



WASHINGTON WEBINAR SERIES

SWING BED DEVELOPMENT

August 26, 2021

Overview

Overview

Swing Bed Economics

Swing Bed Volume Growth

- Active Solicitation
- Admission Process

Questions



Overview

- With uncertainty around several significant provisions, such as payment, insurance, and delivery-system reforms, the healthcare industry must address future market changes
- Swing-bed services provide an important care resource for rural patients and a volume growth opportunity for the hospital
 - Best practice peer rural hospitals target swing-bed ADC at a minimum of 4.0
- An effective Swing Bed Strategy and process will have a significant impact on the number of patients in your Swing Bed program

Swing Bed Economics

Swing Bed Economics

- Deliver additional inpatient rehabilitation services to the community
- Provide increased reimbursement while assisting in length-of-stay management
- Help to dilute fixed and step-fixed costs in the nursing unit
- The financial benefit occurs by increasing the proportion of inpatient costs that are reimbursed on a cost basis
 - Reduces overall unit costs by diluting fixed costs related to inpatient services

Fixed versus Variable Costs

- Fixed costs are those which exist irrespective of volume
 - Unit staffing, medical direction, medical equipment, par levels of supplies
- Variable costs are those which would be incurred with each additional inpatient day
 - Incremental medical supplies, pharmaceuticals, food for patient meals
- In comparison to fixed costs, variable costs represent only a fraction of inpatient costs
 - As volume grows, fixed costs are diluted faster than variable costs grow



Non-Cost-Based Swing Bed Days

- Cost-based reimbursement will only ever allow a hospital to break even
- The opportunity: Non-Medicare or Medicare Advantage (Swing Bed NF) patient days
 - Common misconception: If contracted reimbursement rate is less than cost-based rate, negative financial impact
 - Medicaid NF carve-out rate
 - Carved out of routine costs at statewide
 - Do not negatively impact cost-based rates
 - If contracted reimbursement rates exceed statewide NF carve-out rate, **the hospital makes profit**

Swing Bed Volume Growth

Active Solicitation

- With a limited number of Swing Bed patients, CAHs need to actively pursue patients to increase volumes
- Best Practice CAHs will establish relationships with larger hospitals and actively pursue Swing Bed patients whenever beds are available
 - One of the primary concerns of a PPS hospital looking for Swing Bed placement is to free up the bed for a future Acute admission
 - The goal of the CAH is to establish a relationship with the other hospital so that you are the first hospital call when they have a patient needing Swing Bed services
- Best practice CAHs will ensure patients who are transferred for Acute services elsewhere return to the CAH when needing Swing Bed services

Admission Process

- CAHs should implement a defined process to pursue Swing Bed patients and increase overall inpatient volumes
- The following is a best-practice process for Swing Bed volume growth:
 - Pending Discharge Review
 - Pharmacy Review
 - Business Office Review
 - Rehabilitation Review
 - Physician Review
 - Patient Pursuit

Pending Discharge Review

- Determine the number of available beds at the hospital
- Reach out to all possible PPS hospitals daily to see which patients require placement
 - This can be done electronically through an EHR or by contacting a Case Manager
- Evaluate all patients needing placement and determine which patients could receive care at the CAH
 - This should be done by a nurse or other individual who understands the care abilities of the CAH

Pharmacy Review

- The Pharmacy Review includes the following steps:
 - Determine the drugs necessary for each patient who could receive care at the CAH
 - Determine the cost of the drugs necessary
 - Determine if the Pharmacy has the drugs necessary to provide care
 - If the pharmacy does not have the drugs, how long until they could receive the drugs

Business Office Review

- The Business Office Review includes the following steps:
 - Determine the insurance type of each patient needing placement
 - Insurance verification for each patient can include the following:
 - Receiving prior authorizations when necessary
 - Confirming the patient has enough eligible Medicare days
 - Confirmation, if possible, with insurance company that patient had a qualifying admission justifying Swing Bed service need

Rehabilitation Review

- The Rehabilitation Review includes the following:
 - Evaluation of the rehabilitation services needed by the patient
 - Determining if the rehabilitation service meets the skill requirement for Swing Bed services
 - Determining if the hospital has the available staff to provide the skilled services

Physician Review

- Provide Physician with discharge information about each patient CAH plans to pursue
 - The physician should be the last person approached and possible patients should only include those patients that passed all prior steps
- Work with physician to determine which patients they are willing to accept into the Swing Bed program
 - This should be done by a nurse or other individual who understands the care abilities of the CAH
- Physician should also confirm medical necessity for Swing Bed Services

Patient Pursuit

- After you complete all the prior steps and determine a patient is appropriate for Swing Bed admission, contact appropriate hospitals and pursue those patients for Swing Bed admission
 - You will most likely not receive most of the patients you pursue while establishing a relationship with other hospitals
 - The earlier you reach out to other hospitals, the more likely you are to receive patients
- Regardless of whether you receive a patient, continue to build relationships with Case Managers as this is a critical component for Swing Bed admissions



JPantenburg@Stroudwater.com

1685 Congress St. Suite 202

Portland, Maine 04102

207.221.8253