



Preparing for the Quality Management Focus

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Background & Introduction

Home health providers are entering a new era, one that will be defined by an unprecedented focus on quality management. In this new marketplace, data will be used to portray a realistic and objective view of quality performance. Furthermore, agencies will need to incorporate routine data analyses and outcomes based quality improvement (OBQI) initiatives into their business operations.

While we have come to realize that we are on the verge of another industry evolution, many are apprehensive. And it's no wonder why—This is the third major home health industry shift during the last five years.

The heightened awareness and focus on quality management follows quickly in the heels of other fundamental changes that have challenged home health agencies' ability to adapt and survive. In the last few years, agencies invested significant resources to develop new clinical operational processes and implement the Outcome Assessment and Information Set (OASIS). Immediately following that effort, both clinical and financial process changes were needed to meet the requirements of the home health Prospective Payment System (PPS). Together, successful OASIS and PPS implementations and processes remain differentiating factors in the management of a successful home health business.

Those that survived these historical changes must once again adjust their business practices in order to navigate the challenging road ahead. The key to success in 2003 is preparation—the most successful organizations will be those that use the information that is at their disposal today in order to prepare for tomorrow.

Preparation consists of two key elements: First, you must get to know your data and use this information to drive internal OBQI processes. Once you are aware of your current performance, you are then able to embark on a strategic marketing program designed to position your organization in this new marketplace.

The Quality Management Crescendo

While seemingly new and overwhelming, the quality management crescendo has been building for some time: First the industry adapted to a uniform outcome assessment tool (OASIS), then agencies adjusted to a new reimbursement methodology (PPS), and now CMS is encouraging agencies to use outcomes information to ensure high quality of patient care in a financially constrained environment.

Although many agencies knew that OASIS data would eventually be used as an objective measure of agency performance, many are feeling caught off guard by the magnitude of the quality management focus and the expediency with which this trend has emerged.

Some have argued that the accelerated focus on quality can be attributed to recent governmental trends related to the survey process. In a July 2002 GAO report, the OMB described state level survey inconsistencies, which could potentially lead to a failure of the home health survey process to assure quality of patient care. CMS agreed with the report and promised to make changes. During the second half of 2002, CMS formally trained surveyors in the evaluation and use of OBQI reports to target specific aspects of agency performance.

In the view of most industry experts and, as clearly outlined in OBQI updates and analysis posted to its web site, CMS will continue evaluating and using OBQI data for surveys. As further evidence of a long-term focus on OBQI data, consider this statement from the CMS web site, "We hope the (OBQI) data will help us minimize the time spent on-site for quality agencies and enable us to focus our attention on agencies that are not doing as well. We also believe that these (OBQI) reports will give us the opportunity to increase our emphasis on patient outcomes during the survey process as we were mandated to do by OBRA '87."

The implication of this position with respect to the expected use of OBQI report data is very clear: Agencies with lower outcome scores could receive more frequent and intense surveys than their counterparts with higher outcome scores.

It is in this context that CMS will provide the public with understandable measures of patient quality of care and encourage home health clients to play an active role in the selection of providers.

A Consumer-Driven Marketplace

In the last several years, the home health industry has become more competitive, and agencies increasingly recognize the importance of marketing the services that they provide.

However, the way in which agencies market their services is about to change.

Agencies are in the business of providing quality patient care, and in the coming year, the home health industry will take new steps to become consumer-driven. The public release of home health outcomes data is on the immediate national agenda. CMS will be placing agency-specific quality data in the hands of the public—first in a small cross section of six to ten states followed by a nation-wide release. Payers, referral sources, patients, and even competitors, will all position to use this data to make buying decisions, examine agency performance, and develop competitive strategies.

This consumer-driven, outcomes-based market will be different from the environment that agencies have grown accustomed to, and agencies' marketing strategies must evolve to accommodate this new business reality. That is not to say that tried and true referral source management techniques will need to be completely revamped—the goal is not to toss the baby out with the bath water. Rather, agencies will need to modify their standby practices and incorporate outcomes data into the overall equation.

The good news is that agencies still have time to prepare—if they start now.

CMS will soon finalize the selection of a small number of measures that best reflect quality of patient care in a home health environment. Agency-specific information will then be compared to national and state averages and to the information of other agencies in the area. The scores and rankings will be released publicly on the CMS web

site and, if the recent experience in the Nursing Home industry is any indication, in full-page ads in local newspapers.

While CMS' efforts to publicize outcome data will heighten public awareness of outcomes as a measure of home health quality, competitive forces in the industry will cause some agencies to move quickly to take advantage of the situation. With agencies publicizing outcomes, we might see an acceleration in the public's adoption of using this information to make provider selections. Furthermore, we can expect that referral sources, payers, hospital administrators, and other sophisticated decision-makers will use this information sooner than later to evaluate agency performance.

