

OUR PRACTICE

Hospital-Owned SNFs and Hospital-Affiliated SNFs

Baker Donelson's attorneys have a deep understanding of the relationships between hospitals and skilled nursing facilities (SNFs) as well as the legal, regulatory, and financial challenges facing these entities.

We understand the challenges unique to hospital-affiliated SNFs. Our teams leverage both their hospital and SNF experience to support our clients through these challenges encountered in the creation and operation of hospital-affiliated SNFs.

Our team is experienced in helping hospitals navigate the selling, leasing, and acquiring of SNFs, as well as establishing post-acute care arrangements. We also advise on a wide range of operational matters, including licensure, certification and survey, reimbursement, governance, admission and discharge, vendor contracting, and general regulatory compliance. Examples include:

- Co-location requirements that must be met when an SNF is located within a hospital;
- Governance, including managing the responsibilities of the hospital governing body and the SNF governing body;
- Differential survey and certification status in which the hospital may have deemed status while the SNF would not have deemed status;
- Managed care payment arrangements such as accountable care organizations and Institutional Special Needs Plans (i.e., Medicare Advantage plans designed for long term care residents that combine the benefits of Medicare Parts A, B, and D); and
- Shared credentialing of staff.

Additionally, we work with providers to structure business integration relationships that are not hospital-owned SNFs but may allow hospitals to have additional beds to which they may more timely discharge their patients, possibly at lower costs. Examples include:

- **Management arrangements with SNF operators:** We work with hospitals to create these beneficial arrangements, which may decrease operating/overhead costs for the hospitals while allowing them to maintain clinical input on patients' post-acute care;
- **Designation of critical access hospital (CAH)/rural hospital beds as swing beds:** We assist hospitals designated as CAHs by the Centers for Medicare & Medicaid Services, or other eligible rural hospital providers to establish swing beds, which allow patients to "swing" from receiving acute-care services and reimbursement to receiving SNF services and reimbursement, often resulting in a more favorable reimbursement status;
- **Bed reservation agreements:** We guide clients through the nuances of these agreements that allow a hospital to keep a certain number of beds open in a SNF for the hospital's discharge of acute-care patients;
- **Shared care coordinators:** We work with our clients to create shared care arrangements in which the services of hospital-affiliated or SNF-based clinicians are extended to provide care for patients in the other setting; and
- **Shared supervising clinicians:** Similar to shared care coordinators, we work with providers to create these arrangements that extend supervising clinicians from one setting to the other.

