CPAs & BUSINESS ADVISORS

SWING BED UTILIZATION

Laurie McKee, BSN, MSHCA
rlmckee@eidebailly.com
605.367.6722

OBJECTIVES

- Develop an understanding of the CAH Swing Bed program.
- Review the admission requirements for swing bed and how to optimally utilize swing bed services.
- Gain increased knowledge about the financial impact that could be realized with increased utilization of swing beds.
- Discuss marketing strategies to enhance Swing Bed financial performance.

SWING BED MENTALITY

- Have you heard the phrase(s) –
  - "I don't know why we have Swing Beds, 'those' patients belong in a nursing home."
  - "If I wanted to take care of Swing Bed patients, I'd work in a nursing home."
  - "Are we a nursing home or a hospital?"

DEVELOP AN UNDERSTANDING

CAH UTILIZATION

Nationally, CAH's had an acute average daily census (ADC) of 2.65. Montana has an ADC of 1.06.

That means for every day the hospital is open, the CAH staff in Montana is caring for 1.06 inpatients. For a 25 bed Critical Access Hospital it is operating at 4.24% occupancy.

Neighboring states have the following ADC:

Idaho - 2.69
Oregon - 5.12
Washington - 2.97
Wyoming - 2.89

Source: Flex Monitoring Team Data Summary Report No. 29 – CAH Financial Indicators Report: Summary of Indicator Medians by State

CAH SNF UTILIZATION

Nationally, CAH's had a SNF average daily census (ADC) of 1.56. Montana has an ADC of 1.31.

Neighboring states have the following ADC:

Idaho -	0.97
Oregon -	1.12
Washington -	1.20
Wyoming -	1.09

Source: Flex Monitoring Team Data Summary Report No. 29 – CAH Financial Indicators Report: Summary of Indicator Medians by State

RURAL DEMOGRAPHICS

Rural Residents

Are more likely to suffer from chronic illnesses than their urban and suburban counterparts.

Nearly half report having at least one major chronic illness.

Chronic diseases such as hypertension, cancer, and chronic bronchitis are up to 1.4 times more prevalent in rural than in large urban areas.

Rural America

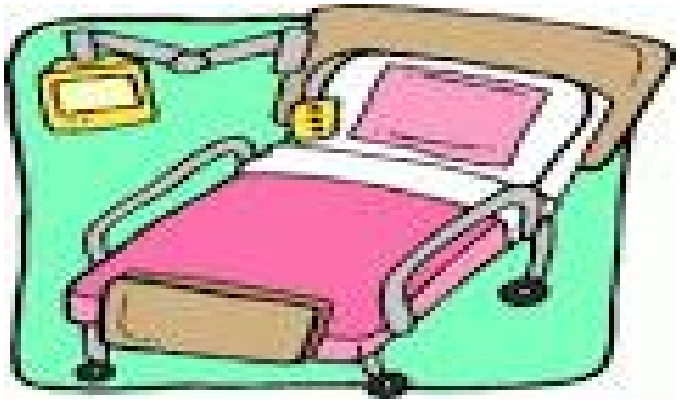
Experiencing an out-migration of younger Americans.

Some rural areas are seeing an in-migration of older Americans nearing or at retirement age.

Source: Publication, The Opportunities and Challenges for Rural Hospitals in an Era of Health Reform, AHA, April, 2011.

SWING BED GENESIS

Congress envisioned efficient and effective use of rural inpatient hospital beds.



SWING BED REGULATORY TIME LINE

1980: The rural swing bed program was enacted by Congress in the Omnibus Reconciliation Act (Public Law 96-499) (included post acute skilled nursing services to small and rural hospitals).

1997: The CAH program was established with the passage of the Balanced Budget Act (BBA).

2000: The Benefits Improvement Protection Act (BIPA) clarified existing rules and created additional reimbursement opportunities for CAH's.

WHAT IS A "SWING BED" ANYWAY?

- It is an inpatient bed that can be used for:
  - Acute
  - Skilled nursing
- Swing Bed patients are not nursing home patients. They are still considered to be patients of the CAH
- Applies to rural hospitals that have fewer than 100 beds
- Criteria must be met/maintained to obtain/retain a CMS Swing Bed Certification Status

WHAT IS A "SWING BED" ANYWAY?

