Making Post Acute Assets Viable: Aligning through Understanding & Engaging
Three Learning Objectives

1. We are here to help improve your bottom line
2. Long-term Acute Care Hospitals (LTACHs) are not Nursing Homes
3. The right level of care, for the right patient at the right time
What is Post Acute Care (PAC)?

PAC providers provide important services to patients recovering from an acute care stay.

Everyday, 93 million people are discharged from a U.S. Hospital.

- At least half of these will require additional PAC before they can return home independently.

PAC includes LTACHs, IRFs, SNFs and HHAs.

In 2011, Medicare spending on PAC was $62 billion.
What is Post Acute Care (PAC)?

- PAC provides important services to patients recovering from an acute care stay who still require:
  - Ongoing medical management,
  - Therapeutic care,
  - Rehabilitative care, or
  - Skilled nursing care, or
  - Home health care
PAC Continuum

• Types of PAC settings:
  – Rehabilitation Hospitals (IRFs)
  – Psychiatric/Chemical Dependency Hospitals
  – Long-term Acute Care Hospitals (LTACHs)
  – Skilled Nursing Facilities (SNFs)
  – Home Health Agencies (HHAs)
The Current Continuum of Care

- Patient Service Intensity & Cost
- Patient Illness Severity

- Skilled Nursing Facilities
- Hospice
- Home Health Care
- Assisted Living
- Adult Day Care
- Outpatient Rehab
- In-Patient Rehab
- LTACHs (Freestanding/HIP)
- Adult Day Care
- Trans Care
- ICU

- Acute Care Hospitals

- High
- Low
Kentucky Specialty Hospitals

- **Rehabilitation**
  - Freestanding (7)
  - Co-located distinct part units (11)

- **Psychiatric/Chemical Dependency**
  - Freestanding – state owned (4)
  - Freestanding – privately owned (9)
  - Co-located distinct part units (28)
## PAC Medicare Data

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Annual Medicare Expenditures</th>
<th>Annual Medicare Beneficiaries</th>
<th>Average Medicare Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Health</td>
<td>$18.4 billion</td>
<td>3.4 million</td>
<td>14.8%</td>
</tr>
<tr>
<td>Skilled Nursing (SNF)</td>
<td>$31.3 billion</td>
<td>1.7 million</td>
<td>22-24%</td>
</tr>
<tr>
<td>IRFs</td>
<td>$6.5 billion</td>
<td>371,000</td>
<td>9.6%</td>
</tr>
<tr>
<td>LTACHs</td>
<td>$5.4 billion</td>
<td>123,000</td>
<td>6.9%</td>
</tr>
<tr>
<td>Total</td>
<td>$61.6 billion</td>
<td>5.6 million</td>
<td></td>
</tr>
</tbody>
</table>

Source: Medicare Payment Advisory Commission March 2013 Report to Congress

**In 2011, Medicare spending on PAC was $62 billion**
Michael Moody, CEO
Kindred Hospital in Louisville

• Provide an overview of the PAC continuum.
• Focus on:
  – What is an STACH?
  – What is an LTACH?
  – LTACHs in Kentucky
  – LTACH Level of care
  – Selecting the most appropriate PAC setting for patients recovering from an acute care hospital stay
• LTACHs are not nursing homes
What is an STACH?

- Short-term Acute Care Hospitals (STACHs) include general medical surgical and critical access hospitals (CAHs)
- 99 STACHs in Kentucky
  - 29 are Critical Access Hospitals
What is an LTACH?  

- **Long-term Acute Care Hospital**
  - Specializes in the treatment and rehabilitation of medically complex patients who require an extended stay in a hospital setting and need a longer recovery time and slower, more supervised care.
  - *Not* a nursing home.

