



# Average Length Of Stay Reduction Case Study

## AArete helps Medicaid MCO reduce Average Length of Stay by 17%



### SITUATION

A state market for one of the nation's largest Medicaid Managed Care Organizations (MCO) was consistently seeing a higher than expected average Length of Stay (ALOS) for medical/surgical inpatient stays. The client requested that AArete conduct deep analytics to identify issues and develop a solution that would reduce ALOS, be scalable across multiple providers and hospitals, and not require significant hospital involvement or oncosts (e.g., additional case management).



### APPROACH

Using market intelligence and the client's long-term goals, we determined a target ALOS that was 7% less than the client's current ALOS. We analyzed more than 30 variables to identify those that had the greatest correlation with an increasing duration of time in the inpatient setting. With this information, we selected target metrics to use for measuring results and developed the reporting framework for identifying rates before and after implementation. We then developed a customized strategy and implementation plan based on the client's needs and available resources.



### RESULTS

Our efforts reduced ALOS by 17%, which greatly surpassed the initial target of 7%. We also improved the process to increase the denial rate for medically unnecessary inpatient days, incentivizing hospitals to more effectively allocate and use resources. Our strategies proved a reduced turnaround time by 33% and delivered sustainable, long-term improvement in efficiency and care delivery.