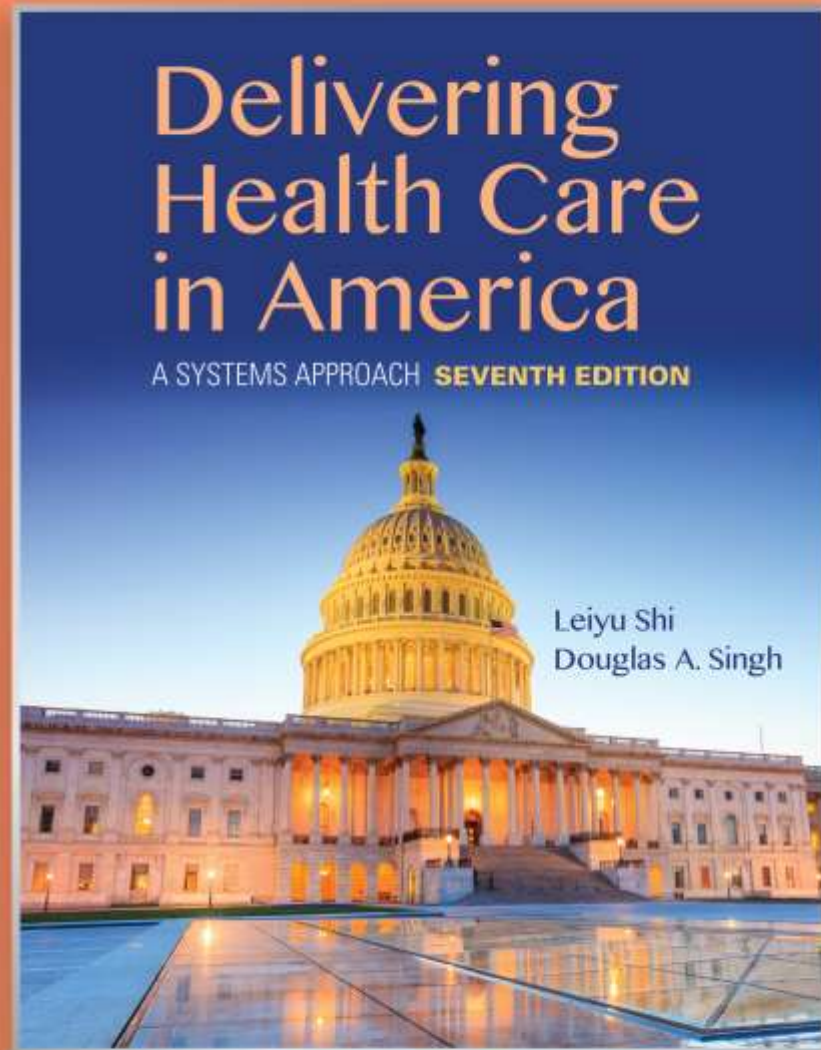


# Chapter 8

## Inpatient Facilities and Services



# Learning Objectives

(1 of 2)

- Perspective on hospital evolution
- Factors contributing to hospital growth prior to the 1980s
- Reasons for the decline of hospitals and their utilization
- Measures pertaining to hospital operations and inpatient utilization
- Compare utilization measures in U.S. hospitals to other countries

# Learning Objectives

(2 of 2)

- Differentiate among various types of hospitals
- How the ACA affected physician-owned specialty hospitals and nonprofit hospitals
- Basic concepts in hospital governance
- Understand licensure, certification, and accreditation and the Magnet Recognition Program
- Get a perspective on ethical issues

# Introduction

- Inpatient requires overnight stay in a facility
- Hospital
  - Institution with at least six beds
  - Delivers services including diagnostics and treatment
  - Evolved from institutions of refuge for homeless and poor
  - Ultramodern facilities providing advanced services

