



# The Hospital CEO's Guide to a **Care at Home Strategy**

Interest in care outside of the traditional hospital setting gained extraordinary momentum as a consequence of the pandemic. While medical care at home isn't an entirely new modality, hospitals and health systems must consider a future in which the delivery of services inevitably extends beyond the hospital's four walls.

At the same time, the diversity of new business entrants and emerging opportunities make it difficult for any hospital or health system CEO to sort through the key issues, particularly in the context of the

ongoing imperative for cost containment. A digitally enabled care structure that covers a range of home-centered services now sits in various levels of development and incorporation within the delivery system. Continued evolution is certain.

**About This E-Book:** This e-book examines the broader concept of care at home, presents the business case for it, describes the continuum, and outlines a path for hospitals and health systems to begin their journey toward a scalable care-at-home strategy.

# The Business Case for Care at Home



Investment trends and market valuation estimates point to care services delivered in the home as a significant business opportunity, driven in part by the aging population and in part by emerging consumer preferences for convenient digital health options, such as those that were cultivated in reaction to the pandemic. Deal activity has increased based on the premise that these services will have near-term effects on the health system and yield profitable returns.

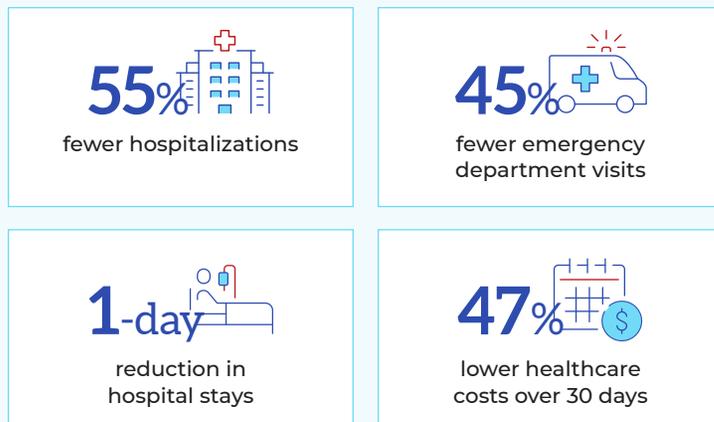
The value of the global home-centered care market is estimated anywhere from [\\$182 billion](#) to [\\$299 billion](#) with a compound annual growth rate as high as 8.6 percent. Even the Centers for Medicare and Medicaid Services (CMS) Office of the Actuary pins the growth of the home health market at an average of [7 percent](#) annually through 2028, surpassing all other industry segments, including hospital and physician care categories.

And it's not just financial buyers who have taken an interest. Recently, two large systems, Mayo Clinic and Kaiser Permanente, partnered to make a \$100 million strategic investment in an at-home acute-care company. The hospital systems plan to expand service use among their own patients and to encourage other providers to adopt it. Seeing the opportunity, many providers have begun to expand their own at-home capabilities, including Henry Ford, Mount Sinai, Common Spirit, Marshfield, and Highmark.

Because the model has experienced extremely low adoption until now, returns are still somewhat of an unknown. What is known, however, is that it takes significant resources to safely institute a program, including the task of working through formidable logistical challenges.

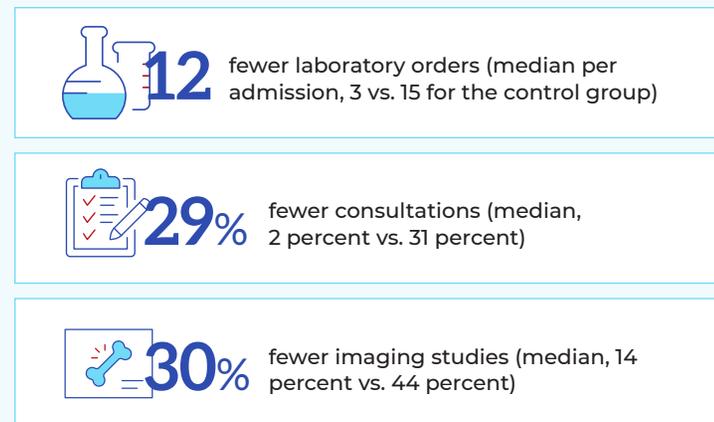
One recently reported [example](#) from the University of Utah Health Huntsman Cancer Institute describes a hospital at home model for oncology patients that features ongoing monitoring and rapid response. Nurse practitioners, home health registered nurses, and other staff provide hospital-level care in the patient's own home.

**Early results showed:**



Data released in 2020 from Brigham Health showed in a [randomized, controlled trial](#) that substitutive hospital-level care in a patient's home reduced costs. The study demonstrated 38 percent lower adjusted mean costs for acute care episodes for home-hospital patients compared with control group patients without significantly changing quality or safety.