- Traditional MDS completed in a Skilled Nursing Facility is not required
- CAH Swing Beds are cost-based reimbursed and not prospective payment system (PPS) as in a skilled nursing facility (CAHs receive more revenue for the same services)
  - PPS - $200 to $700 per day
  - CAH - $1000+ per day
- Included in the 25-beds for the CAH facility

WHY USE CAH SWING BEDS?

- Increase the facility's financial bottom line due to the CAH's cost-based reimbursement.
- Assists with the CAH's 96 hour rule as CAH's can "swing" patients who no longer need acute care services, and are not ready to discharge.
- Offering of care when services on discharge (home health etc.) may be limited.

WHY USE CAH SWING BEDS?

- Patients can stay or be returned to “hometown” care and closer to family / friends.
- Less traumatic (emotionally) for patients for short-term stays – no need to transfer the patient out of the building.
- More positive connotation in recovery than a transfer and SNF admission.

§485.645(A) ELIGIBILITY

A CAH must meet the following eligibility requirements:

1) The facility has been certified as a CAH by CMS under §485.606(b); and

2) A CAH may maintain no more than 25 inpatient beds.

   A CAH with Medicare approval to furnish swing bed services may use any of its inpatient beds for either inpatient or SNF-level services.

   A CAH may also operate a distinct part rehabilitation or psychiatric unit, each with up to 10 beds; however, it may not use a bed within these units for swing bed services.

§485.645(D)(1-9) SNF SERVICES

The CAH is substantially in compliance with the following SNF requirements:

1) Resident rights
2) Admission, transfer, and discharge rights
3) Freedom from abuse, neglect and exploitation
4) Patient activities
5) Social services
6) Comprehensive assessment, comprehensive care plan, and discharge planning
7) Specialized rehabilitative services
8) Dental services
9) Nutrition

ADMISSION REQUIREMENTS

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A 3-day qualify stay in any hospital or CAH is required prior to admission to a swing-bed and the admission must be for treatment of the same condition.

This requirement does not apply to patients who are not receiving Medicare reimbursement.

An outpatient (observation stay) does not count as a qualifying stay?

WHEN DOES SWING BED TIME FRAME START?

Skilled care to the patient must begin within 30 days of a qualifying stay.

-OR-

There must be documentation to support the reason for the delay of Swing Bed services beyond the 30 days.

PHYSICIAN ORDERS

- There must be discharge orders from acute care services.
  - Appropriate progress notes
  - Discharge summary

- There must be subsequent admission orders to swing bed status regardless of whether the patient stays in the same facility or transfers to another facility.

- If the patient does not change facilities, the same chart can be utilized: HOWEVER…
  - The swing bed section of the chart must be separate with appropriate admission orders, progress notes, and supporting documents.

SWING BED LOCATION

- No special section of the CAH is needed.

- No change in location of the patient in the facility merely because his/her status changes unless the facility requires it.

- The change in status from acute care to swing bed status can occur:
  - Within one facility
  - The patient can be transferred from another facility for swing bed admission

WHY USE CAH'S SWING BEDS?

- Medicare Swing Bed benefit includes 100 days of skilled nursing care per benefit period.
  - The first 20 days are covered by Medicare in full
  - Days 21-100 require co-insurance

- Reimbursement is cost-based under CAH improved financial viability.

- Improves the overall management of inpatients
  - Decreases the LOS
  - Expedites the discharge planning process
  - Improved patient experience
  - Reduces readmission

PATIENT SCREENING

Do you have a screening process for Swing Bed patients?

