UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
MEDICAL CENTER
OPERATING BOARD
FOR THE UNIVERSITY
OF VIRGINIA
TRANSITIONAL CARE HOSPITAL
NOVEMBER 13, 2014
UNIVERSITY OF VIRGINIA
MEDICAL CENTER OPERATING BOARD FOR THE UNIVERSITY OF VIRGINIA
TRANSITIONAL CARE HOSPITAL

November 13, 2014
8:00 – 8:15 a.m.
Auditorium of the Albert and Shirley Small Special Collections
Library, Harrison Institute

Committee Members:
Stephen P. Long, M.D., Co-Chair
Edward D. Miller, M.D., Co-Chair
L.D. Britt, M.D. William P. Kanto Jr., M.D.
Hunter E. Craig Constance R. Kincheloe
William H. Goodwin Jr. George Keith Martin
Victoria D. Harker Charles W. Moorman
Michael M.E. Johns, M.D. The Hon. Lewis F. Payne

Ex Officio Members:
Teresa A. Sullivan Patrick D. Hogan
Nancy E. Dunlap, M.D. Richard P. Shannon, M.D.
Dorrie K. Fontaine John D. Simon
Robert S. Gibson, M.D. Pamela M. Sutton-Wallace

AGENDA

I. OPENING REMARKS FROM THE CO-CHAIRS

II. OPERATIONS AND FINANCE REPORT (Dr. Shannon to introduce Ms. Michelle D. Hereford; Ms. Hereford to report)

III. EXECUTIVE SESSION

- Discussion of proprietary, business-related information pertaining to the operations of the Transitional Care Hospital, where disclosure at this time would adversely affect the competitive position of the Transitional Care Hospital, specifically:
  - Confidential information and data related to the adequacy and quality of professional services, competency and qualifications for professional staff privileges, patient safety in clinical care, and patient grievances for the purpose of
improving patient care at the Transitional Care Hospital; and

- Consultation with legal counsel regarding the Transitional Care Hospital compliance with relevant federal reimbursement regulations, licensure, and accreditation standards; all of which will involve proprietary business information of the Transitional Care Hospital and evaluation of the performance of specific Transitional Care Hospital personnel.

The relevant exemptions to the Virginia Freedom of Information Act authorizing the discussion and consultation described above are provided for in Section 2.2-3711(A)(1), (7), and (22) of the Code of Virginia. The meeting of the Medical Center Operating Board is further privileged under Section 8.01-581.17 of the Code of Virginia.
UNIVERSITY OF VIRGINIA  
MEDICAL CENTER OPERATING BOARD  
AGENDA ITEM SUMMARY

BOARD MEETING: November 13, 2014

COMMITTEE: Medical Center Operating Board

AGENDA ITEM: II. Operations and Finance Report

ACTION REQUIRED: None

BACKGROUND: The University of Virginia Transitional Care Hospital (TCH) prepares a periodic report, including write-offs of bad debt and indigent care, and reviews it with Executive Leadership before submitting the report to the Medical Center Operating Board. The TCH also provides an update of significant operations of the hospital occurring since the last Medical Center Operating Board meeting.

Michelle Hereford joined the University of Virginia Health System in 2009. As Chief of the Transitional Care Hospital, she oversees all operations of this long term acute care facility. Ms. Hereford has a Bachelor’s degree in Nursing and a Master’s degree in Health Administration from Virginia Commonwealth University. She has over 20 years of health care experience serving in a broad range of roles.

FINANCE REPORT

The TCH ended the period of July 1, 2014 through September 30, 2014 with operating income of $221,412 compared to budgeted operating income of $207,173. During this same period, inpatient discharges were 73 compared to the budget of 100. Average length of stay was 32.26 days, which is four days more than the budget of 28.0. The All Payor Case Mix Index of 1.31 was more than the budget of 1.25. The Medicare Case Mix Index was 1.23 compared to a budgeted figure of 1.28. Total full-time equivalents (FTEs) were 125, 6% below the budget of 133 FTEs.

Summary for the first quarter of FY 2015:

• Discharges were 27% below budget.
• During the first quarter of FY 2015, the TCH reported 38% vent wean cases which carry a 1.97 Case Mix Index.
• Payor Mix as shown below, reflects a higher than budgeted percentage of commercial payors, resulting in increased net revenue per case.