Clearly, outcomes-based marketing is fast becoming the underlying element of home health success for the next two years. The message seems clear—Now is the time to understand your outcomes and develop a proactive marketing strategy.

The Marketing Foundation: OBQI and Agency Management

Public awareness of comparative outcomes will encourage the development of innovative marketing campaigns as the result of a new competitive force in local and regional markets. Before you initiate a guerilla marketing campaign, however, you will want to take stock of current capabilities. Because data analysis will be key, agencies will need to first conduct a review of the resources necessary to accomplish effective comparative data analysis and performance improvement activities. This includes ensuring that you have the right combination of innovative technology, meaningful data, new expertise and traditional experience.

Furthermore, the most successful marketing efforts will emerge from those agencies that have created a management structure that supports a balanced approach to quality and cost management. On its most basic level, it is much easier to market an agency when it is performing well. Toward that end, agencies will benefit from an integrated management approach, where clinical and financial managers engage in a common effort to understand and balance cost measures, traditionally presented in financial reports, with quality measures, presented in the form of outcome reports. Objective

outcome data from outcome reports should share the weekly management meeting agenda with revenue and expense data from financial reports and statements. Together, outcomes and financials become central to successful home health agency management—one cannot exist without the other. This may require a cultural shift for some organizations. However, if you are able to achieve this level of teamwork, you will ensure that your agency is enhancing financial performance, and avoiding the ramifications of unfavorable outcomes. This solid business foundation is what will differentiate the out-performers from the rest of the pack.

Using OBQI Reports: Importance and Limitations

The CMS OBQI reports are available without cost, and, since this is the very same risk-adjusted data that will be released to the public and used in the survey process to compare and measure performance, agencies must conduct a careful examination of the reports. However, we should understand two important limitations of these reports in conducting agency day-to-day business and making the key marketing or operational decisions we have argued are increasingly important.

First, at least for the present, the CMS OBQI reports are limited to a one-year date range window. This limitation makes performance tracking, or getting a clear view of whether or not your new and resource intensive OBQI action plans are having the desired effect, difficult and somewhat impractical. Regardless of whether the objective is to track an OBQI goal related to preparing for a survey or, to discover and correct outcomes before the public release of information or, to position new services with a referral source, agency managers will benefit from access to more frequent information.

A second limitation of the CMS OBQI Reports is that CMS OBQI reports provide comparisons only against a national reference norm. Agencies benefit when their benchmark information includes geographic and characteristic-based (size, affiliation, urban or rural, etc.) comparisons. These comparisons not only provide significant value by offering peer level comparative data, but they also provide local market benchmarks, a critical comparison when agencies are preparing for the public release of outcome data.

When outcome information is presented publicly it will be easy to understand, and it will be in the context of the outcomes of other agencies within a defined geographic area. Consumers will likely focus their attention on how an individual agency in their local area compares to others more than how they compare to industry norms. Agencies will want to begin comparing themselves to local geographic norms in advance of the release of outcome information, so that they are fully aware of how their outcomes will be viewed by the public.

Change is an Opportunity

When an industry experiences change, some organizations will struggle to adapt and others will use it as an opportunity to achieve something greater. The same is true in home health. Clearly, our industry is concerned about the public release of agency-specific outcomes information. While the release in 2003 is imminent, agencies have the ability to begin their preparations today. The key factor that will distinguish successful agencies, and may ultimately determine those that survive, will be how they strategically position themselves now. Using comparative data to their advantage, the most successful organizations will be those that use outcome information to efficiently and effectively correct problem areas and market successes in advance of the focus on quality management in home health. The success stories in the coming year will be told by agencies that know their data better than anyone else and are planning today to tell their own story, credibly and clearly.

How does one go about telling their story? It is as simple, or as complex, as knowing your story, knowing who to tell it to, knowing how to tell it, and knowing how you will determine if you have been successful. In the next issue of Remington Report, we will further elaborate on the role that marketing plays within a home health agency and provide a step-by-step roadmap for executing an outcomes-based marketing campaign. In the mean time, get to know your data. Strive to get beyond the inevitable “data overload” that everyone experiences when they first look at their own information, and become acquainted with the how your agency looks on paper. Identify those areas where you are doing well, where you are under performing, and where you might have problems. In doing so, you will accomplish the first (and most important) step in any marketing tactical plan.

About Outcome Concept Systems

Founded by a team of home care professionals, OCS has been providing home care organizations with performance improvement solutions since 1992. With over 1,200 clients spanning all 50 states, OCS maintains the nation's largest proprietary home health benchmark database comprised of clinical outcome and utilization information. OCS uses this information to provide the industry with education as well as products and services to guide decision-making and improve outcomes. Endorsed by trade associations throughout the country and recommended by major MIS vendors, OCS is the premier quality management vendor for home health, hospice, infusion, DME, and private duty organizations.

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