



VHA Innovation Ecosystem



# PACT PT Business Case

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VA



U.S. Department  
of Veterans Affairs



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# Executive summary

When a Veteran comes in with a musculoskeletal issue, they often go through a gauntlet of testing and referrals before accessing PT. Lack of timely access to high quality PT results in **poor clinical outcomes, increased healthcare utilization, and higher costs.**

PACT PT offers Veterans direct access by **embedding PT into the patient's primary care team.** This model has been proven to **alleviate negative outcomes, improve PT care, and reduce healthcare costs.** Early PACT PT findings at VHA have shown improvements in access, reductions of unnecessary referrals, and high Veteran satisfaction.

The objective of this business case is to demonstrate the **value of PACT PT** for Veterans, employees, and VHA.

Our analysis shows that PACT PT improves:

- **Veteran access** by decreasing wait times and increasing rural PT availability
- **Veteran outcomes** by getting patients into PT faster, which decreases PROMIS pain scores and often means fewer sessions are needed to reach their goals
- **Employee satisfaction** by reducing burden on PCPs and freeing up their time to focus on co-morbidities
- **Cost efficiency for VHA** by reducing community care referrals and unnecessary imaging or specialty consults

# Bottom Line Upfront: Patient Aligned Care Team Physical Therapy drives improved access, employee satisfaction, and cost savings

## Veterans



### Improved access

- 31% reduction in wait times<sup>1</sup>
- Increases rural access by offering same day PT treatment or PT treatment via VC

### Equal or better outcomes

- External research shows early PT is correlated with 89% reduced probability of taking opioids<sup>2</sup>
- Early access to PT reduces chronicity<sup>3</sup>

**Increased satisfaction** – Vsignals as high as 97% for PACT PT (vs. 93% for PACT alone)<sup>4</sup>

## PACT RNs and Providers



### Improves job satisfaction and retention

On a scale of 1 (strongly disagree) to 5 (strongly agree) employees report PACT PT:<sup>5</sup>

- Improves job satisfaction (4.5)
- Makes them more likely to stay in their role (4.1)
- Allows them to provide patients higher quality care (4.8)
- Allows non-PT providers to spend less time managing patient care for MSK or chronic pain conditions (4.0)

## VHA



PACT PT drives **significant cost savings**:

- Contributes to **reducing unnecessary imaging and specialty referrals**, e.g., at VISN 23 between FY17 and FY20 after PACT PT was implemented<sup>1</sup>
  - 77% reduction in imaging
  - 55% reduction in pain referrals
  - 46% reduction in ortho / surgeries
- Can be implemented cost-neutrally<sup>6</sup>
- **Breakeven of ~100 community care referrals** brought in-house to fund 1 additional PT<sup>6</sup>
- **Fewer sessions needed** – 55% of patients required only 1 session<sup>7</sup>
- Does not adversely impact VERA

1. Data provided by VISN 23

2. Association of Early Physical Therapy With Long-term Opioid Use Among Opioid-Naive Patients With Musculoskeletal Pain – Jama, 2018

3. Impact of interprofessional embedding of physical therapy in a primary care training clinic (2021)

4. VHA provided data

5. PT Embedded in PACT Steering Committee (2023)

6. Interviews with stakeholders at sites that implemented PACT PT & Physical Therapy Embedded in PACT (2022) document

7. Data provided by the Lake Nona VAMC

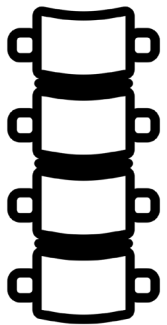
# Direct access to PTs through PACT PT drives equal or better patient outcomes than the traditional PCP referral model

## PT as a first line treatment is underused

Physical therapists (PTs) play a valuable role in the treatment of neuromusculoskeletal (MSK) conditions

Although PTs can be very effective primary treatment managers of MSK conditions, patients generally first go to a primary care physician (PCP)

Leveraging PT as a first line treatment can free up time for PCPs, allowing them to focus on other conditions

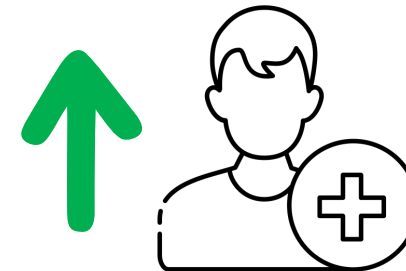


MSK conditions account for **8-18%** of physician office visits.<sup>1</sup>

Back pain and arthritis are **2 of the top 10** reasons for primary care visits.<sup>2</sup>

## Earlier access to PT drives equal or better outcomes for patients

1. **Reduces the time and number of sessions needed** for recovery once therapy is started
2. Reduces risk of developing **long-term disease or experiencing worsening symptoms**
3. Reduces risk of **reliance on pain medication**
4. **Increases compliance**



