Provision of Long Term Care Services by CAHs: Are Things Changing?

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A Performance Monitoring Resource for Critical Access Hospitals, States, and Communities

Flex Monitoring Team | University of Minnesota
University of North Carolina at Chapel Hill
University of Southern Maine

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Changing Rural LTC Environment?

- Demographic and delivery system trends raise concerns about access to post-acute and long term care (LTC) services in rural areas
  - Rural America is "graying" faster than the rest of the country
  - Rural communities typically have fewer LTC options
  - Anecdotal evidence indicates Critical Access Hospitals (CAHs) and other rural hospitals may be discontinuing LTC services

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Role of Rural Hospitals in LTC

- In the 1980s and early 1990s, diversification into LTC was a common strategy for rural hospitals
  - Large elderly population
  - Stagnant demand for inpatient services
- The number of rural hospitals offering LTC services- including skilled nursing facility (SNF), home care, swing bed, and hospice services- grew throughout the 1990s

Shifting Financial Incentives

- The Balanced Budget Act of 1997 implemented Medicare prospective payment systems for SNF, home health, and other LTC services:
  - Reversed the positive relationship between diversification and hospital financial performance
  - Created economic disincentives for the continued operation of distinct part SNFs and home health care services by CAHs, which are reimbursed on a cost basis

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Research Objectives

- Compare the provision of 12 LTC services by CAHs, other rural hospitals, and urban hospitals
- Examine trends in LTC provision between 2004 and 2008
- Explore the relationship of key hospital characteristics to these trends

Data Sources and Methods

- 2004 and 2008 American Hospital Association's (AHA) Annual Survey of Hospitals
- AHA data were linked to the Flex Monitoring Team's list of CAHs to identify CAHs in the AHA database
- ERS Rural Urban Continuum Codes were used to classify all non-CAH hospitals as either rural or urban

Current Status

- In 2008, CAHs and other rural hospitals were more likely than urban hospitals to provide LTC services

Provision of Select LTC Services in 2008 by Hospital Type

	CAH	Other Rural	Urban
Swing Beds	89.9	39.2	6.3
SNF	42.4	29.6	20.1
ICF	17.1	8.5	6.2
Separate NH-type LTC unit	25.4	20.1	11.1
Home Health	35.3	45.4	25.1

Characteristics of CAHs Offering LTC Services in 2008

- CAHs offering skilled nursing and/or intermediate LTC services were more likely than other hospitals to offer LTC options such as home health services, adult day care, assisted living, and hospice care
- More than 57% of CAHs offering skilled nursing and/or intermediate LTC services reported participation in a hospital network
- For-profit CAHs were less likely to operate LTC services (21%) than were government-owned (43%) and non-profit (41%) CAHs

Trends in LTC Provision

- Provision of LTC services declined from 2004 to 2008 across all hospitals
- CAHs showed greater declines than other rural and urban hospitals for most LTC services
  - Home health (-6.0%); separate NH-type LTC units (-4.6%); SNFs (-4.4%); meals on wheels (-4.1%); assisted living (-3.1%);
  - Exception is swing beds (+4.2%)

Why Do Some CAHs Continue to Offer SNF Services?

- Two factors may account for the larger percentage of CAHs continuing to offer SNF services
  - Hospitals may need SNF beds when acute care census levels preclude the use of swing beds
  - Community needs and sentiments may make it difficult for CAHs to close and/or downsize their SNF units

Phase II: Preliminary Findings

- Critical Access Hospital-based SNF Closures
  - Financial disincentive
    - SNF bed (PPS) vs. swing bed (cost-based)
  - Mitigation of community impact
    - CAHs may work with other local LTC providers to facilitate a seamless transition and avoid undue hardship for patients
    - LTC beds may not disappear from the community, but instead change hands

Conclusions and Implications

- CAHs continue to play an important role in the provision of LTC services in rural communities
- The continuing decline in the provision of SNF services by CAHs is worrisome and merits further study
- The decline in other LTC services is potentially more problematic than the decline in SNF services given the greater scarcity of other LTC options in rural areas

Link to Policy Brief

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http://www.flexmonitoring.org/documents/PolicyBrief19-LTC.pdf

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