Acute agility:

Why leaders should build flexibility into their strategic plans

As the medical complexity of patients in the United States continues to increase, it is important for providers to be flexible in their ability to respond to current and future patient needs. This has been proven to be especially vital as the COVID-19 public health emergency demonstrated the need for health systems to have flexible bed capacity and care models. During the pandemic, this helped ensure every patient could be cared for effectively, with programs and services tailored to their specific needs.

But flexibility isn't just important in an immediate crisis—it's something healthcare leaders should be thinking about amid a rapidly changing healthcare landscape, as patient preferences and reimbursement continue to shift. Nimbleness is something that should be built into a health system's short- and long-term plans.

In this paper, we feature Kindred Healthcare CEO Benjamin Breier, who offers insights into a model that allows health systems to be more agile in their ability to respond to shifting needs.

Ben Breier
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In order to effectively prepare for the future, health systems should consider co-locating a variety of services on their hospital campuses beyond short-term acute care, including rehabilitation, long-term acute care and behavioral health, and allow for beds to be designated flexibly across these services. This model not only brings new financial opportunities, but also gives health systems a better chance at success under value-based care. When health systems are able to provide a larger span of the care continuum on one campus, they're better able to manage care transitions, which is critical to both clinical and quality performance—especially as providers take on increasing risk for patients' overall health and post-discharge outcomes. Throughout this paper, we'll offer best practices for incorporating this model into a health system's strategies.

The case for co-location

Advances in medicine and growth in life expectancy have ultimately led to an increase in the complexity of cases in health systems throughout the country. Patients are presenting with more comorbidities and requiring coordinated, multi-disciplinary treatment. This was an issue well before the COVID-19 pandemic, which has since introduced "long-hauler" patients into the system. These patients require care from multiple specialists and around-the-clock advanced nursing care.

"Health systems are going to have to be able to provide very specialized care, all within their own continuum, to support medically complex patients and make sure they have the best possible outcomes," Breier said.

When patients leave the hospital and are placed in the care of other organizations, their health system loses control over their care and ultimately has little influence over whether the patient is readmitted. This is a key metric by which providers are judged, especially under emerging value-based reimbursement models. Health systems that co-locate more of the continuum on their campus stand a better chance of avoiding these negative outcomes while capturing post-acute revenue.

"Our focus on financials is not and should not necessarily be the driving force behind how we care for our patients, but we all know that our ability to be reimbursed and manage costs is, in many ways, paramount," Breier said. "Co-locating services helps with reimbursement in a number of ways, but it is particularly helpful in coordinating care in very complicated cases."

Although fee-for-service currently makes up a significant portion of most providers' reimbursement, it is dramatically declining, especially for the older population of patients most likely to need post-acute care. "If you have coordinated, specialized care that's creating better outcomes and better financial results, that's going to win in either paradigm. However, as managed care and other value-based reimbursement becomes a bigger part of the equation, it will be even more important to conduct care in a way that makes the most of the limited funds we're given," Breier said.

Breier credits a host of waivers, passed by Congress and regulatory agencies both before and during the COVID-19 pandemic, with loosening regulations and allowing for more flexibility in the settings in which care is delivered. Various changes have allowed providers to be more flexible in how they use specialized beds in their hospital, allowing them to ease capacity and better manage strain on the ICU. These changes were a successful pilot for how care transitions can be improved through integration of the care continuum and improved care coordination.

"The public health emergency and related waivers highlighted the value of partnerships, particularly between acute care hospitals and post-acute hospitals in relieving capacity and providing the specialized medical and rehabilitative care that COVID and post-COVID patients required for a full recovery," Breier said.

While the pandemic has empowered leaders to break down barriers to innovation, it also has brought on a looming behavioral health crisis. Public health experts said in a British Medical Journal blog that they believe

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"the mental health impact of the pandemic is likely to last much longer than the physical health impact." Health systems face a shortage of physicians across specialties, but it is particularly hard to staff behavioral health beds. The need for behavioral health services was already rising well before the pandemic, but the public health crisis is expected to exponentially increase that need. Telepsychiatry will help resolve gaps, but it won't fully solve for significant inpatient needs—providers will need to expand capacity on their own campuses.

"There is an unsustainable level of growth in behavioral health demand, and it's a serious issue that is having an effect not just on patients' mental health, but their comorbidities as well," Breier said. "We need to get our arms around it."

Finally, a wave of consumerism across healthcare settings is requiring health systems to exert more influence over the patient experience across the care continuum. Consumers have access to more data and information about healthcare organizations than ever before and are increasingly doing their own research to determine the best setting of care for themselves or their loved ones. This behavior of "shopping" for care isn't limited to ambulatory care—patients are demanding convenience and quality across the continuum and are more educated about their options, especially after the pandemic. Breier believes this preference is ultimately driving patients to choose a post-acute care option that allows them to go home as quickly and safely as possible.

Getting patients home is important to providers as well, and can be an important differentiator. One of the most critical ways leaders can set their organization apart

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from its competitors is knowing how to provide the right care in the right setting, and having the tools at their disposal to do it at the highest level of quality. When more specialists and advanced nursing resources are available in the space where patients receive post-acute care, providers can offer more intensive, cost-efficient interventions that expedite the recovery process and get patients home faster. And for many providers, it will be important to not only make multiple services available, but also to ensure that beds can be used for differing services as demand shifts, whether that be behavioral health, rehabilitation or other needs. As care increasingly moves to telehealth or outpatient, it's important for leaders to consider how their inpatient facilities will evolve to remain cost-efficient and responsive to emerging needs.