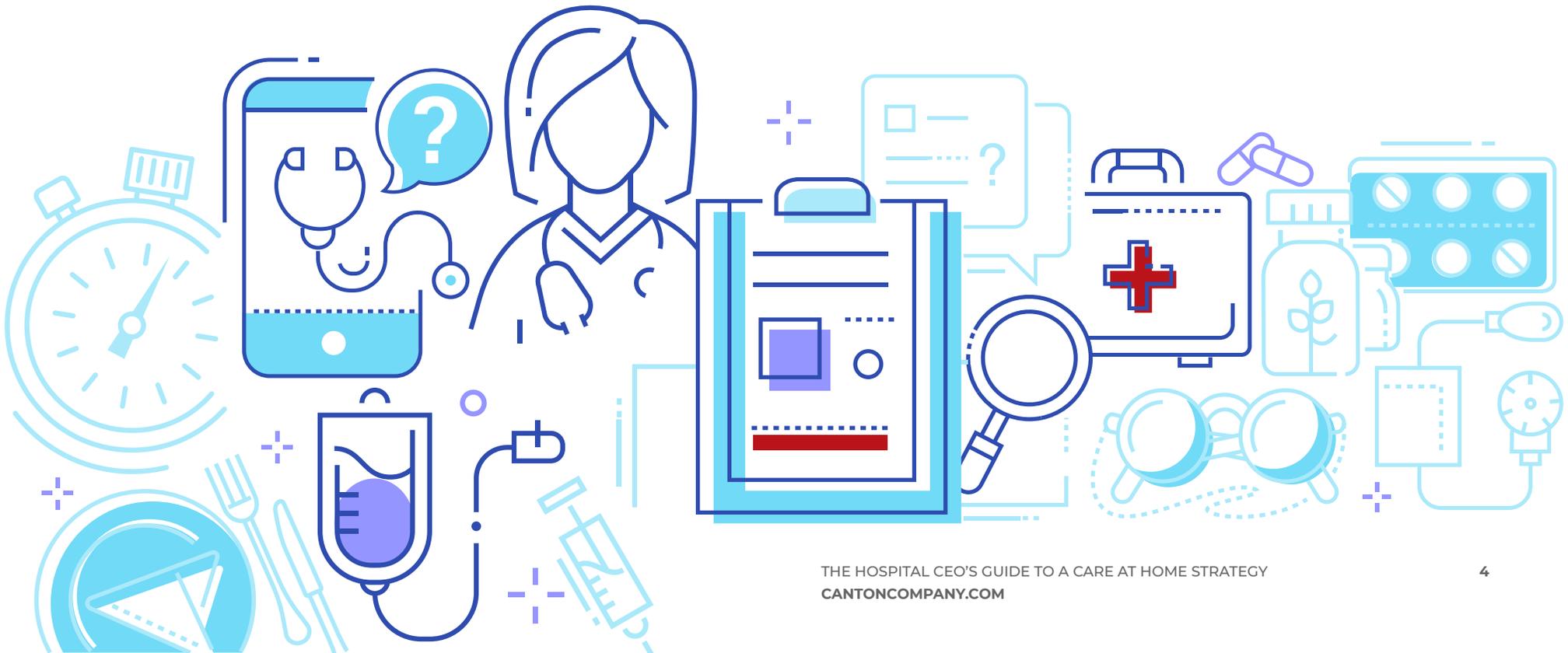
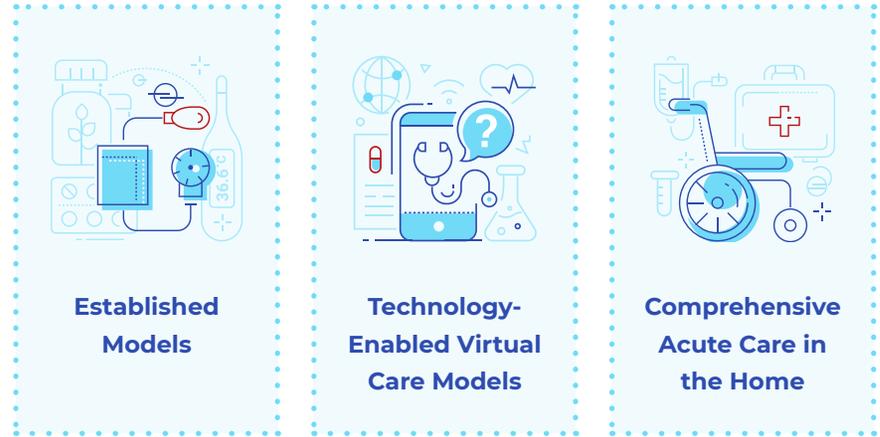
**The at-home patients also experienced:**



Results like these echo other emerging studies proving the [value of remote patient monitoring \(RPM\)](#) as well as historical [proof-of-concept studies](#) that date back to the early days of the hospital at home model.

