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by ResMed

Interoperability:
Creating competitive advantage
for Skilled Nursing providers

New research reveals the importance of understanding what referring providers expect when it comes to interoperability

Executive summary

Interoperability is a term that is often discussed but more often misunderstood in the healthcare industry. It has been the topic of much debate as tens of billions of dollars have been poured into changing the US healthcare industry from paper to electronic records.

It's been more than a decade since the federal government started subsidizing the "meaningful use" of electronic healthcare record (EHR) systems for acute and ambulatory care providers, beginning the journey to interoperability. But one of the biggest flaws in their strategy was – and continues to be – leaving post-acute care (PAC) providers out of the loop…and leaving them behind.

Now, we find ourselves in the Great Divide – with nearly 100% of acute and ambulatory providers doing business electronically and expecting their downstream counterparts in post-acute care to do the same.

This report will share key findings from Porter Research from the collected insights of 300 skilled nursing facility (SNF) business leaders and 100 referring physicians. The findings will help SNFs better understand the importance of interoperability and how technology can help them survive, and even thrive, in today's challenging conditions. It also gives SNF leaders insights into opportunities they can explore to improve their place in the connected care continuum.

"Interoperability is the ability of different information systems, devices, or applications to connect, in a coordinated manner, within and across organizational boundaries to access, exchange, and cooperatively use data amongst stakeholders, with the goal of optimizing the health of individuals and populations."

HIMSS definition of interoperability, updated 2019

HIMSS

New research conducted by Porter Research evaluates the changing market dynamics related to interoperability and reveals that one of the primary challenges SNFs are facing is the ever-widening gap between what referring providers expect and what SNFs are able to provide when it comes to the bi-directional exchange of patient data and documentation.

In fact, the research indicates that closing this "interoperability gap" is emerging as one of the most critical issues in a SNF's ability to build long-lasting referral relationships and participate in the growing number of value-based care networks.

This is evidenced by 78% of referring providers saying they are likely to send more referrals to those facilities that can support advanced interoperability workflows and seamless electronic data exchange. In addition, 38% report that they would make care network decisions based on interoperability capabilities.

Enabling care transitions

Transitioning patients from one care setting to another, particularly when discharging to PAC settings, is complicated. The information that needs to be exchanged includes everything from patient demographic data to medications, lab results, documentation, and more. With nearly 100% of acute facilities and ambulatory care providers adopting electronic health record (EHR) systems over the past 10 years, they are generally able to share and exchange information digitally. PAC providers, however, were left out of the federal funding incentives that were offered to acute and ambulatory care providers, and are therefore behind their digitally-enabled counterparts when it comes to sharing information about patients as they move across the continuum.

As a result, a sizable interoperability gap exists between referring providers and SNFs that needs to be addressed to enable smooth and efficient transitions in care and to optimize financial performance. In fact, the survey results show that 70% of referring physicians are not fully satisfied when it comes to their PAC providers' ability to accept electronic referrals.

What's changed?

While many SNFs have invested millions of dollars implementing EHR systems over the past several years, the COVID pandemic exposed significant differences between SNFs and the more mature acute and ambulatory systems. For example, as patients were admitted to hospitals by the thousands, having timely access to insights about underlying conditions and co-morbidities would have helped providers immediately identify high-risk patients. Highly connected providers might have more easily transferred or rapidly admitted patients.

Many healthcare industry experts believe the pandemic has made it even more important to referring providers that their post-acute counterparts have advanced capabilities for exchanging patient demographic data, clinical information, and documentation. And that importance is not expected to diminish.

A SNF's ability to communicate with its referral sources seamlessly, bi-directionally, using machine-readable data, and in real-time, is making a significant difference in which SNFs get patient referrals.

## Now is the time for SNFs to take action

According to the research, 78% of referring physicians said they would send more referrals to SNFs that can accept orders electronically. This means the most successful SNFs will be those that can electronically exchange key patient data that will lead to more referrals.

