



## Asthma Safety and Quality Collaborative



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### Models of Reimbursement and Care

- Pediatric hospitals in Texas have entered into a reimbursement model for inpatient care centered around APR DRGs.
  - Quality improvement increasingly becomes an essential component to ensuring financial success.

- Models of care improvement that only center around process or operations changes have failed to meet the successes of those that centered around all of the following:
  - **Data transformation**
  - **Best science integration**
  - Process improvement



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### CHAT Asthma Safety and Quality Collaborative

- The CHAT collaborative offers a unique opportunity to define patterns of unwanted variation in care delivery while identifying best current clinical practices. This provides opportunities to:
  - Reduce variation
  - Reduce waste
  - Improve both clinical and financial outcomes



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## CHAT Asthma Safety and Quality Collaborative

- Children's Hospital Association of Texas is using an APR-DRG Transition calculator which projects the financial implications of APR-DRGs for:
  - Each independent facility
  - Aggregate for all 8 facilities

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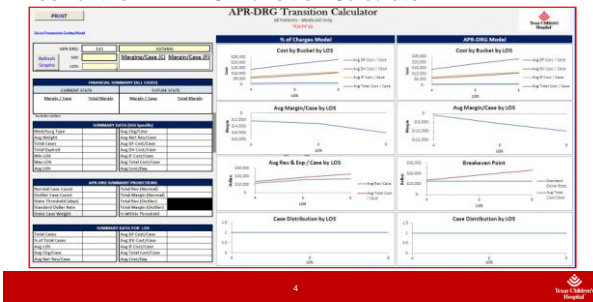
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## A look at the APR-DRG Transition Calculator




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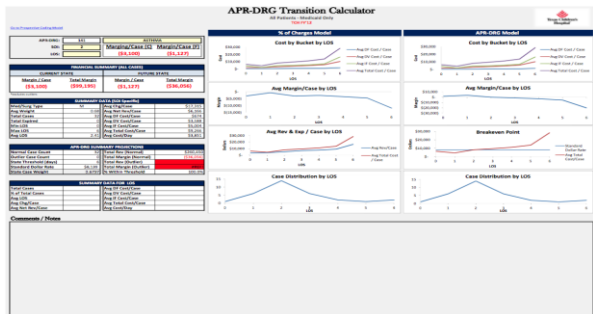
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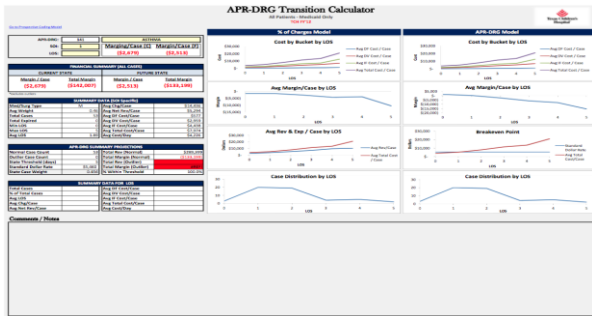
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### APR DRG Transition Calculator Methodology

- The calculator utilizes the most current Standard Dollar Rate (SDR) determined by the State for each APR-DRG SOI.
- It applies the SDR to the State's case weight for each APR-DRG SOI to determine the reimbursement rate.
- In order to account for case mix, size of institution, differences in locations, it uses weighted averages in the aggregate CHAT data by APR-DRG.
- It calculates individual and CHAT aggregate margins both for current state (pre APR-DRG) and future state (post APR-DRG) by assuming status quo on elements such as case distribution, expense allocations, and case mix but accounting for the new reimbursement rates.

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### Data Request

We are asking CHAT hospitals to share:

- De-identified financial data related to Asthma length of stay for:
  - Emergency Department visits
  - Inpatient stays
  - Calendar or Fiscal year 2012
- The data provided will be blinded by facility and thus discretion will be used with the sensitive data being submitted.
- Individual facilities will receive results of their specific data after it has been run through the calculator along with the CHAT aggregate projections.
- Please submit data utilizing the provided template for ease of implementation into the APR-DRG calculator.

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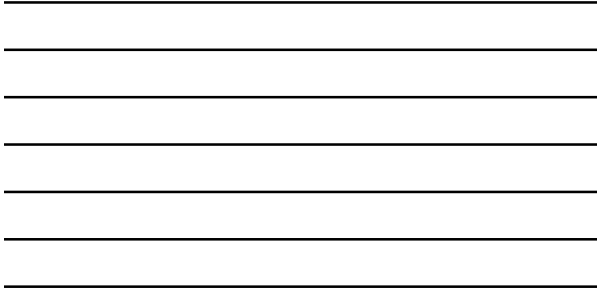
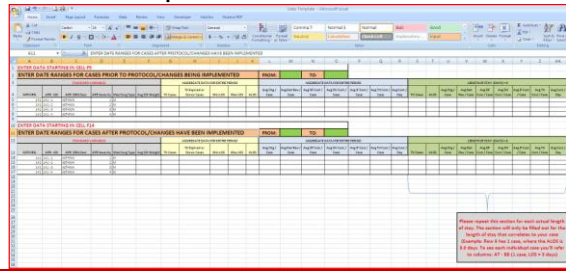
### Data Request

- Data to be provided both before and after protocol/infrastructure changes are implemented.
- Data request to include the following variables both in aggregate and then broken out by length of stay.
 