...and can **also increase employee satisfaction** for PCPs, nursing staff, and PTs

# PACT PT can drive ~\$2000 in cost savings per patient

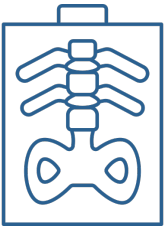
**Traditional process:** 20-30 Days, estimated \$3,000+ <sup>1</sup>



**PACT PT process:** Same-day treatment, estimated \$800 <sup>1</sup>



Patients evaluated by a PCP first are more likely to **get additional, costly interventions**



More **imaging**



More **procedures**  
or surgeries



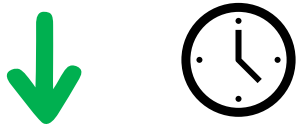
More **specialty**  
referrals

PACT PT can be implemented **cost neutrally**, and bringing only ~**100 community care visits in-house** can fund an additional PT hire<sup>2</sup>

Embedding PACT PT in primary care has the potential to drive up to **\$2,200 in cost savings per patient**<sup>1</sup>

# PACT PT increases access by reducing wait times, making PT more convenient in rural areas, and freeing up PCPS

## PACT PT has a strong positive impact on Veteran access



**Wait times<sup>1</sup>:** PACT PT reduced wait times for new patient PT visits on average by 31%



### **Rural access<sup>2</sup>:**

- **Same-day PT services increase convenience and compliance** by ensuring rural patients don't have to take multiple long trips to various providers before accessing PT
- In addition, VA PT specialists **are often able to immediately provide equipment and continue treatment via video conference** – an option that is rarer in community care provider settings

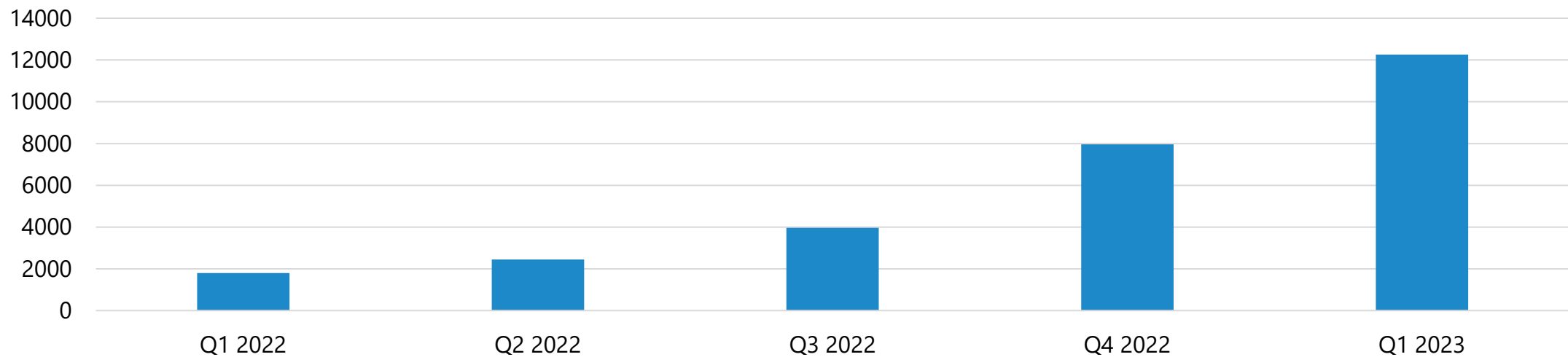


### **Frees up PCPs and Specialists<sup>2</sup>:**

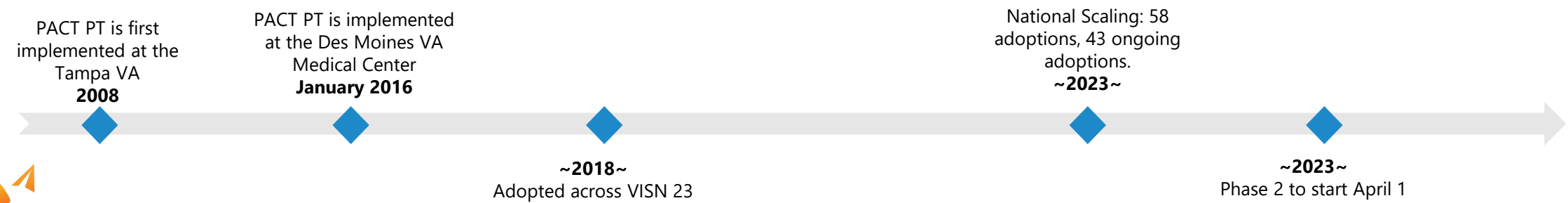
- **PACT PT frees up a significant amount of PCPs' time**, allowing them to focus on co-morbidities and spend more time with each patient
- **Improves access to imaging and specialists** by decreasing unnecessary referrals

