

A CASE FOR CASE MANAGEMENT

Reducing Provider Burden While Achieving Graduated Clinical and Financial Outcomes

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VOL. 1 NO. 1 | AUGUST 1, 2024

Key Learnings

- Case management programs often struggle to demonstrate a clear ROI but are essential for improving healthcare outcomes.
- Unintended aberrations during the COVID-19 pandemic threw case management into disarray. Case management practice needs a reset and return to foundational principles.
- Effective case management integrates silos, easing the patient journey across inpatient, ambulatory, and post-acute care settings. While stakeholders at all levels intuitively support such outcomes, perceptions persist of case management as a cost center.
- Demonstrating case management's impact on provider burnout, improved clinical outcomes, and financial sustainability is difficult but achievable with a tailored, graduated path. The right balance of change management and selecting appropriate clinical and financial outcomes is the key to success.

The Challenge of Demonstrating ROI

Providing a clear case of ROI for case management has often proven difficult. For example, a McKinsey and Company analysis of insurance data found that a case management program targeted at reducing readmission failed to reduce risk in 95% of at-risk patients.¹ With this track record, it's no wonder case management programs face challenges justifying their results to stakeholders focused on immediate financial returns.

Why is a Reset Needed in the Post-COVID Era?

The COVID-19 pandemic threw proper functioning of case management departments—both in health systems and insurance companies—into disarray. Case managers often took on direct, essential patient

care roles alongside other RNs and physicians in patient care, deviating from their traditional roles. This shift was essential for managing the surge of COVID-19 patients but resulted in an erosion of established case management practices that persists in today's tight labor market.

Moreover, post-COVID utilization levels and patient acuity remain high, with a significant increase in complex cases that involve social and behavioral health factors. Nationally, adult patient volumes increased substantially between May 2022 (when volumes were already widely reported to be returning to pre-pandemic levels) and May 2024, by 10.4% for inpatient, 13.7% for emergency, and 6.6% for outpatient volume.ⁱⁱ Our experience confirms that many (if not most) hospitals are experiencing higher-than-expected utilization as recently as May 2024 with higher acuity patients, although higher acuity may not always be captured due to staffing challenges to improve clinical documentation. The trend in both volume and acuity of utilization highlights the need for robust case management. This confluence of factors underscores the need for a reset, returning case management to its core principles and functions with targeted adaptations for the new healthcare landscape.

Addressing Provider Burnout

Our healthcare system faces an existential crisis of provider burnout affecting clinicians at all levels and exacerbated by the pandemic. About 49% of physiciansⁱⁱⁱ reported feeling burned out, and an overwhelming 91% of nurses felt moderate-to-high burnout^{iv} in mid-2023 studies. Provider organizations urgently need solutions that can alleviate the burden on clinicians.

A properly leveraged case management team, with the right mixture of clinical case managers, social workers, community health workers, and logistical navigators, has been proven to reduce provider burden. This multidisciplinary approach allows the entire clinician team to work closer to the top of their licensure, ensuring that each member is utilized effectively. However, determining the right structural mix of these roles and targeting short and long term metrics to affect remains an art. Tailoring the composition to meet the specific needs of the population—considering factors like patient acuity, socioeconomic background, and health equity considerations—is complex and requires nuanced understanding.

Achieving Clinical and Financial Outcomes by Tailoring Specific Business Cases

With correctly tailored case management, health systems achieve better clinical outcomes such as length of stay, readmissions, hospital-acquired infections (HAIs), and other quality indicators. For instance, a study by the National Library of Medicine found that effective care transition interventions with a focus on Social Determinants of Health reduced hospital readmission rates from above 46% to 9%.^v

However, quality outcomes do not exist in a vacuum of financial sustainability. Margin pressures are higher than ever in most systems due to rising labor costs and a shorter supply of clinicians. "In our continuous efforts to stabilize financial pressures, we should recognize that reducing physician burnout is not just a health imperative but also a financial strategy," says Kim Hodgkinson, a seasoned finance executive (former CFO of Peace Health, Hospital Sisters and Mount Carmel Health Systems). "Reducing physician burnout translates directly to improved patient care and operational efficiency, allowing us to allocate resources more effectively and achieve sustainable financial health. This holistic approach is essential for

balancing our commitment to quality healthcare and fiscal responsibility.” Thus, aligning clinical outcomes with financial outcomes in a graduated way with specific business cases and targeted improvements is essential for sustainable and ongoing patient care.

When tailored appropriately, case management not only reduces provider burden and improves quality and financial outcomes; it also unifies the patient journey across inpatient, ambulatory, and post-acute/home care settings. This integrated approach minimizes disruptions and ensures that follow-up visits and care transitions are smoother and more efficient, reducing the risk of patients falling through the cracks.

Stakeholders at all levels are likely to agree that such patient outcomes are worthwhile in and of themselves. However, only when case management programs align clinical outcomes with financial outcomes in a graduated way with specific business cases and targeted improvements do they begin to overcome their perception as cost centers. Demonstrating case management’s essential role in sustainable and ongoing patient care involves fostering an organizational culture and process that can scale with the evolving needs of the patient community.

Conclusion

Given the market pressures of provider burnout and tight margins for delivery systems, the timing has never been better to go back to the basics and tailor case management operations across the care continuum. Finally, there seems to be a clear case for case management. By focusing on the right mix of personnel, leveraging data to understand community needs, and aligning clinical and financial outcomes, healthcare systems can achieve sustainable improvements that benefit both patients and providers. The future of case management lies in its ability to adapt and respond to these evolving challenges, ensuring a more resilient and equitable healthcare system for all.

The Long View

Case management is a key element of a robust healthcare system in the long run. It enables the best use of clinician talent while tailoring care to the specific needs of the patient community. Without the support of case managers, clinicians cannot effectively bridge the gap between the rising demand for healthcare and the shrinking supply of clinicians.



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ⁱ McKinsey & Company, "Supercharging the ROI of your care management programs," August 6, 2019. Retrieved July 2, 2024, from <https://www.mckinsey.com/industries/healthcare/our-insights/supercharging-the-roi-of-your-care-management-programs>

ⁱⁱ Strata Decision Technology. "StrataSphere National Patient and Procedure Volume Tracker,TM" May 31, 2024. Retrieved July 2, 2024, from https://info.stratadecision.com/hubfs/Website/NPPVT/NPPVT%202024_June_Final_Marketing.pdf

ⁱⁱⁱ Medscape's "Physician Burnout and Depression Report," published Jan. 24, 2024, as reported in Wallace, Claire. "Nearly 50% of physicians remain burned out in 2024," Becker's ASC Review, January 24, 2024. Retrieved July 2, 2024, from <https://www.beckersasc.com/asc-news/nearly-50-of-physicians-remain-burned-out-in-2024.html#2>

^{iv} Galanis, P. et al. "Increased Job Burnout and Reduced Job Satisfaction for Nurses Compared to Other Healthcare Workers after the COVID-19 Pandemic." Nurs. Rep. 2023 Sep; 13(3): 1090–1100. Retrieved July 2, 2024, from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10443294/pdf/nursrep-13-00095.pdf>

^v Rammohan, R. et al. "The Path to Sustainable Healthcare: Implementing Care Transition Teams to Mitigate Hospital Readmissions and Improve Patient Outcomes." Cureus. May 15, 2023. Retrieved July 2, 2024, from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10265694/pdf/cureus-0015-00000039022.pdf>