Building A World Class Outpatient TJA Program

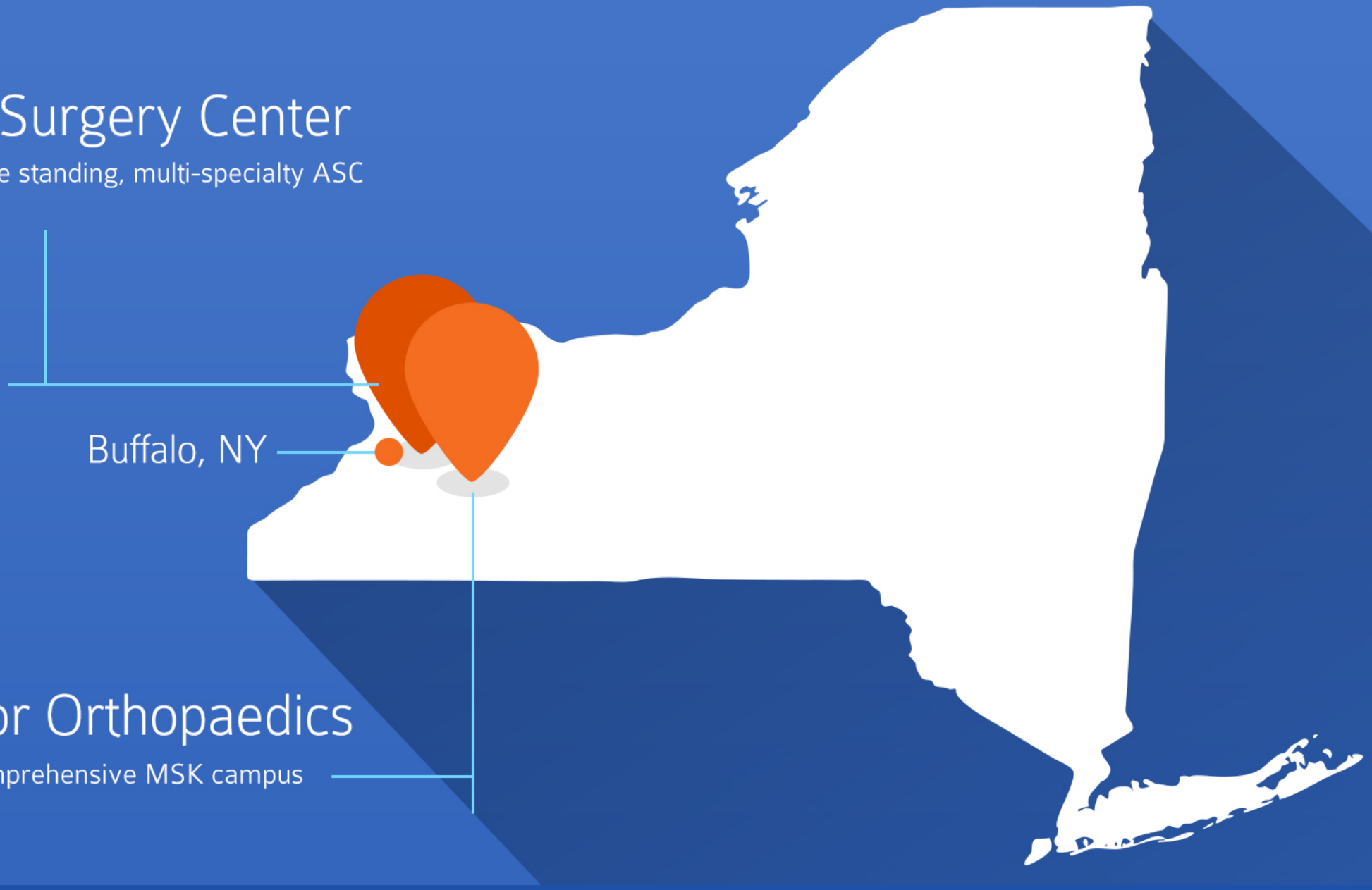
October 16th, 2018

Excelsior Orthopaedics

BUFFALO SURGERY CENTER

Buffalo Surgery Center

28,000 SF Free standing, multi-specialty ASC



Excelsior Orthopaedics

65,000 SF comprehensive MSK campus

Excelsior Orthopaedics™

Comprehensive MSK "center of excellence"

Unmatched patient experiences, continuity of care, and integrated services

46 PROVIDERS

25 SURGEONS / PHYSICIANS

15 PHYSICIAN ASSISTANTS

10 PTs/OTs

- Physical therapy
- MRI/imaging
- Excelsior Express – Othopaedic Urgent Care
- Sports training and school outreach
- Concussion management
- 130 employees and 100,000 patient visits per year at 3 locations in WNY

BUFFALO SURGERY CENTER

28,000 sq. ft. freestanding multi-specialty ASC

Orthopaedics, GI, ophthalmology and pain

100% PHYSICIAN OWNED

8 ORS/PROCEDURE ROOMS

15,000 CASES PER YEAR

99% PATIENT SATISFACTION

<10min OR TURNOVER TIME

.15% INFECTION RATE

50 EMPLOYEES

New facility opened in August, 2016

WHY WE DID IT

NEW KNEE, HIP, OR SHOULDER

without **ever** stepping foot inside a hospital

KNEE

700%

HIP

200%

SHOULDER

330%

Total Joint Replacements are on the

RISE

**Projected increases in demand by 2030*

TRENDS

- 50% of patients <65 years old
- Payer cost trends for MSK care
- Shifts to value based reimbursement (MACRA, APMs, etc.)

