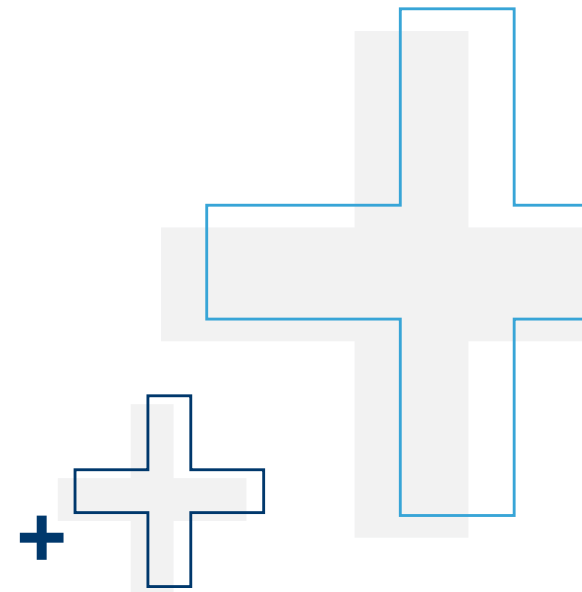




POST-ACUTE CARE FORECAST: A LOOK AT 2021 & BEYOND



As the case for most businesses, **COVID-19** helped expose the strengths and weaknesses of the **post-acute care industry**.

EXECUTIVE SUMMARY

While some sectors of post-acute care suffered, others thrived - making it apparent exactly which areas of operations could use improvements. As we pass the year mark of the pandemic making its touchdown in the US, we're taking a closer look at what's changed, which changes are here to stay, and how your post-acute care agency can navigate the new landscape while continuing to seize growth and capitalize on new opportunities.

HOW COVID-19 CHALLENGED POST-ACUTE CARE

INITIAL DECREASE IN DEMAND AND PATIENT ACCESS

Two factors of COVID-19 significantly reduced the need for post-acute care:

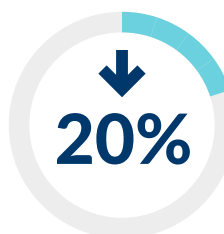
1 A decrease in elective surgeries.

2 The reluctance of Medicare beneficiaries to allow providers into their homes out of fear of infection.

AS A RESULT:



92% of home health agencies reported lower revenues with the onset of the pandemic



With nearly two-thirds reporting a revenue decline of at least 20%.

Difficulty Acquiring PPE

Like most healthcare facilities, acquiring personal protective equipment (PPE) was an immense challenge for post-acute care professionals. Without proper gear, agencies were unable to provide adequate safety measures for their staff and patients resulting in a drop in demand for services.

Rehabilitation Struggled

Rehabilitation services were immediately challenged with the surge of COVID-19 hospitalizations. Consequently, the entire rehabilitation process needed to be adjusted, forcing initial patient assessments to be made remotely.

Lack of Beds

Common challenges in skilled nursing facilities (SNFs) included inadequate supplies of PPE, staff shortages, limited availability of testing swabs, and a lack of access to rapid testing which created a bed shortage within the facilities because patients could wait up to seven days for results.

WHAT HAS CHANGED?

CARES Act



The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated **\$100 billion** to health care providers. Of this, **\$50 billion** had been distributed to hospitals and LTSS providers, including home health agencies that bill Medicare. Prior to the CARES Act, only physicians were allowed to certify and recertify Medicare eligibility for home health services. With this new legislation, nurse practitioners, clinical nurse specialists, and physician assistants can make these determinations

Telehealth



Effective March 1, 2020, Medicare beneficiaries were provided sweeping expanded access to telehealth services.

However, the ability for home health agencies to bill Medicare for telehealth remains limited, as only in-person visits can be reported on the claim.

Medicare



CMS gave Medicare Advantage (MA) plans more regulatory flexibility so they could avoid disruptions in care and offer more non-medical benefits. This builds on CMS' changes in 2019 **allowing MA plans to provide non-health-related benefits** and cover in-home care services, caregiver support, and palliative care.

Rehabilitation Assessments



In response to rehabilitation challenges, the **National Institutes of Health (NIH) redesigned the entire pathway of rehabilitation assessment, treatment, and postacute care planning.** To determine potential rehabilitation needs, initial patient assessments were made remotely using chart review. Information was then gathered from medical teams and nursing bedside functional assessments before being documented in the electronic health record. This new process allowed better overall patient safety and care while maximizing throughput of patients at the acute care facilities

A LOOK AT 2021 & BEYOND

While sweeping changes were made in 2020 as a response to the global health crisis, there are still opportunities on the horizon for post-acute care facilities - especially as the healthcare industry adjusts to its new normal.

Increased Interoperability



Government and industry professionals are collaborating to increase interoperability between post-acute and other care providers, patients, and stakeholders. The goal is to help develop a new standard for exchanging health care information called Fast Healthcare Interoperability Resources, built on a platform approved by the Centers for Medicare & Medicaid Services (CMS).

Patient Centricity



People are taking more control of their healthcare experience. Similar to how consumers are becoming savvier and more demanding with other services across industry sectors, patients are actively seeking better care experiences. While technology is certainly a component of the move towards patient centricity, it is a tool that will enable or enhance care delivery.

More Financial Control

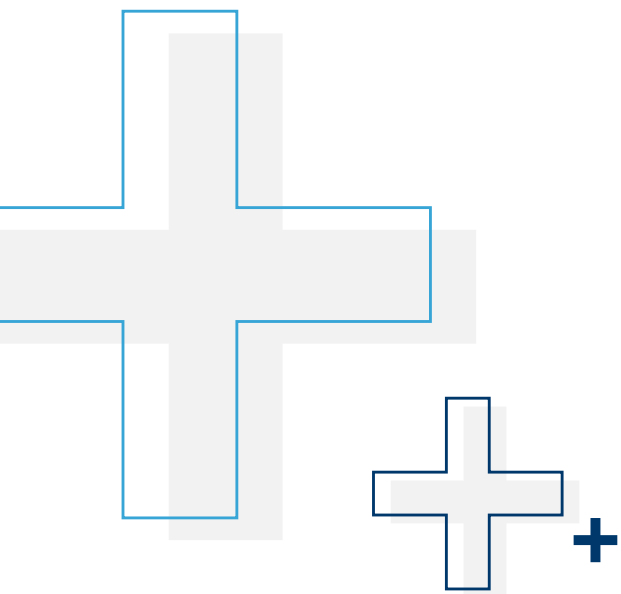


Adjusted payment models and reimbursement plans will remain in play for 2021. Although the post-acute care industry will continue to be shaped by regulatory and financial forces, being proactive with adjusted models, payment reforms, and choosing the right partner will allow providers to more confidently control their bottom line.

New Business Models



Delivering better patient outcomes and greater value is now top of mind for many post-acute care agencies due to the explosion of home-based health care services from legacy players and new entrants. By adopting these new business models and technologies, providers can reduce the vulnerability experienced by single service line agencies.



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