**Inpatient/Outpatient Transformation Strategy**

The AHA Task Force on Ensuring Access in Vulnerable Communities examined ways in which the access to and delivery of care could be improved. The inpatient/outpatient transformation strategy (IOTS) addresses two recent challenges faced by hospitals – the declining volume of inpatient services and increasing volume of outpatient services. The IOTS would capitalize on these challenges, allowing hospitals to more closely align the services offered with those needed by their communities.

**Reduce Inpatient Capacity and Shift Resources to the Delivery of Outpatient Care**

To implement this strategy, hospitals need to conduct a detailed assessment of the level of inpatient and outpatient services needed in their community. They should then take these three steps to achieve better alignment:

1. **Reduce inpatient capacity** to a level that closely reflects the need of the community for acute inpatient beds;
2. **Shift resources** to enhance outpatient and primary care services offered to the community; and
3. **Continue providing** emergency services.

Once this transition takes place, hospitals would continue to be subject to all federal statutory and regulatory requirements that apply to hospitals, including, but not limited to, quality reporting requirements, the Medicare Conditions of Participation and other requirements related to the volume and type of inpatient services provided by the hospital.

**Strategies to Facilitate Successful Implementation**

While the IOTS does not require changes to federal statutory or regulatory provisions to be implemented, there are certain strategies that will allow hospitals to more successfully implement this model.

- **Community engagement.** Partnership, buy-in and acceptance from the community will be a key driver for success as hospitals consider this strategy. Hospitals should start by engaging their boards in conversations related to the amount and type of services currently offered by the hospital to the community. Hospitals may utilize AHA’s **Discussion Guide for Health Care Boards and Leadership** to assist with these conversations. Then, hospitals should determine what services they should be providing based on the health needs of the community. This includes proactively fostering relationships with community organizations focused on improving the community’s health. In addition, hospitals may work with community health partners, including local county governments, health departments, churches and schools to coordinate care and increase the community’s focus on health and wellness. Hospitals also may use **resources** developed by the AHA to consider ways to engage with their communities as they complete their Community Heath Needs Assessment.

- **Resource allocation.** In order to transition to this strategy, like others included in the task force report, hospitals will need to invest time, effort and financial resources. In many cases, hospitals will need to make facility renovations or improvements to restructure how and where it offers its services. Additional resources from local, state and federal governments would allow hospitals to more successfully implement the IOTS. Hospitals may visit AHA’s website for more information on grant funding opportunities.
Case Examples

Hospitals around the country have successfully implemented this strategy. Several case examples are included below. Please feel free to contact these hospitals if you would like more information about their experiences.

- **Carolinas HealthCare System Anson (Carolinias)** in Anson, NC recognized that it would have to transform its model of delivering care in order for the hospital to remain viable. Carolinas worked with its community to design a new facility that reduced inpatient capacity from 52 to 15 beds and allowed the hospital to offer enhanced outpatient and primary care services to the community. These services include a patient-centered medical home, increased emergency department capacity and increased behavioral health services. The hospital developed new patient flow and care coordination models that focus not only on improving outcomes, prioritizing primary care, wellness and prevention, but also on improving patient flow and screening so that each patient is treated in the most appropriate setting. Early results of the transformation have been positive. For example, ED visits have decreased and primary care volumes have increased. In addition, Carolinas has transitioned 2,631 patients into the new primary care/medical home model in the first year – which is significant given the total population of the hospital’s service area is only 25,765.

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- **Guadalupe County Hospital (GCH)** built in 1952, was originally a 31 bed general acute care hospital, with maternal, medical and surgical services. However, over many years the hospital faced financial, low volume, human resource and geographic isolation challenges. For example, located in Santa Rosa, NM, population 2,848, GCH was home to the only emergency room between Albuquerque and Tucumcari – a 173-mile stretch of Interstate 40 that spans the eastern half of the state. In 2011, GCH worked with the community to plan, finance, design and construct a replacement facility that better suited the needs of its community. Specifically, the new facility has only 10 inpatient beds, and includes primary care clinic, a retail pharmacy, a public health clinic and a dental facility next door to the hospital. It is patient-centered and offers a range of services that closely align with the actual health care needs of the community. As a result, GCH has been able to expand outpatient services, improve clinical quality measures and patient experience scores, and stabilize its finances.

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- **Mount Sinai Health System (Mount Sinai)** in New York City has started a four-year project to rebuild Mount Sinai Beth Israel. Currently, the hospital is licensed for 799 beds, but on average, has less than 400 occupied beds in use on a daily basis. The health system will create a new “Mount Sinai Downtown” health care network that includes a brand new Mount Sinai Beth Israel Hospital, with reduced inpatient capacity and a full-service ED. The new Downtown network will have 220 beds and will be accompanied by a network of greatly expanded primary, specialty, urgent, behavioral and outpatient surgery services that seeks to address the health care needs of its community today and the future.

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To learn more about the task force’s report, including case examples, visit [www.aha.org/EnsuringAccess](http://www.aha.org/EnsuringAccess).