

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

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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**



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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**



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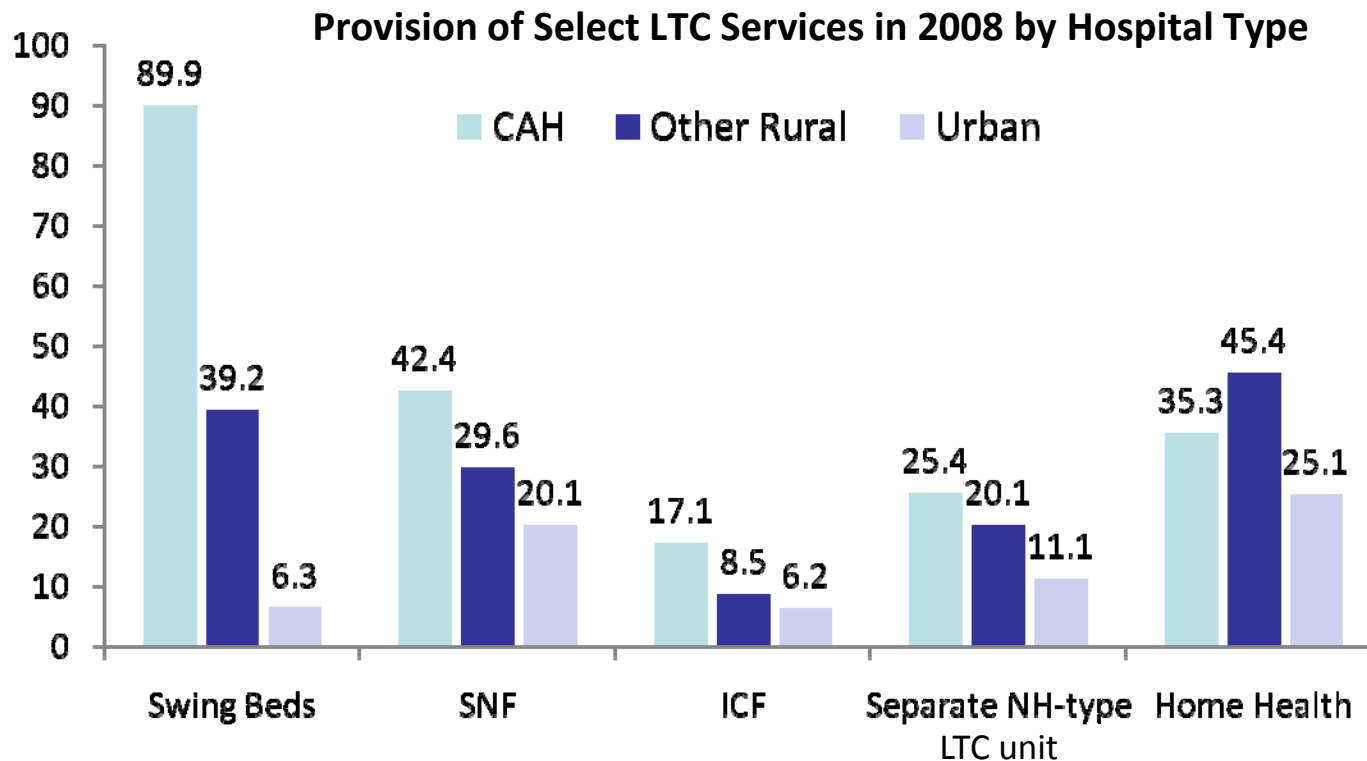
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Data Sources and Methods

- **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





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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**



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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%)



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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



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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



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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**



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[Link to Policy Brief](#)

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Maine Rural Health Research Center,
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<http://www.flexmonitoring.org/documents/PolicyBrief19-LTC.pdf>



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