THE POST

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A quarterly newsletter for the staff and friends of Post Acute Medical

A message from our President and CEO

Every successful organization understands that it is essential to monitor operations to gauge the company's current state of affairs, as well as to determine where it is headed. Post Acute Medical is no different.

For the last year, we have been carefully considering what will happen next for our organization, which currently stands at 30 plus hospitals and a number of outpatient centers. What I have concluded is the next step is not just about adding more hospitals. We must diversify the company, but how we diversify remains in question.

We are looking at many options, including delving into acute care hospitals and products in rural markets where we would build a network of post-acute services. Another option is to look at businesses that have some relationship to the post-acute space and cross fertilize business back and forth. We also might look at products or businesses that aren't Medicare centric that would help us create a balance of revenue in the company.

Of course, this doesn't mean that we won't continue to open rehabilitation hospitals. But, it does mean that we have to do more, if we are to thrive in the current healthcare environment. It is not enough to maintain a single business focus.

While we have spent the last few years focused on issues relative to reimbursement changes, we have achieved the right amount of stability making the time right to explore our options. With the help of several consultants, we are evaluating some of the more promising opportunities available to us. Together we will look at the best options for continuing to grow so we ensure Post Acute Medical not only exists for the foreseeable future, but also thrives as a multi-faceted healthcare provider and employer of choice.

Anthony Misitano
President & CEO

POST ACUTE MEDICAL

PAM Specialty Hospital of Wilkes-Barre

Hospital consolidation leads to improved patient satisfaction

Unable to keep PAM Specialty Hospital of Scranton open following regulatory changes that negatively impacted admissions, Post Acute Medical responded by centralizing patient care at its nearby PAM Specialty Hospital of Wilkes-Barre and building a reputation for quality outcomes and improved patient satisfaction.

However, the path to that point wasn't always clear, according to Robert Lagermasini, vice president of Finance and market CEO. When the federal government altered the criteria for long-term acute care hospitals (LTACH) in 2016, some of the patients that Post Acute Medical had previously cared for were no longer eligible for the same care.

"For example, a large population of wound care patients no longer qualified as LTACH patients unless they had spent three nights in the ICU or were on a ventilator for 96 hours or more in our facility," Lagermasini explains. "These wound care patients are typically medically complex, have high costs associated with them, and need several weeks of treatment and specialty care in order to properly heal their wounds."

The changes essentially classified these patients as short-term acute care hospital (STACH) patients, meaning an LTACH now faces the same challenges as the STACHs in terms of their care.

"We don't have the time frame or reimbursement to care for the patients in the manner in which they deserve," he says. "This resulted in a decrease in our LTACH admissions across the board, not just in wound care."

Located on the second floor of the Regional Hospital of Scranton, the 30-bed PAM Specialty Hospital of Scranton depended upon its host hospital as a large source of its referrals. However, since the acute care hospital only had eight ICU beds, it didn't provide adequate volume to feed the LTACH.

"Typically, the stronger the host hospital is and the larger its ICU, the better off the LTACH will be," he adds. "In a hospital with only eight ICU beds, there is not much margin for error."

Despite the changes, Post Acute Medical pushed a lot of resources into Scranton and tried everything to make it successful, but it never took hold. After crunching the numbers, the decision was made to close the Scranton hospital by the end of October 2017.

"It was not a decision we made lightly. It bothered me what would happen to the people [losing their jobs]," Lagermasini says. "We were very careful how we approached it, so everyone got the best treatment possible."

Prior to the hospital fully closing, Post Acute Medical began running ads in the local newspapers to notify the community. At the same time, Lagermasini met with the marketing team and pushed the positive changes that would result from the consolidated operations.

"I wanted this hospital to be known throughout the community as ***the*** specialty hospital of the Wyoming Valley–a place where you send the sickest of the sick and they would have the best chance of being able to return home," he says. "We started to focus hard on clinical outcomes and driving patient satisfaction, so we could take those outcomes and scores and market them to the local community and surrounding area hospitals."

By late December, the numbers began trending in Wilkes-Barre's favor.

"We went from the lower tier [among Post Acute Medical hospitals], to the top five for quality outcomes," he says. "Because of that constant oversight, supervision, and guidance, our relationship with our host hospital got stronger. We are helping them limit readmissions and mortality penalties, as a result of the level of care we provide in our building. We also continue to get patients from our former host hospital in Scranton."

Feedback from patients has also improved.

"When you walk into the building there is a big bulletin board where we post letters from patients thanking us for the level of care we've given them," Lagermasini says. "There are also notes from family members thanking us for doing an exceptional job with their loved ones. It is fantastic to see."

