

Breaking the Throughput Plateau

4 strategies for reducing inpatient length of stay and avoidable admissions

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A clinical and financial imperative

Across the last two decades, organizations reduced national length of stay by more than a full day. But recently those gains have stalled, with national length of stay hovering around 5.2 days for seven consecutive years.

Health care can no longer afford this stall. A 100-bed hospital can generate over \$3 million annually by reducing a quarter of a day; a 500-bed hospital can generate \$16.4 million. Beyond direct cost savings, eliminating bottlenecks also improves clinician experience, patient experience, and clinical outcomes.

It's clear to many clinical executives that patient flow is once again a top priority. What's less clear is how to continue making progress.

Table of contents

The conventional wisdom pg. 3

Our take pg. 5

Four strategies to improve system-wide patient flow pg. 6

Strategy 1: Reduce avoidable inpatient length of stay. pg. 7

Strategy 2: Direct patients to the most appropriate site of care. pg. 9

Strategy 3: Segment financially impactful patient populations pg. 11

Strategy 4: Anticipate and address emerging bottlenecks pg. 13

Parting thoughts pg. 15

Related content pg. 16

The conventional wisdom

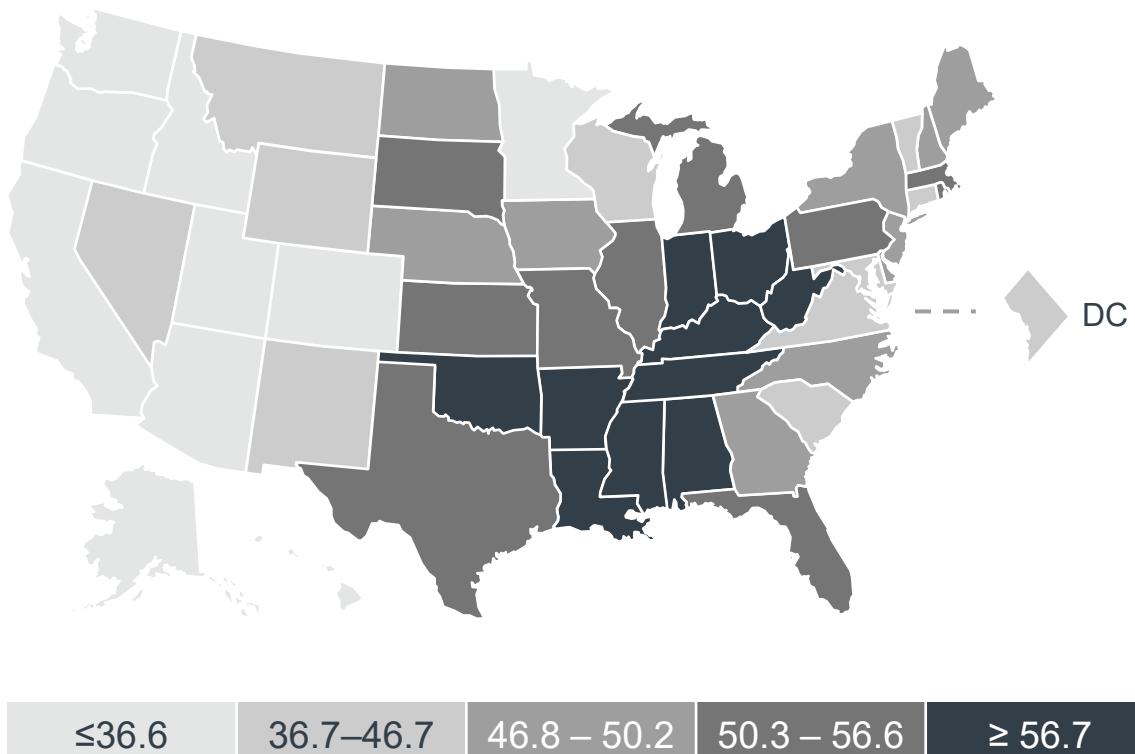
Most organizations use acute care length of stay (LOS) as their measure of patient flow success. This measure translates into a decentralized flow strategy. Executives set LOS targets for local leaders, who develop a department-level flow strategy to meet their target.

This approach worked well for over a decade. But now that most organizations have achieved their department-level quick wins, the decentralized approach is failing to yield further gains, for two reasons.

First, siloed efforts by individual departments often don't translate into a reduction of organizational length of stay. These individual efforts may inadvertently be in conflict with one another. Or it may be hard to identify (and prioritize) the department-level pain points that have the biggest impact on the broader organization.

