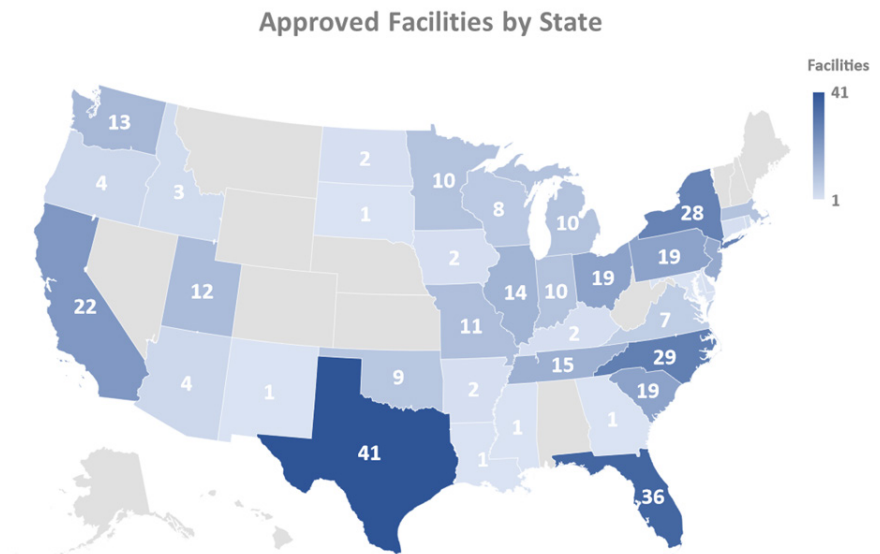


# THE NEW INPATIENT

## IS HOSPITAL AT HOME RIGHT FOR YOUR SYSTEM?

Hospital at Home (HaH) programs have recently proliferated, beginning in response to hospital bed scarcity during the COVID-19 emergency.

Since November 2020, the Centers for Medicare & Medicaid Services (CMS) has approved 388 hospitals across 142 health systems in 39 states to join its Acute Hospital Care at Home (AHCAH) initiative.<sup>1</sup> With the current waivers expiring on 3/31/25, organizations are weighing opportunities to make their programs permanent.



Note: Per CMS Quality Net as of 3/3/25

## Right Patient, Right Time, Right Place

There is no shortage of patients who would benefit from HaH, with some estimates suggesting that, given enough HaH expansion, 30 percent or more of patients could be treated at home.<sup>2</sup> Good candidates for this type of care include patients with conditions like pneumonia, cellulitis, or chronic obstructive pulmonary disease. Although participating hospitals develop patient inclusion criteria based on internal capabilities, they also use national data to create patient profiles, including clinical, psychosocial factors, home environment, and willingness to participate. CMS reports that the most common illnesses treated through HaH programs were respiratory (36%), circulatory (16%), renal (16%), and infectious diseases (12%).<sup>3</sup> When given the option, two-thirds of patients who were offered acute-care treatment at home accepted, with more than three-quarters noting that they preferred continuing treatment from the comfort of their home (78.2%) and preferred being near family (40.7%).<sup>4</sup>

Aside from benefits to patients, HaH programs also represent areas of long-term growth and net new business for organizations poised to capitalize on the opportunity. Those considering implementing a HaH program should be aware of both the benefits and challenges of the model.

1. AMA—[Hospital at Home Saves Lives and Money: CMS Report \(11/22/24\)](#)

2. AHA—[Providers Betting Big on Future of Hospital at Home \(4/9/24\)](#)

3. Centers for Medicare & Medicaid Services—[Lessons from CMS' Acute Hospital Care at Home Initiative \(12/17/24\)](#)

4. American Geriatrics Society—[Choosing Inpatient vs Home Treatment: Why Patients Accept or Decline Hospital at Home \(5/6/20\)](#)

# Strategic Triage at the Systems Level

HaH allows hospitals to address demand that outstrips the capacity of brick-and-mortar facilities. For hospitals with capacity constraints, HaH provides a clinical pathway to expand care into communities and improve long-term patient engagement, driving net new business to the system.

