

Free Software to Get You Ready for PPS

You've heard it again and again. Prospective Payment will force you to alter your entire approach to business, from how you perform clinical assessments to how you track accounts receivable to how you pay your staff. Specific advice about exactly what these changes should look like is harder to come by but consultants and DHHS publications agree on one thing. You must be gathering and storing data now so you can evaluate it after final PPS regulations come out in July.

The software you are using will change, as soon as vendors have time to evaluate proposed regs and move through the development process. In the meantime, several vendors have stepped forward with spreadsheet calculators you can use to forecast PPS revenues based on today's patient statistics. To their credit, these Home Health Resource Group (HHRG) spreadsheets are available at no charge.

Jeff Lewis, president of Lewis Computer Services, decided to make his company's grouper calculator available online. Find it at www.ppsgrouper.com and enter your data while connected. Each user can establish an account, which provides a small data storage area so you can return to the site time and again and

pick up where you left off rather than starting over with each session. Other vendors and consultants with free grouper spreadsheets have made it available for download so it can be used offline.

Dixon Canary & Company has created a DOS-based product called "PPS GroupCalc Software" for download at www.homecare.info@dixonkanary.com. They will ask you to register to use it and you can expect to be added to their mailing list, but it certainly provides an option for owners of older computers who have not upgraded to Windows yet.

At the other end of the complexity spectrum is a free offering from Continuum Care Technologies, Inc. Downloading the 8 MB file absorbs a considerably larger portion of your day because this calculator is actually a standalone version of the tool that is otherwise integrated into CCTI's standard OASIS / ORYX and clinical records product. The web site is www.asma-homehealth.com.

If government software is more to your liking, you can get HCFA's grouper from a link at www.hcfa.gov/medicare/hhmain.htm. This is an early version of the calculator that will eventually become a part of HAVEN. It is important to make clear that early testers of these four groupers have occasionally reported varying answers to the same entered data. HCFA's response is to include a disclaimer with their spreadsheet, disavowing responsibility for incorrect results. The rest simply make corrections as needed. Of course, the downloaded versions require a complete re-download to fix the bugs, while changes to the

online offering happen transparently. Re-downloading is not a problem except with the 8 MB file from CCTI.

What's the Fuss?

With PPS still 10 months away and final rules not due until at least July, one might wonder why the rush to encourage providers to predict PPS revenue streams now? For the answer, we spoke with some of the grouper calculator providers and with William A. Dombi, who recently attended all of NAHC's regional PPS seminars. Bill spoke as a witness to those events not in his capacity as lead NAHC attorney.

Vendors who have provided free grouper calculators have largely done it to take pressure off the entire industry during the months between proposed and final regulations. "With calculators out there," says Jeff Lewis, "we vendors don't have to worry about scurrying around to come up with a product to design, develop, market, and sell. We have enough to do to get our existing systems ready in a very short time."

Lewis pointed out that providers benefit in more than just the obvious ways. "What if you run your patient information through one of these groupers and find you're going to go broke next October?" he proposes. "Wouldn't you rather know now so that you can start making changes in the way you do things? If you wait for final regs in July, or until PPS actually kicks in next October you'll find out you're spending more than you can possibly take in and you'll be closing your doors before you have time to make adjustments."

Lewis' concept is that providers will examine grouper results they get today and begin to make small adjustments in caregiving policies or back office procedures. Then they will run another set of results to see the effect of their adjustments. The process of refining care methods and distilling business practices should take the better part of the coming year.

Dombi agrees. Emphasizing the fundamental change PPS brings – that every visit is an expense rather than a source of revenue – he went to the NAHC PPS seminars hoping to discover a willingness among participants to revamp their ways of thinking, not just their ways of acting. He did in fact find “a fairly solid recognition that information systems will be much more valuable to providers than ever before when used to look at the clinical side.”

