

# How **ACO REACH** Serves Medically Complex Patients, and How LTACHs Can Help

The healthcare industry continues to pilot new ways of delivering care that align patient, provider and payer incentives. Medically complex patients remain a key population due to higher costs associated with the intensity of treatment and length of recovery time required. The latest innovation in care delivery, an expansion of the accountable care organization (ACO) called ACO REACH, is pushing further into addressing the needs of these patients. Learn more about the program and how long-term acute care hospitals (LTACHs) can play a role in achieving the goals of the newest model.

## Evolution of Value-Based Models

Since the CMS Innovation Center was established by Congress in 2010, it has developed a number of different care delivery models designed to provide quality care while reducing healthcare costs.<sup>1</sup> The COVID-19 pandemic put additional pressure on existing models and revealed several problems, including health disparities for underserved communities.



## The Newest Model – ACO REACH

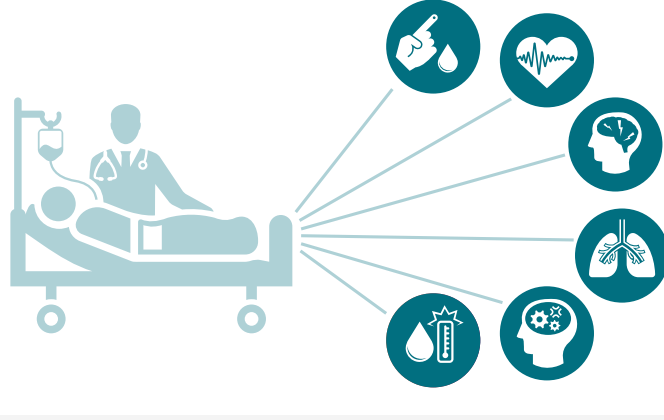
In October 2021, the CMS Innovation Center launched a new vision of care that seeks to address weaknesses of the previous models and to align with the priorities of the Biden-Harris Administration.<sup>2</sup> The newest innovation in care delivery called ACO Realizing Equity, Access, and Community Health (REACH) is meant to expand upon traditional ACO goals among underserved populations.



## How ACO REACH Serves Medically Complex Patients

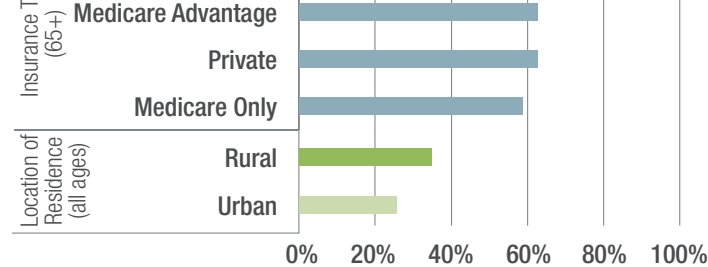
Due to the clinical challenges and cost of care associated with medically complex patients, ACO REACH focuses on improving care delivery for this population through two avenues:

**1** The “High Needs Population ACO” track, designed specifically for meeting the needs of medically complex beneficiaries, which include patients with at least one significant chronic or other serious illness.<sup>3</sup>



**2** The general focus on underserved populations, including those living in rural areas or in persistent poverty.<sup>4</sup> These populations often have higher concentrations of patients with chronic illnesses and multiple medical comorbidities.<sup>5</sup>

**Percentage of Population Groups That Have Two Or More Chronic Comorbidities**

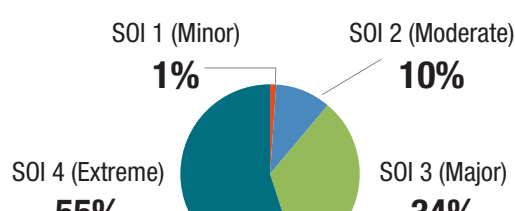


In order to achieve the goals of improving healthcare quality, efficiency and equity, ACO REACH participants should ensure that chronically, critically ill patients have access to the sites of care that can most appropriately and efficiently address their complex needs.

## How LTACHs Can Help Medically Complex Patients Through ACO REACH

With specialized physicians, rehabilitation therapists and nurses, long-term acute care hospitals (LTACHs) provide continued acute care to medically complex patients after a hospital stay. At an LTACH, over 50 percent of patients have an “extreme” severity of illness on the SOI index and, on average, each patient has about six active comorbidities.<sup>6,7</sup>

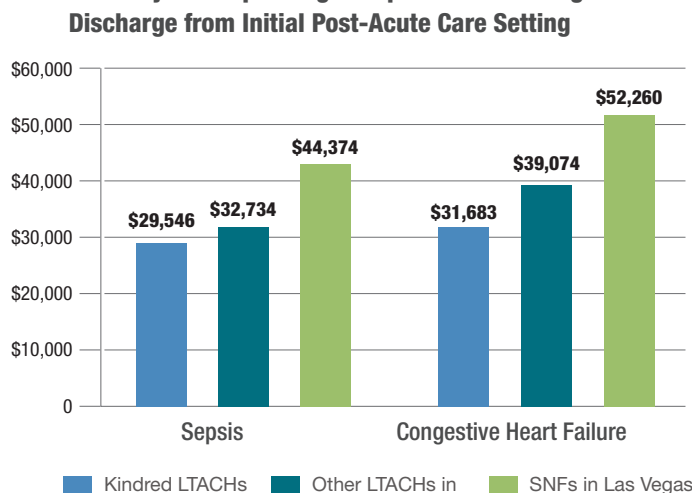
**Severity of Illness (SOI) for Patients Discharged from General Acute Care Hospitals to an LTACH**



The specialized treatment and rehabilitation that LTACHs provide can help improve patient outcomes and reduce costly disruptions to recovery.<sup>8</sup> In one recent case study conducted by ATI Advisory and Cedar Gate Technologies, researchers found a 25% reduction in Medicare spending for ACO members who discharged to LTACHs compared to skilled nursing facilities, driven largely by lower readmission rates.<sup>9</sup>

Including LTACHs as preferred providers, therefore, can help participants in ACO REACH attain their goals of improving health equity and reducing spending.

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



## Why Choose Kindred Hospitals

Kindred Hospitals have provided quality care to medically complex patients for over 30 years, and continue to implement innovative care programs that allow them to deliver improved outcomes and cost savings for medically complex patients, including those in ACOs.<sup>10</sup>

Kindred currently supports the following products: Medicare Advantage, Commercial, Managed Medicaid, Veterans Affairs and Worker’s Compensation.

Visit [kindredmanagedcare.com](https://kindredmanagedcare.com) to request a conversation about how Kindred Hospitals’ level of service can help manage your critically complex patients.



## References:

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