- **How many LTACHs in KY?**
  - 1 Freestanding (Kindred in Louisville)
  - 7 Hospital within-Hospital (HwHs)
About LTACHs

- LTACHs may be a freestanding facility or it may be co-located with another STACH.
- A co-located LTACH or “hospital within a hospital” (HwH) occupies part of a building also used by another “host” acute care hospital.
- There are approximately 80 HwHs in the country, seven in Kentucky.
- HwHs are generally smaller than freestanding LTACHs, averaging only 36 inpatient beds.
Eight LTACHs in Kentucky

- Today, there are approximately 450 LTACHs across the country and eight in KY:
  1. ContinueCARE Hospital at Baptist Health Corbin
  2. Continuing Care at St. Joseph Hospital - Lexington
  3. Continuing Care at St Joseph East Hospital - Lexington
  4. Kindred Hospital - Louisville (Freestanding)
  5. Kindred Hospital at Jewish Hospital - Louisville
  6. Select Specialty Hospital at UK Good Samaritan Hospital - Lexington
  7. Select Specialty Hospital at St. Elizabeth Ft. Thomas in Northern KY
  8. Commonwealth Regional Specialty Hospital at The Medical Center - Bowling Green
There are seven LTACHs in Kentucky.
LTACH Level of Care

- Patients **who need the most intensive care** are often discharged to LTACHs.

- Medicare data indicate that LTACH patients have an overall greater **severity of illness** than all other PAC sites.
  - Care for the sickest of the sick

- LTACHs are not nursing homes
Selecting the Most Appropriate PAC Setting

- Currently, there is no standardized process for placing each patient in a PAC setting.
- Patients with the same acute-care hospital discharge diagnosis may be referred to different PAC settings.
- Determining factors could include the patient’s functional status, clinical complications and non-clinical factors such as the patient’s family support.
- An LTACH clinical liaison can help with the assessment and placement.
• What are the focus comparisons for the PAC providers?
• LTACH patient characteristics
• About LTACHs
• LTACH Utilization
## Focus Comparison of PAC Providers

<table>
<thead>
<tr>
<th></th>
<th>Short Stay Acute Care Hospital (STACH)</th>
<th>Long Term Acute Care Hospital (LTACH)</th>
<th>Rehabilitation Hospital/Unit (IRF)</th>
<th>Skilled Nursing (SNF)</th>
<th>Nursing Home</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focus</strong></td>
<td>Diagnosis, surgery, and short-term acute interventions</td>
<td>High acuity, Medically Complex, catastrophically injured</td>
<td>Restoration of functional independence</td>
<td>Step-down medical/rehab care</td>
<td>Long-term supportive care</td>
</tr>
<tr>
<td><strong>Average Length of Stay</strong></td>
<td>4-7 days</td>
<td>25+ Days</td>
<td>12-15 Days</td>
<td>12-15 Days</td>
<td>Indefinite</td>
</tr>
<tr>
<td><strong>Diagnostic/Imaging Studies</strong></td>
<td>Frequent/expensive</td>
<td>Infrequent/Less expensive</td>
<td>Seldom/Inexpensive</td>
<td>Seldom/Inexpensive</td>
<td>Seldom/Inexpensive</td>
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<tr>
<td><strong>Program for Medically Complex Patients</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Some</td>
<td>No</td>
</tr>
<tr>
<td><strong>Program for Ventilator-Dependent Patients</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>24-Hour Respiratory Therapy</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>High Success Rate in Weaning Vent-Dependent Patients</strong></td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Reimbursement</strong></td>
<td>PPS/ MS DRG</td>
<td>PPS/LTACH MS DRG</td>
<td>PPS/ CMGDRG</td>
<td>PPS/RUG</td>
<td>PPS</td>
</tr>
<tr>
<td><strong>Broad Range of Physicians/Specialists</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes, if in acute care hospital</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Nursing Hours/PPD</strong></td>
<td>4-6 Hours</td>
<td>9-10 Hours</td>
<td>4-6 Hours</td>
<td>3-5 Hours</td>
<td>2-4 Hours</td>
</tr>
</tbody>
</table>
LTACH Patients

- LTACH patients have a large variety of complicated medical conditions occurring at the same time.
- LTACHs are generally the most suitable setting for patients with:
  - pulmonary disease
  - cardiac disease
  - severe wounds
  - kidney disease
  - ventilator dependence
About LTACHs