CLINICAL OPPORTUNITIES

- Minimally invasive surgical techniques
- Advancements in pain management protocols
- Accelerated rehabilitation protocols

THE TRIPLE AIM

- Improved patient access
- Exceptional patient outcomes
- Lower cost

BUSINESS OPPORTUNITY

- Strategic differentiation and the "balance of power"
- Great control of revenue and continuity of care
- Enhanced reimbursement for surgeons

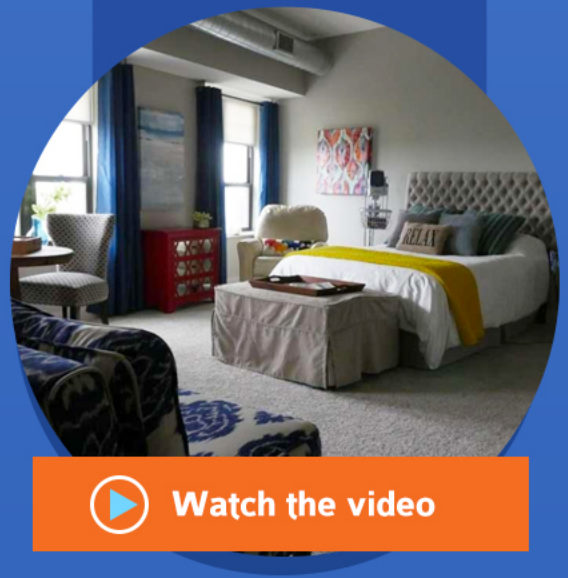
- Built a safe and effective outpatient TJA program that achieves the Triple Aim objectives

THE **TRIPLE AIM** → Improved patient access → Exceptional patient outcomes → Lower cost

- Aligned and integrated the entire "means of production" under physician control

- Developed "bundled payment" agreements with payers
- Increased reimbursement for all lines of business and grew practice wide TJA volume
- Established workflows, clinical protocols, and patient education materials

WHAT WE DID



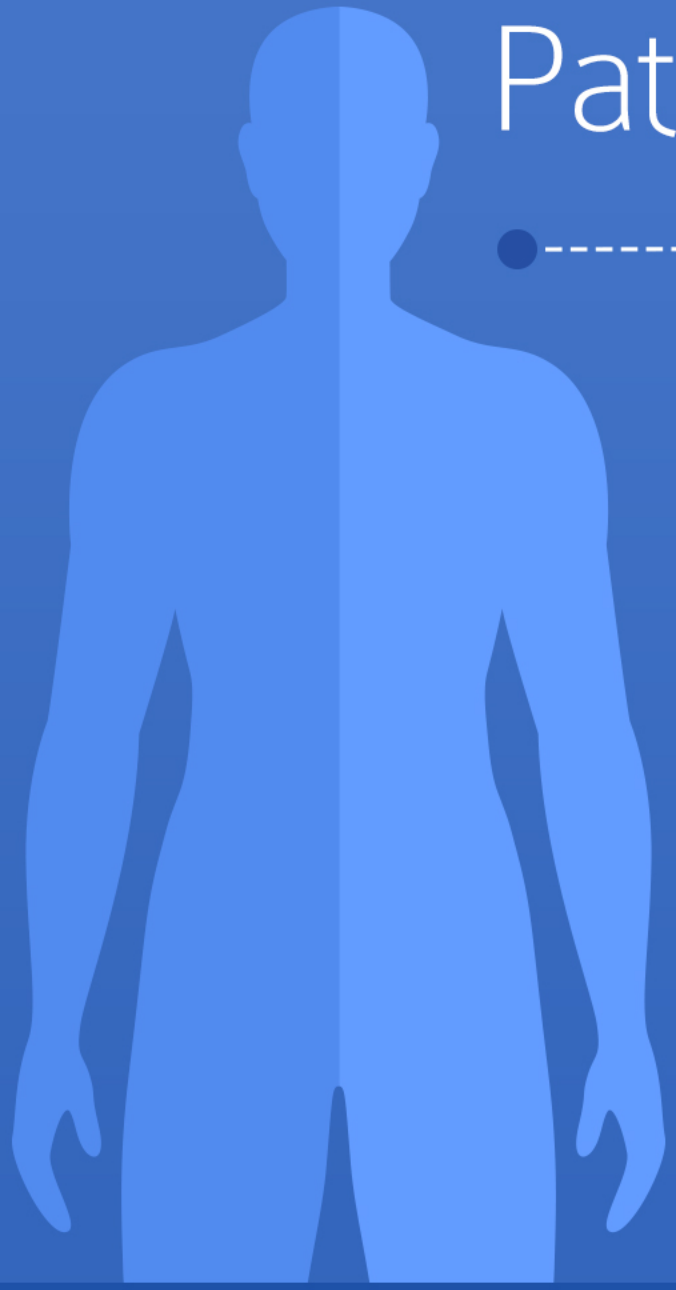
Watch the video

PATIENTS DISCHARGED FROM BUFFALO SURGERY CENTER TO SURGICAL RECOVERY SUITE

- 5 star accommodations
- 24X7 nursing care
- On-site PT until discharge
- Gourmet means and covered parking for overnight guests
- Tempur-pedic adjustable mattress with luxury linens
- Flat screen TVs with streaming content and complimentary wi-fi
- ipads for video chat with surgeons
- Personalized service and access to indoor pool, spa, and fitness center
- Focus on early motion and ambulation