# PACT PT has been rapidly scaling within VHA as a result of efficacy and the fact it can significantly reduce costs

Total PACT PT Encounters



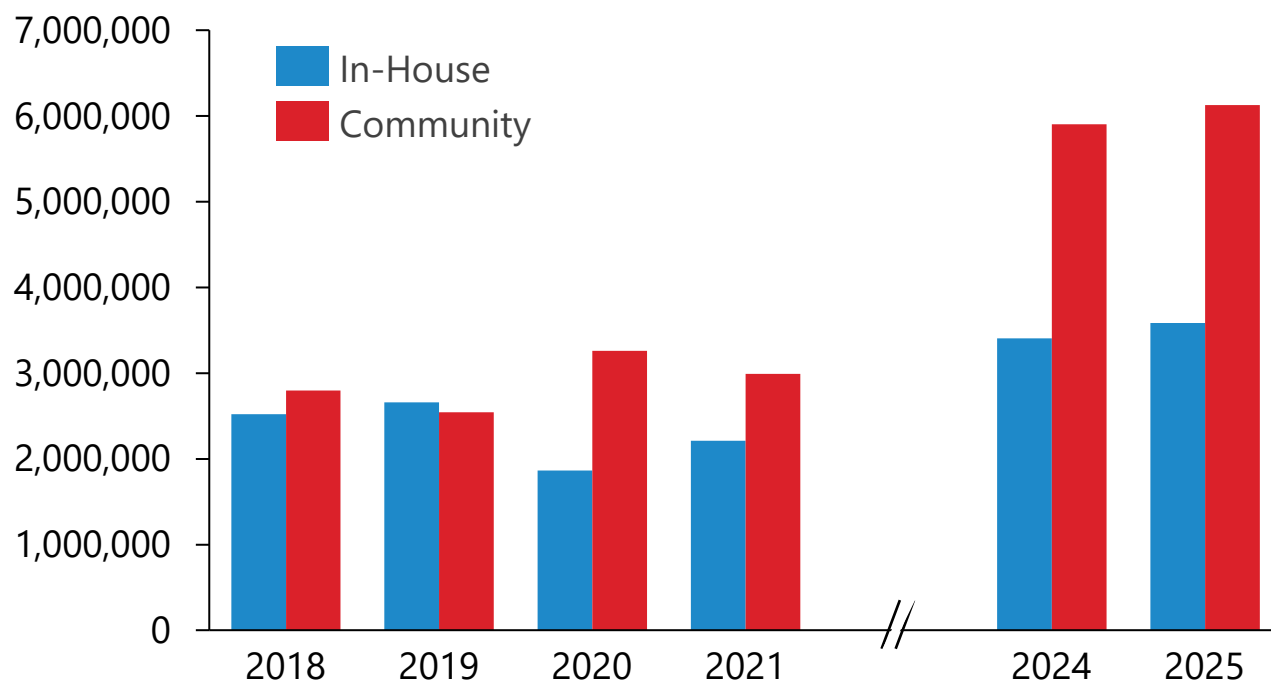
Implementation Timeline





# This is particularly important as predictions suggest PT needs will increase substantially within the next several years

Historic and projected PT Relative Value Units at VHA <sup>1</sup>



VHA's Enrollment and Forecasting Office predicts:

- An **86%** increase in PT utilization between FY2021 and FY2025
- In the absence of action to build in-house PT resources, most of this increase will be handled by **community providers – which cost more than in-house PT**

