

# Top Challenges of Running Inpatient Rehabilitation: 6 Things to Know



BY 2030,  
The rehabilitation services market is expected to reach  
**\$215 billion**

**a 48% JUMP from its 2021 valuation.<sup>1</sup>**

Key factors contributing to this growth include the adoption of physical therapy for conditions such as cardiovascular, musculoskeletal and neurologic conditions – as well as the rapid rise of medically complex patients and baby boomers requiring comprehensive care.

Annual growth is also being seen across other post-acute services, including occupational therapy and speech-language pathology.<sup>2,3</sup>

However, the demand and complexity of inpatient rehabilitation is outpacing the ability to acquire and maintain specialized resources, expertise and capital to meet the growing need in local communities.

**Discover 6 key challenges hospitals face when providing inpatient rehabilitation and why partnership continues to play a pivotal role in delivering high-quality, efficient care.**

## 1 Shifting Regulations and Rise in Denials

The complexity of rehabilitation, combined with constant regulatory and compliance changes – such as CMS’ Review Choice Remonstrations – and strict patient qualification standards, makes it challenging for hospitals to meet all admission requirements.

**Denial rates today are almost double what hospitals have seen historically,** resulting in losses of hundreds of thousands of dollars.

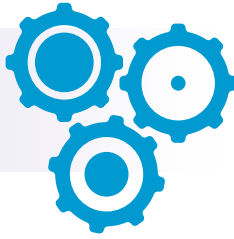
With every rejection, hospitals must redirect staff hours and resources toward managing the extensive appeals process. As managed care grows in popularity, this trend is expected to continue to rise.

Support from a specialized rehabilitation partner enables hospitals to overcome these obstacles.

The right partner will have a team dedicated specifically to rehab appeals and denials so the hospital doesn’t have to pull internal resources. A partner will also provide clinical liaisons who are trained to identify rehab-appropriate patients and provide supporting documentation – cutting down on denials overall.



## 2 Operational Challenges



Running efficient and effective rehabilitation operations requires a team with specialized expertise – unique from a hospital’s core acute service lines. This team must stay up to date on the latest rehabilitation best practices, technology, national quality data and standards.

The team must also have the specialized expertise to develop customized treatment plans for medically complex patients based on each patient’s unique health conditions and recovery goals.

Maintaining operational discipline is a distinguishing characteristic for hospitals.<sup>4</sup> Experienced partner support helps hospitals overcome these challenges and elevate the overall value of their offering.

## 3 Specialized Staffing and Training



The drastically declining workforce remains a top challenge for hospitals, according to a Kaufman Hall healthcare executive survey.

**Two-thirds of survey respondents state their facilities have been operating at less than full capacity because of the ongoing staffing shortage.<sup>5</sup>** This is causing patients to receive less effective care, resulting in longer lengths of stay (LOS), delayed discharge and a higher likelihood of readmission.

Further, it takes expert training to obtain the necessary knowledge and skills to deliver the appropriate level of rehabilitative treatment to patients with varying and complex needs.



These factors make recruiting, training and retaining top rehabilitation talent more challenging than ever before. Without the proper team in place, the needs of the community cannot be met.

## 4 Financial Hurdles



**At the end of 2022, 68% of hospitals were projected to operate at a financial loss due to barriers with inflation, rising operational costs and ongoing clinical labor shortages.<sup>6</sup>**

Today, financial performance remains a top priority for health leaders.

However, the lack of qualified clinical labor is causing many hospitals to delay patient discharge – leading to longer LOS in multiple care settings and a backlog of patients requiring comprehensive care.

These barriers will continue to push the financial envelope for hospitals and result in decreased outcomes and higher care costs across the care continuum – ultimately impacting the viability of the inpatient rehabilitation program and hospital overall.

A partner can help deliver high-quality rehabilitation care in the most effective way possible. Depending on the type of partnership, they can also provide capital support.

## 5 Network and Referral Development

Before a patient is ever admitted to inpatient rehabilitation, many resources must be deployed. Some of the process includes:

- Identifying the right patient at the right time within their recovery journey.
- Ensuring the patient can meet all inpatient rehabilitation qualifications.
- Educating the patient and family about what to expect during inpatient rehabilitation.
- Regularly communicating with family members and care team to ensure the patient is reaching their goals and is staying engaged and on track to discharge home.

Having a team of highly trained and experienced rehabilitation clinical liaisons helps reduce denials, lowers readmission rates and per-patient cost, and increases patient satisfaction.

Due to competing staffing and financial priorities, many hospitals do not have rehab-specific clinical liaisons available. A rehabilitation partner provides highly trained clinical liaisons with no resources required by the hospital.

## 6 Quality Assurance and Outcome Monitoring

The standard quality metrics used to measure rehabilitation programs are different from other service lines.

Without a partner, an individual hospital often does not have access to national quality data or resources dedicated to understanding and appropriately implementing the latest best

# 42%

of executives are evaluating new partnership opportunities that could be leveraged through a **JOINT VENTURE.**<sup>7</sup>

practices and research to help ensure high-quality outcomes.

This often leads to:

- Reduction in standardized assessment tools
- Lack of measurable quality goals
- Reduced care quality
- Lower overall patient satisfaction

## Rehabilitation Partnership as a Best Practice

**A recent Mercer study notes 42% of executives are evaluating new partnership opportunities that could be leveraged through a joint venture.**

Additionally, half of the respondents state they intend to integrate new service lines into their existing operations.<sup>7</sup>

Support from a specialized partner has been found to help mitigate the challenges listed above without expending unnecessary resources and capital.

Because of this, rehabilitation partnership is a leading trend for top health systems across the country.





## About Lifepoint Rehabilitation

Lifepoint strives to ease the burden of running an inpatient rehabilitation unit or hospital. Whether it be through a joint venture or contract management partnership, Lifepoint is dedicated to increasing patient access, improving clinical quality and elevating operational efficiency in a cost-effective manner.

Spanning 37 states, Lifepoint continues to be a leader in post-acute care delivery, with a network comprising of more than 300 hospital-based rehabilitation programs nationwide.

Learn more about how Lifepoint is delivering optimal patient and partner hospital outcomes no matter the current state of the healthcare landscape by visiting [www.LifepointRehabilitation.net](http://www.LifepointRehabilitation.net).



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Rehabilitation**



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