• LTACHs are:
  – Extremely diverse and vary in scope
    • Large and small
    • Free standing and co-located
    • Not-for-profit and for-profit
    • Serve both elderly and young
  – Must be certified as an acute care hospital and meet criteria to participate in the Medicare program
  – Must have an average length of stay greater than 25 days
  – Certified by Medicare as long-term care hospitals and paid under the Medicare PPS/DRG system separate from STACHs.
  – Accredited facilities, many by Joint Commission and DNV Healthcare.
About LTACHs

- LTACHs are viewed as a quality, cost-effective alternative to long stays in community hospitals
- LTACHs care for patients who require longer hospital stays
  - On average 25 days or more
  - That is nearly 20 days longer than the average short term acute care hospital

**LTACHs can be used to manage ALOS**
## LTACH Utilization

<table>
<thead>
<tr>
<th>Year</th>
<th>Licensed Beds</th>
<th>Beds in Operation</th>
<th>Admissions</th>
<th>Beds in Operation Occupancy</th>
<th>Inpatient Days</th>
<th>ALOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>546</td>
<td>325</td>
<td>2517</td>
<td>62.5%</td>
<td>74167</td>
<td>28.0</td>
</tr>
<tr>
<td>2008</td>
<td>571</td>
<td>348</td>
<td>3027</td>
<td>73.8%</td>
<td>93766</td>
<td>29.8</td>
</tr>
<tr>
<td>2009</td>
<td>546</td>
<td>323</td>
<td>2771</td>
<td>73.0%</td>
<td>86066</td>
<td>31.6</td>
</tr>
<tr>
<td>2010</td>
<td>546</td>
<td>325</td>
<td>2934</td>
<td>75.6%</td>
<td>89700</td>
<td>28.9</td>
</tr>
<tr>
<td>2011</td>
<td>546</td>
<td>326</td>
<td>2867</td>
<td>74.3%</td>
<td>88449</td>
<td>27.9</td>
</tr>
</tbody>
</table>

Kentucky CHFS Annual Hospital Utilization and Services Reports
Harry Hays, Kindred at Jewish Hospital

- LTACH patients come from a variety of health care settings
- 30 Day Readmission concerns
- LTACHs lower the cost of care for medically complex patients
- Opportunities to consider
About LTACHs

- LTACH patients come from a variety of health care settings but about 95% come from short-term acute care hospitals (STACH).
- 35% of Medicare beneficiaries are discharged from acute care hospitals to post acute care.
- 2% are discharged to LTACHs

Source: Research Triangle Institute, 2009: Examining Post-Acute Care Relationships in an Integrated Hospital System
LTACHs Prevent Readmissions

30 Day Readmission concerns:
• “Hospitals are not going to achieve meaningful reductions in readmissions unless they are partnered with post-acute care.”

Terry O’Malley, M.D., Medical Director, Non-Acute Care Services, Partners HealthCare
LTACHs Prevent Readmissions

- STACHs can enlist the LTACH continuum of care to reduce readmission concerns.
  - LTACHs’ record with readmissions are just 4-8% nationally compared to 20-30% for STACHs.

Rahul Koranne, MD, MBA, FACP
“The Role of the Long Term Acute Care Hospital”
Minnesota Medicine September 2011
Cost Comparisons per day are significantly less

2007: $1,784 versus $1,170 (all patients)
2009: $2,181 versus $1,318 (all patients)

Source: Government Medicare Data
LTACHs lower the cost of care for the medically complex

Average length of stay for Medicare Advantage Tracheotomy/Ventilator Patients

Source: MedPar (2008)
Opportunities to Consider

• Does your acute care hospital have more opportunities to utilize LTACHs?
  – Is your Medicare ALOS > 4 days?
  – Are roughly 2% of your Medicare discharges going to LTACHs?
Christa Petty, MBA
Controller, Kindred Hospitals