<table>
<thead>
<tr>
<th>Payor</th>
<th>Actual</th>
<th>Budget</th>
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<tbody>
<tr>
<td>Medicare</td>
<td>59%</td>
<td>65%</td>
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<tr>
<td>Medicaid</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Commercial</td>
<td>11%</td>
<td>6%</td>
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<tr>
<td>Anthem</td>
<td>8%</td>
<td>7%</td>
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<tr>
<td>Self Pay/Indigent</td>
<td>5%</td>
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For the period from July 1, 2014 through September 30, 2014, the TCH reported 75 admissions. Sixty-two of those admissions (83%) were from the Medical Center. The sixty-two Medical Center admissions represent 2,024 patient days, or approximately 22 Medical Center beds per day, which would not have been available without the TCH. In addition, the 2,024 patient days reduced the U.Va. Medical Center average length of stay by 0.29 days.

OPERATIONS REPORT

Clinical Operations

Respiratory Services

This service, led by Pulmonary Medical Director, Sharon Esau, M.D., and managed by registered respiratory therapist, Jeanne Bird, continues to exceed expectations in weaning patients from ventilators. From July 1, 2014 to September 30, 2014, 24 patients were admitted for vent weaning/teaching, 83% of whom achieved that goal versus the benchmark of 60.1%.

Wound Management

This service is led by the Wound Care Medical Director, David Drake, M.D., and managed by experienced Wound, Ostomy & Continence Nurse Practitioner, Tara Beuscher. This leadership has helped to transition the program from primarily specialist-based care to skilled care with specialist guidance. As a result, the TCH has expanded the services offered in our community by providing an increasing amount of complex wound care.
For the period of July 1, 2014 through September 30, 2014, 37% of the TCH patient population was admitted for complex wound care needs, and as many as 90% of the cases have skin integrity concerns. The care of patients with wounds crosses all professional boundaries and much work has been done as a result of our collaborative patient care culture.

In response to the above, the TCH continues to offer the Wound Treatment Associate (WTA) program and currently has 10 team members enrolled in most recent class. This online multidisciplinary course, developed by the Wound, Ostomy and Continence Nurses Society, offers continuing education credits for nurses, physical therapists, occupational therapists, and respiratory therapists.

Rehabilitation Services

The Physical Therapy, Occupational Therapy, and Speech Language Pathology program continues to serve our population well and contributes to patient satisfaction as well as to clinical status improvement. These therapy services continue to be in high demand as a result of acuity levels and complicating factors, including a high proportion of morbidly obese and/or debilitated patients in need of rehabilitation therapy. Patient satisfaction with these services remains high, and our patients continue to respond well physiologically as a result of this care. Additionally, the rehabilitation services manager has developed a functional outcomes tool designed for use in the long term acute care setting. This tool is being used to monitor the success of rehabilitation services at the TCH.

Care Management Report

The TCH has combined the Case Management program with the Clinical Liaison program to establish a Department of Care Management. This partnership strengthens communication, knowledge, and collaboration throughout the process of selection through discharge.

Clinical Liaison

New patient referrals for the period from July 1, 2014 through September 30, 2014, continued to grow and totaled 322. Of the 322 patients referred, 75 patients were admitted for a conversion rate of 23%. Of the 246 referrals that were not admitted to the TCH, 71% did not meet long term acute care criteria, 8% chose another facility, 8% were due to payor
denials, and the remaining 13% were due to bed availability, could not meet patients' needs (i.e., Continuous Renal Replacement Therapy or patient expired).

A significant broadening of the referral base has occurred this fiscal year. New patient referrals have been received from 54 outside facilities. Fifty-nine percent of the referrals were from the U.Va Medical Center. A number of referring facilities, including Winchester, Martha Jefferson, Fairfax, Mary Washington, Loudoun, and VCU, each accounted for 4% of referrals.

Case Management

The practice of Case Management includes discharge planning at the time of referral to the TCH. It is a dynamic process requiring constant monitoring and collaboration with the interdisciplinary team. Length of stay is primarily driven by the patient’s clinical condition and guided by the use of McKesson’s Long Term Acute Care Hospital Interqual Criteria. The goal is to manage a patient’s stay and plan for safe discharge to an appropriate level of care on or within the target Diagnostic Related Group (DRG).

