



How Operators Can Find the Best Way – Or Ways – Forward

There is no crystal ball to predict the future of post-acute and long-term care, but a recent episode of the Spoonful of Sugar podcast had the next best thing – American Health Care Association/National Center for Assisted Living (AHCA/NCAL) President and CEO Mark Parkinson. He talked about the opportunities for providers to explore new partnerships and niches and position themselves for success moving forward.

Parkinson started by noting that, in the best of times, the profit margin for nursing homes is slim. He suggested three areas that offer businesses promise for the future:

- **Risk sharing.** “I love that so many facilities are becoming their own managed care plans or partnering with others to develop one,” Parkinson said. The Centers for Medicare & Medicaid Services (CMS) has authorized providers to become managed care plans through Institutional Special Needs Plan (ISNP). Specifically, an ISNP is a Medicare Advantage plan that provides focused care coordination to a specialized population such as older adults. Some providers have already undertaken such efforts, and Parkinson said, “It’s working out well. They are getting phenomenal clinical outcomes, and they’re being paid well. It’s win-win.” He stressed, “I would suggest to listeners that if you have don’t already have a risk-bearing strategy, get one.” He said that AHCA has on staff three of the nation’s most foremost experts on risk management, and AHCA/NCAL members can reach out to them any time.
- **Specialty care.** Some providers have developed home health or hospice companies or divisions, or they have integrated adult day care programs into their offerings. “A few are willing to take care of much more complicated patients and undertaking efforts such as opening ventilator units,” said Parkinson. “These strategies can work well if done

right,” he noted. However, he suggested starting by going for low-hanging fruit – efforts that can be done fairly easily, that build on strengths and expertise already in existence, and that offer opportunities for income. However, he noted that in some cases providers have gone to their state legislatures and obtained more money, for instance, for behavioral health services.

- **Ancillary services/care transitions.** Increasingly, hospitals and other referral sources seek facilities that can help keep patients at home – and out of the hospital and ER – after discharge. Says Parkinson, “It’s really a matter of making sure you’re working with people at all levels of care. You need good, open relationships that enable you to understand what’s happening when people leave the building and ensure that the quality care continues.” This means partnerships with an array of resources, practitioners, community agencies, and others. “Creating partnerships and bundling services is the way of the future,” Parkinson said.

Parkinson is bullish on the long-term care industry. “However,” he said, “we are still in the middle of a crisis. We have to get through the census recovery and staffing shortages. Construction has stopped and won’t pick up again for a while.” But then, he observed, “There will be growth and a huge demand for the services we provide. We just have to get through one more year of COVID, and then there will be tremendous opportunities.”

The Spoonful of Sugar podcast is an innovative partnership between PharMerica and McKnight’s. In each program, co-hosts T. J. Griffin, Vice President of Long Term Care Operations & Chief Pharmacy Officer at PharMerica, and John O’Conner, Vice President, Associate Publisher/Editorial Director of McKnight’s, address the latest issues in long term care with leading experts and front line providers, practitioners, and others. Listen to this and all Spoonful of Sugar podcasts here, and join Illuminate to get notice of new episodes on emerging trends, issues, and the future of the skilled nursing industry.