Unfortunately, many SNFs are not in this position. The vast majority (86%) of providers who refer to SNFs reported that they are not fully satisfied with their SNF partners' ability to receive electronic data, even though 94% of

them ranked this as a top factor when deciding where to send their patients. The most common frustrations referring providers have with their SNF counterparts included:

- Incomplete data sent or received
- Incomplete documentation requiring additional paperwork
- Lack of follow-up communication/patient status

SNFs are acknowledging the importance of these capabilities, with 71% reporting that they believe the ability to send/receive electronic data and documentation is important to their referral sources. However, because of competing priorities, limited investment dollars, and the uncertainty of the long-term effects of the pandemic, they face challenges in making significant headway toward reaching more mature states of interoperability.

78%
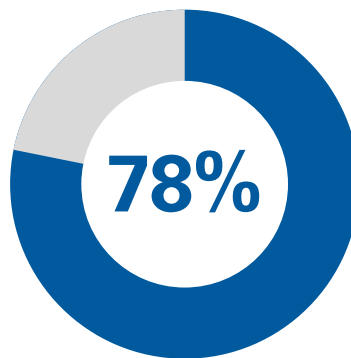
*of referring providers
say they are likely to send more
patients to SNFs that can accept
referrals electronically*

Making the shift from traditional to electronic

The research indicates that SNFs are still heavily dependent on outdated methods to send and receive referral data, which creates confusion and frustration among their referring providers. As one referring physician put it, "*The frequent back-and-forth with forms and other instructions that need to be signed, faxed, and re-signed before all the critical information is clarified causes delays and is extremely inefficient. I need my referral partners to be more organized, so we can share data electronically and more efficiently.*"

Current method of sending referral data to referral partners

28% Electronic fax

11% Email

14% Electronic data feed

24% Phone call

23% Paper fax
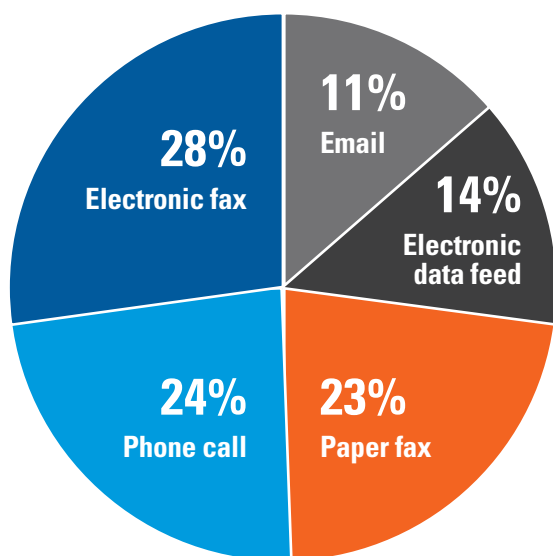
To move to more modern ways of exchanging data and documentation, SNFs are often turning to their EHR platforms for help… but they are equally as often disappointed. In fact, 70% of SNFs said they are not fully satisfied with their EHR system's ability to meet their most important interoperability needs. While 56% said their EHR vendors had made progress over the past 12 months when it comes to interoperability, there is still much work to be done.

Some systems, like MatrixCare, have focused on developing their interoperability platforms for many years. Software vendors are working hard to "open up" their systems for deeper levels of interoperability, and national networks like Carequality and the CommonWell Health Alliance have taken hold. In these networks, care providers, EHR system vendors, and data exchange vendors all agree to leverage existing health information exchange (HIE) standards and give members choices for connecting to the network to access any data from any participating member. The system can provide patient identity matching and linking, record locator services, and the ability to search on a national scale.

These scalable networks provide services that take interoperability from specifications to out-of-the-box usability and offer scalable functions such as connectivity, privacy, security, audit trails, and brokered query and retrieval. These networks can connect to an exponentially growing set of endpoints to enable patient-centric interoperability.

The CommonWell network gives healthcare providers in any care setting access to health information without having to alter workflows within their practice. Participating caregivers have access to information about the care a patient has received no matter where the care was delivered within the network.

Carequality is an interoperability framework that supports standards-based health information exchange between and among multi-platform networks, providers and EHR and HIE vendors.

Owning the challenge

Providers themselves are making progress, with 56% reporting that their organizations had matured their interoperability capabilities over the past 12 months.

Do you feel your business has matured its interoperability capabilities over the past 12 months?

