

Market Expansion Strategies and Trends: Benefits of LTACH Integration



Market expansion allows hospitals to increase the continuity of care to better serve their communities.

While they may be a lesser known post-acute setting, long-term acute care hospitals (LTACHs) can provide substantial benefits. From helping to reduce rehospitalizations to providing more specialized care for the most medically complex patients, LTACHs can be an important part of a hospital's strategy and community ecosystem.

This white paper contains four key benefits of LTACH inclusion as part of your hospital's market expansion strategy based on recent industry research, including insights on:

- 1. The increased need for post-acute services as medically complex patient numbers rise,**
- 2. A heightened focus on financial stability,**
- 3. The rising pressure of consumerization and patient preferences in post-acute care; and**
- 4. An increase in co-location implementation, hospital flexibility and bed utilization**

You'll also read expert insights from healthcare leaders Dr. Sean Muldoon, Senior Vice President and Chief Medical Officer at Kindred Hospitals, and Michael Warrington, President of Kindred Hospitals.

Dr. Muldoon and Warrington share findings from their work with leading health systems across the country that can help your hospital achieve optimal patient and facility outcomes. This white paper outlines the unique value that LTACHs have played in responding to the pandemic, as well as the ongoing unique role they will have once we have emerged.

4 Trends Impacting Market Expansion Strategy



Increased Need for Post-Acute Services as Medically Complex Patient Numbers Rise

The population of medically complex patients is rapidly growing, a trend exacerbated by the pandemic. These patients continue to consume a disproportionate amount of acute healthcare resources and have a significantly higher-than-average likelihood of hospital admissions and readmissions. With complex patients making up 10 percent of the overall Medicare population, strategies that target the needs of these patients to achieve lower care costs, improve outcomes and increase efficiencies can help hospital leaders plan for long-term success.¹



The Effectiveness of the Right Care Setting

LTACHs are one of the most effective options for medically complex, COVID-19 and post-COVID-19 patients. They are structured in a way that enables them to quickly adapt and evolve to effectively treat this growing patient population. By integrating long-term acute care into their offerings, hospitals can clinically target the expanding needs in the communities they serve.

This integration can also improve patient throughput management. When multiple levels of care are available, hospitals can effectively treat patients while expanding capacity.

2 Heightened Focus on Financial Stability

Eighty percent of healthcare executives noted that the largest strategic priority for their hospital was financial stability, according to a recent Healthcare Financial Management Association (HFMA) survey.² These survey results point to the importance of understanding the cost benefits of alternative care options such as LTACHs for medically complex patients.

“In addition to providing great care to those who need us most, hospital decision-makers must create the best outcomes for the lowest possible cost,” stated Warrington. “This makes it imperative for hospital leadership to be provided the key resources needed to best understand the long-term cost and outcome benefits of post-acute services, including LTACHs.”

The Role of Strategic Partnerships in Financial Stability

While medically complex and critically ill patients make up only a small percentage of the patient population, they can often increase total cost of care due to the risk of readmission if they are not treated in the proper setting. Without the right clinical capabilities and surrounding environment in which to recover, patients may experience avoidable readmissions. LTACHs are often



the ideal setting for patients who need additional ICU-level care and who are at high risk of rehospitalization.³ A qualified LTACH partner can:

- Support quality patient outcomes by caring for these patients in a setting that promotes innovative technology, Joint Commission accreditations and special certifications, and integrated infection control protocols.
- Help provide the potential for savings through decreased costs related to readmissions.
- Secure highly-trained LTACH-specific clinicians and medical directors, helping to lower care costs.

Dr. Muldoon shared, “As managed care and other value-based reimbursement become 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 health systems often have available. One of the ways hospitals are able to achieve this is through a strategic partnership.”

3 Rising Pressure of Consumerization and Patient Preferences in Post-Acute Care

Not all post-acute providers supply the same level of care, and ultimately the same quality outcomes, for patients with highly complex clinical needs, as acknowledged by the American Hospital Association. This can be an important differentiator when evaluating care options to support market expansion and best meet patient needs.¹

The pandemic has further highlighted key differences between care settings and has led to stronger consumer care preferences. For example, the pandemic pushed infection control standards to the forefront as patients and providers began placing greater emphasis on the need for advanced protocols to reduce viral spread and prevent further outbreaks.

