

Streamlining Spine Care for Improved Margins

By Djamel Bayliche

Elements of healthcare reform, specifically Bundled Payments and Accountable Care Organizations (ACO), along with their new reimbursement models, are changing the healthcare landscape, creating new opportunities that involve both significant incentives *and* significant risks. This is particularly true in the spine specialty, due to the high number of providers involved, along with the potential for inappropriate care and resource overutilization.

Corazon believes that a comprehensive approach to the continuum-of-care for back pain is critical, as opposed to a focus on individual surgical episodes, which can cause patients to move from provider to provider, resulting in less than optimal outcomes. On the other hand, structuring a program to include all aspects of care across the full continuum for a particular condition like back pain, can lead to increased quality of care, reduced utilization of unnecessary services, and more satisfied patients.

Spine care can serve as an important building block in a hospital's overall musculoskeletal program, but only if planned, developed, and managed effectively. If a strong foundation is present, a hospital-based spine program should have a considerable, positive impact on the hospital's quality of care and contribution margin. For instance, while the average implant cost for lumbar spinal surgery can average approximately \$13,000, the contribution margin can be as high \$8,000 per case.

Corazon advises client hospitals on the challenges of caring for back pain and spine patients, and often offers proven strategies for establishing centers of excellence as a means to better organize this complex and diverse service line.

Corazon recommends attention to these four important elements that are essential in order to "survive and thrive" while providing spine care for your market:

1) Focus on the full continuum-of-care for back pain, from the conservative low back-pain patient to the complex surgical spine candidates and everyone in between. This can be effectively accomplished by:

a) *Establishing a back pain care algorithm* that allows the patient to receive the appropriate care from the appropriate provider at the appropriate time. This approach will minimize patient confusion and will likely evolve into a major satisfier. Implementing a nurse navigator model, wherein the navigator acts as a patient advocate to guide the patient along the care continuum, can also assist.

b) *Developing a cooperative partnership* among surgeons, PCPs, Diagnostics, Physical Medicine, Physical Therapy, and Pain Management. In some markets, integrating chiropractors as providers can be beneficial, especially when viewing these practitioners as a patient point-of-entry and referral source. Working collaboratively with this large group of various caregivers can create a greater influx of patients to the program.

2) Understand the care processes and cost for each episode of care. This facilitates streamlined processes, thereby creating the potential for reducing overall costs. The following actions play a major role in establishing efficient, effective processes for spine care, which will ensure readiness for Bundled Payments:

a) *Screening patients with a consistent algorithm of care and standardized diagnostics.* This action can reduce duplication of resources and eliminate unnecessary intensive and costly care while directing the patient to the appropriate provider. The overall goal is to reduce the risk of patients becoming discouraged and seeking alternative care elsewhere.

b) *Providing a broad range of services and reduced costs* should result in attracting more patients. This increased volume also creates opportunity for better contracts with supply and device vendors.

3) Collect and track patient functional outcomes. These most directly align with the goal of relieving patient pain and resuming normal daily activities. The best way to determine if the care provided achieves this goal is to compare the pre- and post-care status for pain, motion, and overall function. The assessment may involve a process using standard functional outcomes tools, such as the Oswestry Disability Index, Waddell Disability Index, or Quebec Back Pain Disability Scale as a means to measure baseline status prior to treatment and again at the proper time post-treatment. The information collected is critical in the evaluation and refinement of the care algorithm and the cost / benefit equation for each episode of care. Furthermore, functional outcomes can be leveraged for clinical research, patient care quality improvement, and spine program marketing.

4) Establish and track best-practice metrics such as patient satisfaction, volume, cost of care, length of stay, delays, surgical yield, and others. The saying, "you can't manage what you can't measure" is especially true within the spine specialty, given the complex nature of managing back pain patients. Regular compliance with metric

tracking and developing associated action plans becomes even more critical in recent years, especially as reimbursement models involving shared risks and rewards become more prevalent – a trend that will no doubt continue in the future.

Establishing a comprehensive spine program can bring success to the hospital, both in terms of quality of care and patient satisfaction measures. Such a program can also be very financially attractive in terms of cost-effectiveness and contribution margin, when managed appropriately.

Corazon believes that focused efforts to develop the programmatic elements of a spine program can be worthwhile as a means to help position a program to effectively compete, and ultimately succeed, in the continually evolving healthcare environment.



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