Unsure **14%**
No **30%**
56% Yes
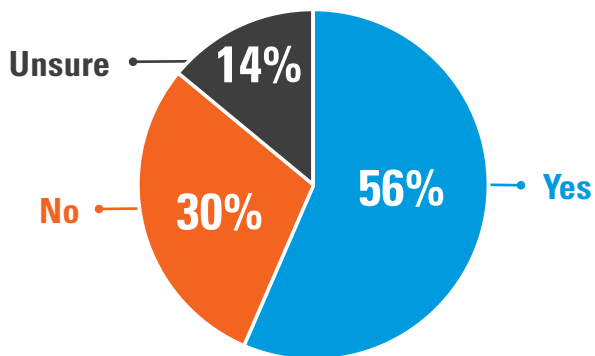
As SNFs demonstrate stronger awareness and understanding of the advantages and disadvantages their level of interoperability maturity brings, nearly half (49%) said they would consider switching EHR vendors for one that could better support their most important interoperability needs.

How likely would you be to switch EHR system to one that better supports your interoperability needs? (Dissatisfied with current EHR)

Very likely **18%**
31%
Somewhat likely
51% Not at all likely
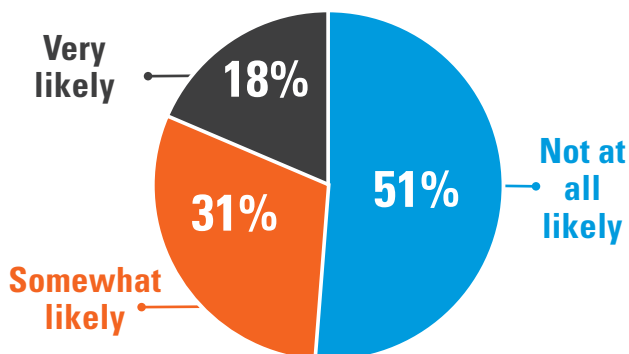
The other half of SNFs say they are not likely to switch due to the costs and the perceived difficulty of connecting disparate systems. However, SNFs should consider the long-term costs of not being on a modern EHR platform that is consistently innovating and preparing its customers to meet the growing demand for greater electronic data exchange. The potential loss of referral sources and exclusion from care networks and value-based care models far outweigh the potential near-term challenges of getting on the right platform.
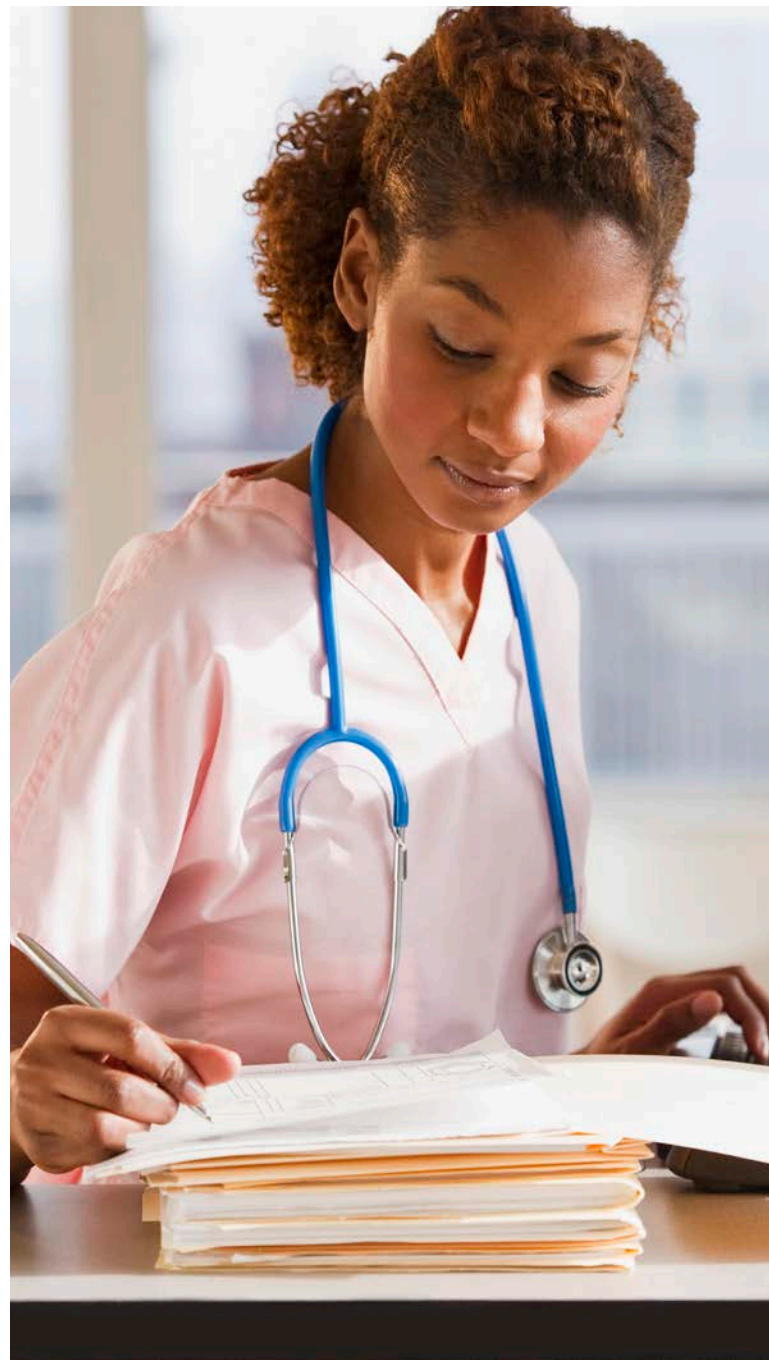
Creating an interoperability advantage

