

Post-Acute Care and Provider Partnerships

Industry Insights for Healthcare Executives



Post-Acute and Rehabilitation Care in a Complex Healthcare Environment

The post-acute care industry has become increasingly complex and competitive. Within an evolving national healthcare landscape, post-acute providers must now successfully navigate ongoing regulatory and reimbursement changes while at the same time delivering expert clinical care to patients – all while producing profitable business results. Rehabilitation, a key piece of the post-acute continuum, presents its own unique opportunities and challenges and is often outside of what most acute health systems view as a core competency. However, acute care hospitals and systems can find success in the post-acute and rehabilitation space if they employ proven strategies.

“For many patients, the post-acute setting is a critical part of their care trajectory. As this market grows, we in healthcare must make sure it does so in a patient-centered manner, without exploding the total cost of care.”¹

Post-Acute Care: An Increasingly Important Component of the Evolving Healthcare Marketplace

Experts are increasingly recognizing the importance of post-acute care within the overall healthcare continuum. Specifically, a number of factors are driving the importance of effective post-acute care for today’s patient populations, including:

1. Changing demographics and increased demand for post-acute services

- An aging population
- Growing incidence of chronic disease

2. Post-acute care as an integral part of quality improvement

- Patient satisfaction
- Quality and clinical outcomes
- Reduced hospital readmissions

3. The role of post-acute care in cost reduction

- Value-based purchasing
- Readmission penalties
- Bundled payments

Today’s post-acute leaders are in the difficult position of having to manage everything from the demands of increasing patient loads, to ever-complex regulations, to dealing with decreasing – or at least more highly scrutinized – reimbursement models. In turn, managers and providers are tasked with overcoming these challenges in ways that create expansion and/or financial opportunities for their individual organizations.



Strategies to Help Address and Manage the Current Environment

A recent survey from the Deloitte Center for Health Solutions, a think tank specializing in complex industry issues and challenges, assessed the current and anticipated future of the post-acute care environment. The Deloitte survey, conducted in 2017 with 36 executives from 27 organizations – including health systems, health plans, post-acute care companies and professional associations – found that partnerships and quality initiatives are critical elements of any post-acute care effort aimed at adjusting to the emerging healthcare environment.

Among the survey's findings:

1. **Partnering is preferred over owning** – Partnering with post-acute providers brings expertise, scale and speed to market that health systems typically cannot achieve on their own.
2. **Identifying the right partners is important** – Survey respondents indicated that partnerships with experts in the field allow participants to focus on their core businesses and competencies while benefiting from each other's specialized operational and clinical expertise.
3. **Integration is key to quality** – Health systems and health plans taking part in the survey indicated they clearly see and understand that post-acute care belongs in their long-term strategy. However, while some health plans reported that they are active in post-acute care, this was not found to be the norm.

According to Deloitte, the question decision makers should be asking themselves is not whether to actively be involved in post-acute care, but instead how best to do so.²

Balancing Competing Priorities: The Realities of Managing Post-Acute Care

There is a clear need for acute-care leaders to increase their understanding of post-acute care integration, whether through partnership or increased internal competencies. According to the Deloitte survey, industry executives indicated a need to develop an increased focus on post-acute care if they are going to optimally support future value-based care and population health efforts. Even so, respondents also stated that competing priorities prevent them from fully focusing on post-acute care.

Given these competing priorities and the compounding effects of the volume and pace of industry changes, the executives interviewed in the Deloitte study provided a perspective on critical factors that should be considered when first undertaking a post-acute care strategy. In summary, the survey respondents identified the following critical pathways:

1. **Clinical improvement** – Improving the clinical quality of post-acute care is viewed as vital. It might take the form of increasing the number and clinical involvement of advanced practice nurses, expanding the role of the medical director or improving medication management.
2. **Evidence-based care pathways** – Respondents advised that evidence-based care pathways are imperative and should take into account a patient's clinical and non-clinical circumstances (e.g. obesity, homelessness, behavioral health needs), geographic proximity and the clinical competence of a market's post-acute providers.

