

PROVEN SOLUTIONS FOR COST CONTAINMENT

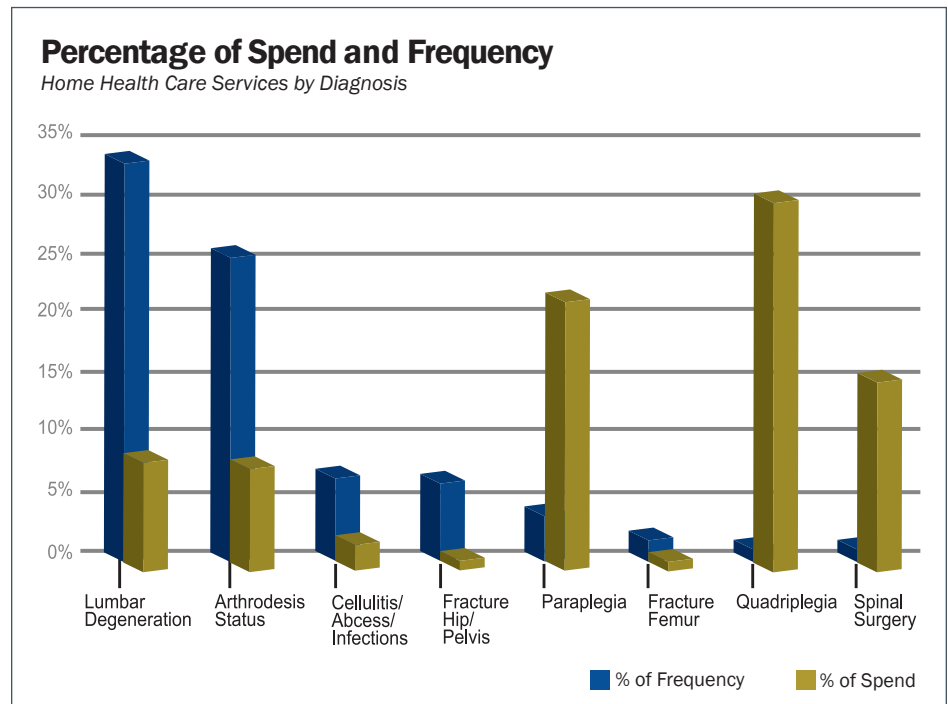
It Takes Insight to Deliver Appropriate Home Health Care—Cost Effectively

The rapid increase in claims severity is driving the cost of medical care and home-based services higher than ever before—medical claims costs have risen 6.6% annually over a six-year period. While companies focus on itemized pricing, they also need to address the opportunity to drive deeper cost savings through a holistic care management approach across the claims lifecycle.

Traditionally, Home Health Care services in workers' compensation have been managed through a transactional process involving the ordering of home-based nursing services, scheduling of these services, and re-authorization to continue the services. Payors have focused on controlling costs by securing quality care at the lowest billable hour amount—which, at first, may seem to be the answer. However, this fragmented approach fails to consider the diagnosis or return-to-health progression and leaves spend unmanaged. Alignment of improved clinical outcomes with comprehensive cost control requires a holistic approach to capture unmanaged spend, inappropriate utilization and ineffective treatment.

Diagnosing Home Health Care Spend

Utilizing its extensive workers' compensation-specific data, PMSI examined thousands of processed transactions—shifting the perspective to analyzing the transactions associated with home care services for injured workers. This led to the identification that 72% of



the current spend for Home Health Care is driven by diagnoses with frequency of less than 5%—severe injuries with complex care requirements, long-term care needs and high-frequency utilization of services. When managed using a traditional transactional approach, unit costs are compounded over the extended timeframe leading to an average case cost of over \$12,000 in Home Health Care spend.

An important factor in understanding overall spend for Home Health Care cases is that in-home care is not the only cost driver. These complex and severe cases have interconnected cost drivers—38% of Home Health Care cases require durable medical equipment and 21% require supplies. Combined with a shortage of professional healthcare providers, the

administrative burden associated with the coordination of multiple services adds to the cost in time, expense and oversight.

An Evidence-Based Remedy

To address cost containment from a holistic perspective, PMSI re-engineered their entire approach using industry-leading protocols developed from evidence-based medicine—treating the injured worker's condition as it relates to the injury through quality care with timely delivery. The PMSI Home Health Care program applies industry-standard clinical guidelines using a proprietary process. This process takes into account multiple factors and integrates these evidence-based guidelines with expert analysis to provide medically appropriate, defensible outcomes. More effective than

simply filling an order transaction, this approach supports care management with actionable information and medically based recommendations—plus contains costs.

Controlling Cost Through Utilization

For too long, Home Health Care has been measured solely by unit cost. The clinical guideline approach employed by PMSI assesses both administered and planned care against industry-leading clinical guidelines. Evaluation criteria include:

- Relatedness of the care to the injury
- Appropriateness and frequency of treatment
- Potential duplication of therapy or services
- Adherence by the injured worker to the treatment plan
- Duration of therapy
- Additional therapeutic concerns

By validating the appropriateness, frequency and duration of care from a medical perspective, utilization throughout the entire continuum of care is measured and controlled ensuring optimal health outcomes and controlling the total cost of care.

Easing the Administrative Burden

High-severity claims drive increased complexity in management, as the number of services for coordination and monitoring put a heavy burden on case managers and claims professionals. PMSI offers a single-call service approach that enables the case manager to coordinate all services including associated DME and ancillary service requests through a single point of contact. Care is monitored and results and recommendations are reported back to the case manager for

review and consideration. This progression allows case managers to have better control over the use of home care services, supplies and associated medical products.

By utilizing additional information available through a holistic approach, the case manager can provide more accurate and timely management recommendations, advancing the scope of

PMSI has a proprietary process for applying industry-standard evidence-based guidelines to the medical condition and reports the information to the case manager.

case management delivery. PMSI's in-house team of experts reviews the injured worker's progress through assessment of documented caregiver notes and contact with the individual, providing insightful reports back to the case manager. The case manager is alerted to potential complications that could impact the care, potentially increasing the medical spend and claims reserves. Time spent managing the claim is minimized due to access to actionable information and overall costs are contained by ensuring appropriate levels and duration of care.

A Network of Solutions

A Home Health Care program involves a complex variety of services and equipment to be coordinated and managed—with

sound judgment. This diversity of services adds heavy administrative burden to the coordination of care and follow-up. Additionally, there is greater exposure to potential leakage from out-of-network care coordination, which further increases overall costs. The PMSI program mitigates this risk with a broad network of care providers on a nationwide basis with 24-hour service placement assurance coordinated through a single point of contact. This simplified and streamlined process increases efficiency while reducing costs.

Consistent Outcomes

The application of evidence-based guidelines reduces the so-called guesswork from the care management process—objectively defining the appropriate level and frequency of care based on the compensable injury. Ineffective treatment can be identified early and addressed to improve progression of care. Using nationally recognized clinical protocols embedded in PMSI's proprietary clinical management program, all Home Health Care services are reviewed prospectively, concurrently and retrospectively to ensure positive health outcomes for the injured worker and optimum cost containment for clients.

The Scientific Solution for Cost Containment

PMSI's Home Health Care program is a proven solution for utilization control with a predictable cost structure and measurable cost savings. Through clinical oversight, network penetration initiatives and outcomes-based reporting tools, clients achieve up to 18% savings over a transactional approach.

For more information on PMSI and its proven solutions for cost containment in workers' compensation, please call **877.ASK.PMSI** or visit www.pmsionline.com/homehealth.



Proven Solutions for Cost Containment