- Average Severity of Illness (SOI) Weight	- Average Charge/Case
- Total Cases	- Average Net Revenue/Case
- Total Expired or Donor Cases	- Average Direct Fixed Cost/Case
- Minimum Length of Stay (LOS)	- Average Direct Variable Cost/Case
- Maximum Length of Stay (LOS)	- Average Indirect Fixed Cost/Case
- Average Length of Stay (LOS)	- Average Total Cost/Case
	- Average Cost/Day

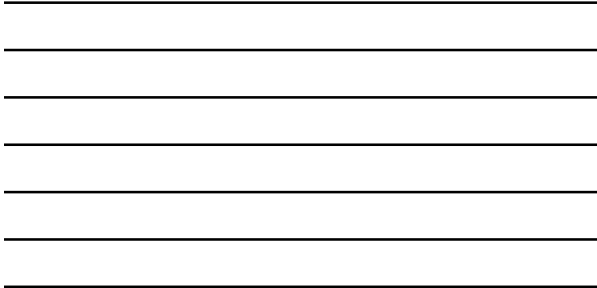


### A look at the Template



### Template Terms Defined

Variable	Definition	Parameters	Column	Notes
All LOS	All Patient Related Discharges and end group.	Large numerical number.	A	
APR-DRG	All Patient Related Severity of Illness Levels 1, 4, Unset 5 being that first located.	One digit number - use the LOS level 1, 2, 3 or 4	B	
APR-DRG Desc	All Patient Related Discharges - related group description	Text description up to 250 characters	C	Standard variables already provided for data request
APR-Severity	All Patient Related Severity of Illness Levels 1, 4, Unset 5 being that first located.	Reported Digit 1-4	D	
Med Surg Type	Is this a medical or surgical APR-DRG-CSI	"M" or "S"	E	
Avr SOI Weight	Average severity of illness weight	Numerical value - rounded to the nearest hundredths	G	
Total Cases	Total number of cases	Numerical value (Whole numbers)	H	Aggregate data for the entire date period (Prevalence/Calendar year)
Expired or Donor Cases	Total number of cases where the patient expired	Numerical value (Whole numbers)	I	
Min LOS	Minimum Length of Stay	Numerical value (Whole numbers)	J	
Max LOS	Maximum Length of Stay	Numerical value (Whole numbers)	K	
Avg Chg /Case	Average Charge per Case	Currency reported to the nearest dollar - Accounting format	L	
Avg Net Rev / Case	Average Net Revenue per Case	Currency reported to the nearest dollar - Accounting format	M	This aggregate data for the entire date period (Prevalence/Calendar year) and includes all Length of Stay!
Avg DF Cost / Case	Average Direct Fixed Cost per Case	Currency reported to the nearest dollar - Accounting format	N	
Avg DV Cost / Case	Average Direct Variable Cost per Case	Currency reported to the nearest dollar - Accounting format	O	
Avg IF Cost / Case	Average Indirect Fixed Cost per Case	Currency reported to the nearest dollar - Accounting format	P	
Avg TC Cost / Case	Average Total Cost per Case	Currency reported to the nearest dollar - Accounting format	Q	
Avg Cost / Day	Average Cost per Day	Currency reported to the nearest dollar - Accounting format	R	
Total Cases	Total number of Cases	Numerical value (Whole numbers)	S	
Avg LOS	Average Length of Stay	Numerical value - (Rounded to the nearest tenth)	T	
Avg Chg / Case	Average Charge per Case	Currency reported to the nearest dollar - Accounting format	U	This version in LOS specific. It includes 9 columns and starts at day 0. Each individual LOS version will include the same 9 columns.
Avg Net Rev / Case	Average Net Revenue per Case	Currency reported to the nearest dollar - Accounting format	V	Please refer to the version of LOS specific for more information.
Avg DF Cost / Case	Average Direct Fixed Cost per Case	Currency reported to the nearest dollar - Accounting format	W	
Avg DV Cost / Case	Average Direct Variable Cost per Case	Currency reported to the nearest dollar - Accounting format	X	
Avg IF Cost / Case	Average Indirect Fixed Cost per Case	Currency reported to the nearest dollar - Accounting format	Y	
Avg TC Cost / Case	Average Total Cost per Case	Currency reported to the nearest dollar - Accounting format	Z	
Avg Cost / Day	Average Cost per Day	Currency reported to the nearest dollar - Accounting format	AA	XXXXX with a zero-filled cell.



**Value added**

- Help inform future value based reimbursement models for the state.
- Advocate for incentivizing payment for efforts at quality improvement.
- Individual hospitals will be able to discern the impact of this collaborative at improving the value of care they deliver concurrent with the state's visualization of aggregate improvement for all CHAT hospitals.

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