- LTACHs use the same DRGs/just different weights
- LTACHs can improve the bottom line of STACHs
- Finance teams should work with clinicians to ensure the PAC continuum is utilized
- LTACHs can improve the Income Statement and P&Ls of STACHs by:
  - Improving ER throughput
  - Reducing ICU bottlenecks
  - Reducing outlier costs
  - Improving clinical outcomes
<table>
<thead>
<tr>
<th>DRG</th>
<th>Weight</th>
<th>Geometric Mean LOS</th>
<th>Discharges to LTAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>004 Trach w/ MV 96+ hrs</td>
<td>10.8833</td>
<td>20.9</td>
<td>11,892</td>
</tr>
<tr>
<td>871 Septicemia w/o MV 96+ hrs</td>
<td>1.8803</td>
<td>5.2</td>
<td>11,212</td>
</tr>
<tr>
<td>003 ECMO or trach w/ mV 96+ hrs</td>
<td>17.7369</td>
<td>28.2</td>
<td>10,671</td>
</tr>
<tr>
<td>853 Infections &amp; parasitic diseases</td>
<td>5.3431</td>
<td>11.3</td>
<td>5,149</td>
</tr>
<tr>
<td>207 Respiratory w/ ventilator 96+</td>
<td>5.3619</td>
<td>12.5</td>
<td>3,479</td>
</tr>
<tr>
<td>870 Septicemia w/ MV 96+ hrs</td>
<td>5.8399</td>
<td>12.6</td>
<td>3,244</td>
</tr>
<tr>
<td>291 Heart Failure  &amp; shock w/ MCC</td>
<td>1.5174</td>
<td>4.7</td>
<td>3,067</td>
</tr>
<tr>
<td>329 Bowel procedures  w/ MCC</td>
<td>5.2599</td>
<td>12.1</td>
<td>2,883</td>
</tr>
<tr>
<td>177 Respiratory infections &amp; Inflamm</td>
<td>2.0549</td>
<td>6.6</td>
<td>2,617</td>
</tr>
<tr>
<td>193 Pneumonia &amp; pleurisy</td>
<td>1.4893</td>
<td>5.1</td>
<td>2,512</td>
</tr>
<tr>
<td>208 Respiratory w/ vent support &lt;96</td>
<td>2.2899</td>
<td>5.1</td>
<td>2,490</td>
</tr>
<tr>
<td>189 Pulmonary edema &amp; resp. failure</td>
<td>1.2461</td>
<td>4.1</td>
<td>2,116</td>
</tr>
<tr>
<td>190 COPD w/ MCC</td>
<td>1.1860</td>
<td>4.3</td>
<td>1,944</td>
</tr>
<tr>
<td>682 Renal Failure w/ MCC</td>
<td>1.5862</td>
<td>4.9</td>
<td>1,896</td>
</tr>
<tr>
<td>872 Septicemia w/o MV 96+ w/o MCC</td>
<td>1.0988</td>
<td>4.2</td>
<td>1,832</td>
</tr>
</tbody>
</table>

2011 MedPAR STACH/CAH Discharges by DRG to LTACHs
• The clinical case for discharging a critically-ill patient to an LTACH
  – Improving ER throughput
  – Reducing ICU bottlenecks
  – Reducing outlier costs
  – Improving clinical outcomes
• Involve an LTACH clinical liaison when it is known the patient will require an extended hospital stay
Clinical Case for Post Acute Care

- Research suggests that patients who receive PAC following a major health episode have greater and more rapid clinical improvements compared to patients discharged to their homes without follow-up.

(Research Triangle Institute, 2009)
Clinical reasons for LTACH level of care. Patients may:

- Require a ventilator
- Have multiple co-morbidities occurring at once...the sickest of the sick
- Require 24-hour care and a team of specialized therapists and doctors to assist them with their rehabilitation
• Educate attending physicians and critical care team about LTACHS
  – pulmonologists, critical care nurses and infectious disease providers
• Encourage clinicians to discharge their medically-complex patients to an LTACH when it is known the patient will require an extended stay in the hospital to:
  – Improve care/case management
  – Reduce readmissions to the STACH
  – Improve patient throughput
LTACH Interdisciplinary Team Approach to Care