Second, the traditional approach overlooks a major opportunity: reducing avoidable hospitalizations. Across the U.S., there's an average of 49.4 discharges for ambulatory care-sensitive conditions per 1,000 Medicare enrollees. These inpatient days should be avoided altogether. But because of the focus on reducing length of stay, reducing avoidable hospitalizations hasn't been a main goal of throughput efforts.

Number of discharges for ambulatory care-sensitive conditions per 1,000 Medicare enrollees, 2018



Source: CMS, Advisory Board Analysis; America's Health Rankings analysis of The Dartmouth Atlas of Health Care, United Health Foundation, <https://www.americashealthrankings.org/explore/annual/measure/preventable/state/ALL?edition-year=2018>.

Our take

To break the throughput plateau, organizations have to move away from a decentralized approach. Clinical executives should think holistically about where opportunities lie across the system and make centralized decisions about which areas to address.

A centralized approach achieves two goals. It enables organizations to make principled decisions about addressing only the bottlenecks most impactful on system-wide patient flow. It also allows systems to broaden the scope of their ambition, from reducing length of stay to getting the right patient, at the right site of care, at the right time.

But centralizing throughput strategy is easier said than done. It multiplies the number of available opportunities, and the most important opportunities aren't the same at all organizations.

The rest of this briefing will outline the four strategies that have the greatest impact on throughput across the industry. Which strategy will be most impactful for your organization depends on your particular market and bottlenecks. We have included questions for each strategy to help you pinpoint which is the most relevant for you.

Four strategies to improve system-wide patient flow

These strategies are ordered from the easiest to implement to the most difficult. The diagnostic questions within each strategy overview will help you determine whether or not it would be impactful for your organization.

Beginning with strategy one, read the questions on the first page and decide if they accurately reflect your organization. If not, move on to the next strategy.

01

STRATEGY 1

Reduce avoidable inpatient length of stay

02

STRATEGY 2

Direct patients to the most appropriate site of care

03

STRATEGY 3

Segment financially impactful patient populations

04

STRATEGY 4

Anticipate and address emerging bottlenecks

01 Reduce avoidable inpatient length of stay

Organizations have historically focused throughput efforts on reducing avoidable inpatient length of stay. Some hospitals have already maximized throughput gains in this area.

But organizations that still have room for improvement in this area should start here before moving on to more time-intensive strategies. This strategy is the fastest way to relieve capacity pressure. It creates breathing room for leaders to go after more time- and resource-intensive opportunities later. And starting with quick wins can engender support from frontline clinicians for more complicated patient flow initiatives in the future.

If you can answer “yes” to all four questions below, you’ve maximized throughput gains in this area and should move on to the next strategy. If not, consider implementing the three tactics in this section at your organization.

Questions to ask yourself

- Do clinicians estimate date of discharge for at least 80% of patients within 24 hours of admission?
- Do the estimated and actual date of discharge match at least 70% of the time?
- Are fewer than 5% of bed days due to medically stable patients waiting on outstanding tasks or medical orders?
- Do at least 80% of patients leave the hospital within 2 hours of receiving a discharge order?

Three tactics to reduce avoidable inpatient length of stay

1. Plan for discharge on day one.

Estimate each patient's date of discharge and proactively surface barriers to meet that date. This is the most impactful step organizations can take to reduce length of stay.

2. Streamline interdisciplinary communication to support on-time care plan execution.

Larger care teams lead to delays in care planning and execution—unless interdisciplinary communication is built into clinician workflow.

3. Empower clinicians to overcome common transition delays.

“Last mile” discharge delays, or barriers to leaving the hospital after the discharge order has been written, can add up to a lot of extra time.

Organizations need to know their most common discharge delays and equip clinicians with the tools to overcome them.

02 Direct patients to the most appropriate site of care

The most efficient way to improve throughput is preventing an avoidable admission altogether. There is considerable opportunity across the care continuum to ensure that only those who need acute care are admitted to inpatient beds.

If you can answer “yes” to all three questions below, you’ve maximized throughput gains in this area and should move on to the next strategy. If not, consider implementing the two tactics this section at your organization.

Questions to ask yourself

- Can less than 5% of ED presentations be seen at an alternative site of care?
- Does my organization fall below state average for hospitalizations due to ambulatory care-sensitive conditions?
- Do clinicians feel comfortable discharging ED presentations to a subacute site of care rather than admitting?

Two tactics to direct patients to the most appropriate site of care

One part of directing patients to the most appropriate site of care is expanding outpatient access, so patients can present to subacute care sites directly. But acute care organizations can proactively re-route patients from the hospital to the right site of care, by implementing the tactics below.