CLINICAL PROTOCOLS

Patient Selection Criteria



- BMI <40
- No specific age criteria
- Minimal past medical history with few/if any co-morbidities
- Well controlled sleep apnea
- Narcotic naïve
- Specifically, no history of:
  - Cardio-thoracic or diabetic problems (hgb <7.0)
  - PE/DVT
  - Blood thinners
  - RA
  - MRSA
  - Gastric by-pass
- Patient motivation
- Family support
- Patient resiliency - the "Crazy Factor "

Patient Education

- Critical to achieving exceptional outcomes
- Patients and caregivers are more accountable for successful outcomes and recovery
- All outpatient TJA patients and caregivers must attend an Excelsior patient education class
  - Taught by PAs, therapists, nurses, and DME staff

BEFORE SURGERY

Why surgery ?
Understanding your surgery
Pre-admission testing
Medical clearance
Preparing your skin
Medication usage
Smoking
Planning for care after surgery
What to bring
Instructions for day before

DAY OF SURGERY

General reminders
Your medical team
Location and map
Pre and post-operative phases
PACU and Recovery Suite
Complications and concerns

AFTER SURGERY

Discharge process
Returning to work/driving
Office visit follow-up schedule
Dental protocol
Travel
PT at Recovery Suite
PT at Excelsior
Assistive device usage (DME)
Precautions/activity guidelines
Daily functionality

Surgical Techniques and Pain Management

ANTERIOR APPROACH FOR HIPS

- Less pain
- Fewer restrictions
- Quicker ambulation and ability to navigate stairs

METICULOUS HEMOSTASIS

- TXA IV/Topical
- Careful dissection in hips and tie off small vessels
- Tourniquet in knees
- AquaMantis?

MULTIMODAL PAIN MANAGEMENT

- Steriods
- The “Cocktail”
- Regional blocks
- Anti-inflammatories

AQUACEL DRESSINGS

- On for 7 days and water resistant

Excelsior's Intraoperative Cocktail –

AKA

"The Hairy Buffalo"

- **TRANEXAMIC ACID**
  - 2 grams - hips (1 gram IV)
  - 3 grams – knees
- **LIPOSOMAL BUPIVACAINE**
  - 20 mg. (22 gauge needle)
- **MORPHINE**
  - 10 mg.
- **BUPIVICANE .25% WITH EPI**
  - 10 mg.
- **NSS**
  - 20 mL
- **TOTAL VOLUME**
  - 80 cc – hips
  - 90 cc – knees

Medications

- EXTENDED RELEASE NARCOTICS
  - OxyContin 20 mg BID or MS Contin 30 mg BID
- SHORT ACTING NARCOTICS
  - Percocet 5/325 mg. or Norco 5/325 mg every 4 hours
- ANTI-INFLAMMATORY
  - Celebrex 200 mg BID or Mobic 15 mg daily
- VTE PROPHYLAXIS
  - Enteric coated aspirin 325 mg BID x 4 weeks
- CONSTIPATION
  - Senna – S daily (softener and laxative) or Mag Citrate 150 mL BID
- ANTIBIOTICS
  - Keflex 500 mg QID for 1 day
- URINARY RETENTION
  - Flomax 0.4 mg once
- ANTIEMETIC
  - Zofran 4 mg every 8 hours

Equipment and Planning

- Mirror inpatient and outpatient equipment
- Drapes, leg-holders, retractors, music, etc.
- Conduct "dry-runs" in ASC OR from start to finish
- Simplify implant trays
  - Size specific trays
  - Rad link pre op templating option to simplify trays
  - Keep one full master set available as back-up

Simplify the variables

- Practice in the hospital first . . . then implement at the ASC
- Don't introduce something new without trial, especially if only for cost purposes

Fully leverage vendor relationships

- Patient education
- Patient advocates and testimonials
- Lead generation
- Marketing
- Site visits
- Outcome measurement
- Equipment procurement and surgical planning
- PRICING

Steal shamelessly!

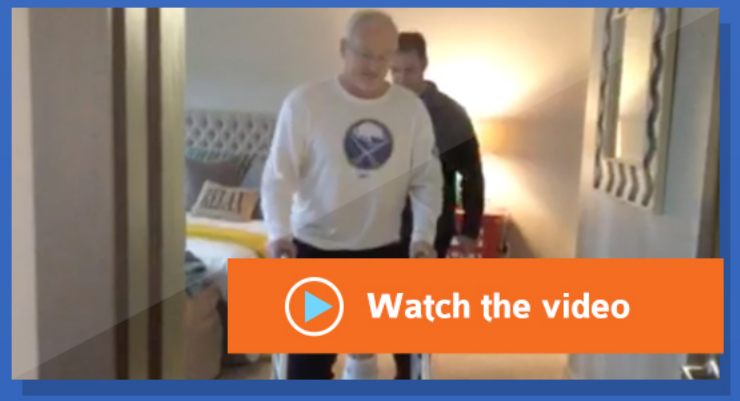
TJA Credentialing

- Surgeons must have privileges at BSC and must meet standard credentialing requirements
- Surgeons must also meet outpatient TJA specific requirements with supporting documentation
- Surgeons must document proficiency with multi-modal pain management
- Case specific requirements – for the past 6 mos.