## PACT PT Outcomes

**1 Access to care**

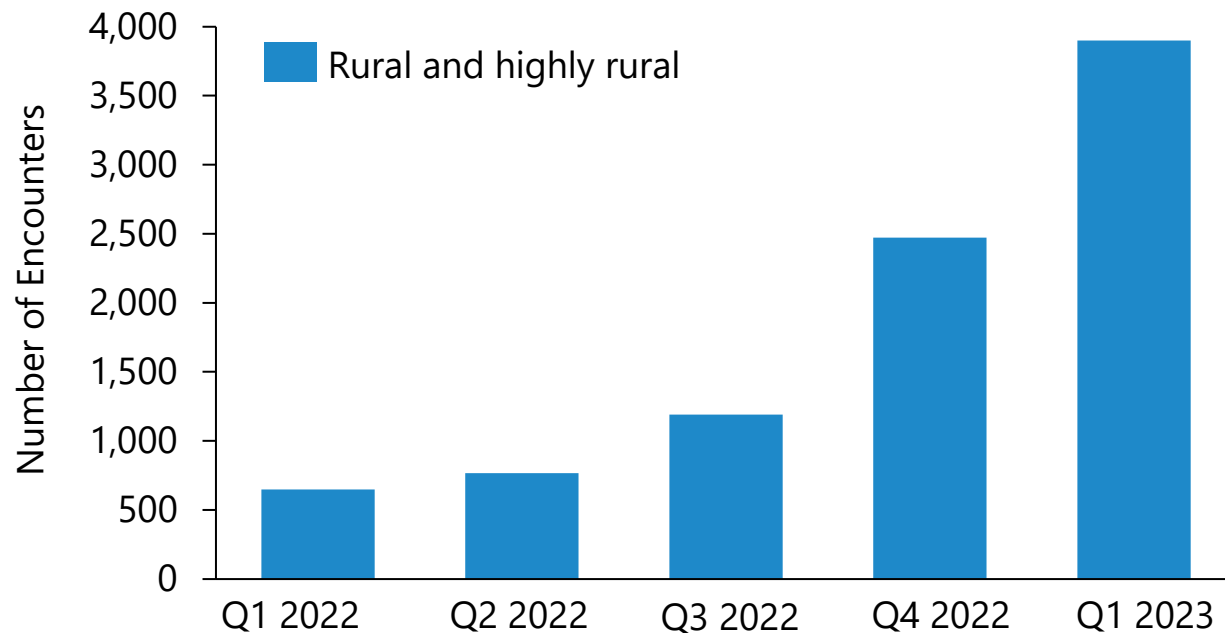
**2 Patient / Employee outcomes**

**3 Healthcare efficiency**



# 1 PACT PT increases timely access in rural and highly areas

National VA PACT PT Encounters in Rural and Highly Rural Areas<sup>1</sup>

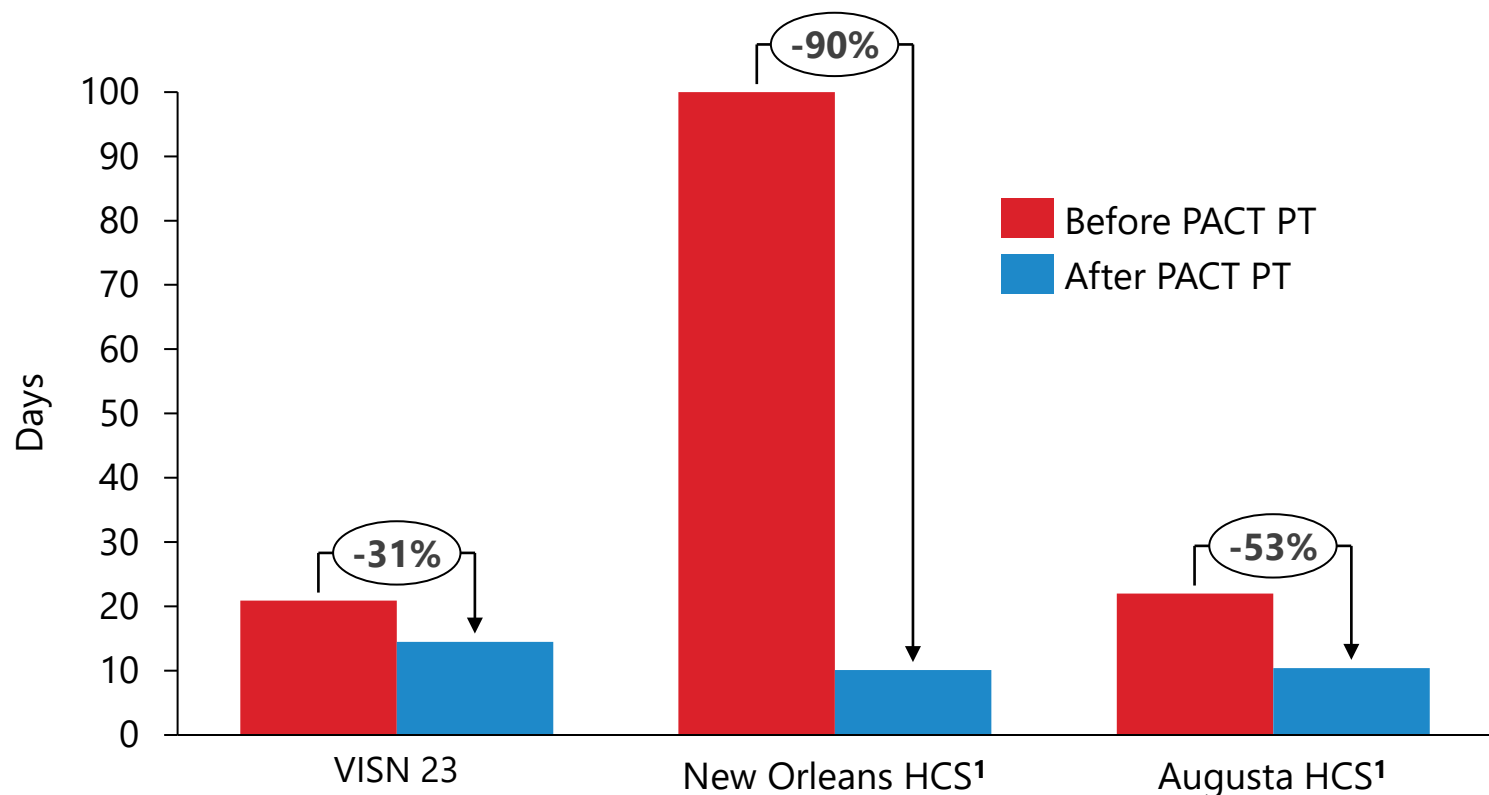


In rural areas, the implementation of PACT PT has created more **timely access to PT**

