

## Eli's Rehab Report

### Business Strategies: A Bleak Outlook for Rehab? You May Be in for a Surprise

Uncover these hidden opportunities to improve your inpatient -- or outpatient -- rehab business.

Is the rehab industry broken, or is it at a new and exciting beginning? It may seem broken, especially for those in inpatient rehab, but a little bit of digging may reveal otherwise and give you the keys to boost your business.

If you can learn how to "slide with the trends" and make the best of the industry's life cycles, you'll notice hidden trends in favor of rehab, said **Fran Fowler, FAAHC**, during the TCI-sponsored audioconference, "New Opportunities for Making Your Rehab Business Grow."

Inpatient: Uncover Jackpots During 'Witch Hunt'

Life was grand for inpatient rehab facilities in pre-PPS days, but that changed after the feds introduced the 75 Percent Rule, all but eliminating lucrative orthopedic cases.

"This witch hunt stage will probably last for another 18 months," predicted Fowler, CEO of Fowler HealthCare, a Health Dimensions Group partner based in Atlanta. "But that doesn't mean you can't stimulate new growth; you just have to wait a little longer until another business cycle begins."

For example, CMS has been adjusting payment scales in Long-Term Acute Care Hospitals for medical acuity and medical necessity -- to the point that these facilities won't be able to afford to take the critically ill, Fowler predicted. "That's going to force out about 35 percent of LTACHs' patient volume, which will come close to replacing all the lost volume for acute rehab." But until that happens, try these strategies:

1. Protect yourself from auditors' scrutiny. Focus on airtight documentation, and put a stronger focus on outcomes, Fowler recommended. You can also take all appropriate admissions at least one to two days earlier from acute care (resulting in lower PAI scores), and realign your rehab delivery system to care for more acutely ill patients, she added.
2. Take charge of the "too well" or "too sick" problem. Two hundred thousand to 400,000 patients are screened but not admitted to rehab because "they are either too well or too sick," Fowler explained. But you can ride this wave to your advantage. "If they're too well, screen them earlier, and if they're too sick, re-examine your delivery model," Fowler said.
3. Note the untapped populations. For one, take a closer look at patients with neurological conditions. "In acute care, there are no stroke-related protocols to get patients into rehab," Fowler pointed out. Neurological conditions secondary to cardiac conditions (like neuropathies) are another hot spot to check out.
4. Pay attention to secondary diagnoses. "Thirty to 40 percent of untapped rehab populations in acute care with a need for rehab are those with a primary diagnosis that isn't a qualifying condition, but with a secondary diagnosis that is," Fowler said.

Outpatient Rehab Has Promise, Too

The outpatient rehab industry may not be as bad off as the inpatient, but there's still a lot you can do to keep your business healthy. Try these strategies on for size:

1. Target older patients. While a good chunk -- or even the majority of -- your patients are 45 and under, the 45-plus age group is where the growth is now, Fowler said. That's much in thanks to aging baby boomers who want to stay active,

but in addition, today's workforce is much older, accounting for the second-highest injury rate. "With that in mind, your clinic might want to create programs and protocol for age-specific groups," Fowler said. "For example, a sports injury practice geared toward older people may be a hit."

2. Watch for chronic disease cases. Another hot spot in today's outpatient rehab industry is the growing number of Americans with chronic disease. "CMS has grasped how critical it is to keep chronically ill people functional because of the high costs of inpatient stays -- so this is a perfect opportunity for outpatient rehab to step in," Fowler said.

3. Focus on prevention and quality care. This works hand-in-hand with the move toward pay-for-performance. "No one used to routinely screen outpatient rehab patients for falls," Fowler said, referring to the Physician Quality Reporting Initiative (PQRI) fall screening measure that many therapists have been reporting to CMS for a bonus. "Patients who could use rehab for fall prevention [that may have otherwise been under your radar] have the potential to add on another 25 percent of your volume in the long run."

And while on the subject of quality, start keeping track of your outcomes. "This is your number one marketing tool; patients are willing to pay more if they are aware of your results," Fowler said.

Note: See page 84 for more business strategies both inpatient and outpatient rehab owners can implement.