Research is clear on the size of the opportunity for SNFs who implement technology with comprehensive interoperability strategies.

Referring providers prefer to work with PAC partners who are equipped to support the seamless exchange of data and documentation. The competitive advantages are limitless for SNFs who are able to depend on their EHR platforms to equal or even surpass the capabilities of the acute and ambulatory systems.

More referrals.
Acute care providers have been clear that they will refer more patients to SNFs that can exchange data and patient information electronically, making interoperability a competitive advantage for SNFs.

Improved outcomes.
More timely and complete transfer of electronic data can improve patient safety by reducing medical errors that result in unnecessary ER visits or hospital readmissions.

Increased efficiency.
Reducing the back-and-forth between referral sources and SNF staff means less time chasing forms and more time to care for patients.

Better patient experience.
Ease of data transfer supports smoother transitions of care between referral sources and SNFs, enhancing continuity of care and increasing patient and family satisfaction.

"In the long run, enhancing our electronic data access means better patient care because of a better handoff. It can also reduce the amount of paperwork sent with a new patient if it can be directly placed in the chart."
Chief Nursing Officer, at mid-sized SNF in Washington

"If we have the ability to seamlessly share data, our objectives will be aligned, and we will build trust with our referral sources. This, in turn, leads to an increase in referrals to our facilities."
Director of Operations, at a large southeastern SNF

To set your SNF on the right path to creating an interoperability advantage, here are five questions SNF administrators should ask:

