



SAVING LIVES - REDUCING RISK



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## From The Editor

October is a time we look forward to all year at TSG – it’s an opportunity to reconnect with all of you.

Find us at **Booth #409** at ASHRM and **Booth #724** at the ACEP Scientific Assembly.

You can chat with our **RSQ®** Collaborative members for updates in your area and discuss with us how you can be a catalyst in the Clinical Transformation movement within your organization. We look forward to seeing you. ■

## The New Healthcare Imperative: Clinical Transformation



This presentation will be a bit of a departure from our typical clinical case presentation/discussion format. But the time has come to offer a look at the medical marketplace from 20,000 feet, how healthcare organizations are responding, the regulatory changes that are tied to clinical performance,



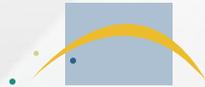
### In This Issue...

|  |    |
|--|----|
| The New Healthcare Imperative: Clinical Transformation ..... | 1  |
| The Pulse of the Industry.....                               | 2  |
| Healthcare Organization Response to Change .....             | 3  |
| RSQ® Solutions .....   | 4  |
| Performance-Based Reimbursement Program.....                 | 5  |
| CMS Programs that Impact Reimbursement.....                  | 6  |
| New e-Learning Courses.....                                  | 9  |
| Placental Pathology Two-Part Course Series.....              | 9  |
| ASHRM Booth #409 .....                                       | 10 |
| ACEP Scientific Assembly Booth #724 .....                    | 11 |
| IMAC .....   | 12 |
| XL Group Partners with TSG.....                              | 12 |

and the support TSG provides to facilitate this clinical transformation to achieve success.

It's not just hanging out the shingle anymore!  
Change is afoot!

## The Pulse of the Industry



Change in the medical marketplace is not incremental, it is transformational; it is a sea change. Those organizations that transform, realign and reinvent will be the “winners,”



and those that attempt to modify traditional healthcare delivery will be the “losers.” Combined pressures have come to bear on the medical marketplace, including reimbursement compression, patient volume compression, information technology and regulatory change. What follows is a very brief overview of the key drivers of change. That is followed by what organizations and practitioners will need to do to create system solutions to meet critical quality and reimbursement metrics and to improve performance, efficiency, quality, safety and satisfaction. Medical practitioners will have

to be part of the solution. But first some background on the marketplace.

### **Reimbursement Challenges:**

Reimbursement compression is occurring as Medicare and Medicaid ratchet down reimbursement and commercial and other insurers and the exchanges follow suit. Yesterday the private insurance reimbursement differential kept organizations above the line. Tomorrow that will no longer be the case.

### **Patient Volume Challenges:**

Volume compression is occurring as organizations no longer look to growing inpatient volume to improve margins. The general forecast is for flat volumes, and the hope is to grow outpatient volume. Hospitals face significant volume challenges and competition from free-standing emergency departments and stand-alone surgery or imaging centers.

### **IT Challenges:**

In response to the HITECH Act, healthcare systems feel the mandate to fall in line with making huge investments in information technology. Issues include providing high-quality care, meeting national quality measures to improve care and avoid reimbursement penalties, coordinating





care across the continuum, improving patient safety, increasing productivity and meeting regulatory requirements such as meaningful use and conversion to ICD-10.

### **Regulatory Changes Tied to Performance:**

A significant percentage of reimbursement now hangs in the balance in the new medical regulatory environment. Reimbursement and quality are now connected at the hip. Patient satisfaction, quality measures, readmission and hospital-acquired infection penalties and other regulatory metrics present huge organizational challenges. This is one area where medical practitioners have to be on the transformation bus and demonstrate leadership. See page 6 for a detailed update on the CMS regulatory changes as they relate to your clinical practice and performance.

### **Healthcare Organization Response to Change**

Healthcare system leaders need a vision of an integrated, enterprise-wide transformation. In addition, the current market pressures will not tolerate small increments of change. Significant organizational changes and dramatic improvement



in performance in several key areas are necessary for survival.

The transformation pie breaks down into several bite-size pieces that need some discussion before digestion is possible.

#### **Revenue Transition:**

“Do more, make more” is an outdated mantra. Organizations will move from primarily fee-for-service to value-based payment models. Missing the value-based transition and related metrics will impact the bottom line significantly.