The average Medicare length of stay for FY 2014 was 31.5 days, and the overall length of stay for all payors was 32.26 days.

Factors that extend a patient’s stay include clinical conditions that are too complex to manage safely at a lower level of care, time delays associated with services and consultations from other providers, services that cannot be provided in outpatient setting due to billing considerations (i.e. dialysis for AKI), and the lack of community resources, specifically skilled nursing facilities.

Factors that reduce a patient’s length of stay (less than the anticipated 5/6 DRG date) include clinical conditions necessitating a return to a short term acute care facility, a change in the patient’s goals (e.g., selecting palliative care or hospice), and faster than expected clinical improvement.

Human Resources

The TCH is currently staffed with 118 FTEs. As the TCH continues to grow and develop, it is imperative that we acquire and retain talented employees. Therefore, the focus continues
to be on recruitment and employee engagement via the various initiatives implemented in the last year. The TCH will continue to manage these initiatives and monitor our progress.

Quality, Patient Safety and Performance Improvement Report

Quality and Patient Safety Planning

The TCH monitors clinical outcomes and performance using external and internal benchmarking. Interdisciplinary committees and teams work together to develop and implement improvement strategies when needed, as evidenced by our Quality and Patient Safety Dashboard.

Implementation of the "Be Safe" program, which involves staff at all levels and requires the use of a scientific methodology to eliminate preventable harm and improve care outcomes and efficiency, is a priority focus for FY 2015. We are focusing on six priorities for preventing harm on our journey to become the safest Long Term Acute Care Hospital.

Patient Satisfaction

The TCH continues to seek ways to obtain feedback from our patients and their families, information which is invaluable to our efforts to improve our service and exceed our patients’ expectations. We have achieved our targeted goals for the first quarter of FY 2015.

Community Outreach

The TCH Volunteer Program continues to grow in numbers and strength. Madison House volunteers, community volunteers, and community musicians all provide greatly appreciated services for our patients and their families. These services range from donating "busy blankets," shawls, lap blankets, and decorative pillow-cases; providing bed-side visitation to our patients and respite for their families; flower arrangement and delivery; providing hands-on assistance with Rehabilitation Therapy sessions; playing soothing music during our "quiet times"; and most recently, using four new iPads to entertain, educate, and help patients communicate with family members and friends. These iPads were obtained through the inspiration and persistence of one of the Madison House volunteers after she spent time with our patients and saw the need.
In return, the TCH staff seeks and utilizes opportunities to "give back" to the community through providing a team for The Day of Caring, adopting a school to help throughout the year, and adopting families to help during holiday seasons.

External Benchmarking

The TCH continues to meet the standards set forth by Centers for Medicare and Medicaid Services Long Term (Acute) Care's Hospital Quality Reporting Program, now starting its third year (October 1, 2014). Submitting required data in the designated manner and timeframes allows us to avoid a CMS penalty of a 2% payment reduction, and hopefully will provide external quality benchmark opportunities in the future.

TCH also continues to participate with the Center for Disease Control's National Healthcare Safety Network (NHSN) for device-related infection and device utilization rates comparisons.

As the Long Term Acute Care Hospital industry grows, so do the opportunities for improved quality, financial and productivity benchmarking capabilities. We are currently investigating two new systems to enhance our ability for external comparison across a larger base. The lack of risk-adjustment methodology across LTACH benchmarking continues to make it difficult to make absolute comparisons among organizations. We also, however, benchmark internally against our own historical performance, which is also valuable.

Accreditation

The TCH completed an unannounced Joint Commission Triennial Accreditation survey in mid-June, 2014. Overall we did very well, with minimal findings in both number and severity. The documents and/or plans provided after the survey as Evidence of Standards Compliance for the findings were found to be acceptable by The Joint Commission, and we have received our letter indicating that we are in full-compliance and are fully accredited for another three years.
The Corporate Compliance Program was established for the Medical Center by the Board of Visitors in 1997 to ensure that the Medical Center operates in full compliance with applicable laws. Effective August 1, 2010, the Medical Center and the TCH entered into a Memorandum of Understanding under which the Medical Center provides the Corporate Compliance and Privacy Program for the TCH. The Corporate Compliance and Privacy Office prepare an annual project schedule to coincide with potential risk areas of noncompliance with Federal or State law or other regulations. An annual report is made to the Medical Center Operating Board for the TCH on the compliance program. The Office reports quarterly to the Corporate Compliance Steering Committee and to the Audit and Compliance Committee of the Board of Visitors where approval of the annual project plan is sought, the status of completed projects is provided, and those groups are informed of any significant compliance or privacy risks.