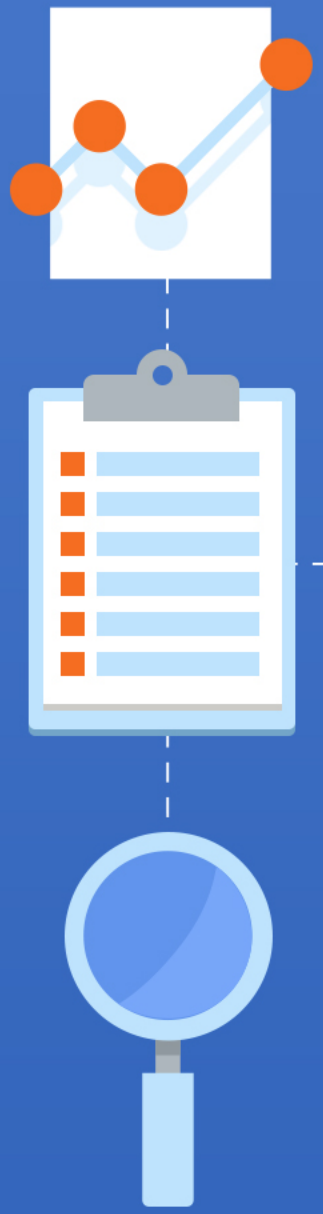
	TKA	THA	TSA
TOURNIQUET TIME	<90 min.	N/A	N/A
OR TIME	<120 min.	<120 min.	<150 min.
INPATIENT VOLUME	50	35	10

Rehabilitation

- Critical to achieving positive outcomes, returning patient to normal activities of daily living
- Pre-hab
- Post-op focus on early ambulation, strengthening, minimizing swelling, and obtaining full range of motion
- Begins day of surgery at SRS and continues on-site at Excelsior
  - Control over protocols, quality, and consistency of staff are keys to success
- Establish goals and define exercises/activity and progression criteria for 4 distinct phases of rehabilitation
  - Acute (day of surgery to post-op day 2)
  - Motion (weeks 1-4)
  - Intermediate (weeks 4-6)
  - Advanced Strengthening (weeks 8-12)