#### **Structural Reorganization:**

Single source payment based on value suggests a highly integrated delivery system. That suggests the need to bring medical practitioners more closely into the organization, whether that means employment or simply more functional relationship with independent practitioners. This transition is already underway in many health systems. Over the past 5 years, organizations have made significant changes/investments to prepare for value-based reimbursement models, including new IT infrastructure, acquisition of ambulatory and office practices, mergers and acquisition of hospitals. Now the focus must be on the clinical workforce.





### Clinical Transformation:

Organizations will need to create systems that ensure evidence-based care delivery with minimal practitioner or group variability. That will require system solutions with a focus on the best evidence available, delivery with minimal variability, and the ability

to measure and report with a much higher degree of granularity than

most organizations can deliver today.

Hospitals and healthcare organizations will need to commit to a systematic solution to improve

performance to the level required for success in this new medical world. We are pleased that the current quality metrics actually measure medical quality (for the most part); TSG is right on mission in providing organizational support to assist in meeting those metrics and in improving quality and the patient experience. TSG has been on that mission for two decades and has scalable tools designed for any size organization to achieve and demonstrate performance improvement, decrease variability, and help meet national metrics and reimbursement goals.



### RSQ® Solutions



There are a number of organizations around the country that have determined, at least initially, that they cannot meet the metrics and will face a reimbursement shortfall. Some have already taken drastic measures to reduce expenses in expectation of that shortfall. In response, TSG has designed an education program to help level-set the entire clinical workforce.

The **Performance-Based Reimbursement Program** introduces and reinforces key clinical measures from the Value-Based Purchasing Program, Readmissions Reduction Program and Hospital-Acquired Conditions Program. Clinical leadership and administration will enjoy the benefit of delivering clinically relevant courses that impact patient satisfaction and safety, while educating the healthcare team about the most recent regulatory changes that impact reimbursement.

*continued on page 6*

*“Hospitals and healthcare organizations will need to commit to a systematic solution to improve performance to the level required for success in this new medical world.”*



## Performance-Based Reimbursement Program



Ron Savrin  
MD, MBA, FACS

|                              |   |
|------------------------------|---|
| <b>Primary Objective(s):</b> | Through TSG's existing case-based format, the <i>Performance-Based Reimbursement Program</i> introduces and reinforces key clinical measures from the Value-Based Purchasing Program, Readmissions Reduction Program, and Hospital-Acquired Conditions Program. Clinical Leadership & Administration will enjoy the benefit of delivering clinically relevant courses that impact patient safety, while educating their healthcare team about the most recent regulatory changes that impact reimbursement. |
|------------------------------|---|

| General      | Course Name  | Provider | Nurse | Status |
|--------------|--|----------|-------|--------|
| Overview     | Performance-Based Reimbursement: History and Overview        | ✓        |       | Live   |
| Introduction | Performance-Based Reimbursement: Intro for Clinicians Part 1 | ✓        |       | Live   |
|              | Performance-Based Reimbursement: Intro for Clinicians Part 2 | ✓        |       | Live   |

| Timely & Effective Care | Course Name  | Provider | Nurse | Status |
|-------------------------|--|----------|-------|--------|
| AMI                     | Performance-Based Reimbursement: Acute Myocardial Infarction | ✓        |       | In Dev |
|                         | Myocardial Infarction Part 1                                 | ✓        | ✓     | Live   |
|                         | Myocardial Infarction Part 2                                 | ✓        | ✓     | Live   |
| Heart Failure           | Performance-Based Reimbursement: Heart Failure               | ✓        |       | Live   |
| Pneumonia               | Performance-Based Reimbursement: Pneumonia                   | ✓        |       | In Dev |
| Surgery                 | Surgery: Risks in the Preoperative Phase                     | ✓        | ✓     | Live   |
| Stroke                  | Stroke Part 1  | ✓        | ✓     | Live   |
|                         | Stroke Part 2  | ✓        | ✓     | Live   |
| PE & VTE                | Pulmonary Embolism in Hospital Medicine Part 1               | ✓        |       | Live   |
|                         | Pulmonary Embolism in Hospital Medicine Part 2               | ✓        |       | Live   |