The Compliance Code of Conduct is a key component of the corporate compliance program, that defines the basic principles the Transitional Care Hospital, its clinical staff, employees, and agents must follow. The Code is based on the mission and values of the UVA Health System.

The annual Corporate Compliance and Privacy project schedule is derived from risk assessment models that identify potential financial or reputational risks for the TCH from federal, state, and other regulatory agencies’ enforcement priorities identified in the annual HHS Office of Inspector General’s OIG Work, Plan and in industry publications and fraud alert reports. The project schedule also includes follow-up on work performed in prior years. Projects are selected to minimize the TCH’s risks with regard to these issues by members of Management and the Corporate Compliance Steering Committee. TCH Management is provided relevant sections of the OIG Work Plan and their feedback is used to assist the Office in determining and prioritizing its auditing and monitoring projects. Senior leaders are asked to identify potential risks in their areas of oversight, and these also are incorporated into the Office’s project schedule.

Auditing and monitoring are elements of effective compliance programs as mechanisms to discern whether processes are working in accordance with established expectations. The Office conducts documentation, coding and billing audits of
inpatient, outpatient, and procedure area claims, and privacy audits to assess the TCH’s compliance with privacy laws. The Office also provides guidance on regulatory issues and education on compliance and privacy topics.

Available hours for the Office are distributed among scheduled projects, unscheduled projects, training, and consulting. Scheduled compliance projects typically focus on reviewing the accuracy of the TCH’s claim submissions by assessing whether documentation in the medical record supports the billed services, supports the medical necessity of the provided services, and that all provided services were accurately billed. The scheduled privacy projects include monthly site visits to inpatient units, outpatient clinics, and procedure areas to assess the administrative, physical, and technical safeguards for protected health information. Preparing and presenting the compliance and privacy training for all employee accounts for the remaining scheduled projects. The Federal Sentencing Guidelines for Organizations identify training as a mandatory component of effective compliance programs.

The Office allocates hours for unscheduled projects to allow the compliance program to adapt to changing needs of the organization. These include: 1) consultation on policies and procedures, changes in regulations and billing rules, new ventures, and clinical research issues; 2) developing and conducting targeted compliance and privacy training in response to newly discovered risks, and updating the Office website or other communications based on identified compliance or privacy educational needs; 3) unscheduled compliance projects resulting from investigations, industry alerts, or management requests; and 4) unscheduled privacy projects related to investigations, revising the Health System’s notice of privacy practices, conducting risk assessments, and providing breach notifications.

On October 1, 2015, the International Classification of Diseases Ninth Revision (ICD-9) code sets used to report medical diagnoses and inpatient procedures will be replaced by the ICD Tenth Revision (ICD-10) code sets; this transition was to have taken place on October 1, 2014 but has been delayed a year. The transition to ICD-10 is required for all health care providers covered by the Health Insurance Portability and Accountability Act (HIPAA). The Chief Corporate Compliance and Privacy Officer is a member of the ICD-10 Executive and Oversight Committees, and the Office staff serve on ICD-10 project teams. The ICD-10 implementation project provides the Transitional Care Hospital
an opportunity to focus on documentation improvement, since the complexity of the ICD-10 code sets, with diagnosis codes expanding from 13,000 to 68,000 codes and procedure codes expanding from 11,000 to 87,000 codes, will require considerable documentation revision and training. And because of that complexity, ICD-10 has the potential for adverse financial and operational impacts for the TCH. The TCH is revamping its implementation initiatives with the Medical Center in anticipation of the new transition date.

Protecting patients' health information is a priority in healthcare; the TCH demonstrates a deep commitment to maintaining its patients' right to privacy. The Federal Health and Human Services Office for Civil Rights, the enforcement agency for HIPAA has recently been provided additional resources to enforce compliance with the HIPAA Privacy and Security Rules.

Educating our team members and developing trusting relationships to enhance the culture of compliance continue to be critical elements impacting the effectiveness of the TCH's compliance program.