

Managing Preventable Events

Robust methodologies give providers a richer understanding of avoidable events to improve clinical and financial performance.

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Ronald L. Kaufman, MD, FACHE

CMO

Tenet California/Nebraska Region

The advent of value-based purchasing and other reimbursement reforms has sharpened the focus of today's healthcare leaders. These new payment models provide financial incentives for providers to improve outcomes, improve patient safety, lower costs and thereby increase overall value. Potentially preventable events (PPEs) are outcomes that may be improved if optimized care is delivered. PPEs include:

- Potentially preventable healthcare-acquired complications
- Potentially preventable hospital readmissions
- Potentially avoidable ED visits
- Potentially avoidable initial admissions
- Potentially unnecessary ancillary services

Potentially preventable events represent those outcomes that not only increase costs but also can be a quality problem. One way to improve efficiency and outcomes quality—and to generate greater value—is to identify, understand and initiate changes to decrease PPEs. With the right tools, providers can better understand where and how to intervene and improve the processes that impact the occurrence of a PPE.

Effectively monitoring occurrences of PPEs depends on a methodology that identifies events that are potentially preventable and events that are not preventable. To monitor and improve the incidence of potentially preventable readmissions

(PPRs), Tenet California/Nebraska Region and other organizations have been focusing on three publicly reported conditions: heart failure, heart attack and pneumonia. Tenet, however, examines all hospitalizations for these three conditions regardless of payor type, rather than exclusively focusing on Medicare.

One of the challenges physician leaders like Ronald L. Kaufman, MD, FACHE, CMO for the Tenet California/Nebraska Region, face when looking at the publicly available data is that those metrics, while risk-adjusted, do not account for clinical variables that identify related and unrelated, planned and unplanned, preventable and unpreventable care. Hospital admissions for congestive heart failure (CHF) occur frequently, yet readmissions after initial admissions for CHF can occur for completely *nonpreventable* reasons or for planned reasons. An analysis of data restricted to potentially *preventable* readmissions is essential in gaining understanding of opportunities for improvement. Kaufman's approach permits the analysis of PPR data to define clinical groups, not just statistical unsegmented events, which then supports the clinical teams in developing targeted, effective interventions in a more efficient manner.

“By better classifying our patients and drilling down core issues at the patient level, we can do more than examine our performance against benchmarks,” says Kaufman. “Clinically specific data allows teams at hospitals to better focus their internal reviews and develop performance initiatives in a systematic way that reflects the real challenges facing each hospital.”

When incidences of PPEs are analyzed in this light, healthcare organizations can categorize patients with multiple chronic conditions and acute illnesses so clinical interventions can be designed with comorbidities in mind. The methodology also groups patient episodes across care



settings and diagnoses, allowing clinical interventions to be implemented beyond the inpatient setting and into the community and ambulatory settings.

Kaufman notes that by using the refined PPR data, his organization has been able to target significant community issues affecting patients and partner with local foundations to enhance community outreach. Arranging volunteers to provide transportation for patients who require follow-up appointments is one example.

PPE by the Numbers

Potentially preventable events (PPEs) increase costs and reduce capacity that could be applied toward more beneficial care. For example:

Potentially avoidable hospitalizations cost U.S. hospitals \$27.1 billion in 2007. (Source: Agency for Healthcare Research and Quality, Healthcare Cost and Utilization Project, Nationwide Inpatient Sample, 2000–2007)

Hospital-acquired infections cost U.S. hospitals between \$35.7 and \$45 billion annually. (Source: R. Scott, "The Direct Medical Costs of Healthcare-Associated Infections in U.S. Hospitals and the Benefits of Prevention," 2009. Accessed March 13, 2012.)

A study using California and Maryland hospital data found that preventable hospital-acquired complications added an estimated 9.4–9.7 percent to the hospitals' inpatient costs. (Source: R. Fuller, E. McCullough, M. Bao and R. Averill. "Estimating the Costs of Potentially Preventable Hospital Acquired Complications," *Health Care Financing Review*, Summer 2009, Vol. 30, No. 4, pp. 17–32)

Norbert Goldfield, MD, medical director of clinical research at 3M Health Information Systems, notes that adopting a comprehensive methodology is the first critical action healthcare organizations can take to focus attention on PPEs. In using robust clinical data to support accountable care, medical homes, bundled payment and other value-based payment efforts, 3M also suggests healthcare executives consider the following steps:

- Encourage clinical leaders to spearhead efforts with the medical staff
- Conduct data analysis to review financial opportunities, coding opportunities, preventable event rates and quality improvement opportunities
- Determine the difference between quality of care issues and quality of document/coding issues—two very distinct problems with different solutions
- Provide quality performance data to medical staff on a routine basis (severity of illness, risk of mortality, readmissions, preventable events)—be sure to have comparative data
- Engage physician service-line leaders to participate in review of service-line data

PPE is just one element of a broad healthcare cost containment and quality improvement strategy. Ultimately, both payment and delivery system reforms will help healthcare organizations deliver comprehensive and coordinated care.

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