POTENTIAL FINANCIAL IMPACTS AND CHALLENGES

POPULATION SERVED

- In 1985
  - Medicare provided 49% of the Swing Bed days
  - Average length of stay was 14 days
  - Medicare payments were made where the services provided to Medicare beneficiaries meet the same criteria as a skilled nursing facility

- In 2012 the average length of stay in a Swing Bed was 9.6 days

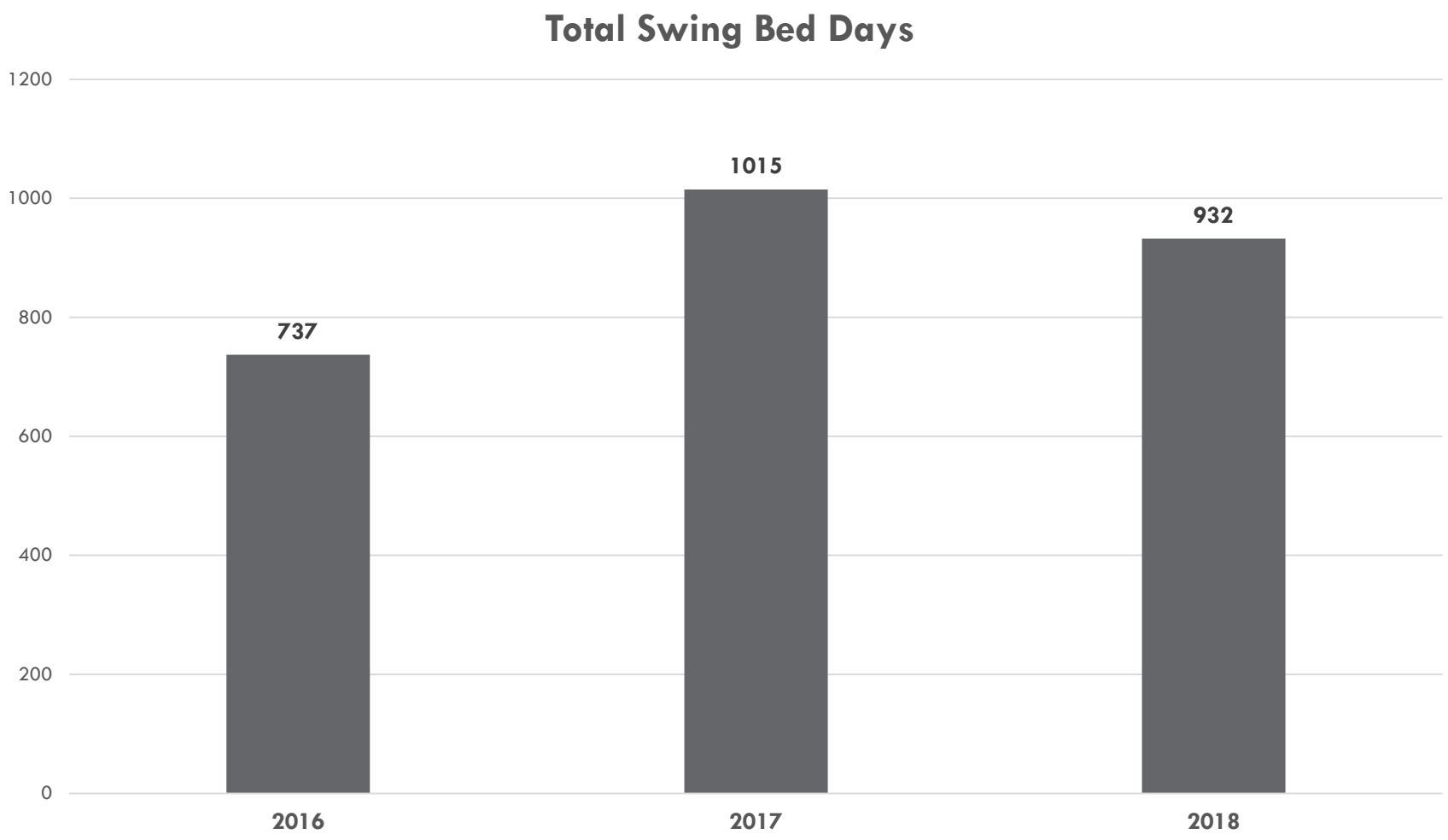
Source: Shaughnessy, et. al. Evaluation of the National Swing Bed Program in Rural Hospitals. Health Care Financing Review. Fall, 1988.

Source: Policy Brief. NC Rural Health Research Program. March 2015.

