

POST-ACUTE STRATEGY

The future of
**POST-ACUTE
CARE**

Let's make sure you're ready for what's next.



LCS[®]



Some senior housing provider types, such as Life Plan Communities, have long been familiar with providing post-acute care. Yet for many senior housing operators, hospitality has been the primary focus, with health care as a mere side note.

The growth in the development of the senior living industry the past few years has accelerated with many new owners and operators focused on a hospitality model. While that trend continues to grow, many senior housing providers have continued to provide traditional skilled nursing and post-acute services in their existing stand-alone or Life Plan Communities.

In today's operating landscape, providers are ramping up their focus on post-acute care offerings, directly and indirectly—both by introducing new offerings and by partnering with organizations that provide a variety of care types. This trend is driven by three key factors: changing payment structures, a focus on the lowest-cost care settings, and an awareness of care transitions for the nation's aging population.

Providers are finding that today's post-acute environment is not defined solely on the quality of care but also in the quality of their partnerships. And the experts say: don't wait to adapt to value-based care.

"We are immersed in it right now," says Kathleen Collins Pagels, president of KC Pagels & Associates. "I don't think there is any time to spare."

PROVIDERS ARE RAMPING UP THEIR FOCUS ON POST-ACUTE CARE OFFERINGS

This trend is driven by **three key factors**:

- Changing payment structures
- A focus on the lowest-cost care settings
- An awareness of care transitions for the nation's aging population



CHANGING PAYMENTS, CHANGING PAYERS

One of the key drivers reshaping post-acute care and senior housing is a changing payment landscape. Some states are moving ahead faster with reforming payment systems, but an overarching move toward managed care is starting to take hold of current reimbursement models across the country. **There are several factors in play:**

- A move away from fee-for-service payment models
- An emphasis on outcomes and length of stay
- The new Patient-Driven Payment Model (PDPM) for post-acute care providers, to take effect in October 2019

In short, the Centers for Medicare and Medicaid Services (CMS) has shifted their focus from quantity to quality, and senior housing owners and operators are expected to play a role in this shift to focus on delivering quality care. Among the most recent examples of this change was the recent announcement of the Patient-Driven Payment Model (PDPM) for Skilled Nursing Facilities (SNFs), scheduled to take effect in October 2019. PDPM focuses on “clinically relevant factors rather than volume-based service,” and adjusts Medicare payments based on the aspects of a beneficiary’s care.

“It’s really important that every provider understands that CMS is looking for value over volume,” Pagels says. “Keeping an eye on that prize—quality—is essential for every company. They have to be able to proficiently collect data and demonstrate quality. There is no free lunch anymore.”

The LCS Health Services Division offers a podcast series of insightful and thought-provoking discussions about the ever-changing health care landscape. Podcast topics range from regulatory, compliance, clinical, rehabilitation, health and wellness to sales & marketing and overall post-acute care.

To listen to the podcast series, insert the following URL into your Web browser’s address line:

<http://lcshsd.podbean.com/>

The senior housing opportunity: Senior housing providers can highlight their capabilities and outcomes they've achieved in order to form partnerships with post-acute care providers, home health agencies and hospitals. By positioning themselves as preferred providers, they can grow business through referrals both upstream and downstream, and can boost Medicare payments under the PDPM by proving quality measures.

At Walnut Place in Dallas, Executive Director Dusty Davis has seen this materialize firsthand.

"We are seeing a surge of home health providers trying to form relationships," Davis says. "We have also [partnered with the local] Presbyterian system, which is a hospital and home health provider. We are the skilled nursing provider and they want us to use the same home health provider to complete the circle of care."

