Watson Health

Executive Brief

Under pressure

Cost constraints and cardiology

Payment reform is increasing pressure on hospital cardiology departments to reduce costs. As public and commercial payers alike adopt models of reimbursement focused on value-based care, healthcare organizations are facing reductions in payments to all of their service lines, including cardiology. The issue for cardiologists, in particular, is that demand for their services is on the rise: Total direct medical costs of cardiovascular disease are projected to triple by 2030, when an estimated 40% of the U.S. population will have some form of CVD.[1] Just as these providers are being asked to slash spending, more and more patients are knocking at their doors.

By adopting new technologies that bolster productivity, and becoming more efficient in all aspects of care, departments can reduce or eliminate the waste that tends to wreak havoc on hospital budgets.

So how are cardiology departments tackling cost control given reductions in reimbursement and the need for expanded services? They're streamlining workflows to improve efficiencies; focusing on reducing patient readmissions; and leveraging new models of care delivery that create economies of scale and improve clinical outcomes.

Streamline Workflows

Cardiology departments can save time and money by redesigning workflows to streamline care delivery. By adopting new technologies that bolster productivity, and becoming more efficient in all aspects of care, departments can reduce or eliminate the waste that tends to wreak havoc on hospital budgets. The key is interoperability between electronic health records: When patient data is easily accessible from different sites and specialties, collaborating providers can avoid redundant services and make the best use of resources in order to trim costs.

Reduce Readmissions

In the new world of reimbursement for value, payers are increasingly holding hospitals accountable for the quality of care they provide. One of these quality initiatives is CMS's Hospital Readmissions Reduction Program, which calculates the payments organizations receive based on their readmission rates for certain patients, including those with cardiovascular disease. Because readmitted patients are considered preventable costs, hospitals with readmissions above the national average are penalized with reductions to their Medicare base payments. The imperative for cardiology departments: Reduce readmissions costs (and maximize revenue) by ensuring patients aren't discharged before they're ready, and through clear communication and care coordination with downstream providers.

Leverage New Models of Care Delivery

Many hospitals and health systems are attempting to cut costs by consolidating services with their industry peers. Some are joining accountable care organizations, while others are forming integrated care networks made up of hundreds or even thousands of affiliated facilities.[2] The idea: By merging with other hospitals and outpatient sites, a healthcare organization can expand the services it offers while improving care quality and generating more revenue. ACOs and other collaborative models not only create economies of scale that minimize costs, but also have the potential to drive better patient outcomes.

Cardiology departments can leverage such an arrangement by utilizing the skills and resources of collaborating specialists, as well as the services of primary care providers. The better these physicians can manage their patients across the entire continuum of care, the more likely those patients will stay healthy over time. In value-based care, that adds up to savings — and looks a lot like a formula for overall success.

For more information on how Watson Health cardiology solutions can help your organization contain costs, visit ibm.com/watson-health/solutions/cardiology-solutions.

About Watson Health Imaging

Watson Health Imaging, a segment of IBM Watson Health, is a leading provider of innovative artificial intelligence, enterprise imaging and interoperability solutions that seek to advance healthcare. Its Merge branded enterprise imaging solutions facilitate the management, sharing and storage of billions of patient medical images.

With solutions that have been used by providers for more than 25 years, Watson Health Imaging is helping to reduce costs, improve efficiencies and enhance the quality of healthcare worldwide.

Footnotes:

1. Forecasting the future of cardiovascular disease in the United States: a policy statement from the American Heart Association. Circulation. 2011 Mar 1;123(8):933-44.
2. The 25 largest integrated health systems. HealthExec. August 2017.

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