*Atrium Health, a top-ranked HaH program, cared for more than 9,400 patients between March 2020 and February 2024 in its HaH program, saving more than 33,000 brick-and-mortar bed days for its patients.<sup>5</sup>*

Patient satisfaction begins with autonomy in healthcare decision-making; having options to receive hospital-level care in the comfort of their own homes makes HaH programs attractive to both patients and providers.

*“Would you give up Amazon tomorrow and just go back to department stores?”*  
— Michael Maniaci, MD, physician lead for Mayo Clinic’s hospital-at-home program<sup>6</sup>

Once patients understand that they will receive twice daily visits from a nurse & hospital staff on call 24/7, most are eager to transition care to this model. Rochester, Minnesota-based Mayo Clinic reports its metrics show that its HaH program provides care that is “at least equivalent, if not better, than a physical hospital.”<sup>7</sup>

## Operational Streamlining Drives Better Outcomes and Sustainability

HaH programs have several operational advantages. Organizations can test and explore which DRG’s and patient populations they can manage appropriately outside of the traditional hospital environment. Allowing providers to pilot and grow into new operating models creates new opportunities for long-term profitability and sustainability. The CMS *Lessons Learned Study* identified that patients treated at home had on average, <1 day longer LOS, while Medicare spending was approximately 20% less for most of the top 25 MS-DRG’s in the ACHA group.<sup>8</sup> For systems that have struggled to recover to pre-pandemic nurse staffing levels, HaH programs offer RNs who left the hospital environment a more flexible work model with clinical autonomy, more time for 1:1 patient care, and, in some cases, even higher pay.<sup>9</sup> Technology that allows for remote monitoring of patients via wearable sensors is particularly attractive for rural systems, allowing providers to support many patients across diffuse geographies.

OSF Healthcare, headquartered in Peoria, Illinois, operates the largest digital hospital program in the state and has served more than 400 patients in Peoria and Rockford.

*Fewer than 7 percent of OSF OnCall Digital Hospital cases needed brick-and-mortar hospital readmission, and patients in the program reported faster recoveries and fewer complications, such as falls and hospital-acquired infections.<sup>10</sup>*

Operational wins like these have led some organizations to invest long-term in HaH programs. For example, Mass General Brigham aims to move 10 percent of its medical patients to the home, with one of its chief executives noting that “there’s really no greater model of care for being patient-centric.”<sup>11</sup>