| Readmissions & Complications | Course Name                           | Provider | Nurse | Status |
|------------------------------|---------------------------------------|----------|-------|--------|
| AMI                          | 7 Strategies to Reduce Readmissions   | ✓        | ✓     | Live   |
| HF                           |                                       |          |       |        |
| PN                           |                                       |          |       |        |
| COPD                         |                                       |          |       |        |
| Stroke                       |                                       |          |       |        |
| Surgery                      | Surgery: Risks in Postoperative Phase | ✓        | ✓     | Live   |
| Sepsis                       | Sepsis                                | ✓        | ✓     | Live   |
| HAI                          | Never Events                          | ✓        | ✓     | Live   |

| Patient Satisfaction    | Course Name                                   | Provider | Nurse | Status |
|-------------------------|---|----------|-------|--------|
| All Healthcare Settings | Intro for All Healthcare Providers            | ✓        |       | Live   |
| Hospital Setting        | Hospital Best Practice High-Risk Videos       | ✓        |       | Live   |
|                         | Intro for Nurses                              |          | ✓     | Live   |
|                         | HCAHPS Videos for Nurses                      |          | ✓     | Live   |
|                         | Healthcare Customer Service Videos for Nurses |          | ✓     | Live   |
|                         | Office Best Practice High-Risk Videos         | ✓        |       | Live   |



For additional information on the logistics of the Hospital Value-Based Purchasing Program, see the following site: [VBP Information](#).

This has been a brief glimpse into the world of Clinical Transformation. There are a number of organizations and consultancies that offer "Transformation" services. In general, these organizations assist with restructuring of the medical staff, organizational modification, expense reduction, preparation for the change in the mechanism of reimbursement, meeting meaningful use, preparing for the cross-over to ICD-10, enhancements to overcome shortcomings of electronic health records, and several other transformational elements outside the clinical arena.

TSG's ability to effectively support providers in their change of clinical practice has put us in a position to assist organizations with Clinical Transformation. Through the years, our goal has been to "hardwire" meaningful behavioral change into the clinical environment in order to improve quality, reduce errors and improve patient safety. The clinical component of the transformational process in the new medical marketplace is squarely in our wheelhouse.



Medical practitioners will need to understand the new medical marketplace in order to "buy in," understand the key drivers, provide care consistent with recognized standards and algorithms, decrease variability, and truly become integrated into a new model of medical care and related reimbursement. Our programs have been developed to provide that understanding and drive the behavioral change required for success.

This is medicine's current greatest imperative. We look forward to partnering with you on the road to success in the new medical marketplace. ■

## CMS Programs that Impact Reimbursement

Clinicians play an integral role in leading the adoption of the CMS regulatory changes. What follows is a summary of program updates for FY2017.

**Value-Based Purchasing Program:** The Value-Based Purchasing (VBP) Program for FY2017 (with performance period of 2015) will focus on several "domains": Clinical Care, Patient Experience of Care, Safety and Efficiency. The full financial impact for the VBP program (2017) will be 2% of the CMS-related revenue. Hospitals

will be compared against each other. The winners hold on to their 2%; the losers lose it!

• **Clinical Care Domain:**

This metric for FY2017 will be monitoring clinical processes related to Acute Myocardial Infarction (e.g., lytic therapy within 30 minutes); influenza immunization; and OB (elective delivery prior to 39 weeks gestation). The Outcomes Domain will fall under the Clinical Care Domain and will monitor the 30-day mortality rates for AML, heart failure and pneumonia. The list of required elements is not extensive, and compliance should be relatively easy to accomplish. TSG has a series of online courses and online performance evaluation tools to improve quality and reduce practitioner variability with a specific focus on VBP metrics.

• **Safety Domain:**

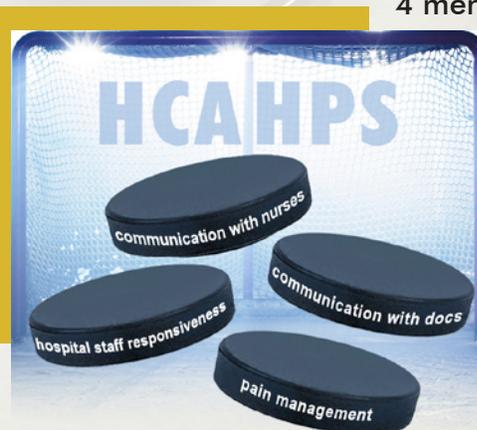
This metric for FY 2017 will be monitoring Healthcare-Associated Infections (HAI) and complication/patient safety indicators: central line-associated blood stream infection, catheter-associated UTI, surgical site infections for abdominal hysterectomy and colon surgery, and infections with C. difficile and MRSA. Once again, the key is a systematic approach to care based on the best evidence, education, monitoring and feedback to the practitioners. TSG has

created online education and other tools to assist in creating a systematic approach to quality and compliance.