Despite the initial uncertainty that came with the closure, staff morale is headed upward as well.

"The staff are upbeat. You can tell you are in a happy atmosphere," he says. "People are smiling and communicating with each other. They are focused on taking care of the patients and making an impactful change to someone's life. This is only possible with happy, engaged, and motivated team members who are dedicated to patient care."

PAM Specialty Hospital of New Braunfels

Regulatory Changes Require Innovative Thinking

In October 2016 and again one year later, PAM Specialty Hospital of New Braunfels was the first Post Acute Medical hospital to operate under new Long-Term Care Hospital Prospective Payment System (PPS) changes that impacted the type of patients that were eligible for admission. Each time, Ashlea Ondrusek, CEO, responded with innovative thinking and community collaboration that minimized the effect of the changes.

"The key to our success was that our physician involvement has been so strong," says Ondrusek, explaining that she identified multiple physicians as program champions, including Marcus Gitterle, medical director for the hospital's wound care program.

"A year before the changes were implemented, we looked at how we could continue to take these patients and do what is best and get them to the appropriate setting under the new regulations. We came up with a pathway for what we can do from referral all the way to the discharge location."

Ondrusek also met with administrators of the local skilled nursing facilities and explained how they could prepare for patients who would discharge to them, often sicker than they were before the regulatory changes. As a licensed nursing home administrator, she could share their perspective.

"I've done what they do. It was easy to talk with them and know what they go through," Ondrusek says. "To be a good partner, you need to talk about how to identify patients to keep them from readmitting."

Ondrusek also developed multiple short stay programs to help acute care hospitals with readmissions. The programs focus on educating patients, so they are not readmitted within 30 days of discharge. Her source of understanding has been the hospital CEOs, who she meets with regularly.

"Our focus is listening to understand what they are dealing with," she says. "The three things that have been issues are COPD, congestive heart failure and sepsis. We've created the first two programs and now we are working on sepsis."

The fact that Ondrusek has established downstream providers capable of taking higher acuity patients is a great accomplishment, according to Shayne Goode, market vice president, Strategic Initiatives.

"Because the referring hospital will see us as responsible for a patient readmission, it was very innovative on Ashlea's part to provide downstream providers with the necessary training to take care of these patients," Goode says. "She also has looked at the resources we provide to patients post discharge and is marrying inpatient with outpatient programs."

Although President Trump reversed the regulatory changes after entering office, Ondrusek believes her efforts continue to have value.

"We are always prepared should things change again," she says, explaining that the providers in the New Braunfels market do a good job of working together and supporting each other. "The key is being proactive. We are doing everything we can to prepare for the future of healthcare, which continues to change."

PAM Specialty Hospital of Victoria

Physicians identify rare infection in Vietnam veteran

It is not often someone challenges a decision made by Veterans Affairs and wins, but that is exactly what happened for several physicians from PAM Specialty Hospital of Victoria.

In late 2016, a 75-year-old Vietnam veteran met with Miguel Sierra-Hoffman, MD, an infectious disease specialist, in search of a second opinion. The patient had a severe cough, producing blood and pus, that was not responding to treatment. Sierra-Hoffman–working closely with colleagues and pulmonologists Juan Llompart-Zeno, MD, and Robin Adams, MD–took a sputum sample for culture and quickly identified the source of the infection as Talaromyces, a fungus only found in Southeast Asia.

"I told him, 'You got this in Vietnam. This is a fungus you probably acquired in 1966,'" says Sierra-Hoffman. "It lay dormant for all these years and now it has decided to start growing, and it is affecting your lungs."

While difficult to believe, Sierra-Hoffman explained that there are certain features of an organism that make it clear it belongs to a certain habitat or ecological system.

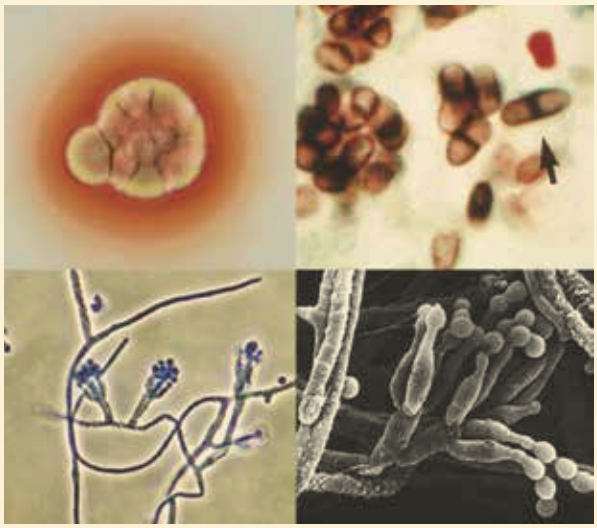
"If you are with a tour guide and he is saying you are in the Congo, but you see an igloo and an Eskimo, where are you?" he asks. "Certain things belong to certain places."

