Relationships between Accountable Care Organizations and Skilled Nursing Facilities: What Are the Critical Process Elements?

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Abstract
Accountable care organizations (ACOs) have an incentivized Centers for Medicare and Medicaid Services (CMS) contractual agreement to ensure that attributed Medicare patients receive cost-efficient, high-quality care. It is hypothesized that relationships between ACOs and skilled nursing facilities (SNFs) may correlate with positive patient outcomes for cost and quality. Contractual elements are defined as specific processes and procedures measured by outcome metrics. Readmissions, length of stay (LOS), and episodic cost of care are potential outcome markers to assess SNF care delivery quality.

This study aimed to define critical relationship provisions between ACOs and SNFs that influence patient health outcomes. A value-based ACO and CMS contract, which defines accountability for a specific population and includes metrics examining cost and quality, was hypothesized to lead the ACO to develop processes and procedures resulting in meaningful SNF improvements, including LOS, Emergency Department (ED) utilization, and hospital readmission rates. An ACO/SNF contractual relationship within a preferred network was also hypothesized to correlate with operational process and procedural changes resulting in reduced LOS, improved hospital and SNF readmission rates, and decreased ED utilization.

A systematic literature review explored relationships between ACOs and SNFs, examined elements and provisions of contracted relationships, and identified potential correlations to cost of care, SNF care quality, and health outcomes. The current literature demonstrates limited positive outcomes, defined as reduced readmission rates and post-acute savings per beneficiary, when care is delivered at a SNF with an ACO relationship.

A mixed-methods approach utilized qualitative and quantitative data collected from ACO health systems nationwide in two stages: (1) analysis of qualitative data collected through key informant interviews with leaders from ACOs, health systems, and community SNFs within each community intended to reveal important provisions to include in a ACO/SNF relationship; and (2) quantitative data analysis performed using existing SNF utilization reports to evaluate elicited themes around people, data, and education as evidenced by ACO network processes and operations. These ACO activities, performed with preferred SNFs, were directionally correlated with utilization outcomes. Additional research is needed to understand the specific contract provisions positively associated with reductions in patient-level cost, readmissions, and LOS.

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