5. Healthcare Innovation—[How Atrium Health Scaled Up Hospital at Home](#)

6. Becker’s Hospital Review—[These health systems offer ‘hospital-at-home’ programs \(10/13/22\)](#)

7. Becker’s Hospital Review—[Inside the top 8 hospital-at-home programs \(12/7/23\)](#)

8. Centers for Medicare & Medicaid Services—[Lessons from CMS’ Acute Hospital Care at Home Initiative \(12/17/24\)](#)

9. Nurse.com—[Key Differences Between a Home Health Nurse and a Hospital Nurse \(7/30/24\)](#)

10. OSF OnCall—[Digital Hospital, Bringing the Hospital Home](#)

11. Med City News—[Why Mass General Brigham Wants to Move 10% of Patient Care to the Home \(3/27/24\)](#)

# Deploying Capital Efficiently Long-Term

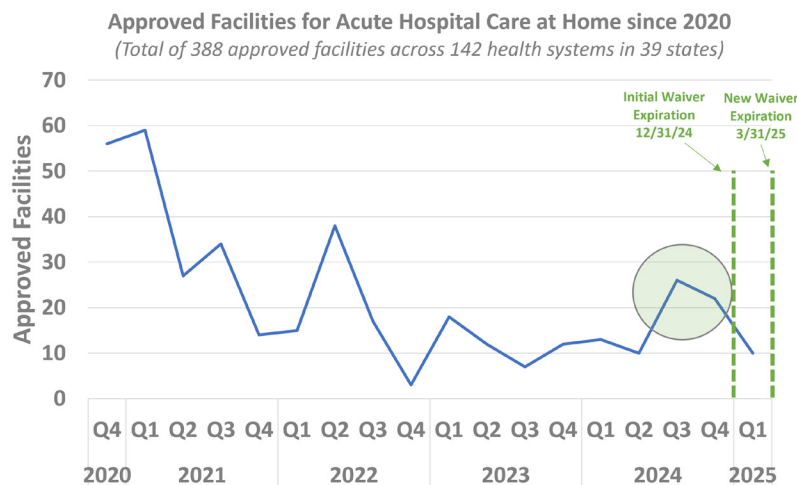
Though labor remains the largest line item in a hospital's budget, capital costs can be disproportionately onerous, especially for struggling systems. Hospitals with outdated or deteriorating facilities often face a conundrum: replacement bed towers for aging facilities do not typically generate enough business to justify the cost.

*One of the largest contributing factors to hospital closures is capital spending on a new facility.*

Additionally, demographic trends indicate that demand will shrink with the next generation after an initial increase in inpatient hospital utilization to accommodate baby boomers in the next decade. Building new capacity with a 30-year life cycle to address a 10-year issue is not good business. Deploying a HaH program may allow some hospital systems to avoid or refine significant capital projects as they move more patients into homecare models.

## But Challenges Remain

Since the early days of the pandemic, CMS approved facilities have decreased. However, as we approached the initial waiver expiration on 12/31/24 we see an upward spike. This demonstrates the perceived value of HaH programs. Successful organizations will need to continue to evolve their programs as regulatory dynamics shift.



Newark, Delaware-based ChristianaCare launched its HaH program in December 2021 after receiving waiver approval in June 2021. With patient engagement and satisfaction being top metrics for evaluation, the organization is committed to remote care delivery regardless of changes to the program at the federal level.

*The biggest issue facing HaH isn't legislative at all; it's patient education.*

"We have best-in-class technology that identifies patients who would be great candidates, but even after a thorough, algorithmically-driven intake process, our declination rate is near 70 percent, which tells a different story than the CMS data," said Greg Kasmer, Corporate Director, Center for Virtual Health, Hospital at Home Program for ChristianaCare. They currently serve between a dozen and 15 patients in HaH settings, with a short-term goal of caring for 2.5 percent of medical admissions. "Long term, we are aiming for 5 percent, but we need to be realistic about the barriers to growth."

In addition to patient skepticism about the level of care they may receive, finding the right people to staff the program can be challenging. “We need people who are comfortable with flexibility and seeing different kinds of patients throughout the day,” Kasmer said, noting that after a recent snowstorm, HaH workers needed to shovel patients’ walkways and sidewalks just to get to their front doors. Paramedics make ideal candidates, but his system has had trouble recruiting them.

Another challenge can be tech and equipment delivery. ChristianaCare works with Medically Home to deliver the equipment needed—from iPads to installation of other monitoring tools—to create ideal at-home treatment conditions.

*“Tech is not what will make your HaH program successful...  
It’s everything else.”*

— Greg Kasmer, ChristianaCare Center for Virtual Health, Hospital at Home Program

Kasmer notes that a significant consideration is whether your hospital wants to contract directly with vendors providing specialty equipment, such as phlebotomy supplies, or work with a partner to streamline that process.

## Conclusion

HaH programs that can execute these considerations will continue to prove their value and long-term viability. The Innova Group specializes in healthcare strategic facility planning and can help identify the impact a HaH model will have on your organization. Our multidisciplinary team brings together strategic, facilities, and financial planning to meet your organization’s needs. If you have any questions about Hospital at Home or other initiatives your organization is exploring, please contact Jeff Kilpatrick or Bart Thyer.

### About The Innova Group

Since 1995, health systems and medical groups have sought The Innova Group’s advice on their most difficult strategic and facility planning challenges. More information about our team of professionals and consulting services can be found at [www.theinnovagroup.com](http://www.theinnovagroup.com).



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