• **Patient Experience of Care Domain:**

This is basically the HCAHPS measurement program. Measurements include patients' response to such things as: communication with nurses, communication with doctors, hospital staff responsiveness, pain management, etc. There are a total of 8 categories, but the first

4 mentioned above



have the strongest impact on meeting HCAHPS goals. TSG has created a full curriculum related to the Patient Experience Domain for

the entire hospital staff addressing both the hospital- and office-based settings. See [http://hcahponline.org/Files/Report\\_April\\_2015\\_Corrs.pdf](http://hcahponline.org/Files/Report_April_2015_Corrs.pdf) for additional information.

• **Efficiency Domain:**

The goal of this domain is to reduce the overall cost per Medicare and Medicaid beneficiary. In response, organizations and clinicians will need to be more judicious in the ordering of tests, labs and

other imaging while ensuring high-quality care and patient safety.

**Readmissions Reduction Program:**

This program has received a lot of press and discussion in medical journals. This metric monitors 30-day readmits of patients with: AMI, heart failure, pneumonia, COPD, total knee arthroplasty, and total hip arthroplasty. Many organizations have already implemented system solutions to integrate the healthcare team to avoid readmits. TSG has created a library to assist in this important patient care area and quality measure. In 2017, winners of this



measure will retain 3% of their CMS reimbursement; losers can lose up to 3% of that number.



**Hospital-Acquired Conditions Program:**

This metric will be monitoring the rate of hospital-acquired conditions in the following areas: central venous catheter-related bloodstream infection; postoperative sepsis; postoperative pulmonary embolism or deep vein thrombosis; pressure ulcer; iatrogenic pneumothorax; postoperative hip fracture; postoperative wound dehiscence; and accidental puncture or laceration. In 2017, winners of this measure will retain 1% of their CMS reimbursement; losers can lose up to 1% of that number.

Add up the numbers. When the value- and quality-based programs are fully operational, organizations can lose up to 6% of their overall CMS reimbursement. With reimbursement for most organizations at over 50% from CMS, a 6% reduction in CMS-related cash flow is untenable. CMS has fashioned this reimbursement as an "incentive." That suggests reimbursement beyond the current bottom line for success in complying with the VBP metrics. However, know that the reality is that dollars will be held back and only paid out upon meeting these metrics; it seems to have more the appearance of a penalty. ■



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## Placental Pathology Two-Part Course Series

TSG is pleased to announce the release of a two-part course series on Placental Pathology. Offering up to four hours of study, these online courses explore this unique organ that serves as lungs, kidney, and liver during fetal development. It is often under-appreciated by clinicians, both for what it does during pregnancy and for the information that can be derived from it after delivery. A knowledgeable placental evaluation can reveal evidence of infection and ischemia as well as the timing of these conditions; such evidence may be extremely important to the infant's care providers and may help an obstetrician defend the quality of care given should it be challenged later on in the medical-legal arena.

Moreover, ongoing research is pointing to early placental events as etiologic factors for conditions as common yet diverse as preeclampsia, placenta accreta, and intrauterine growth restriction. Treating neonatologists and pediatricians can learn much about the etiology of unusual clinical findings in a newborn from careful placental analysis.

Specifically, after completing these courses, practitioners should be able to:

- Assess the value of placental pathology in the medical-legal arena.
- Identify important features of the placenta that can be examined at delivery without specific pathologic training; identify the indications for placental pathologic examination.
- Justify the value of performing & recording a careful and complete examination of the placenta immediately after delivery.
- Investigate the etiologies of placental pathology in relation to the intrauterine environment connection between the immune systems of the mother and the fetus.
- Hypothesize how a placental pathology examination and report can be of benefit in a medical-legal case. ■

## NEW e-Learning Courses

### Communication & Resolution Program

- ➔ Communication & Resolution: Empathy Post-Event

### Medical-Legal Fundamentals

- ➔ Advanced Practice Clinicians: Risk Management Issues
- ➔ Confidentiality of Medical Information: Complying with HIPAA and State Law
- ➔ Consent for the Treatment of Minors
- ➔ Cyber Liability Case Law
- ➔ Duty of Care: The Provider-Patient Relationship
- ➔ Key Legal Considerations for Healthcare Providers
- ➔ Risk Management Issues in Anesthesia
- ➔ Risk Management Issues in Diagnostic Radiology

