



From Critical Decline to Unprecedented Success: An LTACH Turnaround

The Situation

A 32-bed long-term acute care hospital, or LTACH, opened in rural Kentucky in 2004 to fill a gap in the continuum of care available there. It was, and continues to be, the only LTACH in a region with an aging and economically disadvantaged population hard-pressed to travel elsewhere for extended hospitalizations. Though in a market with high demand for LTACH services, the facility posted a \$1 million deficit in 2011. Two more years of decline led Baptist Health to seriously discuss the LTACH's future. That's when CHC ContinueCARE stepped in not just to save the LTACH but to turn it into ContinueCARE Hospital at Baptist Health Corbin — a model success story.

Background

The LTACH started as Oak Tree Hospital, a hospital-within-a-hospital, and four years later, in 2008, became wholly owned by Baptist Health in Kentucky. "When you have a large hospital in a rural setting and you care for patients who are very sick and have medically complex conditions, you need to have an LTACH," says Keith Rogers, CHC's Regional Vice President for Post Acute Services.

Yet despite the existing LTACH, eligible patients were routinely sent 90 minutes north or south to Lexington, Kentucky, or Knoxville, Tennessee. Fully aware of this outmigration, host hospital Baptist Health Corbin worked diligently to enhance its specialties, while also engaging CHC to help bring its LTACH back from the brink of closure. The LTACH, a vital part of the healthcare continuum, was facing potential loss of 100-plus jobs.

The Plan

The LTACH continued operations as ContinueCARE Hospital at Baptist Health Corbin in December of 2013, under CHC ContinueCARE's ownership model. Partnering allows Baptist Health to receive financial distributions from the LTACH's not-for-profit operating company with "zero risk of ownership," says Pam Harrison, Chief Executive Officer/Chief Nursing Officer.

CHC ContinueCARE performed an operational review to identify organizational strengths and weaknesses. The process uncovered several problems and lack of protocols that either raised expenses or decreased net revenue and cash collections, putting the LTACH in the red. These included an off-target marketing approach with little outreach to referring physicians and insufficient IT business tools.

Success measured long-term:

ContinueCARE Hospital at Baptist Health Corbin is a Long-term Acute Care Hospital Center of Excellence as designated by the *Center for Improvement in Healthcare Quality (CIHQ)*, and has also earned CIHQ designation as a Respiratory Center of Excellence.

Ours is a great turnaround story, and we believe LTACHs facing similar financial struggles should explore the option of a managed partnership with CHC.

Donald Cherry, M.D.
Medical Director
ContinueCARE Hospital at Baptist Health Corbin

An underlying problem was the perception by area providers that the LTACH was a hospital unit instead of a separate entity providing a specialized type and level of care. As such, little effort was made to educate the market about this level of care and its benefit to patients and the community. In response, leadership implemented an education program aimed at ICU staff and case managers, accompanied by outreach efforts to potential referring physicians in surrounding areas. CHC also equipped ContinueCARE Hospital at Baptist Health Corbin with clinical expertise and revenue cycle support.

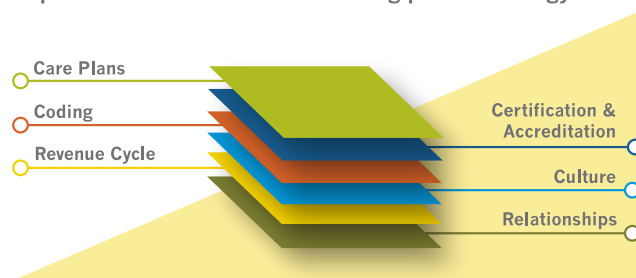
The Results

Addressing the operational problems led to a “very quick, robust, remarkable turnaround and long-term sustainability,” Rogers says. ContinueCARE Hospital at Baptist Health Corbin is now regarded as an LTACH industry leader, having achieved the following:

- One hundred percent revenue increase.
- Dramatic rise in referrals, which improved ContinueCARE Hospital at Baptist Health Corbin’s census and Case Mix Index. This, in turn, raised Medicare reimbursement amounts.
- All key performance indicators saw improvements including a 25 percent increase in acuity as measured by the Case Mix Index.
- Charge Master alignment with industry standards increased revenue by hundreds of thousands of dollars.
- Improved physician mix contributed to a 30 percent increase in average daily census by keeping LTACH-eligible patients in town instead of sending them elsewhere.
- Net gain of 18 jobs.

“All the way around, and especially from a people perspective, this was a big win for the Corbin community,” Rogers says.

CHC helps optimize LTACHs with the following proven strategy:



About Community Hospital Corporation

Community Hospital Corporation owns, manages and consults with hospitals through CHC Hospitals, CHC Consulting and CHC ContinueCARE, with the common purpose to guide, support and enhance the mission of community hospitals and healthcare providers. Based in Plano, Texas, CHC provides the resources and experience community hospitals need to improve quality outcomes, patient satisfaction and financial performance. For more information about CHC, please visit www.communityhospitalcorp.com.

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