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## **NEW DATA SYSTEM CUTS COSTS WITHOUT REDUCING QUALITY FOR KAISER**

NASHVILLE, Tenn., May 26, 2003 – Kaiser Permanente’s Colorado region recently saved more than \$2 million in one year in acute-care patient costs without sacrificing patient care and quality after implementing a new data management program designed by SeniorMetrix. The Nashville-based company provides predictive modeling data that uses actual patient data to better plan, manage and evaluate the cost and quality of care, particularly in acute-care settings.

Kaiser officials report a decrease in average length of stay (LOS) from 16 to 12.8 days among acute-care patients in seven skilled nursing facilities, as well as a decline in home health visits from 9.8 to 7. At the same time, patient outcomes, including functional performance and overall health, were maintained or improved, say officials from the nonprofit HMO.

“Within the first year of implementing the measurement system from SeniorMetrix, we experienced significant cost savings in length of stay while maintaining positive patient outcomes,” says Carol Barnes, outcomes manager for Kaiser’s Colorado region. “In the second year, our savings were more than \$2 million. The longer we use the data management program, the more we are able to help with patient care, reduce practice variation, and decrease costs for Medicare enrollees and the system as a whole.”

Integrating the SeniorMetrix program allows case managers access to actual patient data through a laptop computer. By placing a patient’s age and diagnosis and adjusting for individual medical complexities, the software predicts both the average LOS in a nursing facility and improvement at discharge. The system also measures a patient’s disability and medical complexity through Functional Independence Measure (FIM), which maintains each patient’s functional history for later use.

“The idea behind our system is to provide clinical benchmarks that help in managing patients who require services after hospitalization,” explains Reg Warren, PhD, principal at SeniorMetrix. “So we start measuring in the hospital to determine the best treatment setting for the individual.”

The system also provides a “common language” to measure the quality of post-acute care services, says Warren. “This gives objective data to the M+C plan to use in rate negotiations with nursing or rehab facilities,” he says.

The integration of the SeniorMetrix data also gives clinicians the information they need to better pinpoint a patient’s discharge date and expected functional outcome. “The ability to communicate with confidence such information of importance is critical to patients and their families,” says Warren.

Since 1999, SeniorMetrix has worked with service providers to lower their costs related to post-acute care. Average costs reductions range from 15 to 25 percent per senior member per month. A pioneer in data management, the company’s database of real patient information includes over 100,000 records collected over the past decade from acute hospitals, acute rehab center, skilled nursing facilities and home health agencies.

**About SeniorMetrix, Inc.**

SeniorMetrix is a privately held firm that supplies predictive modeling data to health plans for optimal case management of members requiring post-acute care. Clinical providers are given access to actual patient data to better plan, manage and evaluate the cost and quality of care. SeniorMetrix consists of health care professionals who are experienced in the management of post-acute care. They currently provide services to plans covering more than 400,000 M+C enrollees.

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