A New Reality:
Controlling costs in your cath lab and preparing for cardiac bundled payments with analytics

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Peter Mallow, PhD
Cardinal Health

Jeff Porubcansky
Cardinal Health™ Inventory Management Solutions
Speakers

Peter Mallow, PhD
Director Health Economics, Outcomes Research, & Reimbursement
Cardinal Health

Jeff Porubcansky, Certified Lean Six Sigma Black Belt
Director, Trusted Advisement, Operations and Services,
Cardinal Health™ Inventory Management Solutions
Agenda

• Introduction

• Challenges of managing your inventory and controlling costs

• Regulatory issues – CMS bundled episodic payments cardiac care

• Operational challenges – eliminating manual processes

• How RFID can help you accurately manage, track and monitor high-value procedural inventory

• Case Study: How IDN is Changing the Game with controlling costs
About Cardinal Health

Recognized leader in healthcare supply chain transformation

• Ranked in the top 2 by Gartner 2011-2015 for transforming the healthcare value chain to meet new challenges around costs, revenue and outcomes

Unparalleled understanding of healthcare value chain

• Nearly 100 years of experience supporting nearly 4,000 leading healthcare systems
• A passion for innovation and managing the business of healthcare, so our clients can get back to the business of healing
Challenge: reimbursements at risk

- **Transition to value-based payments (VBP):** changing the management of high-cost cardiac cath labs

- **High exposure to VBP reimbursement measures:** 6 of 19 directly impact cath lab setting or post-procedure

- **Evaluation of reimbursement will be based on:**
  - Quality of Outcomes, Clinical Process of Care and Patient Experience

- **Greater scrutiny:** CV financial and quality performance causing more manual entry for quality reporting

Episode payments for cardiac care

Patients receiving coronary artery bypass surgery (CABG)

MI Heart attack patients receiving percutaneous coronary intervention (PCI), including stents, angioplasty, or other interventions

The new cardiac bundled payment model will include 98 geographic areas across the country - set to be phased in starting July 1, 2017


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Impact of declining payments

HFMA Estimated Reductions In Medicare And Medicaid Payments

85% of projected $460 Billion in Hospital Federal Cuts Are ACA-Related

Sources:
1. HFMA analysis

Regulatory demands

1. Adhere to complex regulations that set guidelines and expectations for quality, coding, reimbursement and overall care delivery.

2. Need to control admissions and lower costs.

3. ICD-10 and two midnight rule adds another layer of complexity.

4. Growing administrative burden with multiple reimbursement models.
From triple to quadruple aim
The goal: lower costs, better care, enhanced satisfaction

Improved outcomes
Provider satisfaction
High quality
Lower costs
Enhanced satisfaction

Across the continuum of care

Source: http://www.annfammed.org/content/12/6/573.full
Poll Question #1

What main challenge or major barrier are you experiencing with inventory management in the Cath Lab?

- Manual processes
- Dealing with expired, obsolete and/or recalled products
- Product standardization
- All of the above
Collaboration is key

Successful management of physician preference items
• No single organization can do this alone

Continuous data capture for improved service levels and increased visibility
Achieving end-to-end visibility

Capturing data at the point of use is the key enabling transparency across supply chain

Reliable data can help:
- Drive quality
- Control costs
- Manage overall satisfaction
- Support patient safety initiatives
Poll Question #2

How is your facility currently managing high cost cath lab inventory?

- Manual
- Barcode
- RFID
- Unsure
Data Analytics Changing Behavior
Advanced Analytics: Drive visibility of usage patterns
Cost per case: Better visibility and cost control for bundled episodic payments
Seeing the difference: Driving results with automation and analytics

Source: Emory St. Joseph case study, May 2015
What is your cath lab missing?

RFID helps you:
1. Accurately document, for regulatory purposes
2. Capture charges and UDI
3. Streamline audit processes

Right amount and type of inventory on hand

Data analytics to track usage trends over time:
- Drive better decision making
- Stock high-value Physician Preference items — without emotional ordering
- Control costs and prepare for bundle payments
1. **Assess current state** – Understand and benchmark where you are today with your current supply chain process

2. **Build the vision** – Create strategic plan for investing in additional resources – technology or human – to drive visibility and insights

3. **Align goals and incentives** – Align with all constituents – inside and outside your organization, to ensure commitment to action plan, milestones, and business case realization

4. **Drive adoption of data standards** – Across your extended supply chain to increase visibility and transparency

5. **Automate and expand reporting** – Automate with RFID and expand transparency of costs with analytics that support decision making by the clinical practice
Q&A

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gmb-cims@cardinalhealth.com

614.553.5322

www.cardinalhealth.com/cims