OUTCOMES

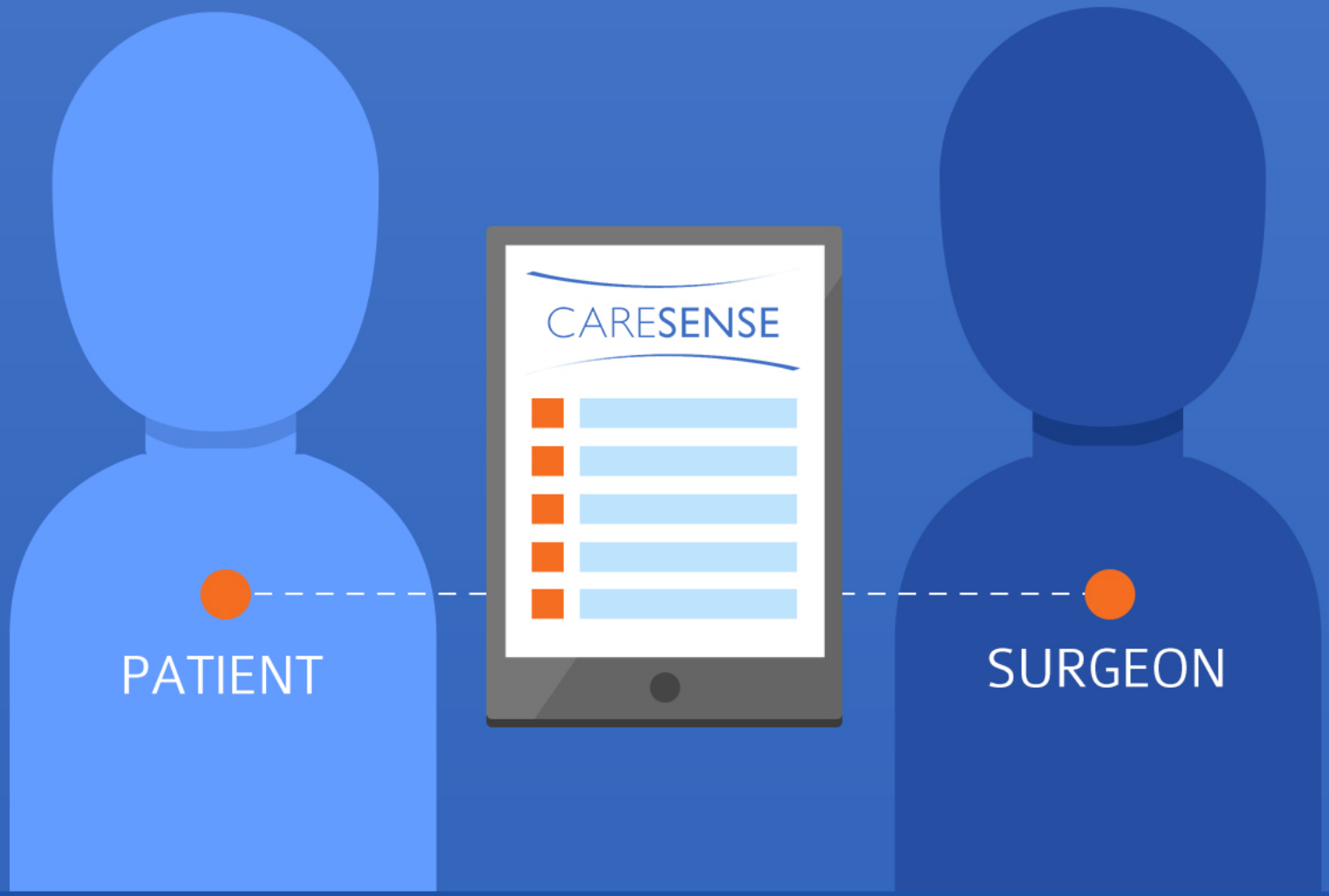


- NEEDED TO OBTAIN STAKEHOLDER SUPPORT
- PATIENT SATISFACTION, OUTCOMES, AND EXPERIENCE ARE CRITICAL TO SUCCESS
- REQUIRED TO MANAGE INCREASED RISK AND ACCOUNTABILITY
- PREPARATION FOR SEISMIC SHIFTS TOWARD VALUE BASED REIMBURSEMENT
- ALL PRESUPPOSE AGGRESSIVE APPROACH TO TRACKING AND MEASURING OUTCOMES

What we measure

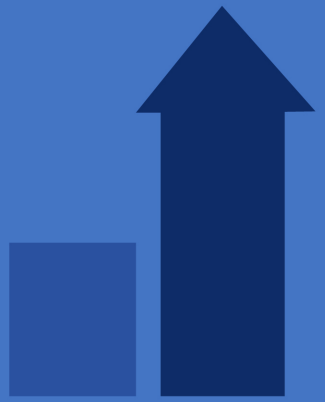
- QUANTITATIVE DATA FOR BOTH INPATIENT AND OUTPATIENT TJA PATIENTS
- SSI
- COMPLICATIONS
- DVT
- RE-ADMISSIONS
- PROs
  - VAS Pain scores
  - SF-12
  - Reduce WOMAC
- PATIENT SATISFACTION THROUGHOUT THE ENTIRE EPISODE OF CARE

How do we collect the data?



- Surgical discussion triggers ipad survey input of data (10 min.)
- Patient data for TJA surgeons is pre-loaded into CareSense via daily interface with EMR
- Surgical scheduling triggers "alert note" in EMR to administer follow-up surveys either at f/u visits or via internet at:
  - 2 weeks
  - 6 weeks
  - 3 months
  - 6 months
  - 12 months
- Surgical code in EMR via interface with CareSense triggers electronic survey

The Results are in



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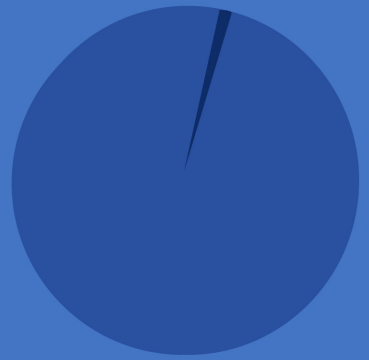
OUTPATIENT TJA AND COUNTING

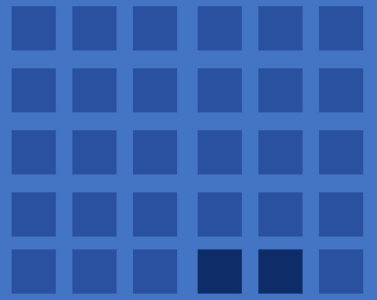


99%

PATIENT SATISFACTION

0

SURGICAL COMPLICATIONS



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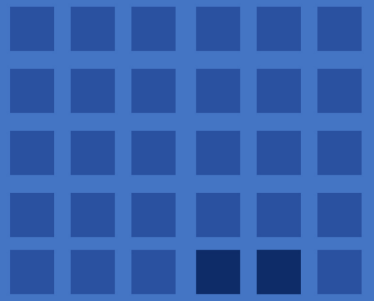
HOSPITAL TRANSFER



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MANIPULATIONS UNDER ANETHESIA

Demographic Data

Patients 2015-2017			
	Male	Female	Total
Knee	86	96	182
Hip	96	52	148

AVERAGES		
Mean Age	Mean BMI	Average LOS
57 (21-81)	30.2 (18.6-44.6)	1.25 days in Surgical Recovery Suite