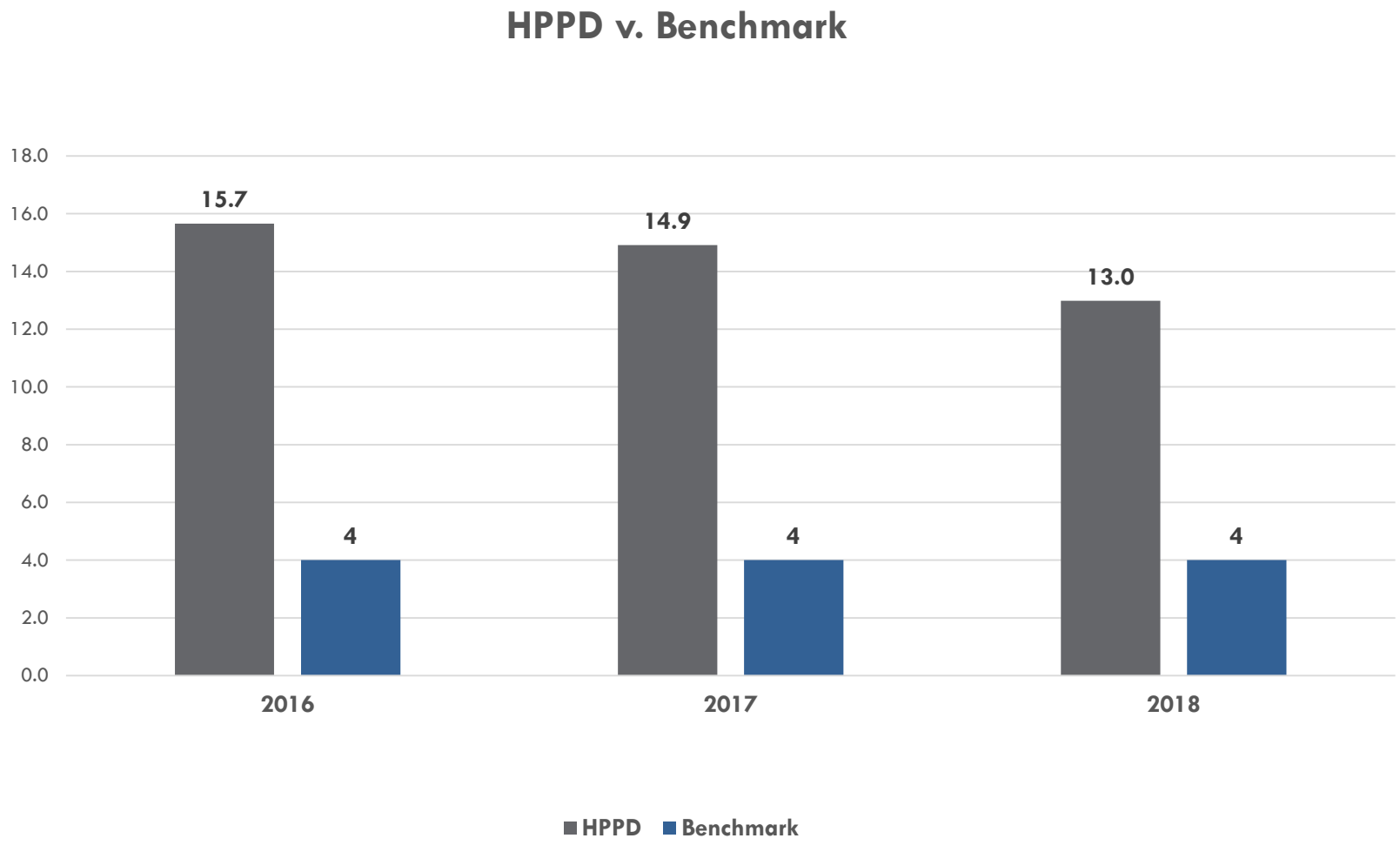
STAFFING FOR A SWING BED

- Staffing for swing bed patients differ from acute patients.
- Staffing is based on hours per patient day (HPPD) in the hospital and hours per resident day (HPRD) in the nursing home.
- HPPD or HPRD represent the hours you physically care for and "touch" a patient or resident.
  - HPPD in an ICU setting 14-16 hours
  - HPPD in an acute setting 8-10 hours
  - HPRD in a nursing home or swing bed is 4-6 hours