1. **Is my current EHR meeting the interoperability needs of my organization?**

   Conduct an honest, cross-organizational assessment of your ability to electronically send and receive critical data to see if you are meeting your referral sources' needs. As part of this process, make sure you are soliciting feedback from all internal stakeholders for a full picture. For example, in the survey, the users of EHR systems (network managers, care management, directors of nursing) were more likely to be dissatisfied with their system than the executive staff (CEO, COO, CFO). Evaluating your system requires feedback from all stakeholders.
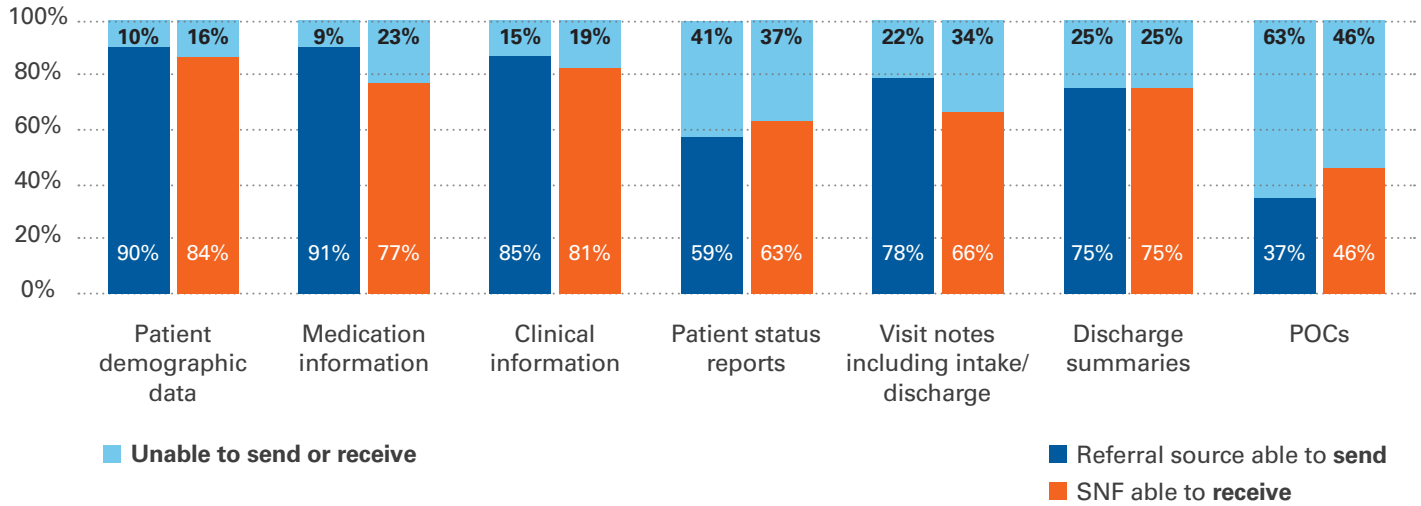
2. Are we losing or not growing our referrals because of a lack of interoperability?

It is becoming increasingly difficult for SNFs to earn their way into preferred networks. When it comes to interoperability, 38% of referral sources surveyed said electronic data feeds are required for SNFs to be included in their network. Your ability to exchange data electronically to grow your referral relationships is just as important as investing in staff and supporting clinical best practices.
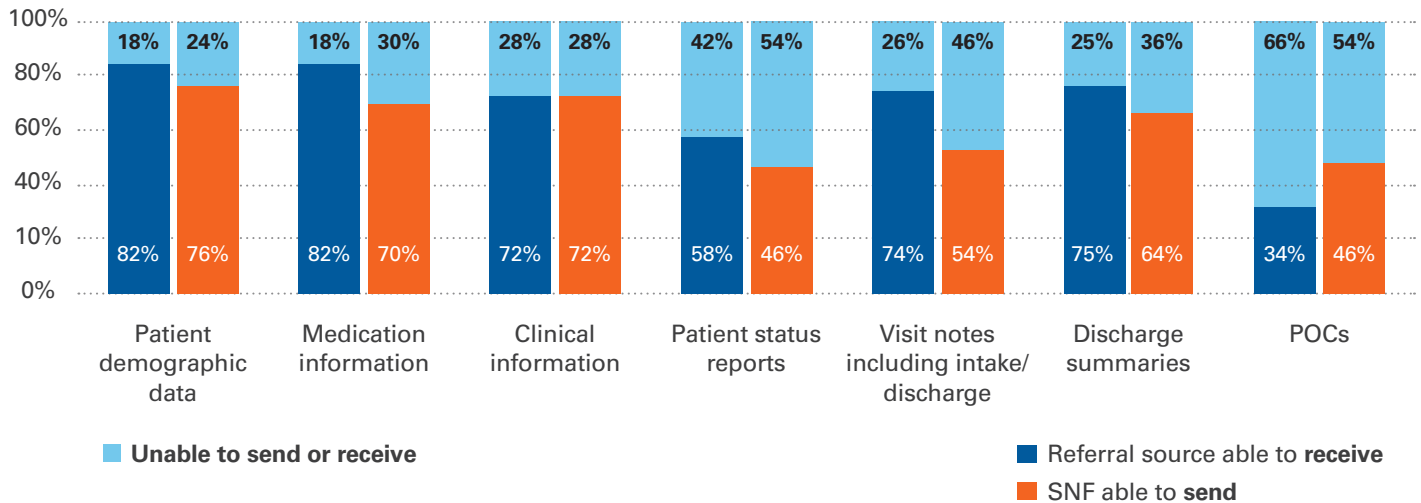
3. Where are we falling short?

