Community Hospital Corporation (CHC) understands the challenges that long term acute care hospitals (LTACH) face in balancing the bottom line with a strong commitment to quality patient care. Keeping up with the ever-changing requirements and reimbursement regulations of the Center for Medicare and Medicaid Services (CMS) introduces additional complexity.

Since 2004, CHC has helped LTACHs improve clinical outcomes while boosting financial performance. Our experience led us to develop these factors critical to LTACH success.

Roadmap for LTACH Success

- Patients in an LTACH often need extended recovery periods to achieve optimal outcomes. Conversely, a general acute care hospital's goal is to resolve the immediate health issue and discharge the patient as quickly as possible. Because of these fundamental differences between acute and long term acute care, the LTACH Chief Executive Officer must be deeply familiar with the LTACH environment.

- The LTACH must forge a strong relationship with its host hospital. Success depends upon a shared vision and alignment of clinical and financial goals between the institutions. Since the LTACH relies on—and pays for—many hospital services from its host organization, it is important to implement efficient, shared processes across both institutions.

- The LTACH management team must have intimate knowledge of regulatory requirements. Because 70+ percent of LTACH patients rely on Medicare, it is critical that administrators remain savvy about CMS requirements and the impact of changes based on the FY 2016 Final Rule.

- LTACH case managers, medical records staff and the clinical staff must ensure accurate DRG coding. This process requires appropriate clinical documentation by the medical staff and concurrent review most importantly upon admission, throughout the stay and upon discharge. In a short term acute care environment, a specific diagnosis might be associated with a five-day average stay, but the same diagnosis might be associated with a 35-day stay at an LTACH. Thus, coding accuracy is crucial for compliance as well as reimbursement.

Prescription for Long Term Acute Care Hospital Success

Community Hospital Corporation (CHC) understands the challenges that long term acute care hospitals (LTACH) face in balancing the bottom line with a strong commitment to quality patient care. Keeping up with the ever-changing requirements and reimbursement regulations of the Center for Medicare and Medicaid Services (CMS) introduces additional complexity.

Since 2004, CHC has helped LTACHs improve clinical outcomes while boosting financial performance. Our experience led us to develop these factors critical to LTACH success.

Roadmap for LTACH Success

- Patients in an LTACH often need extended recovery periods to achieve optimal outcomes. Conversely, a general acute care hospital's goal is to resolve the immediate health issue and discharge the patient as quickly as possible. Because of these fundamental differences between acute and long term acute care, the LTACH Chief Executive Officer must be deeply familiar with the LTACH environment.

- The LTACH must forge a strong relationship with its host hospital. Success depends upon a shared vision and alignment of clinical and financial goals between the institutions. Since the LTACH relies on—and pays for—many hospital services from its host organization, it is important to implement efficient, shared processes across both institutions.

- The LTACH management team must have intimate knowledge of regulatory requirements. Because 70+ percent of LTACH patients rely on Medicare, it is critical that administrators remain savvy about CMS requirements and the impact of changes based on the FY 2016 Final Rule.

- LTACH case managers, medical records staff and the clinical staff must ensure accurate DRG coding. This process requires appropriate clinical documentation by the medical staff and concurrent review most importantly upon admission, throughout the stay and upon discharge. In a short term acute care environment, a specific diagnosis might be associated with a five-day average stay, but the same diagnosis might be associated with a 35-day stay at an LTACH. Thus, coding accuracy is crucial for compliance as well as reimbursement.

The FY 2016 Final Rule for LTACH PPS contains considerable modifications, notably:

- New patient criteria affecting LTACH reimbursement rates
- 3-day ICU qualifier

CHC ContinueCARE brings experience and blue-sky thinking to LTACHs across the country working to adapt to meet the Final Rule requirements.
• LTACHs aren’t just about the 25-day length of stay. CMS periodically changes LTACH regulations. It is critical that LTACH administrators remain current about any changes in the length of stay calculation, daily physician visits requirement, interdisciplinary team meetings requirement, blended payment, three-day ICU qualifier, and other requirements.

• The LTACH operates most effectively with a staff that includes a complement of medical specialties. All clinical team members must work together to ensure patient needs are met within a long term acute care environment. It is key to establish ongoing education for physicians, general acute care hospital staff and LTACH staff regarding the changing parameters of the LTACH environment. This practice encourages the entire care team to collaborate in improving clinical outcomes.

• The LTACH must ensure a steady volume of admissions from multiple sources. CMS places restrictions on the number of admissions from a single source, usually the host hospital. Although the specific limits vary from LTACH to LTACH based on its age, location and other factors, the restrictions make it crucial for the LTACH to identify other patient sources within its service area.

If managed efficiently, long term acute care hospitals provide a financially strong healthcare environment for critically, chronically ill patients and operational benefits for host hospitals, including the following:

• Enabling better outcomes for critically, chronically ill and medically fragile patients
• Allowing a healthy patient flow in and out of the host hospital’s ICU and ER
• Providing a new revenue stream for the host hospital in a scenario in which the LTACH pays for services such as rent, dietary, radiology, housekeeping, information technology and other services

About Community Hospital Corporation
Community Hospital Corporation owns, manages and consults with hospitals through three distinct organizations – CHC Hospitals, CHC Consulting and CHC ContinueCARE, which share a 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.

For more information, contact:
April Myers, SVP Post-Acute Operations at amyers@communityhospitalcorp.com or 972.943.6400.

www.ContinueCare.org