Five Reasons Why the Swing Bed Program is Vital to the Long-Term Viability of Critical Access Hospitals and Rural Healthcare

Terry J. Hill, Executive Director, Rural Health Innovations, a subsidiary of the National Rural Health Resource Center, a non-profit organization & Mark Lindsay MD, Medical Director, Allevant Solutions

1. **<u>Significant Equity Gaps in Rural vs Urban</u>**.

   Access to healthcare is a basic human right. Rural patients are sicker, more likely to suffer from chronic disease, not only have reduced access to primary care but also specialty care. Eliminating cost-based reimbursement for swing bed services in critical access hospitals (CAHs) would place countless rural facilities at risk of closing, this would not only severely limit access of rural residents to post-acute services but place these residents at risk of losing access to care across the care continuum. The 1997 Budget Act was one of the most important legislative efforts to narrow the tremendous gap in equity that has existed and continues to exist in rural communities as it relates to access and scope of services available. Efforts to return to the prospective payment system for swing bed usage in CAHs undermines the intent of the original legislation and does not acknowledge the present gaps and disparities that continue to exist in U.S. and rural healthcare.

2. **<u>It is important to focus on Value Equation, not just cutting costs when contemplating reduction of services in rural healthcare</u>**. Rural healthcare is a very different model of healthcare delivery. The Value Equation takes into account quality, patient safety, service excellence, and cost over time. It is also vital for healthcare delivery to be equitable with adequate access to all. More than half of all post-acute services today are provided in skilled nursing facilities. Although excellent care is provided by many skilled nursing facilities, Medicare post-acute care literature as a whole reveals CAHs provide higher quality of care than the SNF care setting. CAHs that provide Medicare beneficiaries with post-acute care have demonstrated readmission rates as low as single digits compared to 20% in SNFs. (Lindsay

2013) This gap results in costs in the billions of dollars. Shifting more of these vulnerable patients from CAH swing bed programs to SNFs will not likely result in improved overall value. The value equation for CAH swing bed program should be defined by the following: Value = Quality Outcomes+ Patient Safety (culture) + Service Excellence/ Cost over time.

3. **CAHs Perform Better than Urban Hospitals and SNFs in Important Areas.** CAHS actually outperform SNFs and Urban hospitals in virtually every measure in culture of safety and HCAPS surveys. High quality post-acute care requires teamwork, communication, and collaboration and there is a strong link of clinical outcomes to a positive culture of safety. There is also strong data in the literature that lower nurse staffing ratios are linked to morbidity and mortality. Shifting rural patients from CAH swing bed program (location with highest culture of safety scores and higher staffing ratio) to SNFs (location with lowest culture of safety data and lowest staffing ratios) is not likely to provide higher value. It is important to take into consideration that CAH swing bed patients are potentially sicker than SNF patients and it is more likely that these patients would not likely be accepted by SNFs but would more likely continue to reside in acute care facilities at higher costs associated with a higher specialty mix of providers. CAH swing bed programs have a number of services that are not typically available to SNF patients such as on-site physicians, respiratory therapy, laboratory, radiology, and most importantly the ability to address an acute change in condition. Ouslander reported that more than ½ of the hospital readmissions from SNFs could have prevented if adequate services and processes were in place to address an acute change in condition. (Ouslander 2010)

4. **Swing Beds Help CAHs Provide Long Term Viability for their Communities.** The greatest strength that CAHS provide today is the breadth of primary care services to care for more patients locally across the care continuum. Medicare costs per capita are lower in rural hospitals compared to urban hospitals. One of the challenges that CAHS face today is a shrinking inpatient census. In fact the average daily census in CAHs across the country is under four. The ability to utilize swing beds for CAHS not only reduces the Medicare costs per patient bed day in these facilities, but increases revenues and margins that can help support population

health, wellness, and other services. Since 2010, 48 Critical Access Hospitals have closed. Many times CAHs are the primary economic drivers in their communities. Closures not only mean lack of access to quality care or delayed treatment but also loss of jobs.

5. **Mayo Post-Acute Care Program, a new model of care focusing on the value of the CAH in the healthcare continuum.** The Mayo Post-Acute Care Program was developed in an attempt to address the quality gap that exists with inadequate high quality post-acute care pathways that results in excessive acute care hospital stays, costly readmissions, bottlenecks and reduced acute care hospital flow. The Mayo program established Transitional Care programs in 11 CAHs in MN, WI, and IA and also included ventilator programs in MN and WI. Mayo Post Acute Care Program resulted in very high quality outcomes, teamwork scores, patient satisfaction, and reduced excessive acute care hospital lengths of stay, readmissions and bottlenecks. CAH swing bed programs have become a preferred discharge destination for Mayo Clinic. The Transitional Care program not only has increased high quality post-acute care pathways but has increased the overall capabilities of the CAH care teams to care for more patients locally across the care continuum. CAHs provide greatest value through breadth of services, allowing majority of patients to be cared for locally, and can be an essential down stream flow for Acute Hospital complex patients in need of high quality post-acute care, a major gap in our present healthcare system.

###

Lindsay, M. E. (2013). Mayo post-acute program and care continuum. Patient flow: Reducing delay in healthcare delivery. In R.W. Hall (2nd Ed.), International Series in Operations Research and Management Science, 206: 447-472.

Ouslander, J. G., Lamb, G., Perloe, M., Givens, J. V. H., Kluge, L., Rutland, T., .Saliba, D. (2010). Potentially avoidable hospitalizations of nursing home residents: Frequency, causes, and costs. Journal of the American Geriatrics Society, 58(4):627-635.