

OVERVIEW

Care suites, also called recovery care suites or recovery care centers (RCCs), have been slowly gaining favor amongst orthopedic and spine surgeons. The model has many variations, but the general concept is straightforward: a non-hospital overnight recovery option for post-surgical patients. A handful of groups around the country have implemented post-surgical recovery care suites. While each operates under a different set of state regulations, they all have the same objective to provide a high-value, non-hospital-based option

for safe post-surgical recovery. Some examples of these recovery care centers include:

- » BroMenn Comfort and Care Suites (Bloomington, IL)
- » Summit Orthopedics Care Suites (Eagan and Vadnais Heights, MN)
- » Twin City Orthopedics Recovery Suites (Edina, MN)
- » Parkway Recovery Care Center (Las Vegas, NV)
- » Emory Aesthetic Center Overnight Suites (Atlanta, GA)

REGULATION

The regulation of recovery care suites is dependent upon the state in which they operate. The following states offer specific regulation and licensure categories for recovery care suites:

- » Arizona
- » Colorado
- » Connecticut
- » Illinois
- » Oregon

Most states do not have any regulation or licensure category for this facility type. In states without

specific RCC licensure rules, providers seeking to implement a recovery care service must be certain it does not meet a “facility” definition. An unlicensed recovery care center must operate like a hotel: providing no regulated medical care. The “hotel” option can be attractive, however, as it does not come with any of the specific rules associated with licensed RCCs (such as length of stay requirements). Nursing care can be provided in that setting through home health or private duty nursing services.

REIMBURSEMENT

Regardless of the chosen model, RCCs are not reimbursable through federal programs such as Medicare. Private payers, however, will entertain contracts to reimburse recovery care in conjunction with a surgical case. As with any private payer negotiation, the ability to negotiate payments with a third-party payer are state specific and dependent on the predominant payers in each market.

Q & A

Q: *What are the advantages of recovery care centers?*

Hill: Recovery care centers offer a pleasant environment in which patients undergoing complex orthopedic surgeries, like joint replacement or spinal fusion, can recover comfortably. RCC's are not intended to replicate the hospital room setting; they offer a bridge from post-op to home recovery and allow the care team to have more time with the patient. This, in turn, better prepares patients for the two to three-month home recovery period following the procedure.

Q: *If surgeons are increasingly discharging total joint patients same-day, then why are recovery care suites needed?*

Hill: Hip and knee surgeons vary widely in their approaches to recovery. Many surgeons having significant experience with outpatient joint replacement discharge a majority of ASC patients on the same day of surgery. However, even for the leaders in OP joint replacement, a portion of patients still require overnight stays due to lack of support at home, comorbidities, or a patient's lack of willingness or preparedness. This can be anywhere between 25% and 90% of patients, for whom recovery care suites are beneficial.

Q: *Are there any risks?*

Hill: A major risk to overcome is low utilization of the recovery care suites. Joint surgeons don't operate every day. As noted, many are pushing towards same-day discharge. Full utilization of the recovery care suites would require a consistent volume of complex cases for patients requiring the extra recovery time. A strong same day discharge program and efficient surgeon may lead to a thriving OP joint program but an underutilized recovery care center.

Another risk is reimbursement, which is at the mercy of the payers. Some may be willing to provide reasonable coverage for extended recovery care, but others may not. Depending on patient volume, per night/per room costs for recovery care suites could be anywhere between \$300 and \$1000. At the upper end, patients may be unwilling to cover that cost out of pocket. It is important that overall reimbursement be reasonable so as not to unduly induce patients to the affiliated surgery center. Appropriate legal precautions must be taken when considering reimbursement for the service.

Q & A

Q: *How are RCCs paid for?*

Hill: The cost of providing overnight stays in recovery care centers can be covered through a combination of payer contracts, out of pocket payments from patients, or bundled payment arrangements (where the physician or episode convener covers the cost).

Q: *Can an RCC be unlicensed?*

Hill: Yes. Recovery care centers can operate without a specific healthcare license. However, considerations of existing laws and regulations within the respective state need to be made. In general, recovery care suites should be comfortable places to recuperate and participate in physical therapy, with direct access to educational resources and care team members.

Compass has extensive experience designing, developing, and managing surgery centers centered around complex surgical cases, such as total joint replacement and spine surgery. These surgical specialties benefit the most from RCCs, given the additional recovery time required for some patients. The ASC/RCC combination offers a compelling option for patients who prefer not to have surgery in the institutional setting of a hospital. A growing body of evidence suggests that same-day discharge to home is appropriate, even preferred, for patients with adequate home support. As such, design of RCCs should carefully consider the trends toward same day discharge, as over-built RCCs may eventually suffer from severe underutilization. However, many patients benefit from RCCs, and we expect recovery care centers to become a core strategy for many of our surgery center partnerships moving forward.

To discuss feasibility of a total joint and spine-focused ASC with recovery care, give us a call at (202) 378-0139 or email us at wholding@compass-sp.com.