Optimistic on PDPM, therapy and more

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Regional provider Carespring Healthcare Management has grown from a single Cincinnati facility 30 years ago to what will soon be 12 facilities in the greater Cincinnati/Northern Kentucky and Dayton, OH, markets. Overall, the company employs about 2,200, a number that will be rising soon. CEO Chris Chirumbolo spoke recently with Editor James M. Berklan about skilled nursing's new payment model, the future of therapy and how to conduct controlled growth.

Q: What's your impression of the new Patient-Driven Payment Model?

A: PDPM as a whole is going to be good for the industry. From a therapy standpoint, we have the benefit because we have in-house therapy.

We have had this model in place since our inception and the model will allow us the flexibility needed under PDPM to adjust to the new system.

As a therapist, I like PDPM because there is no more managing minutes and burdensome PPS assessments — 14-day, 30-day, 60-day, 90-day, EOT, COT, SOT, and so forth. Providers will get to focus more on the patient and their needs.

Q: How do you see this affecting contract therapy?

A: As a physical therapist who has some friends in the SNF contract therapy world, they know they'll definitely have to continue to focus on the value-add they bring to a facility. I tell other SNF providers to reach out to their contract therapy company. They need to ensure how the contract company is going to adjust to PDPM and how that will impact their facility.

Providers are going to have to know and understand how much therapy it truly takes per day to get a patient successfully back home. If therapy is overutilized, it will cost them immensely under the new system.

Q: What about other effects of PDPM?

A: Having been in the therapy industry for 20 years, I like that PDPM puts concurrent and group therapy back in play again. Concurrent and group therapy benefit many patients. These therapy models bring back more patient-to-patient interaction. This has been missing with the current RUG-IV therapy model.

We have some luxury in that we have built a new building and will probably spread out some therapy costs from our other local facilities into this new one. There will be SNFs and contract therapy providers in markets where they will simply cut the number of therapists or therapists' hours. We'll look at our patient mix and adjust accordingly.

Q: What do you think is the key to approaching this?

A: Again, facilities HAVE to drill down and look at how much therapy it really takes to get the patient better and back home. We will make adjustments but we will always put the patients' needs first.

I think this is how providers will find some savings and should allocate expenses to put toward nursing to care for sicker patients. In the end, we think it will be net-income neutral.

The bottom-quartile facilities in the market, who are not savvy with these impending changes and just wing it to see how it will go, will struggle. Some will go out of business. We see it as a potential opportunity.

"If therapy is overutilized, it will cost them immensely under the new system."

Q: How do you see the therapist's lot moving forward?

A: For therapists getting into the field, there will always be work. The demographics are there. There will always be a job. They just might have to execute it a little differently.

When I was finishing my master's degree 20-plus years ago, PPS was coming down the pipeline. Everybody was saying therapists won't get paid, and the therapy world was coming to an end.

The market corrected itself and has gone well since then. I think there will be another correction, to a degree. But there's always going to be a need for therapists.

Q: How is the company approaching the future?

A: When we designed our business, our goal was that you're always within 15 minutes of a Carespring facility, no matter what area hospital you're in. We have a new facility in Northern Kentucky, in Boone County, about 15 minutes south of Cincinnati, opening soon. It's one of the two fastest-growing counties in Kentucky and an underserved area. We will be adding roughly 200 jobs to the region.

Our plan is to continue to grow outside of our Cincinnati-Northern Kentucky-Dayton area by acquisition and by construction of new facilities.

As a regional provider, we don't want to get too big. We must continue to have a good relationship with our managed care hospitals in the areas we serve. This is critical.

Q: What has been helpful for building good relationships with these entities?

A: A key focus for providers should be to develop meaningful relationships with the decision-makers of the managed care organization and hospital systems. The main goal is to be in their preferred provider networks by obtaining and sustaining great patient outcomes.

The objectives and goals of each of these organizations may vary, but the general consensus/focus for us is to manage our skilled patient length of stay, rehospitalization metrics and patient satisfaction. If we have great data to share, we share it and we do it often. If we need improvement, we explain how we are going to improve on those metrics and we do it.

In the end, these systems need nimble providers who will partner with them to achieve success.

Q: How do you see the future of skilled care changing over the next five years?

A: Nimble providers who can adapt successfully to the changes — PDPM, Unified Payment Model — will survive and do well in the future.

The demographics, meaning more baby boomers, are coming. SNFs are the cheapest per-day inpatient setting in the post-acute world, when compared to inpatient rehabilitation facilities and long-term acute-care hospitals. This bodes well for the sector, if we manage the sicker patients coming our way. ■