Comorbidities		
Asthma	Diabetes	Hypertension
7%	2%	21%

Intraoperative Data

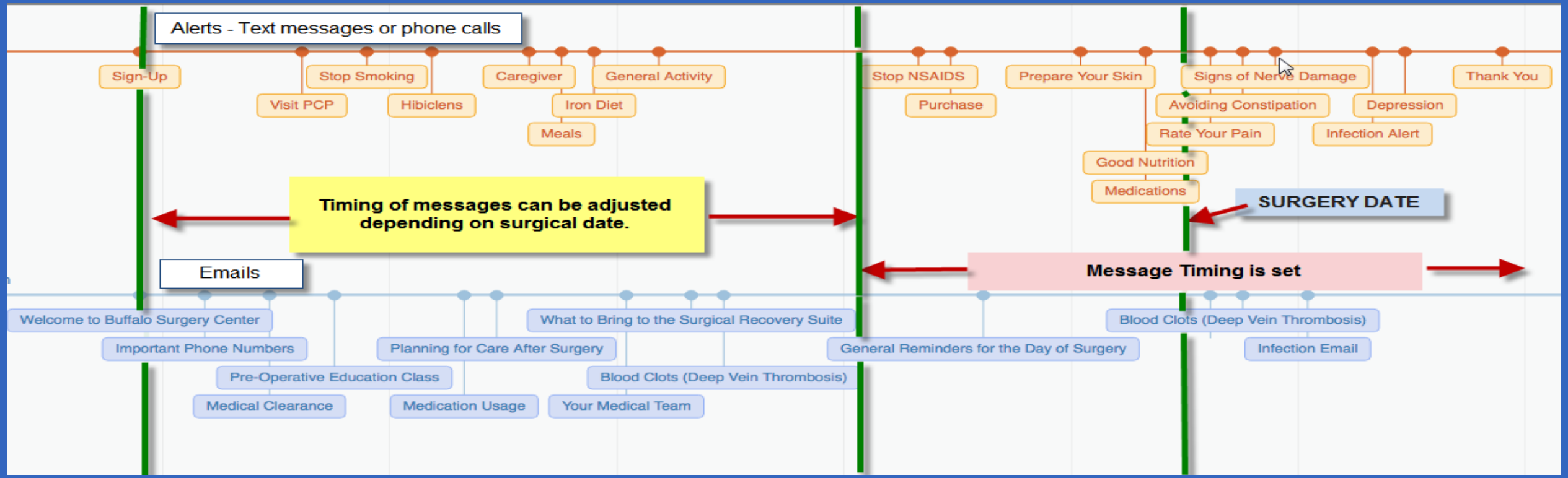
Patients 2015-2017	
Complications	0
Hospital Transfers	2 (.6%) - 1 undiagnosed atrial fibrillation and 1 for inability y to stabilized blood pressure in recovery
Infections	0
DVT	0
PE	0
Fractures	1 (.3%) Patient tripped over his dog
Post-Operative Manipulations Under Anesthesia	2 (.6%) 1 for patient non-compliance and 1 for post operative hemarthrosis

Digital Care Navigation - Pathways

- Pathway timeline: -30 days before surgery to 10 days after surgery.
- Combination of Text Alerts (or phone calls) and Emails
- Provides timely information to the patient has he/she prepares for surgery

- Signing patients up is easy
  - Name
  - Email
  - Phone #
    - Preference of Texts v. phone call
    - Time preference of text/call
- Then information is initiated based on entering date of Surgery

Pathways


Alerts - Text messages or phone calls
Sign-Up
Stop Smoking
Visit PCP
Hibiclens
Caregiver
General Activity
Iron Diet
Meals
Stop NSAIDS
Purchase
Prepare Your Skin
Signs of Nerve Damage
Avoiding Constipation
Depression
Thank You
Rate Your Pain
Infection Alert
Good Nutrition
Medications
Timing of messages can be adjusted depending on surgical date.
SURGERY DATE
Message Timing is set
Emails
Welcome to Buffalo Surgery Center
Important Phone Numbers
Pre-Operative Education Class
Medical Clearance
Planning for Care After Surgery
Medication Usage
What to Bring to the Surgical Recovery Suite
Blood Clots (Deep Vein Thrombosis)
Your Medical Team
General Reminders for the Day of Surgery
Blood Clots (Deep Vein Thrombosis)
Infection Email

BUNDLED PAYMENTS

- Payment for all services during an "episode of care" as one fixed price
- Greater pressure and incentives for providers to improve quality and manage costs
- Estimated costs savings for outpatient TJA – 30-40% driven from elimination of hospital costs, sub-acute rehabilitation stays, and downward pressure in supply costs
- High payer receptivity given skyrocketing musculoskeletal medical cost trends
- Greater control over the "means of production" and the "episode of care"
- Opportunities for enhanced reimbursement/ shared savings.

BUNDLED PAYMENT

Step 1 | Define the bundle

- DEFINE DURATION OF THE "EPISODE OF CARE"
  - Typically surgical discussion through 90 days global post-op

- DEFINE WHAT SERVICES ARE INCLUDED IN THE "BUNDLE"
  - Surgical and surgical assist fees
  - Anesthesia
  - ASC facility fee and supply costs, including implants
  - Therapy visits
  - Recovery suite facility, meals, and nursing
  - Home care
  - DME
  - Post-op follow-up and x-rays

- WHAT SERVICES ARE EXCLUDED FROM THE "BUNDLE"?
  - Pre-op testing and medical clearance
  - MRIs
  - Hospital re-admissions due to complications
  - Post-operative pharmacy costs
  - Revision procedures

Step 2 |Building the bundle

- ANALYZE SERVICES, COSTS, AND CURRENT REIMBURSEMENT
  - Gather data on services received by TJA patients
  - What? How many? Current global reimbursement
  - What will it cost to provider all of the services in the "bundle"
  - What reimbursement do you want for each service/line of business?
  - What's the total cost and preferred reimbursement for the "bundle"?
  - Build in some contingency for risk and unexpected outcomes
- IDENTIFY LOCAL HOSPITAL REIMBURSEMENT IF POSSIBLE
  - Determine payer costs for TJA for all services
  - Ensure savings opportunities for payers
  - Create negotiating leverage