ENHANCED SENIOR LIVING SERVICES AND PARTNERSHIPS

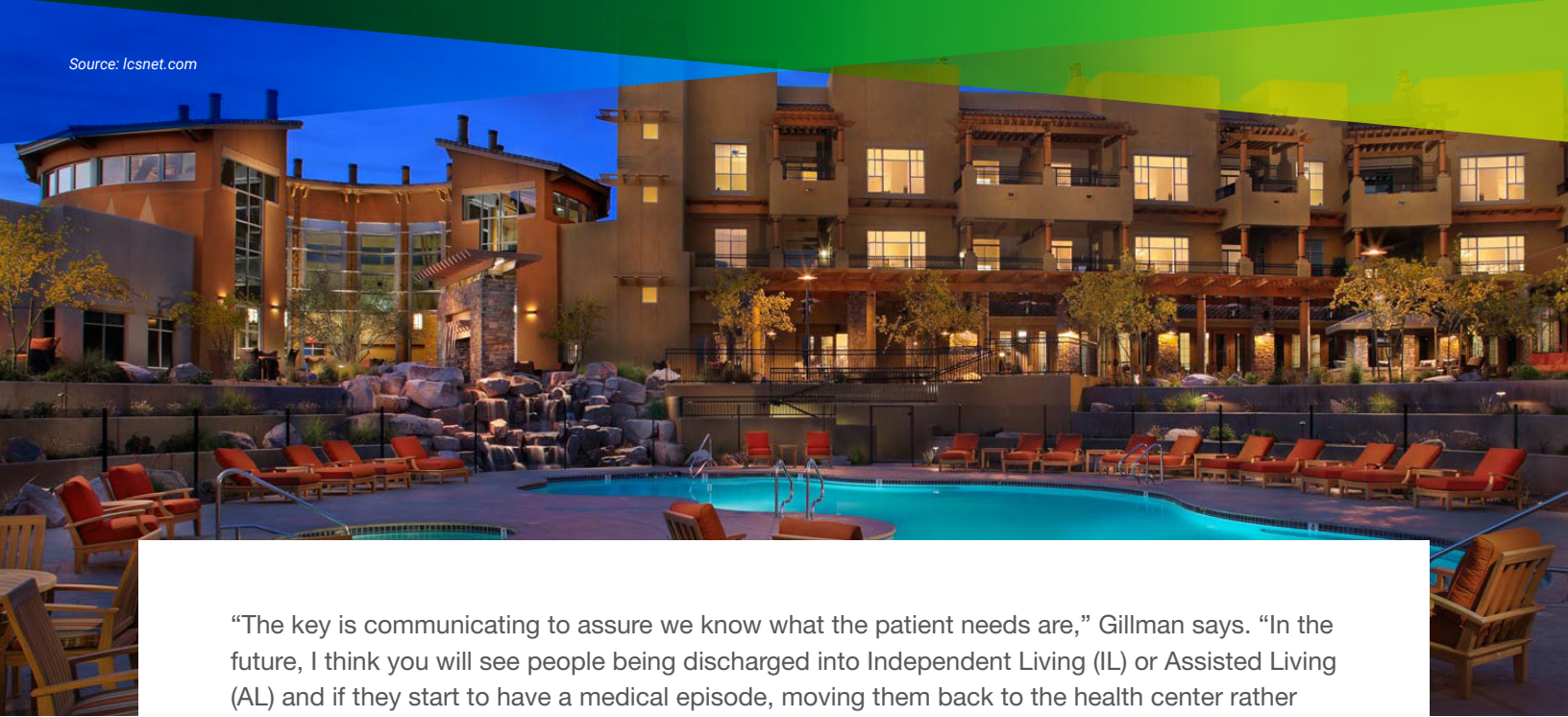
Senior housing operators provide the foundation for many older adults utilizing health care services, whether or not those services are all available within their immediate surroundings. Broadening or expanding services in some cases rather than narrowing them is key to becoming a needed player in managed care markets, says Blake Gillman, vice president and director of post-acute care services for Life Care Services, the management arm of LCS.

"As an industry we continue to move further and further from traditional Medicare fee-for-service payment and closer to alignment with Medicare Advantage plans and commercial HMO plans, we find ourselves in a situation where not only is care being dictated by a third-party case manager, but the type of care we deliver is being dictated," Gillman says. "So the setting where we deliver that care provides a huge advantage. For example, within our Life Plan Communities we continue to look at how we can treat people where they live at any level of care; whereas a free-standing skilled nursing facility typically provides care in one setting. That has been a real game changer for us to participate in and align with the plans as we identify most appropriate setting to provide quality care at the lowest cost."

New delivery systems for care can also help extend the service offering for operators in a variety of ways. The delivery of care through telemedicine can also play a role for senior housing providers that don't have medical professionals on-site. Additionally, both Life Plan Communities and the various parts of the senior housing continuum can work with home health agencies to help establish referral relationships to provide a means to transition from a home into a community to provide different levels of care as necessary.



