ZVMS Policy Brief

RECUPERATIVE CARE

SUMMARY

Critical gaps in our current healthcare system expose individuals experiencing homelessness to greater risk of readmission following post-acute hospital care due to lack of appropriate recovery environment. This contributes to the disparities in health outcomes and treatment costs seen in this population. Recuperative care helps fill this gap by providing post-hospital-stay recovery for those living on the street. Sometimes called "Medical Respite Care," it offers a safe, secure place to stay after an inpatient hospitalization for those who no longer need high acuity care but are too ill to return to the streets. Emerging evidence indicates that it is safe and effective, lowers treatment costs, redistributes care to more appropriate settings, and connects patients to critical social services, increasing rates of stable housing upon discharge. Minnesota would do well to join the states covering recuperative care stays under Medicaid benefits.

BACKGROUND

In a recent study, the Wilder Foundation estimated that almost 20,000 individuals experience homelessness each day in Minnesota, 77% of whom have chronic health condition.[1] The most recent estimates in Olmsted County place the number of individuals experiencing homelessness around 500. As jobs dried up during the pandemic and the housing market became increasingly expensive, more and more of our neighbors found themselves on the streets, often without healthcare.[2]

A major healthcare issue for those experiencing homelessness is determining where to go after a hospital stay. A traditional inpatient hospital stay ends when one is well enough to continue recovering at home, begging the question: where do you go if you have nowhere to call home? The answer is, the ever frustrating, "it depends." Some will find themselves in a shelter or stay with a friend. Far too many others will return to the street. This instability is thought to be a major driver of the lower life expectancy, higher hospital readmission rates, elevated rates of emergency department visits, and broadly worse health outcomes seen among homeless populations. [3-6]

DISCUSSION

What is Recuperative Care?

Sometimes called "Medical Respite Care", recuperative care is "acute and post-acute medical care for people experiencing homelessness who are not ill enough to remain in a hospital, but are too ill to recover on the streets or in regular shelter settings."[7] In addition to safe housing and medical care, recuperative care programs provide housing, hygiene facilities, food, and social services to patients experiencing homelessness.

Since their inception in the 1980s, recuperative care programs have grown in both size and scope. The National Health Care for the Homeless Council reporting a total of 117 programs across 35 states in as of January 2021.[8] California runs the most programs in the nation with 29, and include a statutory requirement that hospitals try to place homeless patients into these programs upon discharge.[9] Minnesota already has 4 programs serving the Twin Cities and Duluth, but lacks coverage to much of its homeless population.[10]

Because of the dispersed, and often insular nature, in which these programs are developed, there is significant variation among states – and even among programs in the same state. Recuperative care programs generally offer about 20 (median 17 beds) short to medium term (median stay 28 days) beds for patients experiencing homelessness, in mostly non-healthcare settings.[8] Only 9% of the programs registered in the National Institute for Medical Respite Care's (NIMRC) directory are set in a skilled nursing or assisted living facility.[8] The vast majority (69%) operate in homeless shelters or stand-alone facilities.[8] Clinical staffing varies as well. Only 29 programs provide MD services while 102 programs have medical services provided by nurse practitioners, physician assistants, or registered nurses.[8] Furthermore, 58 programs provide the services of social workers to their patients.[8]

How is it Paid for?

Most recuperative care programs are jointly funded through some combination of private and public partnerships. The NIMRC identified the top 3 sources of funding for these programs as hospitals, private donations, and local or state government.[8] The NIMRC reports that only 15 programs that have a single funding source.[8] Many of these programs rely on grants from hospitals, state/local governments, or private philanthropy for a shaky semblance of financial stability. Many programs may receive some amount of Medicaid funding, but often not nearly enough to cover operating costs. Programs partnered with or run by Federally Qualified Health Centers (FQHCs) have access to Medicaid Prospective Payment System which provides bundled payments for care. This allows windows to pay for the non-clinical services.[11] Recuperative care programs not linked to FQHCs have more difficulty in obtaining Medicaid funding, leading to even bigger financing gaps.

Increasingly, Managed Care Organizations (MCOs) are paying for and contracting with recuperative care programs. In this arrangement, MCOs see lower costs for their patients, and recuperative care programs see more predictable and reliable funding. This is a hypothesized source of future financial stability for these as data continue to emerge that this model improves outcomes and lowers costs.[11] The federal government is interested too. The Centers for Medicare and Medicaid Services (CMS) have approved 1115 demonstration waivers seeking to expand case management systems and comprehensive care coordination. California's waiver, approved in December 2020 specifically included recuperative care.[12]

Does Recuperative Care Work?

The emerging data largely indicate that recuperative care is effective for patients and the systems in which it is utilized. A number of studies identified reductions in hospital service utilization associated with recuperative care.[13-17] In addition to reduced inpatient hospital services, utilization appears to shift to more appropriate outpatient care.[13,14] These patients are using fewer costly services and seeing better care continuity. This helps improve chronic disease management, patient satisfaction, and fewer hospital admissions.[18] Patients in recuperative care had higher rates of attendance at follow-up appointments and better adherence to medications.[14,19,20] Among the very highest service utilizers, a known cost-driving cohort, recuperative care stays reduce readmissions.[21] Some researchers estimate that this may save individual hospitals between $18,000 and $48,000 per day for the care of patients experiencing homelessness.[22] These savings are shared with payers, often Medicaid programs, via reduced length of admission and the downstream benefits of more coordinated care, better follow-up care, and fewer overall admissions.[17]

Beyond the direct cost savings within the healthcare system, recuperative care provides a unified intervention point for those experiencing homelessness. Some studies identified increased housing stability following a stay in recuperative care.[13,23,24] Others found success in obtaining income and being approved for Medicaid, with one program helping almost 50% of its patients with each of these goals.[14]

This highlights a significant fact: Recuperative care can be an effective social service intervention in addition to being an effective medical intervention.

WHY WE SHOULD CARE

Until all Minnesotans have a safe place to call home, a critical gap in healthcare will remain. Recuperative care bridges this gap in the short-term while driving down the cost of care for these individuals. It provides a necessary human service and powerful intervention point for case management and care coordination. Recuperative care presents the opportunity for Minnesota to become a regional and national leader in both the moral task of caring for those experiencing homelessness and in healthcare innovation. Minnesota can step out on the front edge of healthcare for the homeless, improving lives and lowering costs along the way.

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