1. Treat non-emergent patients in subacute sites of care.

Divert patients who don't need acute care before they enter the ED. This is primarily achieved by working with community partners, such as the local justice department and first responders.

2. Shift away from hospital admission.

Once a patient presents in the ED, admit only those who truly need acute care. This is easier said than done. Often ED clinicians are not confident patients will receive the care they need outside the hospital and admit patients who do not need acute care as a precaution. Leaders can correct this impulse by creating care pathways within the ED to connect non-acute patients with the right subacute care.

03 Segment financially impactful patient populations

Even with flow processes that work well for most inpatients, there are some groups of patients with a disproportionate financial impact. There are two reasons for this. First, clinicians may struggle to advance care plans for patients with complex clinical and social needs, resulting in expensive episodes of care. Second, inefficient processes for routine, high-revenue procedures add up to a significant missed opportunity for revenue.

If you can answer “yes” to all four questions below, you’ve maximized throughput gains in this area and should move on to the next strategy. If not, consider implementing the two tactics in this section at your organization.

Questions to ask yourself

- Do clinicians proactively identify highly complex patients whose care will require additional resources?
- Does my organization have dedicated care planning resources for these highly complex patients?
- Has my organization identified the DRGs with the greatest opportunity for standardization?
- Is my organization able to accommodate most scheduled surgical cases without cancelling or rescheduling?

Two tactics to segment financially impactful patient populations

Both of these patient populations require a different strategy to positively affect an organization's revenue.

1. Create dedicated pathways for resource-intensive patient populations.

A small population of high-need, complex patients requires a disproportionate amount of staff time and resources. Planning for these patients rather than around them helps clinicians efficiently advance their care plans, leading to gains in clinical quality and throughput.

2. Standardize predictable patient care for top-opportunity DRGs.

Standardizing care has a powerful impact on throughput, cost, and outcomes. But care standardization takes a lot of effort. Focus your efforts on surgical efficiency first, then move on to reducing care variation for high-cost, high-volume DRGs.

04 Anticipate and address emerging bottlenecks

An effective throughput approach is customized to an organization's market and bottlenecks—both of which change over time. To sustain throughput gains, organizations will need built-in mechanisms to regularly recalibrate flow strategy.

If you can answer “yes” to all five questions below, share your story with us at nec@advisory.com. If not, consider implementing the two tactics in this section at your organization.

Questions to ask yourself

- Does my organization use data and staffing targets to predict and plan for seasonal surges in demand?
- Does my organization have protocols to manage short, unpredictable spikes in demand?
- Does my organization use real-time data to track inpatient bed availability?
- Does my organization use data to identify care delays across the facility and/or system?
- Does my organization use internal patient flow benchmarks to set goals and drive improvement?

Two tactics to anticipate and address emerging bottlenecks

Recalibrating your patient flow strategy should accommodate for both temporary fluctuations in volume and decisions about which long-term opportunities to address. You will need a different mechanism in place for each.

1. Predict and plan for point-in-time demand surges.

Sudden increases in demand or seasonal trends can disrupt even the best patient flow operations. There are many surge plan options available, but they need to be hardwired to avoid unnecessary delays in care.

2. Centralize data and oversight to increase system-level line of sight.

Centralizing oversight can help you execute on enterprise-wide data to more accurately direct resources and provide an integrated approach to tackling bottlenecks. Many organizations may not be ready for this approach—and that's okay. But as throughput technology advances, this is where leaders will find their most impactful throughput gains.

Parting thoughts

Identifying the most impactful throughput strategy for your organization is only half the battle. You also have to fully engage your frontline clinicians in strategy execution, as their minute-to-minute decisions on patient progression are critical to success.

Throughput efforts can be a tough sell to the front line, if it they are framed as logical steps to achieving organizational goals. Clinicians often perceive these initiatives as additive work that doesn't provide immediately obvious benefits to patient care. Instead, leaders have to explain how throughput initiatives affect what matters most to clinicians: quality of care.

Two strategies to engage frontline staff in patient flow

1. Leaders often talk about the benefits of improved patient flow in terms of efficiency and financial goals—a perspective that doesn't always resonate with clinicians. Pursuing quality will always be more compelling than efficiency. Patient flow initiatives should always be framed as part of quality improvement.
2. New patient flow initiatives can create a lot of change for staff. And the hardest part about change is the loss associated with it. This sense of loss is normal, but it's something leaders need to anticipate and address head-on. Acknowledging perceived losses is part of engaging clinicians. It builds your credibility as a leader and adds a dose of reality to conversations about change.

For more information on how to engage clinicians in patient flow initiatives, see the resources listed on the next page. 

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