Broadening or expanding services in some cases is key to becoming a needed player in managed care markets



“The key is communicating to assure we know what the patient needs are,” Gillman says. “In the future, I think you will see people being discharged into Independent Living (IL) or Assisted Living (AL) and if they start to have a medical episode, moving them back to the health center rather than the hospital.”

The senior housing opportunity: Life Plan Communities may be best positioned for delivering managed care, but all senior housing types can align themselves with payers and health plans. Life Plan Communities can begin to position themselves as health care providers rather than senior housing providers. Stand-alone independent living, assisted living and memory care can position their communities to demonstrate referral relationships and partnerships to ensure that transitions from one level of care to another are efficient and effective.

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Care Services, Life Care Services*

Another opportunity exists in the ability to leverage lower-acuity settings, such as independent living and assisted living, to offer specialized services geared toward certain conditions such as COPD, diabetes management or congestive heart failure.

CLOSE MANAGEMENT OF CARE TRANSITIONS

Care transitions become critical to provide the best care in the lowest cost setting and accommodate the changing payment landscape. Innovative providers have begun to employ designated staff to provide a service akin to that provided by hospital case managers in acute settings.

For LCS communities, that role is a Health and Wellness Navigator who can help each patient or resident transition from one setting to another and can help coordinate with family members who are involved. The Navigator helps patients transition from hospital to community, or explore long-term care, memory care, assisted living or specialized services, if needed.



For Walnut Place, the Health and Wellness Navigator is an LPN whose clinical background can benefit residents with a rising number of needs.

“We find residents are far more clinically complex than they used to be,” Davis says. “The Navigator understands that and is able to prepare them when they go home. She works with all the agencies to ensure it’s a smooth transition.”

Additionally, the Navigator arranges home health care, if it is needed, and places follow up calls at 7 days, 14 days and 30 days post-discharge.

This coordination can be critical from the standpoint of Medicare and its partial coverage of up to 100 days of post-acute care, as it seeks to prevent readmissions and discharge with ease and efficiency to the lowest-cost setting.

The senior housing opportunity: By creating positions such as Health and Wellness Navigators, senior living operators can redefine their service offering by designating a resource to manage care transitions.

Care management extends beyond the community walls, too. Operators may be able to provide better care to residents by leveraging technology such as telemedicine and electronic health records. These technologies, combined with experienced staff, can help extend both the service to the local area and enhance the reputation of the community.

“It is very important to have administrators and managers that can manage relationships in the broader community,” Pagels says.

SUCCEEDING IN THE FUTURE OF POST-ACUTE CARE

All senior living providers can take immediate steps to align themselves with care partners and payment structures.

“If you have not started to position yourself with managed care providers, you need to start right away,” Gillman advises. “It’s difficult to get in that door and takes a while to work through the process. Second, you need to position yourself as a viable health care provider in whatever marketplace you operate in.”

In some areas of the country, Medicaid managed care is already in effect and signs point to Medicare managed care as a near-term model. Senior living operators looking to succeed need to think beyond their physical communities and align themselves with post-acute partners that can deliver quality outcomes in an ever cost-constrained environment.

“We must establish meaningful partnerships with health plans and other providers in the continuum,” Pagels says. “[Senior housing has] tended to operate as our own planetary system, but we can’t do that any longer. We have to expand our reach across the whole post-acute spectrum.”

MEET THE HEALTH AND WELLNESS NAVIGATOR

At Life Care Services, Life Plan Communities employ Health and Wellness Navigators to help manage care transitions. This Navigator usually:

- Has a health care background and is familiar with paperwork and documentation involved in changing care settings
- Organizes and orchestrates services to the residents in the environment where they live currently
- Prepares patients and residents for next steps and choices that need to be made

Together, we're **GREATER**

Knowing how to achieve and maintain your community's Centers for Medicare & Medicaid Services (CMS) rating is paramount to the success of your organization.

At Life Care Services®, An LCS® Company, optimizing quality outcomes and navigating the CMS Five-Star Rating system are things we do every day.

In fact, 90% of the health centers managed by Life Care Services have a 4- or 5-Star Rating.

How can we help you with your post-acute care strategy and fulfilling your mission?



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