesis of multiple types of information. It is rather ironic that an extremely sophisticated backbone of technology is required to simplify data analysis and translate it into executive-level business intelligence. In other words, it requires more data in order to reduce data overload. Confused? An explanation follows...

Effective management requires that executives have a handle on their organization’s key performance indicators—both within and across business lines. The figure below demonstrates the complexity of this seemingly obvious concept:

### Manage Information Between And Across Business Lines



Managing across business lines requires that the agency have integrated metrics that shed light on opportunities to improve the efficiency of patient care between business lines such as home health, hospice and private duty. As an example, an agency may desire to improve end of life care across the board to ensure that patients with less than 6-months to live are cared for in an optimal fashion.

Managing within business lines also requires integrated metrics across all performance areas within that line of service delivery—quality outcomes, financial performance, visit utilization, operational practice and patient satisfaction. In this instance, an example could center on measuring the financial return on investment of a new care protocol designed to increase outcome performance.

Needless to say, the above analysis across and within business lines becomes exceedingly difficult if the agency must manually generate metrics and analyze information. Furthermore, by the time this manual analysis is complete, it is often no longer considered “real-time.”

Therefore, the more efficient approach to management across and within business lines requires that executives access actionable information at the very time that action is needed. This requires significant information in the context of sophisticated technology. More specifically, we are talking about patient-level linkage of all OASIS data elements—visit utilization by discipline, patient satisfaction outcomes, and indicators of participation in specialty programs—in the context of financial metrics by episode type and operational practice benchmarks, representing over 800 potential measures of analysis. Needless to say, this could generate significant data overload!

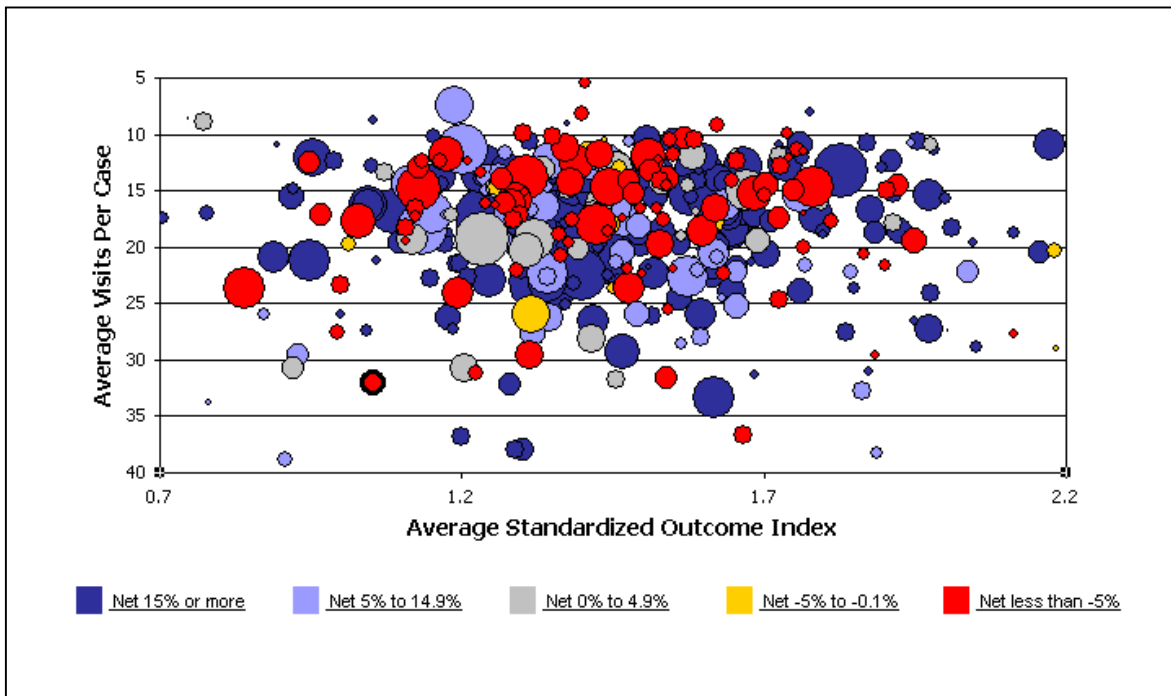
Therefore, intelligent technology becomes critical to providing the executive with tools to quickly zero in on the areas most in need of attention. This begins with an initial 50,000-foot view of performance, followed by a facilitated analytical evaluation down to the most granular level of detail by specialty program, diagnosis or other unique subset.

The above approach to data integration is the cornerstone of business intelligence. Referred to as a “360-degree view of performance,” information is combined and linked at the patient level and reported to the provider in a way that is clear, concise and actionable.

## Using the 360-Degree View to Drive Decision-Making

Can you imagine a 360-degree view of your agency’s performance, where clinical, financial, operational, visit utilization and patient satisfaction data elements are all linked at the patient level with performance information at your fingertips? If you had access to this information, what programs would you evaluate first? What questions could you quickly answer that would have otherwise taken you weeks, if not months, of analysis?

When information is linked and targeted, agency executives obtain an unprecedented perspective that offers immediate direction. The example graph below demonstrates this concept:



In the above OCS-Bubble Graph, an executive would quickly be able to determine that her agency is expending higher than average visits and achieving lower than average outcomes, all in the context of sub-performing profitability. In this instance, the opportunity for improvement becomes clear—the agency may wish to evaluate a more efficient means of caring for patients to improve outcomes while simultaneously reducing resource expenditure. Telehealth, perhaps?

Before diving into an overwhelming initiative to increase outcomes across the board, however, the executive may wish to quickly scan an outcome report and a visit utilization report to identify the specific low performing outcomes and the specific disciplines that are driving the above results. She may also wish to benchmark costs and operational practice to see if there are any glaring areas that could be improved upon.

And the investigation goes on as originally described, where the executive tactically progresses from a high-level perspective to a gradually more focused level of detail, using her reports strategically to drive her objectives rather than feeling like she is drinking from the proverbial fire hose of information.

Ultimately, by reducing manual effort and simplifying the synthesis of information, the agency obtains a significant operational and competitive advantage in ensuring that trial-by-error is avoided as often as possible and replaced with information-driven decisions that enhance the overall cost/quality balance.

## **Conclusion**

While the concept that home health agencies must co-manage cost and quality is not new, pay-for-performance will require that agencies take their efforts to a new level of sophistication. Throughout the industry, providers are already leveraging business intelligence in the form of a 360-degree view of performance to proactively position their organizations for the emergence of a pay-for-performance model. As one executive states...“When pay-for-performance arrives, we’ll be

ready!" In this sense, time and information become two of the most valuable areas of competitive differentiation as agencies race toward preparedness along a thin tightrope, guided by business intelligence.

## **About Outcome Concept Systems**

Founded by a pioneer in the area of home care outcomes, OCS has provided organizations with performance improvement solutions since 1992. With over 1,500 clients spanning all 50 states, OCS maintains the nation's largest proprietary home care benchmark database comprised of patient-level data across all business components: clinical, financial, operational, visit utilization and patient satisfaction. OCS uses this information to provide the home health, hospice and private duty markets with relevant research and industry education, as well as business intelligence products and services. Endorsed by trade associations throughout the country and recommended by major MIS vendors, OCS is the premier quality management vendor for post acute care. For more information, access OCS' web site at [www.ocsys.com](http://www.ocsys.com) or call 206.325.3396.



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