

CASE STUDY

Claims Data Reveal LTACHs Can Decrease Total Cost of Care Within an ACO

Cedar Gate Technologies conducted a review of claims data of ACO beneficiaries treated at long-term acute care hospitals (LTACHs) and skilled nursing facilities (SNFs) in Las Vegas.¹ Looking specifically at two conditions – congestive heart failure and sepsis – they found that Medicare spending and readmission rates were

lower for patients who discharged to LTACHs, and lowest for those discharging to Kindred LTACHs specifically.² Cedar Gate concluded that LTACHs can deliver efficient and cost-effective care for complex patients.

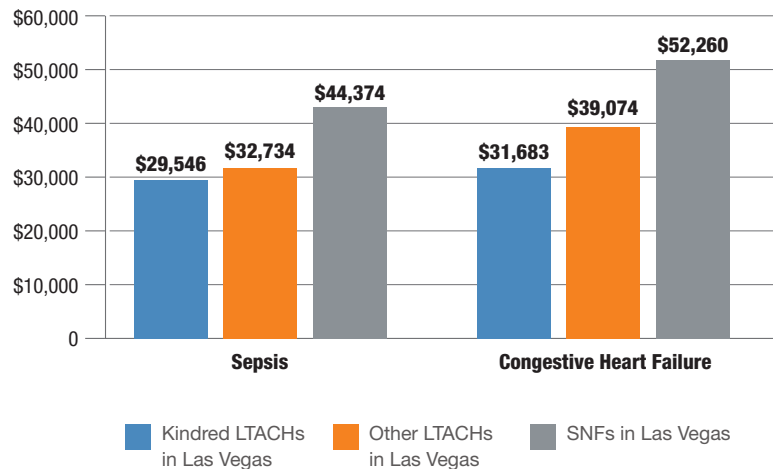
Key Finding 1: Reduced Medicare Spending

In the 180-day episode following post-acute care discharge, Cedar Gate found a 25% reduction in Medicare spending for ACO members who discharged to LTACHs, and a 30-40% reduction for those discharged to Kindred LTACHs specifically, compared to members who transitioned to SNFs.

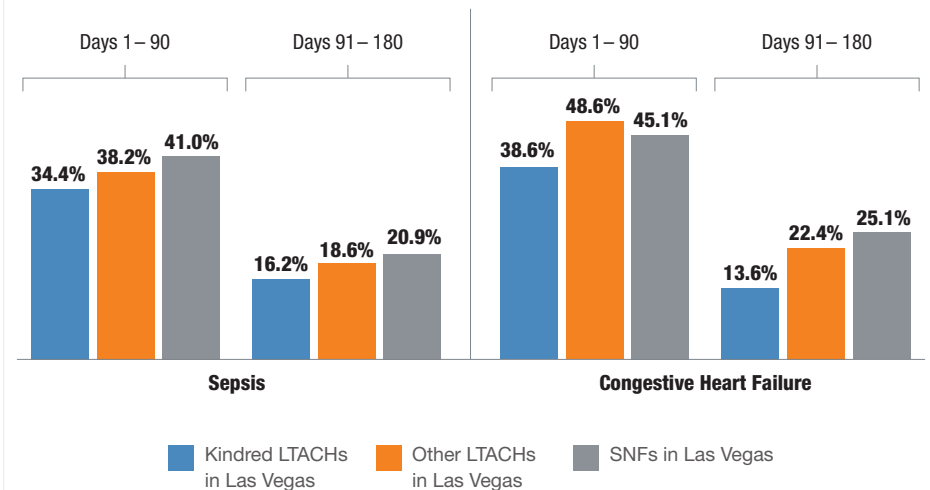
Key Finding 2: Lower Readmission Rate

Readmission rates were lower for patients discharged to an LTACH than for those discharged to a SNF. The lowest readmission rates were achieved when ACO members were discharged to Kindred LTACHs.

Risk-Adjusted Spending for Episodes Following Discharge from Initial Post-Acute Care Setting



Readmission Rate after Discharge from SNF or LTACH (by Chronic Condition and Comparison Group)



Case Study Summary

Background: Silver State's ACO (SSACO), partly owned and managed by Kindred Hospitals, has achieved significant success in providing efficient and quality care, all while using LTACHs more than other ACOs.

Methods: Cedar Gate focused on the two conditions with the highest volume of discharges to LTACHs within the SSACO – congestive heart failure and sepsis. They compared risk-adjusted spending and readmission rates of ACO beneficiaries discharged to LTACHs and to SNFs within Las Vegas between 2017 and 2020.

Results: Utilization of LTACHs yielded cost savings, primarily through reduced readmissions.

Conclusion: LTACHs can deliver efficient and cost-effective care for complex patients.

Silver State ACO Statistics

- Earned shared savings annually from 2015 to 2020, amounting to over \$86 million.
- Achieved a quality score of almost 99% in 2020.
- Rate of LTACH use is higher than at other ACOs in the nation.
- LTACH beneficiaries in the SSACO are more clinically complex than those treated at other LTACHs or SNFs in the Las Vegas market.

Unique LTACH Capabilities



**Daily
Physician
Oversight**



**Interdisciplinary
Care Teams**



**Specialized
Rehabilitation**

Why Kindred?



**Disease-Specific Certifications
from the Joint Commission**



**Move Early
mobility program**



**AfterCare nurse
follow-up program**

Kindred Hospitals partner with health plans to provide the highest quality of care, improve patient outcomes and lower costs for their sickest and most vulnerable patients. Kindred currently supports the following products:

- Medicare Advantage
- Commercial
- Managed Medicaid
- Veterans Affairs
- Worker's Compensation

Visit kindredmanagedcare.com to request a conversation about how Kindred Hospitals' level of service can help manage your critically complex patients.

Kindred Hospitals

1: <https://atiadvisory.com/wp-content/uploads/2022/02/Long-Term-Acute-Care-LTAC-Hospitals-as-Part-of-the-Value-Based-Solution.pdf>

2: Findings based on claim and utilization data provided by Kindred, and results with other data may vary.