Billions of data elements of all different types can move between systems if the paths are available. By understanding exactly what types of data your EHR system can share vs. what types of data your referral sources want, you can have a better idea of where you need to invest. The chart below represents what our 300 responders had to say about sending and receiving different types of data and documentation.

Alignment between referral source sending and SNF receiving specified data

Data type	Referral source able to send	SNF able to receive	Unable to send or receive (send)	Unable to send or receive (receive)
Patient demographic data	90%	84%	10%	16%
Medication information	91%	77%	9%	23%
Clinical information	85%	81%	15%	19%
Patient status reports	59%	63%	41%	37%
Visit notes including intake/discharge	78%	66%	22%	34%
Discharge summaries	75%	75%	25%	25%
POCs	37%	46%	63%	46%

Legend:
- Unable to send or receive
- Referral source able to **send**
- SNF able to **receive**

Alignment between SNF sending and referral source receiving specified data

Data type	Referral source able to receive	SNF able to send	Unable to send or receive (receive)	Unable to send or receive (send)
Patient demographic data	82%	76%	18%	24%
Medication information	82%	70%	18%	30%
Clinical information	72%	72%	28%	28%
Patient status reports	58%	46%	42%	54%
Visit notes including intake/discharge	74%	54%	26%	46%
Discharge summaries	75%	64%	25%	36%
POCs	34%	46%	66%	54%

Legend:
- Unable to send or receive
- Referral source able to **receive**
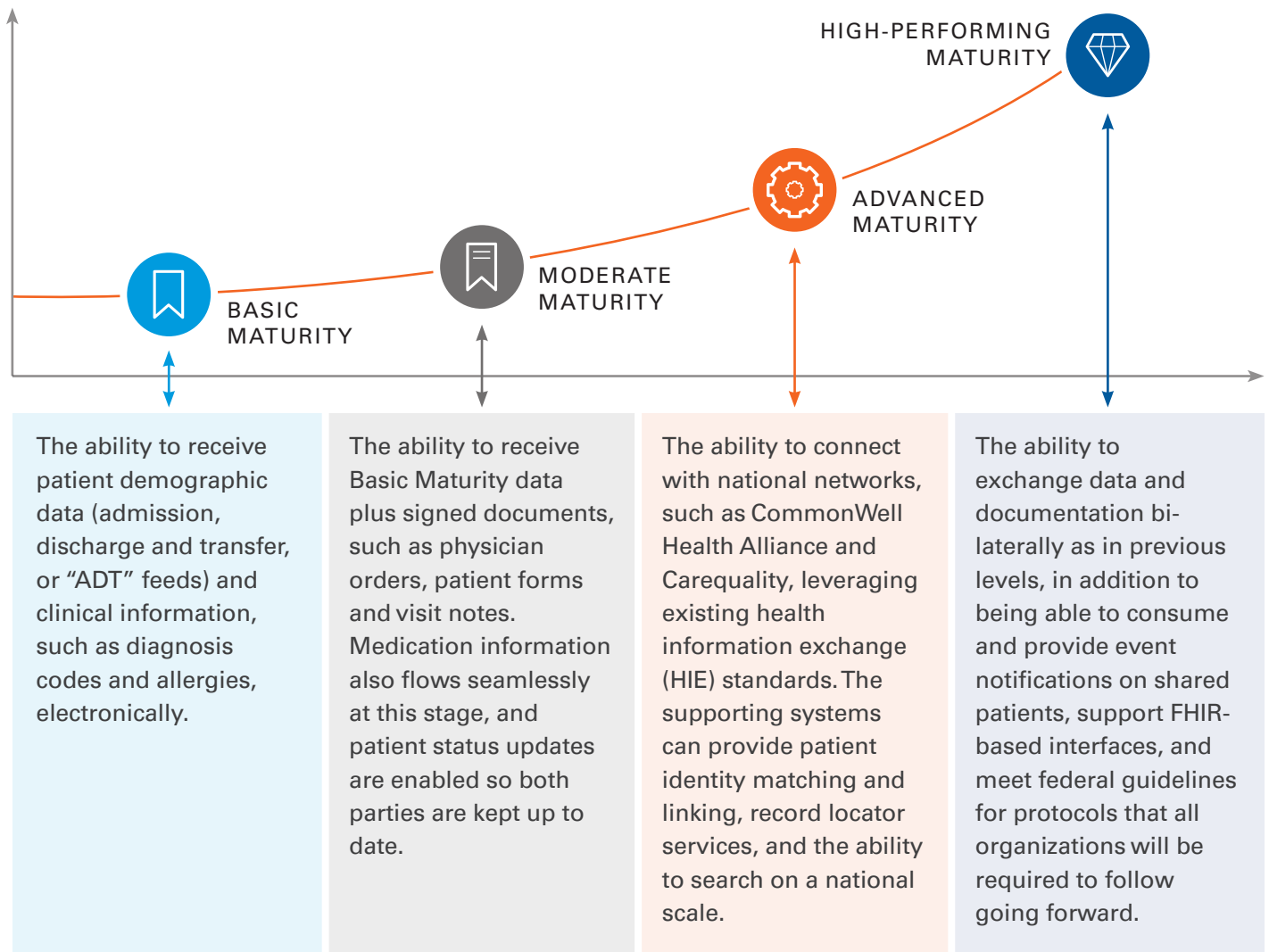- SNF able to **send**

