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TANDEM365

CARE IS BETTER TOGETHER

Integrated care

Michigan nursing home joint venture delivers better care at lower cost

Five years ago, **Mina Breuker of Holland Home and Teresa Toland of Porter Hills** sat on a panel with other nursing home administrators to tackle the problem of hospital readmissions. Examining root causes, they realized "the problem is bigger than transition of care," Toland recalls.

Case in point: Henry, an 80-year-old patient, was socially isolated and unable to manage his medications or get to appointments. Toland and her colleagues pondered, "How could we close the gaps and create interventions for someone like Henry?"

The solution: Tandem365

People like Henry were lost in a fragmented system where "no one was holding the story of the patient," Breuker says.

Their solution? Form a joint venture — Tandem365 — to deliver complex care management services to vulnerable seniors. The business model hinges on a role that has worked for other case management programs: The navigator. Each Tandem365 team includes a social work navigator and a nurse navigator.

Tandem delivers better care at lower costs, using:

- A robust network of volunteers, visiting with clients and doing chores.
- Paramedics, providing care in patients' homes whenever necessary.
- An interdisciplinary team, meeting daily to discuss activity with current members (such as after-hours calls) and new enrollments.

This team works with each participant to create a life plan, coordinating with family members and healthcare providers to advocate for that person.

The results

In early 2014, Tandem365 piloted a project with commercial payer Priority Health. Priority targeted their most expensive members first — those costing over $25,000 per year.

The results are encouraging. Among the 150 pilot members, by the end of 2015, Tandem365 found:

- **Average healthcare cost per member** — down 30.2 percent
- **ER visits** — down 46.2 percent
- **Specialty visits** — down 22.8 percent
- **Outpatient visits** — down 13.4 percent

One roadblock: Not everyone agrees to participate. "Sometimes it's hard to convince someone that they need something, even when it's free," says **Toland, who is CEO of Tandem**.

Tandem has improved its conversion rate to about 70 percent, up from 50 percent, largely due to a strong network of case managers. Toland projects Tandem will hit 537 participants by year end, up from 302 in March. With such strong growth and 98 percent client satisfaction, Tandem and Priority recently entered a three-year contract.

Currently, Tandem365 receives from Priority a per-member-per-month (PMPM) payment of $625 for its care management services, but it plans to move toward risk sharing. The tipping point will be "once we know for sure that we are impacting outcomes," Toland says. To reach that point, Priority must identify a cohort of people against which they can measure the Tandem population — a challenge, "because our people have a lot of social determinants that don't show up on claims."

Keys to success

Meanwhile, the pilot's success is yielding more opportunities. Tandem is starting a pilot program with health maintenance organization Blue Care Network of Michigan that will target 100 eligible members.

Tandem365's keys to success so far:

- **Custom training.** Tandem University, taught by two professors from Grand Valley State University, provides training on topics such as aging,

discrimination, and creating a life plan. "We found through our pilot that we have to prepare our staff very differently," Breuker says. The focus is on enabling members' independence. "It's so much broader than health care."

- **Financial accountability.** Team members must balance financial realities with client needs. An electronic scorecard highlights how much money each team has for the month.
- **Collaboration.** Breuker and Toland encourage other senior care providers to collaborate, even with competitors, to solve common problems together. That way, "you have a lot more power and ability to learn best practices from each other."

Snapshot of Tandem365

Partners

- Holland Home
- Porter Hills
- Clark Retirement
- Sunset Retirement Communities and Services
- Life EMS Ambulance

Business model

- Insurance provider refers individuals with complex health issues to Tandem365.
- Nurse and social work navigators assess participants' medical and social needs to develop a life plan.
- Tandem365 nurses coordinate healthcare services and update participants' physicians.
- Nontraditional services not currently reimbursed by insurance – transportation, personal aides, chore services, adult day care, and technology are included.
- After-hours calls are triaged by Life EMS Ambulance.

Governance model

- Extended Health Care Organizations (EHCO, LLC) does business under the brand Tandem365.
- The five partner organizations are equal owners.
- The partner organization CEOs all sit on the board and have equal votes.
- Tandem365 contracts employees through its partner organizations.

Plante Moran perspective

BETSY RUST **Partner and Leader**, healthcare strategy and operations

Focus on social factors to cut cost of care

Let's see if this statement surprises you: People who lack social support are sicker and suffer costly health conditions more often than people who have social support.

Not a surprise?

Across the globe, governments and health organizations have recognized the link between health and social determinants, such as the availability of safe housing and local food options.

Increasingly, United States government and commercial payers are recognizing this link, as well as the associated link with the cost of care. In 2013, home and community-based services accounted for the majority (51 percent) of national Medicaid long-term services and support dollars — up from 18 percent in 1995.[1] Medicaid's home and community-based waivers enable state Medicaid programs to pay for such nontraditional services as case management, home health aides, personal care, adult day care, and respite care.

Now commercial payers such as Priority Health and Blue Care Network of Michigan are getting on board. By expanding their view of what constitutes "health care," these payers are granting opportunities for providers to deliver nontraditional services that are actually making a difference in health and wellbeing while bringing down the cost of care.

Commercial and government payers, as well as individual consumers, recognize that organizations like Tandem365 and LifeChoices are keeping people healthy and reducing costs. They're doing it by intervening at critical moments — for example, at the onset of a urinary tract infection or before the member attempts to change a light bulb — when it's still possible to avoid an expensive ER visit or stay in a skilled nursing facility.

Your organization might already be providing these valuable services. Here are a few questions to help you recognize and capitalize on potential opportunities.

1 The Henry J. Kaiser Family Foundation. (Nov. 3, 2015) "Medicaid Home and Community-Based Services Programs: 2012 Data Update"

1. **What do people need?** First, listen to the stories of your current patients, members, or residents. Pay attention to what those constituents struggle with, and especially the triggers that lead to hospitalizations and other complications.

2. **How can you intervene?** Now, consider how your organization can make a difference. Would building a wheelchair ramp in the home prevent a nursing home admission? Would a volunteer checking on at-risk patients help lower emergency room visits? In some cases, these might be things your organization is already doing. If you're doing these things unreimbursed, find ways that you can repackage and monetize those services.

3. **Who is willing to pay?** From CMS to commercial payers to consumers, buyers of health care increasingly recognize the value of programs that keep people well rather than just treating the sick. Consider your own payer mix, and approach groups that seem open to addressing social determinants of health.

Too many people in our country lack social support and suffer from debilitating, expensive, and often-avoidable health complications. The fix is simple, though not easy. Addressing social factors can cut healthcare costs while vastly improving the health and wellbeing of vulnerable populations.

This is what population health is all about. Let's work together to address these social determinants that so often mean the difference between keeping people healthy or incurring costly and chronic medical care.