

# Effective Hybrid Partnership Models to Enhance Hospital Performance and Outcomes



To stay ahead of the curve and adapt to the rapidly changing healthcare landscape, providers are finding success by pooling together their strengths and resources, according to a Modern Healthcare report with Lifepoint Health CEO, David Dill.<sup>1</sup>

The report further states healthcare providers can no longer operate in silos. By identifying their strengths and embracing meaningful collaboration, health leaders can begin to see long-term success within their hospital and across their local community.

Partnership has become a leading strategy to efficiently improve quality while continuing to meet the needs of the growing medically complex patient population. However, every hospital and community is different. A one-size-fits-all partnership strategy does not exist. Partnerships can vary in model, stage of the care continuum and facility type.

Read this guide to learn about hospital partnership models that can effectively meet growing complex patient needs, and the service lines that can most benefit from partnership.

## Benefits of Dual Specialty Integration

**Specialty hospitals, especially those with multiple care offerings, have historically earned the highest levels of patient satisfaction.**<sup>2</sup> This makes specialty hospitals “attractive partners for health systems, physician groups, and general hospitals, particularly for those in established or emerging value-based payment markets.”<sup>3</sup>

Specialized service lines are especially important as the number of patients with multiple comorbidities increases. Two rapidly growing service lines that can not only benefit from partnership, but can play a pivotal role in patient outcomes when integrated together:



## Inpatient Rehabilitation

Spurred further by the increasing medically complex population, patient preferences and skilled nursing closures, the need for inpatient rehabilitation is rapidly growing.

Healthcare executives have found that rehabilitation partnership allows them to more easily add and optimize this needed service to their care

continuum. Further, it provides a multitude of benefits for their patients, staff and hospital as a whole. These include:<sup>4</sup>

## “Not having a dedicated behavioral health program has shown to contribute to the growing capacity issues within emergency departments (ED)”



- **Lower post-acute expenditures.** The most effective partners can help improve financial throughput and cash on hand by reducing several critical cost factors, including emergency room visits, length of stay, readmissions and claim denials.
- **Enhanced overall performance with fewer in-house resources.** Partners are able to share the responsibility for program infrastructure, helping providers to maximize their program value and minimize up-front costs.
- **Increased patient access.** A focused partner can help expand a hospital’s reach so that more individuals within a local community are aware of and can easily access critical services without having to travel elsewhere.
- **Improved employee retention.** A seasoned partner will have a team with both local and national reach dedicated to recruiting top talent, such as highly-trained therapists and clinicians. This helps the unit locate and hire individuals who match the hospital’s culture and specific needs of the community.
- **Greater scale and speed to market.** A suitable partner has access to a national database and resources on top rehabilitation trends to help providers quickly adapt and meet growing patient demands.



## Behavioral Health

“Large and robust health care systems must continuously evolve, and the current state of mental health care presents an important opportunity for societies and health systems to reexamine what they need and want from mental health hospital care,” notes the Psychiatric Services Journal.<sup>5</sup>

**Not having a dedicated behavioral health program has shown to contribute to the growing capacity issues within emergency departments (ED),** leading patients to forego the necessary and timely care they need. However, behavioral health integration is complex and requires specialized expertise that can take away from the hospital’s core service lines.

Partnership with a focused behavioral health expert can overcome these challenges and provide optimal outcomes for both the patient and the hospital. Through partnership, hospitals can efficiently address a full range of behavioral health issues including mental health, psychiatric care, addiction treatment and counseling.

In doing so, hospitals can not only improve patient outcomes, but reduce cost while creating a happier and healthier community.

Behavioral health and rehabilitation program integration are important programs independently, but when paired together as a dual integration strategy, can provide substantial benefit to the entire care continuum. Not only can patients experiencing



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physical illnesses or injuries benefit from behavioral health care, both behavioral health and rehabilitation patients can experience improved outcomes simply by having all their care needs met under the same roof without needing to transfer.

Once your hospital determines that the patient population would benefit from services such as specialized behavioral health or rehabilitation care – or co-locating both – the next step is to identify the partnership model best suited to meet your community's unique needs.

### 3 Most Common Partnership Models

Often, mergers and acquisitions are the most commonly referenced partnership types, but there are other proven models based on your hospital's specific needs and opportunities.

#### 1 Joint-Venture (JV)

This option presents local hospitals with the opportunity to leverage the unique strengths, specialized expertise and resources of a national provider – all of which are designed to help the local hospital elevate its offering and expand patient access. This was the case for one community health group that was able to grow its average daily census from less than 100 to over 500 through a JV partnership model.<sup>6</sup>

#### 2 Contract Management Agreement

This is an ideal option for hospitals wanting to maintain full ownership while also tapping into the expertise of a focused partner. Contract management can also be a great place to start when considering a long-term partner. It gives both parties time to confirm that the organizations are a strong fit before moving into a joint-venture.

#### 3 Hospital Merger and Acquisition (M&A)

Since 2021, M&A activity has seen a 25 percent increase and is expected to continue to grow for years to come.<sup>7</sup> M&As may be best for hospitals that lack the resources necessary to optimize complex processes, including

revenue cycle, supply chain and productivity. They may also be appropriate for hospitals lacking expertise in operating highly specialized service lines such as behavioral health.

### Partnership Structures

Partnership often leads to service expansion to meet the needs of the local community. But expansion can mean a variety of things, and does not always require extensive capital.

#### 1 Hospital-in-Hospital (HiH)

A HiH is a separate hospital that is located within the four walls of another hospital, or in one or more distinct buildings located on the same campus.<sup>8</sup> **The HiH, or co-location model, can mitigate the risk and challenges of high-risk patient transfers, as well as reduce LOS by providing advanced care under one roof from multiple specialties.** One major benefit is that it does not require a new building space and can play a role in optimizing a hospital's existing building.

#### 2 Specialized Care Unit

Similar to the HiH structure, a hospital unit allows for more refined clinical and operational processes to be conducted within a hospital. The unit is equipped with specialized resources, such as 24/7 physician oversight, registered nurses that specialized in treating complex patient needs and an interdisciplinary care team. Offering a specialized unit helps maintain care continuity, keeps patients within the hospital's care continuum and minimizes transfers.

#### 3 Freestanding Hospital

Building a freestanding facility can help increase bed capacity and relieve strain on existing hospital resources.

Additionally, it allows patients to receive timely care in a hospital specifically trained and designed to meet their unique needs. Adding a freestanding specialty hospital can substantially help expand community access to needed services.

Each of these structures offer its own unique benefits to a hospital, its patients and its community as a whole. Together, the right partners can find a model and structure that best leverages each partner's strengths and meets the opportunity.

## How Lifepoint Rehabilitation Can Help

With flexible partnership options that span the full spectrum from pre-acute to post-acute, Lifepoint helps hospitals expand patient access in their local communities, while also enhancing quality and operational efficiency. Lifepoint works with each individual hospital to help assess what type of partnership opportunity will best meet the needs of their community and their vision for the future.

To learn which partnership model can help address the unique needs of your community, visit [LifepointRehabilitation.net](https://www.LifepointRehabilitation.net)

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