4. Where are we on our journey to interoperability success?

There are multiple levels of interoperability maturity in the PAC world, typically represented by the type of data that you can share, the types of national networks you can connect to, and how you use your interoperability strategy to your business advantage. The Interoperability Maturity Map below will help you determine where you are today and where you want to be over the next several months and years.

5. What is our best path forward?

Now that you are aware of the significant advantages of advanced interoperability strategies and you understand where you need to be, you can set a path that is right for your organization and your referral network. Keep in mind that it is highly unlikely that referring providers' needs will remain stagnant, which means a forward-looking stance with the right EHR partner will be the secret to closing your own interoperability gap.

Interoperability maturity map

HIGH-PERFORMING MATURITY

ADVANCED MATURITY

MODERATE MATURITY

BASIC MATURITY

The ability to receive patient demographic data (admission, discharge and transfer, or "ADT" feeds) and clinical information, such as diagnosis codes and allergies, electronically.

The ability to receive Basic Maturity data plus signed documents, such as physician orders, patient forms and visit notes. Medication information also flows seamlessly at this stage, and patient status updates are enabled so both parties are kept up to date.

The ability to connect with national networks, such as CommonWell Health Alliance and Carequality, leveraging existing health information exchange (HIE) standards. The supporting systems can provide patient identity matching and linking, record locator services, and the ability to search on a national scale.

The ability to exchange data and documentation bi-laterally as in previous levels, in addition to being able to consume and provide event notifications on shared patients, support FHIR-based interfaces, and meet federal guidelines for protocols that all organizations will be required to follow going forward.

To learn more about how your interoperability strategy can directly affect the future of your business, visit **www.matrixcare.com/interoperability**

Research methodology:

The survey was administered to approximately 13,000 providers of skilled nursing facilities, senior living and life plan communities (CRCCs) with a response rate of 8%. The referring provider survey was sent to 7,000 referral sources with a response rate of 5%. Both surveys were administered by Porter Research in collaboration with MatrixCare.

About Porter Research

Porter Research has been providing custom research for the healthcare industry for nearly 30 years. Combining unparalleled experience, proven methodologies and knowledge-based analysis, Porter provides the unbiased results that clients need to make informed strategic business decisions. With significant experience working with Fortune 500 healthcare companies and venture-backed emerging technology companies, Porter Research has built a significant practice in the healthcare technology, provider, payer and life sciences sectors.

About MatrixCare

MatrixCare enables long-term, post-acute care (LTPAC) organizations to provide better health outcomes for seniors while successfully managing risk in out-of-hospital care delivery. Current and multiyear winner of the Best in KLAS Award for Long-Term Care Software, MatrixCare is trusted by thousands of senior living, skilled nursing, and accountable care organizations; life plan communities; and private-duty, home health, and hospice agencies. MatrixCare's active care management platform helps providers connect and collaborate to keep America's seniors healthy and optimize outcomes for the populations under their care. MatrixCare is a wholly-owned subsidiary of ResMed (NYSE: RMD, ASX: RMD).

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