# The Care at Home Continuum

As a way for hospital or health system CEOs to organize their strategic approach, it is helpful to look at the care-at-home arrangement in three pathways:

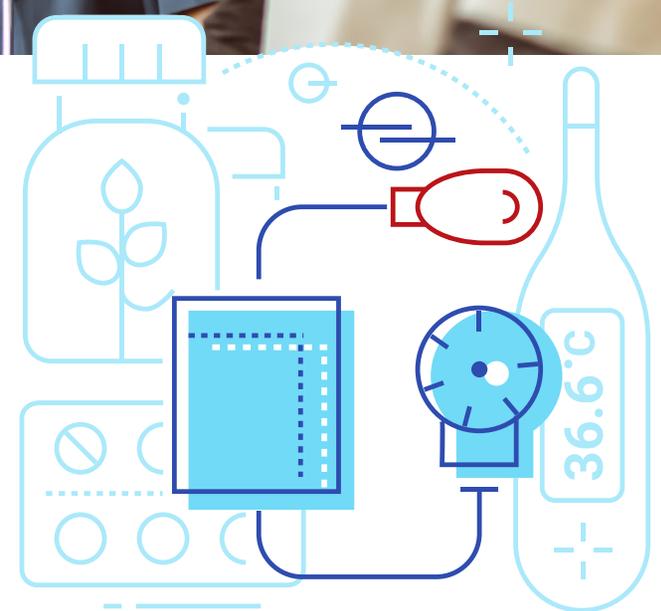




## Established Models

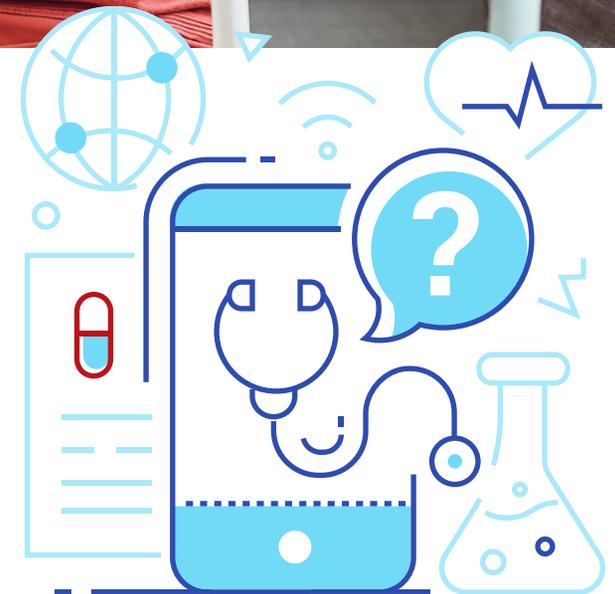
Hospitals or health systems commonly participate in these more traditional home care arrangements by sponsoring programs or linking with existing providers. On a financial basis, such services are seen as assisting in discharges, supporting recovery, and limiting readmissions, all supplemental to inpatient business.

MODEL	CURRENT LEVEL OF ADOPTION
Traditional home care, characterized by skilled nursing care	High
Palliative care and hospice at home	Moderate
Home care medicine, selectively provided by primary care physicians	Low



## Technology-Enabled **Virtual Care** Models

Accelerated by the pandemic, telehealth and chronic care management combined with remote patient monitoring were fueled by favorable reimbursement policies — both from private payers and public programs — that encouraged their use. Additionally, patients who were reluctant to schedule in-person care widely embraced virtual care options. For hospitals and health systems, the big question revolves around the required investments in developing these models compared to the decision to pursue partnerships with other new businesses that are rapidly proliferating within this space.



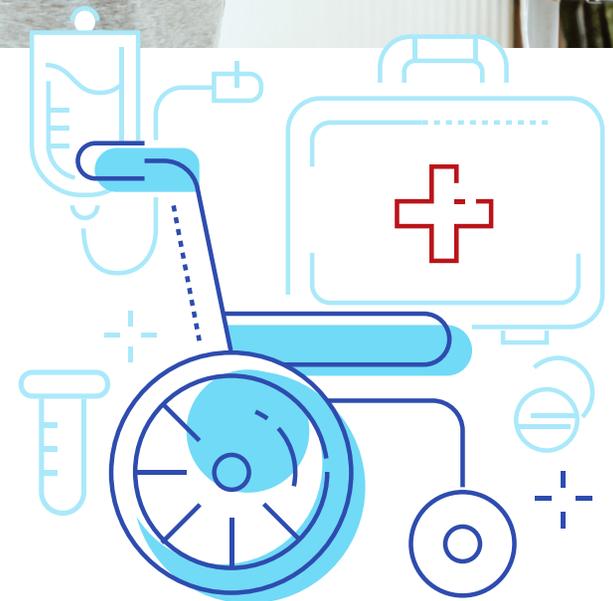
MODEL	CURRENT LEVEL OF ADOPTION
Telehealth	Moderate
Chronic care management and remote patient monitoring	Low
Transitional care management	Low
Behavioral health integration	Low