- The number of encounters in rural and highly rural areas has increased by ~**500%** from Q1 2022 to Q1 2023
- By increasing the **availability of same-day PT care, PACT PT makes it easier for rural Veterans** to get care without spending extensive time traveling to and from multiple providers

# 1 Implementation of PACT PT dramatically reduced wait times for PT with some VAMCs dropping 50-90%

## New Patient Physical Therapy Appointment Wait Time



**31% reduction**

in new patient wait time across VISN 23 between FY16 and FY19

**90-day reduction**

in new patient wait time at New Orleans HCS

By routing patients directly to PT, PACT PT **can also reduce wait times for PCP or specialty consult / imaging visits**

\*New Orleans HCS had a high volume of referrals, limited staff, and even more limited due to COVID restrictions locally

\*New Orleans HCS is in VISN 16, and Augusta HCS is in VISN 7.

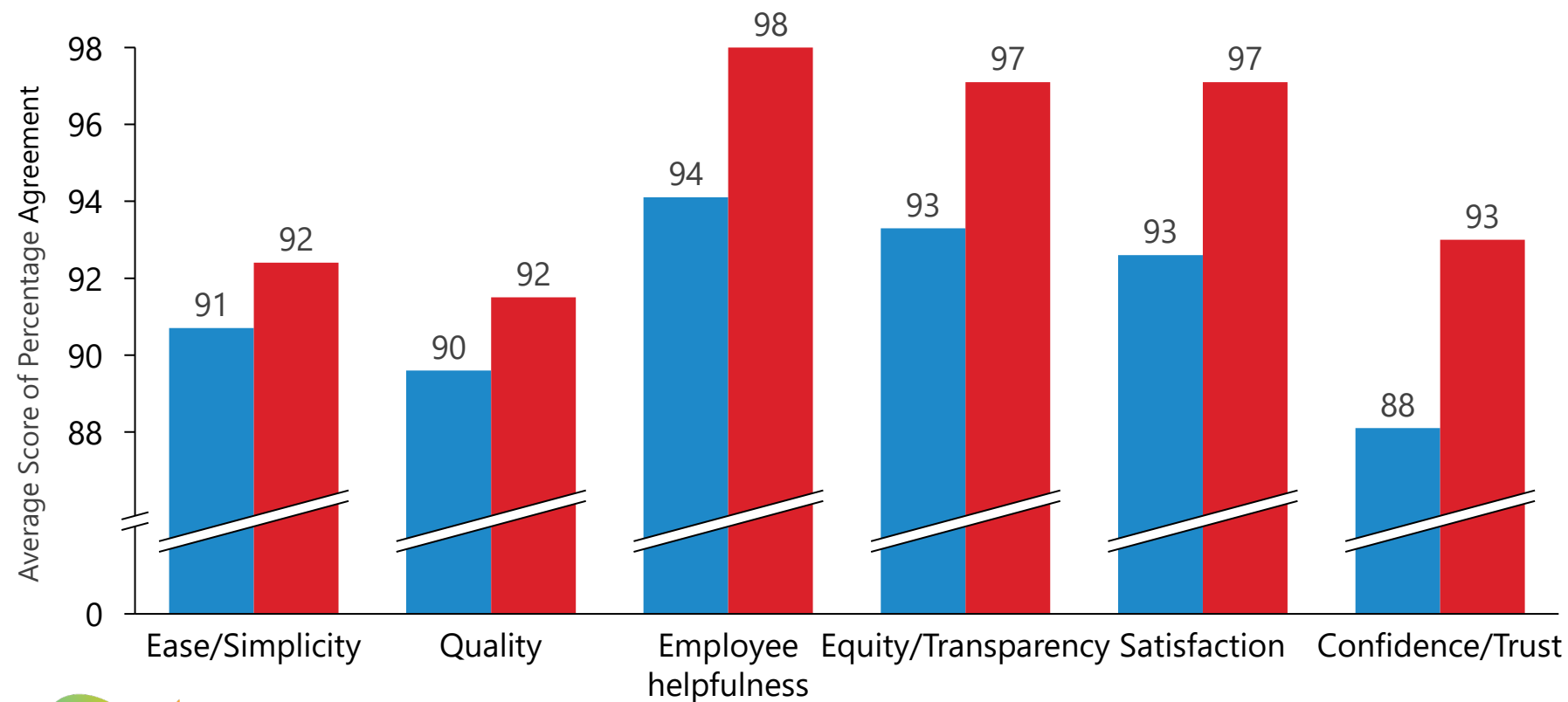
1. PACT PT National PT Call Update and Cohort 2 (2023)