"The healthcare environment we're in today is arguably more challenging than it has ever been," Breier said. "Health systems across the country are being forced to quickly adapt and respond to rapidly changing patient needs, all while maintaining financial stability and high-quality outcomes. Our view of the world is that co-locating multiple services on a single campus and offering these specialty services within a system's own continuum really does open the door in many ways, not only to more high-quality programs that have a positive impact on the health system, but more broadly on the community itself."

How co-location and bed flexibility can help patients

Leaders who co-locate multiple post-acute and specialized services on their campus and build in flexibility between long-term acute care, rehabilitation and behavioral health beds have the potential to realize the following benefits for patients and population health:

Ease of access

Patients who require high-intensity rehabilitation services in a hospital with co-located services are able to transition to a new, focused care setting located on the same campus, eliminating the need to transfer elsewhere. Transfers between facilities not only can be high-risk and challenging from a medical perspective, but are also inconvenient for patients.

Even if a hospital doesn't have existing space available, co-location could still be an option. By re-evaluating your system's current offerings, leaders may be able to identify opportunities to adjust services or optimize programs to better meet patient needs. If the need warrants, there is also great opportunity in investing in a new building to specifically house multiple services.

"For all the reasons we've talked about, there is greater efficiency and cost savings," Breier said. "To meet this opportunity, many health systems are leveraging strategic partnerships to help support the focused expertise—opening the door to greater bed capacity, ability to share clinical staffing and more opportunities for combined education and training."

Continued specialized care and differentiation from post-acute competition

By co-locating specialized services on-site and integrating an interdisciplinary rehabilitation program into their campus, leaders enable daily access to a physician that specializes in rehabilitation and helps to ensure 24-hour RN coverage of patients in their care. When combined with a long-term acute care hospital (LTACH), specialty physicians can also be promptly available if requested for patient needs. This differs from other post-acute settings, like skilled nursing facilities (SNFs), which often have less RN coverage and are more likely to use limited practice or limited vocation nurses (LPN/LVN). Physician visits are much more limited. This level of care ensures patients are comfortable and recovering properly, while providing hospital-level infection control and clinician oversight—something that is important as providers consider how they can limit adverse events and avoid a prolonged hospital stay. It also allows for more efficient use of staffing resources as clinicians are shared across units.

"Finding qualified clinical labor is among the top challenges health systems face," Breier said. "We know that patient demand has been at a record pace, but we also know that when demand outpaces supply, clinicians aren't necessarily willing to go to alternative settings. Keeping patients within your campus can make clinicians' lives easier and ensure that staff aren't stretched thin."

In a time where it can be challenging to fill gaps in rehabilitation and behavioral health talent, leveraging the support of an experienced post-acute care partner

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can ensure that these hard-to-fill roles are recruited and retained effectively, Breier noted.

For patients who may be coming from other health systems, co-location offers access to high-quality services in one location, a priority for short-term acute care hospitals, payer discharge planners and case managers seeking specialized care settings for their patients. By being flexible about the designated use of these beds, leaders are able to ensure the model is sustainable and can easily respond to shifts in demand.

Shortening length of stay

Intensive rehabilitation care within an acute rehabilitation unit (ARU) can reduce length of stay and be more cost-effective when compared to other post-acute settings. It also can reduce readmissions—a key indicator under value-based reimbursement. Patients who receive care in an ARU are significantly more likely to return to the community instead of back to an acute-care hospital.

Co-located ARUs complement the specialized care being provided at LTACHs, offering providers a continuum of care for a patient's ongoing recovery. Co-location brings knowledge and experience under one roof and enables LTACHs to manage the complex medical care necessary for post-intensive care patients while also leveraging the expertise provided by intensive rehabilitation services.

Resolving gaps in inpatient behavioral health

Behavioral health inpatient beds are at an all-time low, and demand is incredibly high. This model offers significant financial incentives to take on inpatient behavioral health beds. As one regional CMO of a prominent health system commented, "inpatient sites for behavioral health are almost impossible to get. Trying to get a patient accepted [into a psychiatric hospital] is impossible. It could work if more LTAC hospitals had capacity."

Co-locating more behavioral health beds on a health system's campus helps get patients out of the emergency department (ED) faster, frees up medical-surgical capacity and gets patients the specialized care they need.

"Because patients with inpatient behavioral health needs often have multiple comorbidities, being located under one roof or within the same integrated system is going to allow them to get the comprehensive care they need, and that's incredibly important," Breier said. "We've got to create capacity in our system for this growing need."

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Specialty hospital partnership solutions

Through a history of successful joint-venture partnership and management agreements, Kindred partners with health systems to develop co-location and specialty service strategies that meet the specific patient needs and opportunities in the communities they serve.

"Kindred is unique in that we provide flexible service line offerings, such as LTACHs with specialized acute rehabilitation units or dedicated behavioral health units," Breier said. "We work with the partners to determine the best solution to meet the needs in their community—whether it's a specialized unit, a hospital within a hospital or working together to build a new free-standing hospital."

Specialized care is complicated. Kindred helps to relieve the burden of running programs like behavioral health and inpatient rehabilitation, while also helping to ensure compliance, increasing appropriate patient access, reducing readmissions and improving patient experience.

To learn how Kindred can help your health system, visit www.kindredrehab.com.

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