



Introduction

Hospitals are under more scrutiny now than ever before. Strict regulations require facilities to hit goals in certain areas of patient care to avoid being fined and penalized. For example, if a patient is readmitted to a hospital within 30 days of discharge, the hospital receives a strike. After so many strikes within a given year, the hospital loses 3% percent of its annual income from Medicare. Additionally, any patient readmitted within the 30 day threshold results in a loss of income for the hospital from the first visit. ED throughput is similar to readmissions – hospitals are penalized an additional 2% of Medicare income if ED throughput times are over 175 minutes. The combination of these two core measures, and other factors, such as costly transfers (\$25,000 per patient) can cost hospitals a significant amount of money if the requirements are not met.

Hospitals currently deploy numerous processes and solutions to help prevent readmissions and transfers, and to improve ED throughput. One option that should be explored is HIPAA compliant care team collaboration and virtual health. In many cases, issues with readmissions and ED throughput arise from poor communication. This type of solution helps make collaboration and care coordination much easier by allowing doctors, nurses and other hospital staff to quickly communicate access patient records, share MRIs, CT scans and lab results, and much more. By deploying a HIPAA compliant care team collaboration and virtual health solution, hospitals could save hundreds of thousands of dollars by avoiding penalties on their annual income from Medicare, all while keeping patients healthier.





Reduce Readmission Rates

A main focus of many hospitals at the moment is to reduce readmission rates. The reason for this is that any patient readmitted within 30 days of discharge can lead to a penalty of 3% of a hospital's income from Medicare. Also, hospitals aren't paid for the patient's visit if they return to the hospital within this timeframe.

30 days

Patients readmitted within this time frame can lead to a **penalty of 3% of income from Medicare**

Reducing readmission rates can be tackled in many ways including improved communication between doctors and their patients after discharge. Communication after discharge to ensure chronic disease management, compliance with medication and review of diagnostic tests can help reduce the rate at which patients are readmitted to your hospital. This type of communication can be facilitated by a HIPAA compliant care team collaboration and virtual health solution, which allows doctors and patients to communicate via text and video calling in compliance. Using this type of solution, doctors are able to quickly access patient records, which enables successful patient communication, as the doctor will know exactly how the patient has been treated in the past and who has treated them. This can help in follow up care to ensure patients are taking the right medication to avoid readmission and many more medical scenarios.

Many hospitals could make good use of a HIPAA compliant care team collaboration and virtual health solution, as a high percentage of facilities are being hit with penalties for readmissions despite their best efforts to prevent patients from returning within 30 days. According to Kaiser Health News, 65 percent of hospital facilities subject to the Hospital Readmissions Reductions Program (HRRP) were penalized in 2014¹. Medicare estimated that readmission fines totaled \$428 million in 2014.



It is clear that hospitals still have a lot of work to do in order to minimize readmission fines. Without a plan of attack, such as deploying a HIPAA compliant care team collaboration and virtual health solution, the fines are going to continue to come and hospitals are going to have to keep paying up – the penalty for a high rate of readmissions continues to rise, with an increase to 3% of income from Medicare, up from 2% in 2014.

¹ Kaiser Health News. *Medicare Fines 2,610 Hospitals in Third Round of Readmission Penalties*. Oct. 2, 2014. <<http://khn.org/news/medicare-readmissions-penalties-2015/>>



Improve ED Throughput

Hand-in-hand with reducing readmission rates at hospitals is improving ED throughput. Much like readmissions, CMS docks hospitals 2% of their income from Medicare if the treatment requirement isn't met – patients must be treated (admitted or discharged) by the emergency room within 175 minutes of arrival. This is not a lot of time for most hospitals to treat a patient in the ER, and with such a high penalty for failing to meet the standard set by CMS, it is clear hospitals need a solution to help improve ED throughput times.



175 minutes

Patients must be treated (admitted or discharged) by the emergency room within this time frame to avoid penalty

Better communication can also be part of the solution for faster ED throughput. A HIPAA compliant care team collaboration and virtual health solution can help facilitate better communication with quick access to patient records to help speed up the process of discharging patients from the ER. In many cases, a lot of time is wasted trying to access a patient's records, getting

a hold of a specialist or waiting for a response about lab results, an MRI, CT scan, etc. With a HIPAA compliant texting and telemedicine solution, time wasted can be reduced. Instead of waiting for a response to a phone call, email or page, doctors can simply send a text with an update or share an image of a CT scan via their phone or tablet. This cannot be done over regular texting due to HIPAA privacy rules, but with a HIPAA compliant care team collaboration and virtual health solution this is not a worry.

With a HIPAA compliant care team collaboration and virtual health solution deployed, a hospital can decrease the amount of time staff spend waiting for responses about lab results, x-rays and other matters, which, in turn, enables them to stay under the 175 minute CMS threshold for ED throughput. By treating patients in the ER within 175 minutes, hospitals are not penalized 2% of their income from Medicare, which leads to significant cost savings.

Decrease Transfers

CMS doesn't penalize hospitals for a high transfer rates, but that doesn't mean having to move a patient to a different facility isn't extremely costly for hospitals. If a small rural hospital has to transfer a patient to a stroke center in a major city, it will cost \$25,000. According to the ASC Quality Collaboration Quality Report, 1.038 of every 1,000 admitted patients at hospitals were transferred.² This means that for every 1,000 patients admitted, hospitals paid \$25,000 for a transfer.



Preventing 100% of transfers is unlikely, as there are serious medical conditions that will require moving a patient to a different hospital, but with a HIPAA compliant care team collaboration and virtual health solution, hospitals can decrease the number of transfers by facilitating collaboration and care coordination with doctors, specialists and other medical professionals at outside hospitals. For example, a patient who has an unknown eye injury doesn't need to be transferred immediately if a doctor is able to reach a specialist via a telemedicine call from their phone. If it is determined the injury is not serious, the doctor saved his or her hospital \$25,000 by using a HIPAA compliant care team collaboration and virtual health solution for a simple virtual consult with an eye specialist. On top of that, the eye specialist can be reimbursed for the telemedicine call, so he or she doesn't miss out on business because the transfer was prevented.

Conclusion

Hospitals are being penalized left and right in today's healthcare environment. If hospitals aren't careful, a significant amount of penalties could be accumulated for readmissions and ED throughput, which can have a significant impact on the bottom line. While it is unlikely that all readmissions and transfers can be prevented, and every single patient will be treated in the ER within 175 minutes, there is a simple solution to help improve core measures and save money in all three areas – HIPAA compliant care team collaboration and virtual health solution. By enabling better communication, collaboration and care coordination, hospitals could see readmission rates drop, transfers decrease and ED throughput times improve.

² ASC Quality Collaboration. ASC Quality Collaboration Quality Report 4th Quarter 2014.
<<http://www.ascquality.org/qualityreport.cfm#Transfer>>



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