## Comprehensive **Acute Care** in the Home

In this segment of the continuum, acutely ill patients are cared for in the home as though they were in a hospital. It is important to note that hospital-at-home requires the entirety of acute inpatient stay, enabled by digital technologies, multidisciplinary teams, and ancillary services. Additionally, CMS has provided for a waiver process that has allowed [187 hospitals in 34 states](#) to receive reimbursement for acute hospital care at home as of November 2021. The waiver is limited to the duration of the coronavirus public health emergency, however, and there is no permanent fee-for-service payment policy.



MODEL	CURRENT LEVEL OF ADOPTION
Acute care management for specified diagnoses	Low
High intensity care by service, disease, or condition (e.g. oncology, dialysis)	Low





## Getting Started With Care at Home

First and foremost, the care-at-home approach requires a careful financial analysis. CEOs must quantify the degree to which the expansion of acute care can provide a significant return on investment and overlay that as a potential threat to underutilized inpatient investments. The ultimate value proposition will lie in the net gain of patient outcomes, cost savings, and revenue over time. It's important to note that increasing patient demand for care at home has already accelerated the trend, so those who delay their entry into this line of service will likely be at a competitive disadvantage.

The following stepwise approach can help assess your organization's readiness to implement a care-at-home program:



### Assess the need

Determine if your organization and your patients/ community will benefit from care at home.

- Do you need to augment or expand bed capacity?
- Are patients requesting care at home services?
- Do you treat a large volume of common and/or chronic illnesses (e.g. pneumonia, heart failure, diabetes)?
- Does your community lack care-at-home services?
- Are your providers supportive of/ interested in providing care at home?

Affirmative responses to any of the questions above are reason to consider a care-at-home program.



### Evaluate the requirements

Once interest in exploring care-at-home is established, you'll need to conduct a comprehensive evaluation of what it will take to implement this type of service.

- Which of the three models on the continuum are most realistic?
- What resources are needed (software, staff, etc.)?
- What new processes, workflows, and logistics need to be developed?
- Are there partnerships that can help satisfy some of the requirements?



### Develop a financial model

Understanding the direct and indirect financial impacts of a care-at-home service offering is critical to decision-making and success.

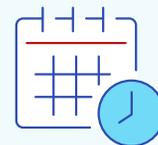
- What are the cost implications of your preferred model?
- What is the impact to revenue/ reimbursements?
- If you choose to work with a partner, what financial effect will it have?



### Decide

With your internal assessment, requirements, and financial model in hand, you will be well-equipped to make your decision.

- Ensure all affected stakeholders have the opportunity to weigh in
- Consider both the immediate and future organizational impact
- Make certain the decision supports your mission and vision



### Adopt

If you decide to move forward with your care-at-home program, congratulations! Getting mobilized around a detailed implementation plan will help keep your team on track and avoid conflicts and confusion.

- Identify a core project team
- Document your implementation plan
- Develop and test new and revised workflows and processes
- Ensure you have a feedback loop for addressing questions and concerns
- Implement and measure key performance indicators
- Make continual adjustments to ensure program success

## Final Thoughts

Hospitals and health systems are cautiously exploring the opportunity presented by care-at-home models. The reasons for caution are straightforward: Care at home is not an area of intrinsic expertise to the hospital delivery system, and hospital operations themselves are a consuming enterprise. Yet the reasons to forge ahead are salient: Market forces will drive increased demand, and emerging studies are demonstrating the type of results desired by many stakeholders.

Maintaining the parameters for safe and high-quality acute care brings intense demands on personnel and resources with high levels of redundancy to ensure safety and quality while effectively managing risk. To duplicate these capabilities outside the hospital — knowing the potential for cannibalization of inpatient revenue — requires measured consideration.

Canton & Company's Strategy and Performance Solutions are designed to provide hospital and health system leaders with the necessary analytics and assessments of opportunities in the care-at-home arena. This deep exploration and practical path forward provides a comprehensive base for organizational decisions, combined with embedded operational resources to execute a strategy that provides speed-to-value.



Connect with Canton & Company to **accelerate your success** in the care-at-home market.

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