Wanting to reassure the patient of his findings, he sent the sample to his colleagues at Baylor University, where he serves on the teaching staff. They were quick to draw the same conclusion.

"In Vietnam, this is a disease that is a daily occurrence. In the United States, it is unheard of," Sierra-Hoffman explains. "It is a fact that an American citizen that was in Vietnam could only have acquired it there. The fungus only lives there, no matter what."

While the patient responded well to treatment, his symptoms returned when therapy stopped, and he ultimately passed away.

"The most important thing was when the veteran died, the VA didn't recognize this as a war-related death. They told his wife it was impossible," explains Sierra-Hoffman. "So, I wrote them a letter and said he acquired it in Vietnam."



Sierra-Hoffman's argument was strengthened when, together with his colleagues at PAM Specialty Hospital of Victoria, Baylor University and Scott & White Medical Center, they co-authored an article on their findings that was published in ID Cases, an open access journal dedicated to publishing case reports in general infectious diseases.

"When we published the article, the VA sent the patient's wife a letter of apology and she received the appropriate compensation," he says, describing the result as a story that will make you cry of happiness.

"From now on, if what happened to him happens to another veteran, it is now considered a direct war-related death."

An equally important outcome of the published article is that it shines a light on what could be an underrecognized cause of pulmonary infections among veterans with even a remote history of exposure to the organism during deployment.

"It is a historical paper," says Sierra-Hoffman, pointing to the fact that they are the first to identify a veteran with a late reactivation of the fungus. "Years from now, we will be cited in textbooks, medical journals and nobody will believe it was diagnosed in Victoria, Texas. It is a true Cinderella story."

PAM breaks ground on Dover hospital

Close to 30 local government officials, vendors and Post Acute Medical staff members were greeted by unusually warm February temperatures to officially mark the start of construction on PAM Rehabilitation Hospital of Dover at 1240 McKee Road, Dover, Delaware.

Post Acute Medical expects to open the 34-bed medical rehabilitation hospital in winter 2018/2019. In the meantime, interest is high in the community and continues to build as construction proceeds, according to Ted Werner, CEO.

"PAM Rehabilitation Hospital of Dover will be the only inpatient rehabilitation hospital in Kent County when we open, making it a game changer for the health and well-being of the community," says Werner. "We look forward to elevating the quality of care for both local residents and those residents who live in surrounding counties."

Ted Werner (right) discusses plans for PAM Rehabilitation Hospital of Dover with Kent County Court Commissioner Jim Hosfelt following the groundbreaking ceremony on February 20.

Chief People Officer: Things I have Learned

Since joining Post Acute Medical, I have had the opportunity to visit about 50 percent of our hospitals and meet the staff. During those visits, I have learned that sometimes, in our haste to get a job done, we may exclude the input of others due to the fact we tend to lean on the "go-tos." I believe it is important to point out that in doing so, we may unintentionally exclude our co-workers, who have a role to play.

Our Post Acute Medical teams are diverse in many ways: experience, education, culture, generation, etc. Obviously, the more diverse the team, the more creative and well-rounded the ideas the team will generate. This is what allows our diverse organization to outperform the competition and adapt to our ever-changing industry. There will, however, be times when we need to address some misalignment of goals amongst our teams. In those situations, please consider the following scenario and how it might be addressed with the best practice offered.

Scenario: Unaligned goals

Sometimes diverse team members may have conflicting interests. Someone may think the financial result is the most important, while another believes that social impact is the key to success. Someone focuses on overall performance, while someone else is alerted to the possibility of unexpected factors. This conflict may disrupt the flow of a project or the cohesion of a team.

Best Practice

The diversity in concepts and interests can be a huge benefit. Thinking about a project from different perspectives can help to cover different outcomes. The key is to make sure that the team goal or a project's goal is clear to every member involved and open to discussion on a regular basis. This creates an environment where everyone is aligned and engaged, and they can contribute to the goal in whatever aspect comes naturally by the group.

Tip:

Spend some time talking with your teams to discover how they see the world. Use this information to assign specific tasks.

For Example

If Lisa does a great job of focusing in on the details, allow her to review the project timeline before it is finalized and submitted.

If Sherry enjoys digging into the facts, allow her to handle some of the research required to execute the project effectively.

If Dré enjoys coming up with creative ways to approach communication, allow him to develop the communication plan for the finished product.

And, if Rochelle enjoys diving in to a project and establishing the plan of attack, allow her to chair the committee meetings and help the team set the direction.