TOTAL SWING BED DAYS



SWING BED: HPPD VERSUS BENCHMARK



LENGTH OF STAY

- There is no length of stay restriction for any CAH swing bed patient **if they continue to have a skilled nursing or therapy need.**

- There is no Medicare requirement to place a swing bed patient in a nursing home and there are no requirements for transfer agreements between CAHs and nursing homes.

NURSING HOME PAYMENTS

- Medicare skilled services in a nursing home has 66 different payment groups. There are 8 categories and 66 separate levels of payment.

- In Montana the lowest payment level for Medicare A skilled nursing care in a nursing home is approximately $200 per day;

- The highest rate of reimbursement RUG which is a rehab RUG is $700 per day.

ESTIMATED FINANCIAL IMPACTS

- Individual financial impacts will vary by facility
  - Size of facility
  - Cost structure of facility
  - Current Acute ADC
  - Current payor mix

- Analysis has shown each 1 day increase in ADC can increase net financial performance by $100,000 - $200,000 per year.

FINANCIAL IMPACT

If 'yes' to any of the following questions, you may have an opportunity to utilize or increase the use of swing bed services to support your community, and increase facility cash flow and profit to your facility.

- Do you have unused or open beds?
- Can your staffing ratios handle 1-5 swing bed patients without increasing routine staffing?
- Does your therapy staff have any unused capacity?
  - Typically need access to multiple disciplines to make this program work

MARKETING STRATEGIES

THIS PROGRAM WILL NOT BUILD ITSELF!

Major difference between successful programs and those struggling –

- Focus
- Marketing Strategy

Focus is self explanatory – Marketing strategy takes work

MARKETING STRATEGY

- Develop screening process for current patients

- Need to identify the influencers
  - Local providers
  - Remote providers (physicians and organizations)
  - Family members
  - Patients

MARKETING STRATEGY

- Understand what impacts influencers
  - Local providers
    - Desire to maintain patient relationship
      - Personal interest
      - Financial interest
  - Remote providers
    - Best option for the patient
      - Personal interest
    - Financial impact
      - Potential financial benefits of swing bed placement
      - Admission to swing bed does not impact PPS inpatient discharge payments

MARKETING STRATEGY

- Understand what impacts influencers
  - Family members
    - Desire to keep patient near home
    - Desire to keep patient near friends
  - Patient
    - Desire to be near home
    - Perception that patients return home from swing bed versus nursing home

MARKETING STRATEGY

- Develop marketing plan to reach out to each influencer
  - Local providers
    - Focus on how this can result in the patient receiving the right level of care locally and how this can benefit the short and long term provider/patient relationship
  - Remote providers
    - Focus on how this can result in the patient receiving the right level of care closer to the patient's home and family
    - Services offered through program
    - Potential improvements in readmission rates
    - Demonstrate potential benefits of transferring patient to a swing bed setting versus a nursing home or home health program
    - Use print materials, digital media and face-to-face visits

MARKETING STRATEGY

- Develop marketing plan to reach out to each influencer
  - Family members
    - Focus on the fact that placement is the patient's choice and that the local facility is an option
    - Push benefits to patient for ability to receive care locally
  - Patients
    - Focus on informing patient of options in determining their placement for skilled nursing services

MARKETING STRATEGY

- Marketing is not a one time effort
  - Repetitive contacts
  - Print
  - Digital
  - Face-to-face

- Monitor impacts of efforts
  - Referrals from local providers
  - Referrals from outside providers

SUMMARY

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A facility must consider all factors, including whether additional staff will be needed, the costs associated with the increase in staff, and will there be any additional fixed costs.

A dedicated team and strategy must be in place with a plan that is executed to help drive success.

SUMMARY

THIS PROGRAM WILL NOT BUILD ITSELF!

QUESTIONS?

THANK YOU

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Manager
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