Radial + CareMax

Case Study: How CareMax used Smart Placement and Smart Hospice to centralize more care in the home, saving over $1.7 million per year



This case study is based on a presentation given at the 2nd National Primary Care Transformation Summit, Dec 4-7, 2023, by Bert Moreno MD (Chief Medical Officer, CareMax) and Anant Vasudevan MD MBA (Chief Medical Officer, Radial)

Background: Optimizing Care Transitions and Reducing Costs with Innovative Solutions

CareMax, a leader in integrated care delivery, decided to partner with Radial, a healthtech company funded in part by NIH and the National Science Foundation. The goal was to improve quality of care and optimize value-based care performance, while also overcoming healthcare operational challenges post-pandemic. These challenges include longer hospital length of stay, staffing shortages, and increased burden of chronic disease. CareMax saw a particular opportunity to optimize performance under value-based care contracts by focusing on efficient care transitions. The target endpoints included:

- Avoiding unnecessary or suboptimal Skilled Nursing Facility (SNF) and Inpatient Rehabilitation Facility (IRF) stays.
- Boosting timely and appropriate referrals to palliative and hospice care.



The Challenge: Streamlining Care Coordination and Enhancing Home-Based Care

Healthcare providers are overstretched, resulting all too often in care decisions that are dictated by the path of least resistance. The outcome: care that is focused solely on throughput - rather than quality, cost-effectiveness, and efficiency. This is especially common at care transitions out of the acute hospital setting, where opportunities are missed to redirect patients to beneficial home-based care. The result is continued institutionalization, for example in SNF and IRF settings, and worse outcomes.

Entities seeking to boost the utilization of appropriate home-based care face headwinds:

1. Collaboration between providers and payers is often suboptimal.
2. The financial incentives of risk-bearing entities may not be aligned with the operational incentives of care delivery organizations.
3. Few objective tools exist to help care teams direct more of the right patients home *in real time*.

Success in value-based care depends on effective care coordination that overcomes these barriers.

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Innovative Interventions: Smart Placement and Smart Hospice

CareMax identified two key areas of opportunity: the overutilization of facility-based post-acute care and the underutilization of timely palliative and hospice services. In each case, the approach involved better aligning incentives between provider and payer, centralizing more of the right care at home, and utilizing a robust evidence-driven approach. Leveraging Radial's cloud-based platform, CareMax implemented two solutions for value-based Medicare populations:

- **Smart Placement** for identifying patients suitable for home-based post-acute care.
- **Smart Hospice** for referrals to palliative consults and/or goals of care conversations.

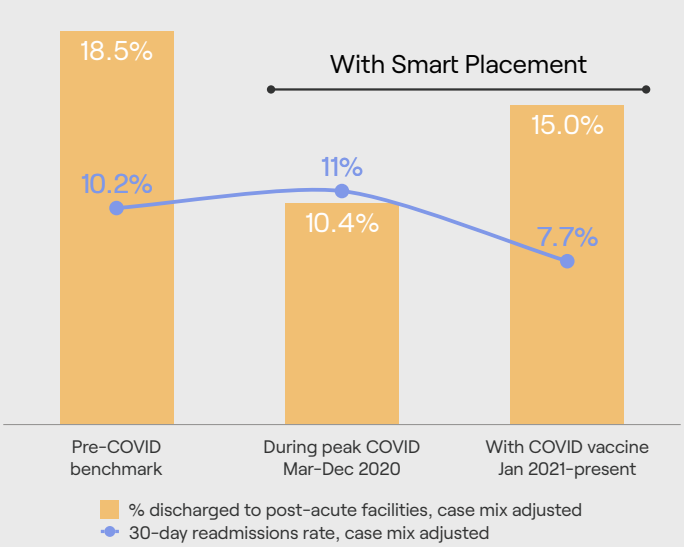
This tech-enabled approach was supplemented with significant workflow innovation. First, the platform was primarily used by designated CareMax-employed "Transition Liaisons." These trained nurse care managers are proficient at formulating complex care plans and have expertise in building consensus across clinical disciplines. Second, a change management process was used to ensure the hospital-based discharge planning team understood the importance of each initiative and their role in its success.

Strategic Implementation and Results: Improved Care and Significant Savings

Smart Placement led to a 19% reduction in facility-based post-acute care and a 25% decrease in 30-day readmissions. Smart Hospice doubled rates of referral to hospice. Collectively, these interventions resulted in savings of over $1.7 million annualized, demonstrating a significant return on investment.

Smart Placement

% of CareMax Medicare ACO members discharged from CareMax partner hospitals to post-acute facilities and 30d readmissions (n=8,936)



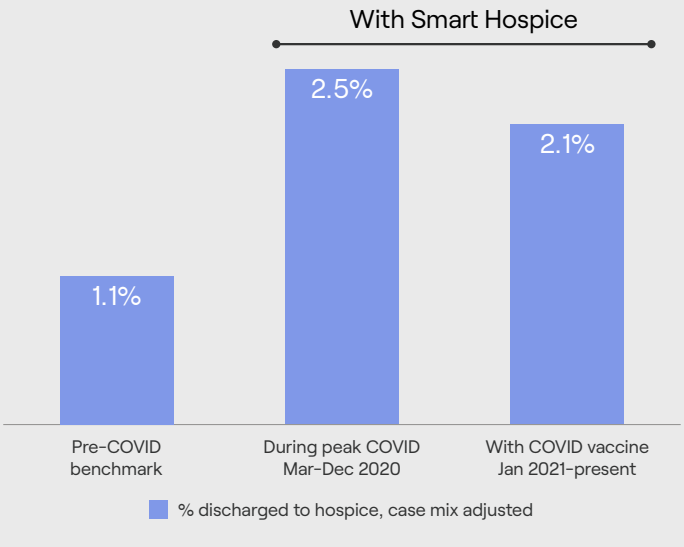
Key takeaways:

- **Smart Placement has reduced facility post-acute utilization vs. the pre-COVID benchmark, while also reducing readmissions.**
- **Facility post-acute utilization currently 19% below baseline.**
- **30-day readmissions currently 25% below baseline.**

ROI from Smart Placement of almost 6:1
(calculated *after* CMS share-of-savings split)

Smart Hospice

% of CareMax Medicare ACO members discharged from CareMax partner hospitals to hospice (n=8,936)



Key takeaways:

- **With Smart Hospice, the rate of referrals to hospice has more than doubled vs. baseline.**
- **Every appropriate and timely referral to hospice helps avoid unnecessary and/or harmful care from excess hospitalizations, nursing home stays, and non-beneficial rehabilitative care.**

ROI from Smart Hospice of better than 9:1
(calculated *after* CMS share-of-savings split)

Conclusion: Revolutionizing Care with Technology and Nurse-Driven Workflows

The collaboration between CareMax and Radial showcases the power of combining a dynamic machine learning system with innovative nursing workflows and robust change management. This approach led to reductions in facility-based care and boosted timely referrals to palliative/hospice services. The resulting improvements in overall quality of care showcase a scalable model for other entities aiming to improve value-based care outcomes. The implementation serves as a template for increasing value-based care exposure across multiple settings of care. Learn more at www.radialanalytics.com.