2. Physical Therapy Embedded in PACT (2022)

# 1 PACT PT has led to positive Veteran experiences and higher overall satisfaction with care

**Veteran Reported PACT PT Experience<sup>1</sup>**

■ VSignal PACT 2023 NO PT embedded in PACT  
■ VSignal PACT PT 2023



Implementation of PACT PT has led to an average **3% increase in VSignal scores** across categories relative to PACTs without PT embedded

# 1 Implementation of PACT PT increases access by reducing community care referrals – which often involve significant delays

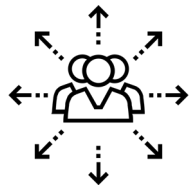
At the Lake Nona VAMC, implementation of PACT PT **greatly increased the number of “one and done” PT visits and in-house referrals**



**55%** Evaluated and discharged same visit



**43%** Referred for PT follow up within Lake Nona VAMC



**2%** Referred to community care

This **often means patients are seen sooner** – as they do not have to go back and forth on scheduling with a community care provider, or navigate long wait lists to be seen




## PACT PT Outcomes

- 1 Access to care
- 2 Patient / employee outcomes**
- 3 Healthcare efficiency





## 2 Research shows direct access to PT results in equal or better patient outcomes

A study within VHA<sup>2</sup> found that embedding PT into primary care led to:

-  Faster access to PTs and treatment – **leaving less time for injuries to worsen**
-  Reduced **rates of chronicity** – which has also been shown in external studies<sup>1</sup>
-  Decreased **number of discontinued or canceled PT sessions** – suggesting patients are more likely to follow through

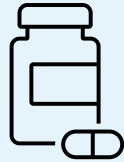
In addition, VHA **employees at sites with PACT PT report benefits** from:

-  Faster **access to medical equipment**
-  Improved **handoff and coordination** with the Primary Care team



## 2 External research has shown patients are less likely to require opioids for pain; limiting dependency, adverse effects, and polypharmacy

### External:



One external study<sup>3</sup> found that early PT **reduced the probability of having an opioid prescription by:**

**~89%**

A study of 89K patients found early PT (w/in 90 days)<sup>2</sup>:

- Significantly **reduced probability of opioid use** in patients with neck, knee, shoulder or lower back pain
- Among those who used opioids, **reduced use by:**

**~10%**

### VHA:



In addition, within VHA...

**87% of Veterans**

saw improvement on their PROMIS 6b Pain Interference measures as a result of PACT PT, indicating a significantly reduced impact of pain<sup>1</sup>

## PACT PT Outcomes

- 1 Access to care
- 2 Patient / employee outcomes
- 3 Healthcare efficiency**

### 3 External research shows (and anecdotal findings within VHA support) that direct access to PT can reduce the number of PT sessions required

#### External:

External studies found patients with direct access to a PT (vs. PCP referral-based access) required<sup>1</sup>

**~14% fewer  
PT sessions**

Another found **70% of direct access patients needed only a single therapy session** to meet goals<sup>2</sup>

#### VHA:

In addition, at VHA some practitioners report **decreases of 5+ sessions** needed per patient – likely driven by:<sup>3</sup>