	TKA (27447)			
	Reimbursement			
	Current	Proposed	Costs	Profitability
Pre-Op				
Pre-Op Office Visit	$75.00	$100.00	$40.00	$60.00
2 Pre-Op X-Rays	$70.00	$85.00	$50.00	$35.00
Surgical Fees				
Surgeon's Fee	$2,500	$4,000	$775	$3,225
Surgical Assist Fee	$250	$500	$150	$350
BSC Facility Fees	N/A	$10,000	$7,030	$2,970
Facility Fee	N/A	$5,000	$2,030	$2,970
Implant Allowance	N/A	$5,000	$5,000	$0
Anesthesia	$1,500	$1,800	$1,000	$800
90 Day Post-Op	$0	$235	$170	$65
3 Office Visits	$0	$150	$120	$30
2 X-Rays	$0	$85	$50	$35
DME				
Polar Care	$0	$200	$110	$90
Cane	$35	$50	$9	$41
Walker	$75	$100	$25	$75
DVT Sleeve	$0	$400	$200	$200
Physical Therapy				
5 SRS Visits	$0	$500	$200	$300
15 On-Site Visits	$1,125	$1,500	$750	$750
Hospital Stay	$30,000	$0	$0	N/A
Sub-Acute Rehab	$3,000	$0	$0	N/A
Transportation	$0	$100	$75	$25
SRS Nursing (EO)	$0	$1,620	$1,620	$0
Recovery Suite	$0	$5,000	$1,000	$4,000
TOTALS:	**$38,630**	**$26,190**	**$13,204**	**$12,986**

33% Savings Beween Payer Costs and Bundled Proposal!

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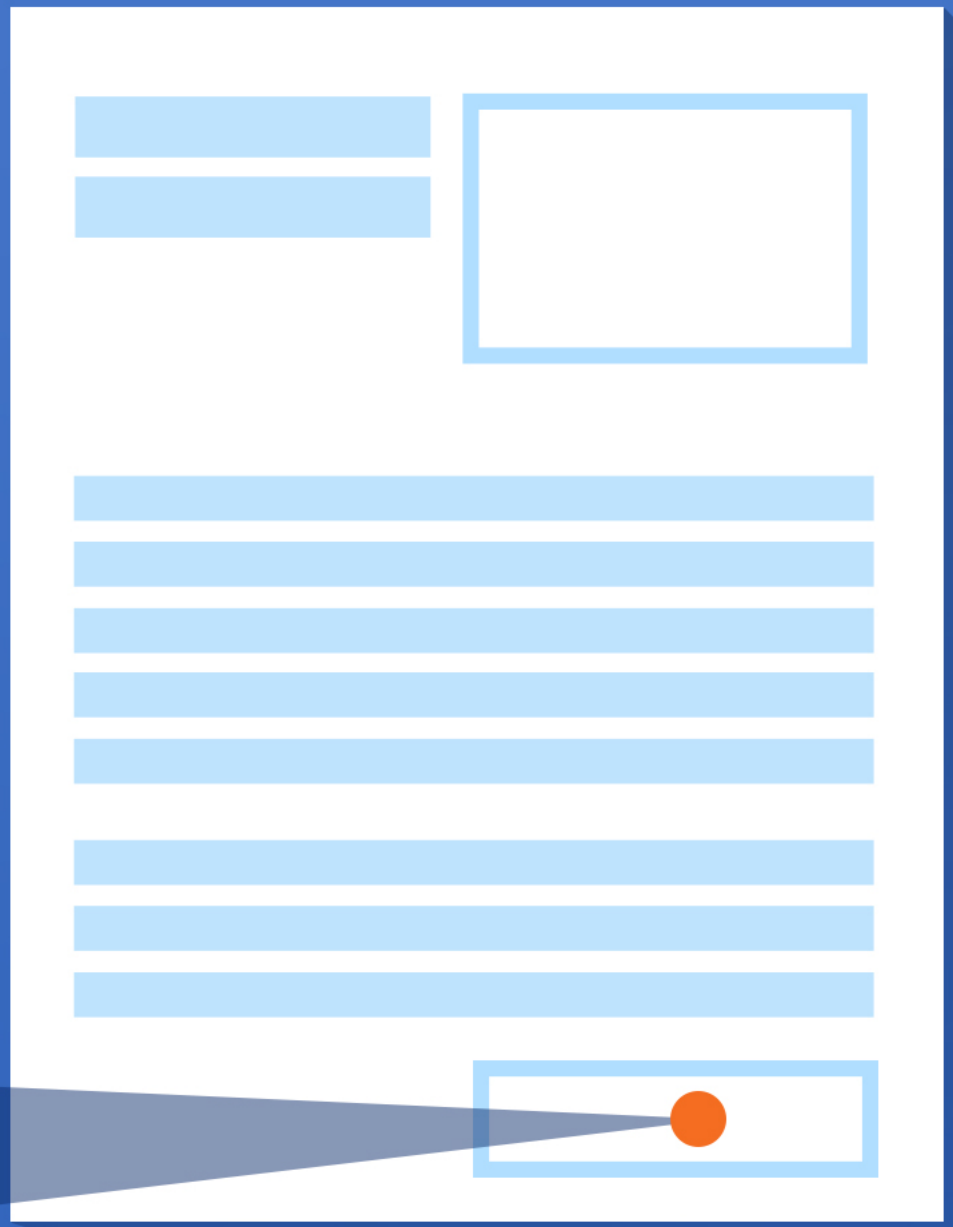
Step 3 | Negotiating the bundle & contract terms