We can all add value. Be inclusive in your approach and we all win.

Since joining Post Acute Medical as chief people officer, Renee Holloman has made a point to change the way people think about Human Resources. "It is about the people, meeting the needs of a changing workplace and identifying Human Resources as the organization's strategic partner," she believes. For further information on how this impacts your team, contact your local Human Resources strategic partner.

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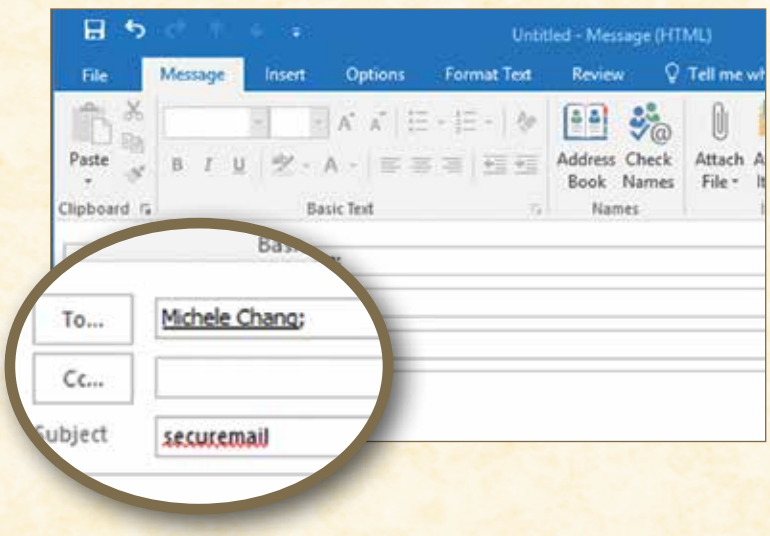
COMPLIANCE CORNER

Using encryption to protect patient information

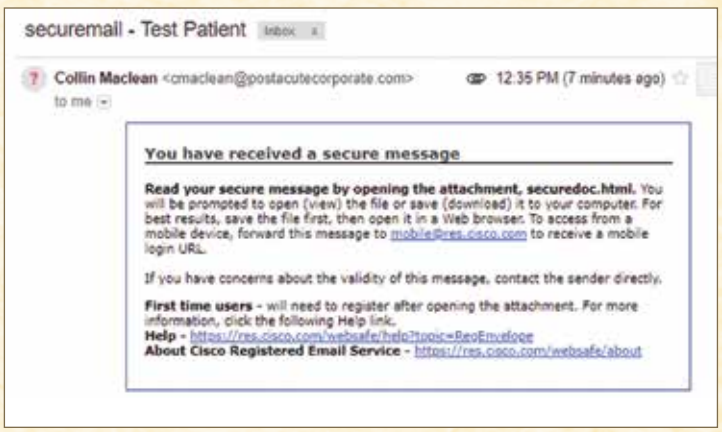
Under the Health Insurance Portability and Accountability Act (HIPAA), as a covered entity, we are required to keep patient information confidential and secure. This would include sharing patient information through emails outside our protected internal email network. Encryption is one way for us to ensure protection in the event a message is intercepted or mistakenly sent to the wrong individual. Encrypted email messages cannot be read unless the end user has set up a password, preventing impermissible disclosures of protected health information (PHI).

In February, Collin MacLean, assistant applications manager, sent out a communication regarding the implementation of Cisco Securemail. This feature is available to all Post Acute Medical (PAM) employees who have access to a desktop or laptop. It gives users the ability to send secure, encrypted e-mails automatically or manually. All outgoing emails sent to outside addresses are scanned for key words and will automatically be encrypted, if any words related to PHI are triggered. Employees can also manually encrypt email by putting "securemail" in the subject line, which forces the system to encrypt the outgoing mail.

The email subject must begin with "**securemail**" (without quotes, as shown in the screenshot below).



Any recipient of an encrypted email will receive a message that will require him or her to register using a simple name, email and password in order to view the message.



If you are emailing a message that has very sensitive PHI or is confidential in nature, you should use the manual method to ensure that the information is encrypted and not left to the computer program to decide.

As the Office of Civil Rights, the federal agency responsible for enforcing the privacy and security rules under HIPAA, continues to increase its audit efforts, we need to ensure that we are diligent in protecting the confidentiality and security of our patients' healthcare information. If you have any questions regarding encryption or HIPAA, please contact the Privacy Officer at 717-317-9303 or send an email to HIPAAHelp@postacutecorporate.com

If you have any other questions or would like additional information, please contact Michele Chang, corporate compliance officer, at mchang@postacutecorporate.com.