

Shifting Post-Acute Landscape: Three Trends Every Hospital Leader Should Watch in 2026



The post-acute landscape, especially inpatient rehabilitation, continues to rapidly grow and transform. For hospital leaders striving for peak operational efficiency, improved patient outcomes, strong financial health and anticipation of emerging trends are crucial.

Discover three trends currently shaping the inpatient rehabilitation landscape for hospitals and how strategic partnerships can empower hospitals to not just adapt but thrive.

1 Regulatory Shifts Impacting Hospitals



The transition to value-based care (VBC) continues to expand within the post-acute care setting, a trend significantly amplified by the 2026 CMS final rule for inpatient rehabilitation facilities (IRFs) and acute

rehabilitation units (ARUs). In 2026 and beyond, hospital success will center on demonstrating tangible patient outcomes, efficient resource utilization and high patient satisfaction, as CMS increasingly ties reimbursement to these metrics.

This evolving environment presents both opportunities and considerable challenges for IRFs and ARUs. These include:¹

- **Heightened scrutiny of quality reporting:** Hospitals are facing mounting pressure to ensure robust and accurate data collection and reporting on key indicators like functional improvement and readmission rates. Proactively analyzing the Final

Rule's impact on reporting infrastructure and clinical practices is crucial to avoid penalties and showcase value.

- **An evolving landscape of alternative payment models (APMs):** APMs are still developing in the rehabilitation space. However, the emphasis on cost and quality within the final rule may accelerate their adoption, requiring IRFs and ARUs to forge stronger relationships with acute care partners for effective care management and patient transitions.

Moreover, the "One Big Beautiful Bill Act" (OBBA) has placed additional financial and operational stress on hospitals. With potential cuts to federal programs, reduced reimbursement rates, and increased administrative requirements, hospitals are urgently seeking solutions.

Hospitals can effectively navigate the complexities of the OBBA and other regulations, like CMS' Final Rule, by partnering with an experienced post-acute care provider. Inpatient rehabilitation, a service line less impacted by the OBBA, offers a strategic opportunity. By expanding or optimizing these services with the support of a partner, hospitals—especially those in rural communities—can improve patient outcomes and admissions. The growing market for inpatient rehab also underscores the increasing demand for this type of care within the hospital setting.

2 Rising Inpatient Utilization Among Growing Hospital Capacity Constraints

Hospitals are experiencing a significant rise in inpatient utilization, a trend amplified by the increasing prevalence of chronic illnesses across all age demographics. The American Hospital Association (AHA) anticipates a 3% increase in inpatient



discharges over the next decade, reaching an estimated 31 million annually. Even more notable is the projected 9% surge in inpatient days, rising to 170 million within the same timeframe.²

These projections are already manifesting in real-time, with one hospital reporting a stark increase in operational capacity year-over-year, moving from an already strained 92% to 102%. This highlights the growing demand for comprehensive inpatient rehabilitation care, particularly for an increasingly complex patient population.³ Moreover, emerging health trends reveal increases in conditions traditionally associated with older populations now affecting younger individuals.⁴

- **People ages 18-55 are experiencing a 14% increase in stroke rate**
- **People 45 years and younger are 9X as likely to die from heart failure**
- **The older population continues to experience more chronic and complex diagnoses – therefore increasing the need for access to inpatient treatment**

These factors create significant challenges for patient throughput and the overall hospital's ability to meet demand. The need for healthcare services is noticeably outpacing the current supply of qualified professionals, available beds and comprehensive inpatient treatment options.

To effectively address these escalating challenges, hospitals are seeking partnerships with providers who possess specialized expertise, flexible resources and innovative solutions necessary to navigate these evolving patient needs and utilization trends.

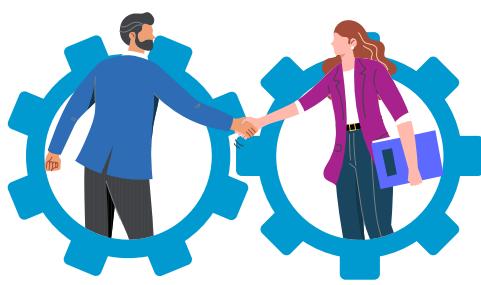
Rise in Joint Venture and Contract Management Partnerships

The trend of acute care hospitals strategically partnering with post-acute care experts through joint ventures (JVs) and contract management agreements continues to grow. With approximately 45% of acute care discharges requiring post-acute services, the strategic value of these partnerships has become increasingly apparent.⁵

Leveraging the specialized expertise of rehabilitation providers allows hospitals to optimize their post-

acute service lines without the full burden of direct management and investment. These arrangements often bring established best practices, specialized staffing models and proven operational efficiencies.

Additionally, the co-location of inpatient rehabilitation services alongside other complementary programs, such as behavioral health, within the same hospital or campus continues to gain traction. This integrated approach fosters seamless transitions, enhances interdisciplinary collaboration, and provides a more holistic continuum of care for patients with complex needs.⁴



References

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Marty Mann
SVP, Chief Development Officer
Lifepoint Health
630.904.8400
Martin.Mann@LPNT.net