Patient demand calls for receiving care in a setting that demonstrates a high level of patient safety/infection control protocols. From helping to improve air quality to providing full-service testing areas on-site, LTACHs adhere to more advanced patient safety guidelines than those providing lower levels of care, such as skilled nursing facilities (SNFs). Recognizing these differences helps hospitals meet patient preferences as the shift toward consumerization within post-acute care becomes even more prevalent.

The LTACH Difference

LTACHs and SNFs are often misunderstood as fulfilling a similar role, but LTACHs have unique expertise in addressing patients with multiple comorbidities, making them ideal for medically complex patients. “LTACHs are often overlooked during strategic planning because of lack of awareness and education during residency training, but these hospitals can provide financial benefits while significantly improving care outcomes,” said Warrington.

Warrington added that “Although LTACHs are historically thought of as requiring a 25-day patient stay, admission lengths actually vary by patient condition and individualized plans of treatment, and are not bound to length-of-stay restrictions.”

Further, LTACHs have expertise in treating medically complex patients with a multidisciplinary care team of physicians who provide 24/7 oversight. This level of care can be beneficial for patient preferences, and can create potential cost savings for patients who meet the requirements. **Access to a team of clinicians with the ability to provide custom care to meet the unique needs of each patient can help reduce the risk of readmission, therefore reducing the overall cost of care for patients, as well as the hospital.**

Providing higher levels of clinical expertise into a system can offer medically complex patients the opportunity to reach a greater level of recovery and ultimately drive greater patient satisfaction.



Increase in Co-Location Implementation and Hospital Flexibility

Incorporating an LTACH into a hospital’s care continuum can take the form of constructing a freestanding facility or establishing a hospital-in-hospital (HiH). Both options are centered on providing patients the specialized care they need in a setting that requires minimal transfer and more seamless care continuity. For example, by incorporating an HiH model, hospitals can offer specialty services within their current health campus.



“Having an HiH can help a hospital feel more confident in their patients’ care and transitions since they maintain the same physicians, compared to a freestanding hospital where there is a possibility for different medical oversight,” shared Warrington.

“The HiH configuration, combining multiple levels of medical, rehabilitative and psychological services tied to a single system, also creates continuity between physician and specialist oversight of patient care,” stated Dr. Muldoon. “This level of continuity helps ensure that if a patient requires a higher level of care quickly, they are able to be relocated to another setting onsite without the need for transfer. This enables providers to efficiently and effectively meet changing patient needs and preferences.” Now more than ever, having a streamlined care approach within the hospital is crucial for patient and hospital outcomes, as well as overall hospital flexibility.



Co-Location Supports Value-Based Models of Care

In addition to creating more continuity around patient care, the co-location structure of services creates greater opportunity to meet broader patient needs through specialized care settings, and therefore allows patients to more easily access high-quality services in one location. “Co-location allows for combined knowledge and experience that enables clinicians to manage the complex medical care necessary for post-intensive care patients while also leveraging the expertise provided by the STACH,” said Warrington.

Implementing the co-location model in a hospital’s care continuum can positively impact factors such as patient loyalty, service optimization and financial stability. For all of these reasons, co-location is expected to continue to experience substantial growth across post-acute settings.

Post-Acute Partnership’s Role in a Hospital’s Market Expansion Strategy

Strategic partnerships can help provide support to hospital leadership so they can quickly adapt to the rapidly changing healthcare environment while simultaneously meeting the latest opportunities, such as market expansion.

Through a history of successful joint-venture partnership and management agreements, Kindred partners with hospitals to help them meet the growing patient need within their communities. In doing so, hospitals can more effectively expand patient access and better generate positive long-term outcomes.

To learn how Kindred can help support your market expansion strategies, visit [KindredLTACHPartner.com](https://www.kindredltachpartner.com).

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