MAKE CMS'S LATEST WAIVER WORK FOR YOUR HOSPITAL DURING THE COVID19 CRISIS

On Friday, April 10, the Centers for Medicare and Medicaid Services (CMS) issued an official letter clarifying that swing bed services are included in the 72-hour waiver for Skilled Nursing Facility (SNF) care, first announced March 13th in the Section 1135 waiver announcement. In the midst of the COVID-19 pandemic, when Louisiana's hospitals are experiencing unprecedented surges or preparing for them, this addendum allows for patients to be transferred under the swing bed designation as soon as they are medically stable, rather than having to remain in acute care for the previous 72-hour requirement. This waiver enables hospitals to 1) free up capacity in bed space, workforce, and PPE, 2) improve appropriate patient care and 3) help both urban and rural hospitals financially at a time when resources are quickly dwindling.

Background:

Swing Beds

Swing beds provide SNF-level, rehabilitative care in a rural hospital setting. Any rural hospital can receive a license to provide swing bed care if it has 99 or fewer beds including both Critical Access Hospitals as well and Rural PPS Hospitals. In Louisiana, there are 27 CAHs and 22 Rural PPS Hospitals ready to provide swing bed care. And many, if not all, have a large volume of open beds ready to receive patients.

SNF Transfers

Under normal circumstances, to qualify for SNF extended care services coverage, Medicare beneficiaries must meet the "3-day rule" before SNF admission. The 3-day rule requires the beneficiary to have a medically necessary 3-day-consecutive inpatient hospital stay - not including the day of discharge, or any pre-admission time spent in the emergency room (ER) or in outpatient observation, in the 3-day count.

72-Hour Waiver Implications for Urban Hospitals:

The Opportunity with Swing Beds

As hospitals struggle or prepare to care for the influx of COVID-19 patients, swing beds provide an opportunity to quickly and appropriately transfer patients receiving non-Covid-19 acute care in urban hospitals. Swing beds, historically, have actually led to improved patient outcomes. A recent swing bed study in Illinois found readmission rates of 5% and an average length of stay of ten days which constitutes considerably lower readmission rates and shorter stays than traditional SNFs which average 24% readmissions and 26 day average length of stays. From the perspective of a discharging hospital, this means post-acute care can be managed in a hospital environment, more expeditiously freeing up both bed and workforce capacity in the urban hospital while ensuring better patient outcomes than was attainable in SNFs.

Capacity: By working to transfer medically-stable, non-COVID-19 patients, hospitals can increase throughput, increase bed capacity, conserve workforce capabilities, and preserve PPE. Hospitals can continue to care for their patients during the acute care phase while freeing up needed capacity for COVID-19 care and non-COVID-19 patients during this crisis, all while helping prevent workforce burnout.

Financial: With the 72-hour waiver, hospitals can transfer patients as soon as the patient is medically stable, without facing a financial penalty as well as sending patients into a hospital environment that has substantially lower readmission rates and shorter recovery periods for those patients. Normally, large hospitals face a financial penalty for discharging patients with a shorter length of stay than the geometric mean length of stay. Rather than receiving the DRG reimbursement, the hospital receives a per-diem rate. Swing bed transfers are exempted from this penalty, while SNF transfers are subject to it.

In the midst of the COVID-19 crisis, this new waiver offers hospitals the ability to improve patient care, increase capacity, and benefit financially.

If you have questions or need more information, contact Tee Faircloth at CCI: tee.faircloth@coordinatedcareinc.com