### Patient Safety Fundamentals

- ➔ Batch Events - Catastrophic System Risk
- ➔ Never Events

### Surgery

- ➔ Surgery: Risks with Informed Consent
- ➔ Surgery: Risk & Safety Overview
- ➔ Surgery: Risks in Decision-Making
- ➔ Surgery: Risks in the Preoperative Phase
- ➔ Surgery: Risks in the Intraoperative Phase
- ➔ Surgery: Risks in the Postoperative Phase



## TSG Fall Conference Information

### ASHRM Annual Conference

**RSQ Solutions** **THE SULLIVAN GROUP**

**Change Clinical Practice  
Improve Patient Safety**

**Visit us at ASHRM Booth #409**

### TSG Presentations

**John West, JD, MHA, CPHRM, DFASHRM**

**1 Case Law Update**  
Tues., Oct. 20 @ 3:30 p.m.

### Meet Members of our RSQ® Collaborative



**Communication & Resolution**

*Doug Wojcieszak*



**Medical-Legal**

*John West*  
JD, MHA, CPHRM, DFASHRM



**Patient Safety & Risk Management**

*Arnie Mackles*  
MD, MBA, LHRM

*“Given the recent changes to reimbursement models, we are discovering an increased desire for scalable solutions that can effectively change clinical behavior.”*



**TSG EMRI Audit**  
The Sullivan Group

**Members Area**

- + Organizational Login
- + Facility Login
- + Reviewer Login



## TSG Fall Conference Information

### ACEP Scientific Assembly

**THE SULLIVAN GROUP**

**RSQ® Solutions**  
Emergency Medicine Program

**Empowering the ED Team with RSQ® Solutions**

**RSQ® Education**  
Deliver Online Risk & Safety CME/CE

**RSQ® Modules for EMRs**  
Improve Workflow and Ensure Patient Safety

**RSQ® Assessment**  
Measure Performance to Drive Clinical Behavior

**Visit us at ACEP Booth #724**

### TSG Faculty Presentations

**Dan Sullivan, MD, JD, FACEP**

- 1 Double Jeopardy: Risk in Cardiology**  
*Mon., Oct. 26 @ 11:30 a.m.*
- 2 ID Cases: Bad Outcomes**  
*Mon., Oct. 26 @ 3:30 p.m.*

### Meet Members of our RSQ® Collaborative



#### Emergency Medicine

**Dan Sullivan**  
MD, JD, FACEP



#### Emergency Medicine

**Tom Syzek**  
MD, FACEP



#### Patient Satisfaction

**Doug Finefrock**  
DO



## TSG Fall Conference Information

**Join us at IMAC Dec. 1-3  
in Cayman to learn more  
about RSQ® Solutions  
and new partnerships.**

**E-mail Brant Roth to  
schedule a meeting**

[broth@thesullivangroup.com](mailto:broth@thesullivangroup.com)

**Meet Members of our  
RSQ® Collaborative**



**Emergency  
Medicine**

**Dan Sullivan  
MD, JD, FACEP**



**Emergency  
Medicine**

**Tom Syzek  
MD, FACEP**

## **XL Group's Bermuda Insurance Operations Partner with The Sullivan Group to Provide Clinical Risk and Loss Prevention Services to Healthcare Clients**

On February, 11, 2014, XL Group's Bermuda Insurance Operations announced a new partnership with The Sullivan Group (TSG), one of the premier providers of clinical risk and loss prevention services to hospitals, physicians and nurses throughout the US.

Through this new partnership, XL Group's Bermuda Insurance Operations, XL Insurance (Bermuda) Ltd ("XLIB"), seek to align their portfolio of healthcare clients and prospective clients with TSG's mission of improving patient safety by reducing medical errors and lowering the frequency of malpractice claims.

Wesly Guiteau, Senior Vice President and Healthcare Practice Leader at XLIB, explained, "We are pleased to have reached this agreement with TSG to provide our clients with first-class complementary risk management and online education services. For more than 27 years, XLIB has provided leading insurance solutions to this industry. This new partnership demonstrates XLIB's continuing commitment to our clients and it is part of a multi-prong effort to realign our platform with our clients' growing need for insurance products, including risk management support."

Read more... <http://bit.ly/1jW4d0W>