

## Investing in the continuum of care can be a win-win for patients and hospitals

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In an ideal world, a patient's journey through a hospital system would be seamlessly managed to provide a holistic evaluation and treatment of his or her medical needs.

The reality is that patients rarely experience an integrated-care approach from admission to discharge and follow-up care.

Across this so-called continuum of care, patients encounter a host of medical professionals who must rely on data from a variety of sometimes poorly integrated systems, communications protocols and technology platforms.

Shortcomings, such as a lack of high-quality data and poor integration among teams and systems (e.g., patient admission systems, EMR), can result in suboptimal care for patients and higher costs for hospitals and physician groups.

The good news is that this wide variation in patient experience has prompted development of several technology-driven solutions. These initiatives are creating a promising market opportunity, which can be an all-around win:

- for patients through improved care and outcomes;
- for hospitals by improving efficiency and the bottom line;
- for providers by way of better coordination and effectiveness;
- for payers by reducing the overall cost of care;
- for the companies that provide the solutions;
- and for PE groups that want to invest in the trend.

Until recently, progress in this area has been mostly incremental, internally developed, and customized. But now a growing number of businesses can, via technology and process design, implement comprehensive, integrated fixes that enable health systems to both save significant costs and improve patient outcomes.

Take, for example, the process of admitting patients to the emergency room. ER visits can be incredibly expensive. Even with insurance, patients can end up with hefty bills. And hospitals can face big expenses for uninsured patients, for whom the ER is often the first stop.

By improving coordination among hospital functions, many of these costs can be mitigated by diverting patients to more appropriate settings, such as an observation ward or longer-term care.

Many patients seeking emergency care may actually receive more effective treatment in different departments or with different care packages, rather than in the high-cost ER.

This isn't to say that many ER groups aren't already attempting this type of evaluation. But it can almost invariably be improved by having a systematic approach that incorporates some key elements.

Two companies with whom I have a close relationship — a hospitalist group and an emergency physician group — recently achieved a significant improvement in patient outcomes by implementing a series of joint protocols to evaluate patients, keeping many of them out of the ER.

That can help a hospital system reduce costs and lower 30-day readmission rates, a key performance metric.

Among the steps hospitals can take is to create a single point of contact for patients. Being bounced among departments distresses and confuses patients and can hamper the collection of high-quality data.

Another step: Implement a system of shared checklists among clinical specialists. This would enable doctors to quickly determine who needs to remain in the emergency room, who could be sent to an observation unit or who could be prescribed antibiotics and sent home.

On the tech side, hospitals often use different systems to record and monitor patients' treatment. The system an ER uses may differ from those in other departments, and it almost certainly is separate from the one that monitors patients' longer-term care.

Tech ventures can fill this gap with solutions that integrate hospitals' disparate systems, whether EMR software from companies, such as Epic and Cerner, or admissions, discharge and post-discharge follow-up programs designed and administered by smaller technology firms.

In addition to providing a technology platform where data can be integrated and managed, these solutions help hospitals manage and track their interactions with patients after discharge, ensuring they are taking their prescribed medicines, performing therapy exercises and following other instructions.

Again, this is a win-win, reducing readmissions that harm patient outcomes and punish hospitals' bottom lines.

Notably, several companies using technology to bridge health-system communication gaps have been actively engaging in M&A to grow their footprints and expand their service offerings.

Specifically, **PerfectServe**'s recent acquisitions of **Lightning Bolt** and **CareWire** highlight the promise of improving patients' experiences through more collaborative technology tools.

Hospital executives should be looking closely at how they can improve the management of their continuum of care to cut costs, effectively allocate healthcare dollars and improve patient outcomes.

PE firms interested in healthcare are also keenly watching this space, as companies tackling these issues can make attractive platforms upon which to invest in macro healthcare trends without dealing directly with physicians or taking on reimbursement risks.

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