

## **Valir Rehabilitation Hospital – Oklahoma City, Oklahoma**

### **Using Patient- and Family-Focused Care to Achieve Positive Outcomes and Negotiate Favorable Reimbursement Rates**

**Overview:** In 2005, Valir Health Care, an inpatient rehabilitation facility (IRF), entered into a joint venture partnership with Oklahoma University Medical Center (OU). OU is a level one trauma center; many of the hospital's trauma patients require a high level of rehabilitative care to regain function. As a freestanding facility, Valir was reimbursed at the equivalent of a skilled nursing home rate. This made the rate of reimbursement insufficient to cover the basic cost of providing care to these trauma patients. To maintain its viability, Valir launched an initiative to improve the fee structure for its Medicaid population.

Valir estimates that more than 80 percent of its IRF patients are discharged to their homes. The facility collects quality and length-of-stay data for major diagnoses, including stroke, major medical trauma and fracture; Valir's data demonstrate significant functional improvements for patients with a variety of diagnoses. For example, patients admitted after major joint replacements gain an average of nearly five points of functional capacity per day. Patients with major trauma and brain or spinal cord injuries gain an average of three points per day. Valir's data from all Medicaid patients over a three-year period showed better-than-required average length of stay and discharge-to-home ratios.

**Impact:** Using its outcomes, length-of-stay and patient satisfaction data, which are collected by all IRFs, Valir leaders successfully negotiated a rate increase with the state Medicaid agency. They used the same data-driven approach to negotiate favorable rates with several large private insurers. The higher Medicaid and commercial rates enable Valir to continue to treat many uninsured patients. In addition, Valir's relationship with its insurers has become more of a partnership.

**Challenges/success factors:** Valir's positive outcomes are achieved by focusing on what is important to each patient. Staff heavily involve patients' families and work toward what is reality for each patient. Care providers are very creative in mimicking activities and functions so the patients are actually doing what they will need to be doing when they are discharged from the facility. Valir also provides therapy seven days a week and holds bi-weekly team meetings on each patient to adjust goals and make sure the entire team, patient and patient's family remain on the same page and path toward their goals.

**Future direction/sustainability:** Valir leaders will continue to provide quarterly updates to their insurance representatives to demonstrate their positive outcomes, and will adapt to changes in the health care market as necessary.

**Advice to others:** Work diligently to make sure you are treating the patient—*not* the patient's diagnosis. It is crucial that you involve the patient's family in the care plan and implementation.

To determine if you are positioned to negotiate higher rates, identify the sources of your lowest funding and your highest patient populations. Examine your outcomes data and determine if the results are better than the required average. From there, prioritize the groups with the most potential for increased funding. To obtain more favorable rates, you will need to start with your payer representatives and convince them to move your negotiations forward. Make sure you can show your payers how your positive outcomes help contain costs.

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