**Faster improvements** due to earlier access

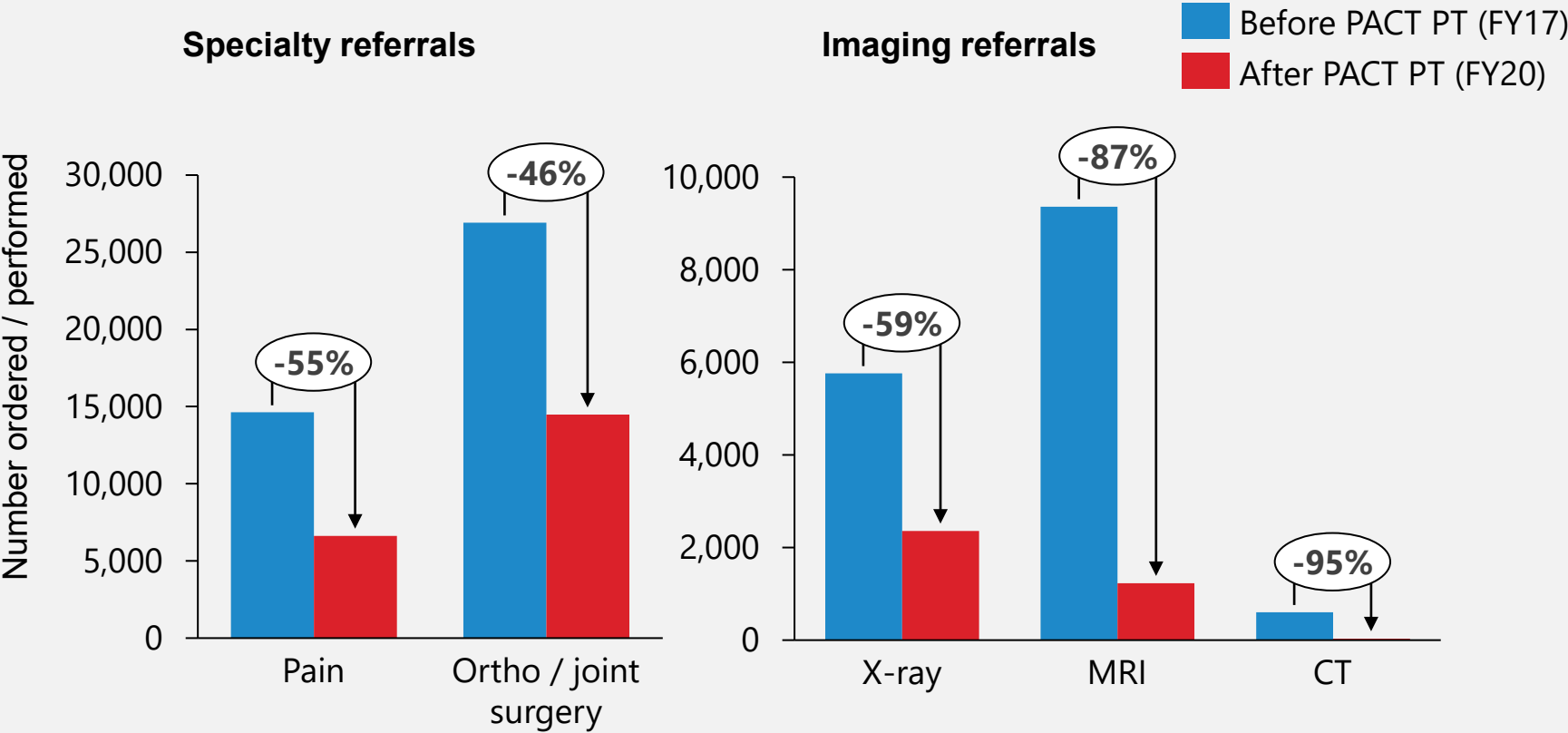


Fewer sessions because unlike community providers, VHA PTs **have no financial incentive** to recommend the full allowable # of reimbursable sessions if not needed



### 3 PACT PT significantly contributes to reducing pain referrals and imaging consults, increasing efficiency in care management

Referrals trends for MSK complaints



Pain and ortho referrals across V23 **reduced by 46-55%** from FY17 to FY20<sup>1</sup>



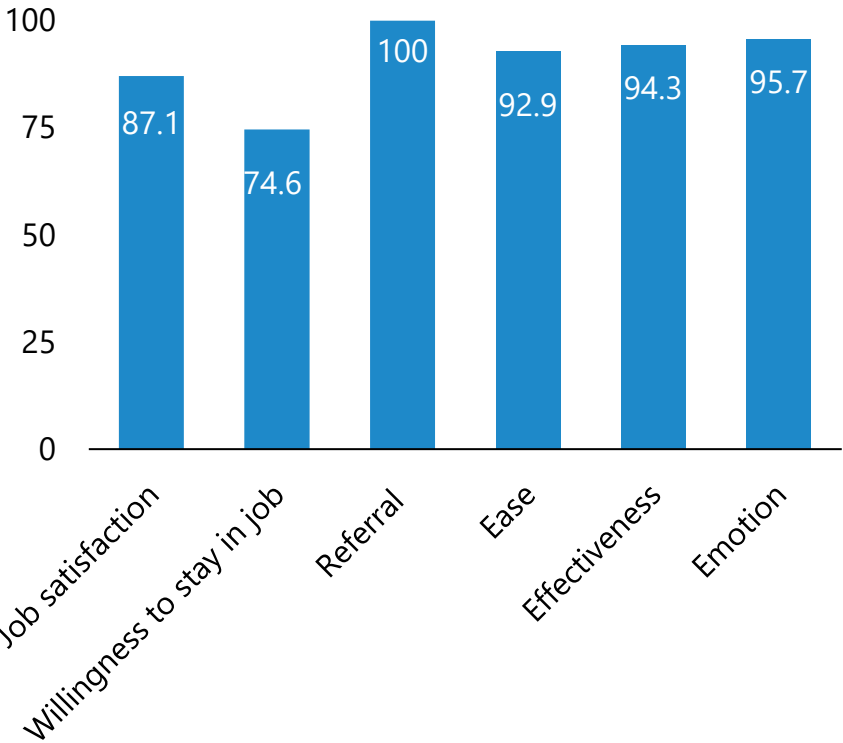
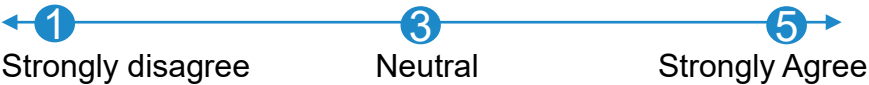
Imaging consults across V23 **reduced by 77% overall** from FY17 to FY20<sup>1</sup>