The first hurdle several years ago was to trust IS in the back office, then at the point-of-care. The next hurdle is to take data gathered at the point-of-care and make more effective use of it. “Sometimes, high quality outcomes can be achieved in unorthodox ways,” Dombi explains, “perhaps by using more expensive visits up front and low expense visits later in the care cycle. But the only way providers are going to figure out whether such a thing might be beneficial is to be able to set some internal benchmarks.”

Benchmarks come from information and information comes from data. To get the data, providers must do two things; develop a new understanding of the role of information systems in their operation and make firm demands of software vendors.

“The thrust of the recent round of regional PPS seminars was to make sure providers understood that success under PPS is tied into a good IT approach,” Dombi continued. “Based on questions we got from audiences, their current systems don't do the job. They don't know what new software will look like but they know somebody else is going to have to pull it together for them.”

The vendor community recognizes that agencies are relying on them but they are equally perplexed about how to proceed. With the home health environment changing from an emphasis on cost-reimbursed visits and annual limits to the need to monitor 80 case mix groupings and multiple exceptions within each of the groupings, the changes needed in home care software will be anything but incidental. Stephen Dixon of Dixon Kanary wonders how any software vendor can wait until July for final regs and have a PPS-ready product available by October.

The answer?

They won't. We will likely be well into the second year of PPS before vendors will adequately catch up, according to Dombi. Does that mean an appropriate response is to take a wait and see position? Absolutely not. At PPS seminars, his not so tongue-in-cheek analogy was

that this is no time to believe that, if you're the drunken driver, you're going to be the one to survive the crash. “The better prepared, better in tune with their information systems providers are, the much better their chance of finding success.”

How will software change?

Expertise gathered from seminar speakers such as Bob Dean of Home Care Information Systems, and financial consultant Bob Simione, indicates that PPS-era home care software will have to be very global *and* very finite. “It must perform projecting and forecasting where agencies will be budgetarily,” Dombi reports. “And it will have to be able to look at the details of patient outcomes, both financial and clinical. Perhaps an administrator will want to compare one caregiver or one staff team against another to determine whether one has a better way to care for people that ends up more efficient.” Every cost conscious innovation buried somewhere in raw data must be gleaned into usable information and shared with the rest of the staff.

“This is a new world for software vendors,” Dombi emphasizes. “The case mix adjuster creates a marriage that was not there between the OASIS data set and the case mix calculation, and between financials and pricing services. Software that recognizes these marriages is absolutely not there for them today.” Dombi saw participants coming to the realization that what they need is a “revolutionized information system.” Revolutionized from the typical “per-visit” billing, keeping information in a

warehouse, to an integrated IS concept so providers don't have to input data in three places to cover the same base. "Everyone realizes we're in a learning period," he warns. "Providers cannot expect vendors to immediately have something off the shelf and say, 'Here is your magic pill for taking care of all your IS needs for PPS.'"

Is the realization of the importance of IS a breakthrough?

The coming months will tell, according to Dombi. He sees it as at least a maturing. "Keep in mind that people attending our conferences have already survived IPS," he

explains, "so these are the people who already have their heads above water, trying to see what's coming before others do."

What if the final regs are substantially different?

NAHC expects numbers to change but not the structure seen in the proposed rules. In other words, payment calculations may be modified but we will still have a basic case mix adjusted system with outliers. The way HCFA splits payments may change, moving more up front, but the Low Utilization Payment Adjustment (LUPA) will probably not go away. Dombi added, that though he considers the odds long, NAHC will make a pitch to HCFA to eliminate LUPA's.

Get ready, the expense will be unavoidable.

Next to PPS itself, the sub-theme for NAHC's series of seminars was Information Systems. Speakers presented the question, "What information do we have to gather and analyze to do this right?" The realization was clear, during and after the conferences, that today's systems must eventually be replaced with a new generation of PPS-era software. "The question still remains whether capital -- either loaned or existing -- will be available to make necessary investments," Dombi worries. "But I think most people realize this is going to be a priority purchase in the coming months."