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Nursing centers go short-term; many in N.J. shift to post-hospital rehab

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MITSU YASUKAWA/STAFF PHOTOGRAPHER

Mae Hessler, 94, and Catherine McElroy, 86, background, working on their rehabilitation at the Allendale Community for Senior Living.

An Allendale nursing home is partnering with Kessler, a known name in rehabilitation, to attract hospital patients who need to regain their strength before going home. Another nursing home, in Wyckoff, is in the midst of a \$5 million renovation to accommodate such short-term patients.

And Genesis, the largest long-term-care chain operating in New Jersey, is three years into its "PowerBack Rehabilitation" program, which encourages people to pre-book a rehab stay before they head to a hospital for surgery.

Across the nation, nursing homes are adding or expanding rehabilitation and other short-term services, seeking to capitalize on the needs of a growing number of patients who are discharged from the hospital but require more care and recovery time before they are ready to go home. These new side businesses are boosting the bottom lines of these companies, thanks to the higher rates Medicare pays for these services compared with what government reimburses for traditional long-term nursing home care.

"Post-acute rehab is now our thing," said Jon Dolan, president of the Health Care Association of New Jersey, one of New Jersey's largest nursing home industry groups. "We are not the old nursing homes of the past."

Small independents, non-profits and major national chains have joined this new wave in the industry, investing in new wings, new buildings, new technologies and new staff in an era when national health insurance reforms are reshaping old models of care.

They are banking on welcoming more patients like 79-year-old Barbara Burke.

After suffering a back fracture in January, Burke arrived on the campus of Allendale Community for Senior Living, expecting to spend six to eight weeks regaining her strength before returning to her garden apartment in River Edge.

Burke's favorite activity is virtual bowling, using what is known as the "Wii-Hab unit," a video game exercise that will help her build up the arm strength she'll need to open the heavy metal sliding gate on the elevator inside her apartment building. "They are trying to prepare me best I can for activities of living," said Burke, who was also spending time learning how to better maneuver the oxygen tank she needs

because of her chronic pulmonary disease.

"I'm very independent," she said. "I want to be able to put my tank in my trunk and take off."

The Allendale center spent \$50,000 on a renovation of its 2,000-square-foot rehabilitation room, which reopened in January, said Dr. Timothy Giancarlo, its president. It now has twice the staff, soothing LED strobe lights, a new whirlpool and an array of new rehab equipment that employs electrical stimulation, ultrasound tissue massage and a variety of heat therapies.

"We're almost like a wing of the hospital now," Giancarlo said.

Giancarlo hopes the partnership with Kessler.Core, an affiliate of the Kessler Institute for Rehabilitation, will help his family business stay competitive in this evolving industry. Long-term-care companies need to appeal to a wiser and "choosier" consumer, said Giancarlo, adding that the days of older people "being resigned to sitting in a wheelchair and calling it a day" are over.

New Medicare regulations for hospitals are fueling the changes at nursing homes. Medicare has long reimbursed hospitals per diagnosis – not the number of days a patient is in the hospital. That puts pressure on hospitals not to keep patients longer than necessary. But in 2012, Medicare began penalizing hospitals for bounce-back patients – those that are re-admitted within 30 days for the same condition or a related complication.

This has created a new niche in the marketplace – the need for more transitional or "step-down" health care settings, where patients can receive more therapy than they would as an outpatient while having everything from their nutrition to their surgical wounds more closely monitored.

Under Medicare rules, such patients can remain in an inpatient rehabilitation center for up to 100 days, so nursing homes are increasingly dedicating sections of their buildings to these short-termers. They are banking on the better rates paid for such rehab care, which they say will offset the lower rates paid for long-term nursing home patients who are on Medicaid. Some have formed partnerships with hospitals to get referrals.

Private insurance will also pay for this care for people under 65, although the industry expects that most of their customers will be on Medicare.

Dolan estimates that short-stay rehab now represents about a third of the business of many large nursing home companies.

The non-profit **Christian Health Care Center** was one of the first long-term-care providers in the region to see the rewards of offering more "post-acute" care to patients who need a transitional placement after knee replacement, a heart attack or some other health setback.

The 14-bed rehab unit that Christian Health Care opened eight years ago in Wyckoff has grown exponentially since then, with the 78 dedicated beds located in an area separated from the other wings where the nursing home houses its frailer and sicker long-term patients. The unit typically admits eight to 10 new patients a day, who stay an average of 19 to 20 days, eating in a separate dining room and relaxing in a separate sun room from the regular nursing home patients.

The separateness is an important selling point to the post-hospital customer, who can need a fair amount of convincing before agreeing to a stint in a place many people associate with the end of life, said Denise Ratcliffe, chief operating officer of Christian Health.

Indeed, Genesis Health Care, which is scouting land to add short-term rehab and recovery units near its three nursing homes in Bergen County, believes these new customers want more "hotel-like amenities" such as bistros and nail salons and "not to be in the same building as our nursing home patients," said Carol Rohrbaugh, vice president of business development.

Recognizing that these customers are less inclined to mingle with patients in its dementia-care or other high-level-care units, the company is investing in separate buildings for the rehab patients it hopes to attract.

The national chain has built nine short-term standalone centers, named PowerBack, near its existing nursing homes in four states and encourages people to pre-book their stays in these plush spa-and-whirlpool-equipped facilities before they have elective surgery. Genesis, a Pennsylvania-based conglomerate that has swelled to 505 facilities nationwide, has two standalone rehab centers in the Garden State, both in South Jersey.

Its marketing campaign even seeks to convince potential customers to carry a PowerBack card in their wallets so that in case of an emergency hospital stay, their doctors and nurses will know which rehab center to send them to when they are discharged.

Across the industry, the new rehab centers all feature simulated home environments. A new 10,000-square-foot addition to the rehab unit at Christian Health, for example, will feature a simulation apartment, complete with 1950s décor, to mimic the real-life home conditions many of their patients will return to. Therapists at the center work with patients to help them with reaching into cabinets and navigating tight hallways or steep staircases. Staff members visit a patient's home prior to discharge to assess the obstacles and make follow-up calls and visits after the patient goes home.

"It's all about getting them to their highest functioning level," Ratcliffe said.