### 3 PACT PT has led to increased job satisfaction, benefits to retention, and employees feeling they are able to provide better quality care

#### Employees in PACT PT Reported ESignals\*

\*Values indicate % of respondents reporting ≥ 4

Scale:



#### Illustrative questions (specific provider and nursing scores)

PACT PT improves my job satisfaction	4.5
I am more likely to stay in my role because of PACT PT	4.1
PACT PT enables me to give my patients higher quality care	4.8
I would recommend the PACT PT program to other VAMCs	4.9
In my PACT we're making the correct referrals at the right time for patients	4.5
Non-PT providers are spending less time managing patient care for individuals with MSK or chronic pain conditions	4.0
PACT PT has led to decrease in the # of MSK related orders (imaging, specialty care, equipment, meds)	4.3

### 3 External research and VHA findings have demonstrated embedding PT in PACT is ultimately cost saving

#### External:

**\$1500**

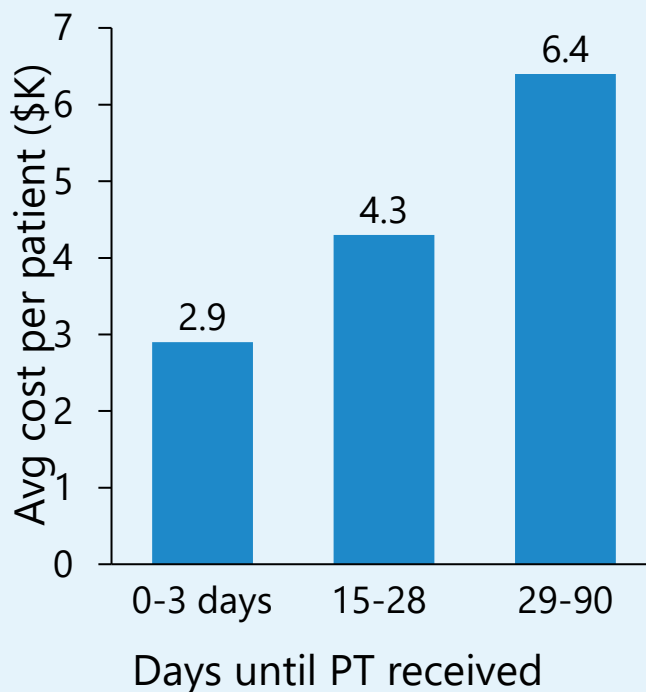
Average cost savings per patient from direct PT access for neck or back pain<sup>1</sup>

Driven by reductions in PT sessions needed, imaging, ER visits, surgical referrals, injections etc.

**\$250**

Average cost savings per patient on direct PT costs<sup>2</sup>

**Cost per patient is significantly higher when access to PT is delayed<sup>2</sup>**



#### VHA:

Referrals to community care decreased by 620 cases at the Lake Nona VAMC, leading to:



**~\$1.5M saved**

from reduction in community care referrals for physical therapy<sup>1</sup> in a single year!



1. <https://pubmed.ncbi.nlm.nih.gov/29073842/>

2. <https://academic.oup.com/ptj/article/98/5/336/4925488>

### 3 Within VHA, even if new PTs are hired, PACT PT drives savings

#### PACT PT saves costs by reducing...

**Community care visits** – breakeven cost to hire a new PT is a reduction of only **~60-125 community care PT referrals<sup>1</sup>**

Given a PT can typically see ~700 unique patients per year, for sites with high volumes of community care PT referrals, **cost savings can be significant**

**Specialty referrals** – e.g., at VISN 23, comparing FY17 to FY20 (after implementation of PACT PT)

- X-rays decreased by ~3400
- CT scans decreased by ~560
- MRIs decreased by ~8140
- Pain referrals decreased by ~8010
- Ortho referrals decreased by ~12,440

Which translates to an estimated cost savings of **~\$19M or \$2.1 million per VAMC<sup>2</sup>**

**PACT PT can be implemented near-term without new hires, new space requirements, or significant equipment costs** – however, as demand for PT increases, in-house staffing will need to increase to match

## Recommendations

1. **Implement PACT PT across all VHA sites** – focusing first on sites with high rates of community care referrals for PT
2. **Implement a robust data collection plan** to centrally gather outcome and benefit data
3. **Collaborate with DoD and the private sector** to market this work to transform healthcare
4. Continue to be thoughtful about **empowering PTs** within PACT teams, and **ensuring high quality “fit”**