• Made up of clinicians who have a responsibility in the patient's recovery.
• The team is led by the attending physician and includes nurses, pharmacists, nutritionists, occupational therapists, speech and language pathologists, as well as physical therapists.
  – These seven or eight people set goals, mark progress and coordinate the care.
LTACH Patient Services

- daily physician visits
- nursing
- respiratory therapy
- physical, occupational and speech-language therapies
- nutritional therapy
- case management and social services
- laboratory, radiology and pharmacy
- telemetry
- dialysis
- pain management
- family interventions
- end-of-life care
Emily Martin, RN, MSN and Administrator for Commonwealth Regional Specialty – Bowling Green

- Types of LTACH patients based on ICD-9 Principle Diagnosis Codes
- LTACH patients can also come from small, rural and Critical Access Hospitals
- Best practice: Include an LTACH clinician on your case management team
  - Silos in case management can impact the transition of care
  - Invite us and our medical director to meet with your medical directors and pulmonologists
  - The LTACH clinician can help decide if the patient will benefit from LTACH level of care
LTACH Patients

- Amputations
- Blood vessel disease
- Brain injuries
- Breathing problems
- Heart disease
- Infections

- Organ Failure
- Serious fractures
- Serious wounds
- Severe burns
- Spinal cord injuries
- Strokes
### ICD-9 Principal Diagnosis Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Diagnosis</th>
</tr>
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<tbody>
<tr>
<td>380</td>
<td>Streptococcal Septicemia</td>
</tr>
<tr>
<td>0389</td>
<td>Septicemia Nos</td>
</tr>
<tr>
<td>431</td>
<td>Intracerebral Hemorrhage</td>
</tr>
<tr>
<td>486</td>
<td>Pneumonia, Organism Nos</td>
</tr>
<tr>
<td>03811</td>
<td>Meth Susc Staph Aur Sept</td>
</tr>
<tr>
<td>03812</td>
<td>Mrsa Septicemia</td>
</tr>
<tr>
<td>03842</td>
<td>E Coli Septicemia</td>
</tr>
<tr>
<td>03849</td>
<td>Gram-neg Septicemia Nec</td>
</tr>
<tr>
<td>4821</td>
<td>Pseudomonal Pneumonia</td>
</tr>
<tr>
<td>5070</td>
<td>Food/vomit Pneumonitis</td>
</tr>
<tr>
<td>5770</td>
<td>Acute Pancreatitis</td>
</tr>
<tr>
<td>5789</td>
<td>Gastrointest Hemorr Nos</td>
</tr>
<tr>
<td>5849</td>
<td>Acute Renal Failure Nos</td>
</tr>
<tr>
<td>5990</td>
<td>Urin Tract Infection Nos</td>
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<td>6826</td>
<td>Cellulitis Of Leg</td>
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<tr>
<td>25070</td>
<td>Dmii Circ Nt St Uncntrld</td>
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<td>25072</td>
<td>Dmii Circ Uncntrld</td>
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<td>25080</td>
<td>Dmii Oth Nt St Uncntrld</td>
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<td>41071</td>
<td>Subendo Infarct, Initial</td>
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<tr>
<td>41401</td>
<td>Crnry Athrsc1 Natve Vssl</td>
</tr>
<tr>
<td>41519</td>
<td>Pulm Embol/infarct Nec</td>
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<tr>
<td>42731</td>
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<td>Ac On Chr Diast Hrt Fail</td>
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<td>44024</td>
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<td>48242</td>
<td>Meth Res Pneu D/t Staph</td>
</tr>
<tr>
<td>49121</td>
<td>Obstr Bronc W(ac) Exac</td>
</tr>
</tbody>
</table>

In CY 2012, sixty percent of discharges to LTACH care had one of the above principal diagnosis codes.
Where are LTACH patients discharged?

- To the next lower level of care and include:
  - home
  - acute and sub-acute rehab
  - nursing centers
  - assisted living residences
LTACH Discharges by Destination
Questions/Discussion

Please attend the next session on Translating Data into Usable Information using KHA’s InfoSuite Tool