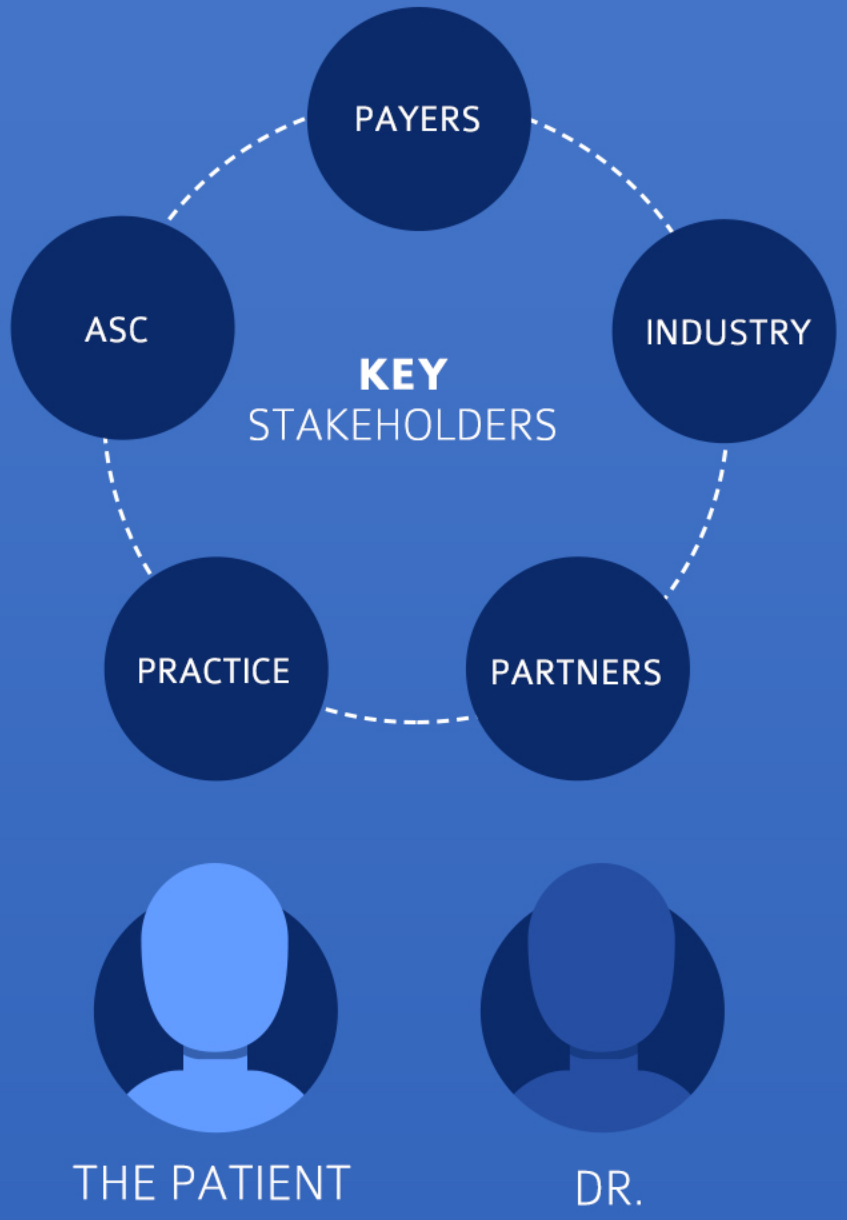
- NEGOTIATE THE BUNDLED PAYMENT - $
  - Validate savings opportunities to create necessary leverage
- NEGOTIATE CONTRACT TERMS
  - Pilot program?
  - Covered products
  - Patient selection
  - Episode of care inclusions and exclusions; duration
  - Outcome measures and program evaluation checkpoints
  - Claim submission and adjudication
  - Assignment of risk for related, avoidable, and unrelated spital readmissions

$ xxxx.xx



Step 4 | Internal contracting & operational issues

- MASTER SERVICES AGREEMENT – AMONG INVOLVED ORGANIZATIONS
  - Who provides what services?
  - Who gets what? - $
  - How will the $ flow?
- BILLING AND ADMINISTRATION
  - What gets billed and how?



Critical Success Factors

- YOU NEED A DEDICATED AND EXPERIENCED TEAM
  - Physician leadership
  - Vendors
  - Support staff (PT, nursing, OR staff, admin. staff)
  - Anesthesia – on board early
- PAYER SUPPORT AND READINESS – HEALTHCARE IS LOCAL!
- PATIENT SELECTION AND EDUCATION
- CONTROL THE "MEANS OF PRODUCTION" AND THE "BUNDLE"
- STANDARDIZATION, CARE COORDINATION, AND CONTINUITY OF CARE
- STEAL SHAMELESSLY FROM EXISTING "ROADMAPS AND PLAYBOOKS"
- LEVERAGE KEY RELATIONSHIPS
- MEASURE OUTCOMES TO MANAGE RISK!

QUESTIONS/DISCUSSION

Excelsior Orthopaedics™

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