3. **Care coordination** – Improving care coordination from pre-admission through and beyond hospital discharge was viewed as an integral part of the patient care continuum.

4. **Patient-centered care** – Respondents highlighted improved communications as a foundation for patient-centered care.

Importantly, the vast majority of health system interviewees in the Deloitte study indicated that they prefer to partner rather than own or buy a post-acute care provider when implementing critical strategies, primarily because **“a partnership can provide cost-effective access to a breadth of post-acute care expertise.”**

Care Integration: A Critical Component for Providers of Post-Acute Care

The post-acute care landscape has changed – and continues to change – dramatically. A provider network that was historically made up primarily of small, local businesses is now increasingly characterized by large health systems and hospitals, which may further be integrated with various types of post-acute care networks.

These health systems, which have typically focused largely on acute care, are increasingly recognizing post-acute care opportunities, in part due to reform initiatives introduced by influential payers such as the Centers for Medicare & Medicaid Services. Indeed, a recent NEJM Catalyst survey found that the post-acute sector needs more resources and attention to strengthen the hospital–post-acute connection, reduce inappropriate readmissions and length of stay, and boost reimbursements and incentives. The online survey, conducted in late 2016, included 375 healthcare executives, clinician leaders and clinicians at organizations directly involved in healthcare delivery.

While the NEJM Catalyst survey found an increasing trend toward integration across the care continuum, just 7% of the survey’s respondents called the care experience of their organizations’ patients “fully coordinated” between the acute, post-acute and home settings. In addition, less than a third of respondents reported that the experience at present is “mostly coordinated.” Even in the Northeast, the region where respondents were comparatively confident in their care coordination, less than 50% reported that care across settings is “fully” or “mostly” coordinated.

In summarizing the survey, NEJM Catalyst noted more than half of respondents (56%) had not personally visited nor observed at a post-acute care facility within the past five years and just over a third (36%) had been to one within the past six months. Among executives, who lead change for their organizations, 13% had never personally visited or observed at a post-acute care facility.

In order to fully understand the importance of post-acute care within the continuum, maximize their chances for success and improve speed to market, acute providers should strongly consider partnerships with national post-acute providers as a part of their care-continuum strategy.

The KHRS Difference

At Kindred Hospital Rehabilitation Services (KHRS) we participate in joint venture partnerships, with more than 20 health systems in the operations and ownership of freestanding rehabilitation hospitals, and we work with more than 150 hospital-based programs nationwide to help their acute rehabilitation settings achieve greater success and better patient outcomes. We see over 45,000 patients per year and we are the largest contract manager of hospital-based acute rehabilitation programs in the country.

Our settings include:

- Inpatient rehabilitation units
- Freestanding rehabilitation hospitals (joint venture)
- Outpatient rehabilitation
- Medical-surgical rehabilitation
- Long-term acute care (LTAC) hospital rehabilitation
- Denials management

Our partnerships are designed to assist hospitals and clinicians with clinical excellence throughout the rehab continuum of care: inpatient rehabilitation hospitals, designated inpatient rehabilitation units, hospital-based skilled nursing units, management of med/surg rehab departments and development of outpatient rehabilitation services.

Post-acute care is an increasingly imperative component of a patient's care continuum. At KHRS, we're committed to providing you with true partnership and collaboration that assures regulatory compliance, is committed to clinical quality, optimizes financial performance and is solidly rooted in physician engagement. Let us show you how working with KHRS can provide you with the expertise needed to successfully integrate acute and post-acute care and how that integration can improve clinical and financial outcomes.

References:

1. *Care Redesign Survey: Strengthening the Post-Acute Care Connection*. Insights Report. November 10, 2016. <http://catalyst.nejm.org/strengthening-post-acute-care-connection>; accessed 4-27-2017.
2. *Viewing post-acute care in a new light: Strategies to drive value*. Deloitte Center for Health Solutions. 2017.

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