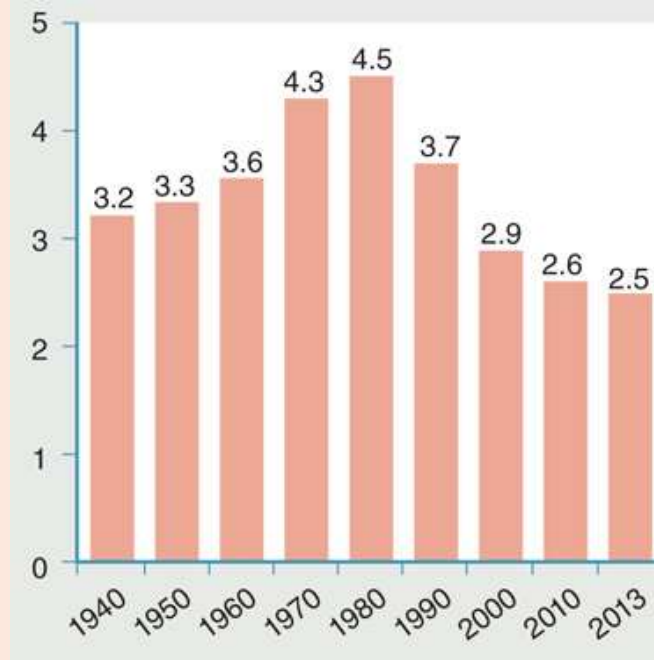
# Hospital Transformation in the U.S.

- Five functions in the evolution of hospitals
  1. Primitive institutions of social welfare
  2. Distinct institutions of care for the sick
  3. Organized institutions of medical practice
  4. Advanced medical training and research
  5. Consolidated systems of health services delivery

# Expansion Phase: Late 1800s to Mid-1980s

- Development of professional nursing
- Growth of private health insurance
- Role of government
  - Hill-Burton Act
  - Public health insurance

# Figure 8-1: Trends in the number of U.S. community hospital beds per 1,000 resident population.



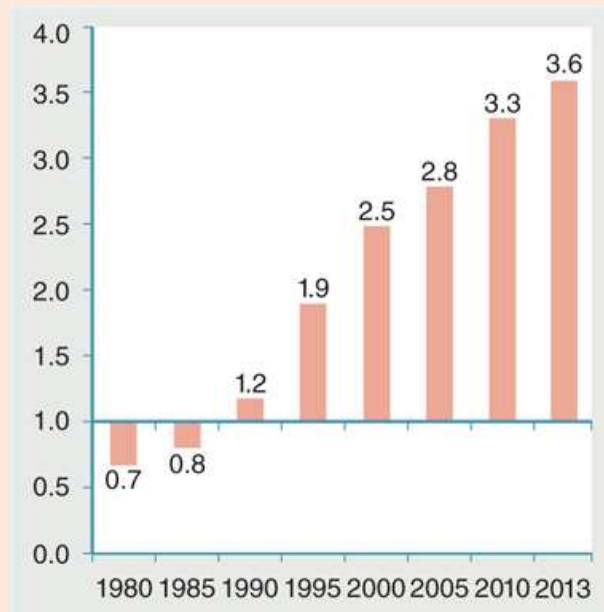
Data from National Center for Health Statistics. 2002. Health, United States, 2002. Hyattsville, MD: U.S. Department of Health and Human Services. p. 281; National Center for Health Statistics. 2016. Health, United States, 2015. Hyattsville, MD: U.S. Department of Health and Human Services. p. 289.

# Downsizing Phase: Mid-1980s Onward

- Average hospital has become smaller.
- Shift from inpatient to outpatient care.
- Changes in reimbursement.
- Impact of managed care.
- Hospital closures
  - Since 2000 many government-run hospitals closed.



# Figure 8-3: Ratio of hospital outpatient visits to inpatient days for all U.S. hospitals, 1980–2013 (selected years).



Data from National Center for Health Statistics. 2002. Health, United States, 2002. Hyattsville, MD: Department of Health and Human Services. p. 110; National Center for Health Statistics. 2013. Health, United States, 2012. Hyattsville, MD: Department of Health and Human Services. p. 307; National Center for Health Statistics. 2016. Health, United States, 2015. Hyattsville, MD: Department of Health and Human Services. p. 281.

# Some Key Utilization Measures and Operational Concepts

- Discharges
- Inpatient days
- Average length of stay
  - Hospital access and utilization: comparative data
- Capacity
- Average daily census
- Occupancy rate

# Table 8-2: Ratio of hospital outpatient visits to inpatient days for all U.S. hospitals, 1980–2013 (selected years).

**TABLE 8-2** Discharges, Average Length of Stay, and Average Cost per Stay in U.S. Community Hospitals, 2012

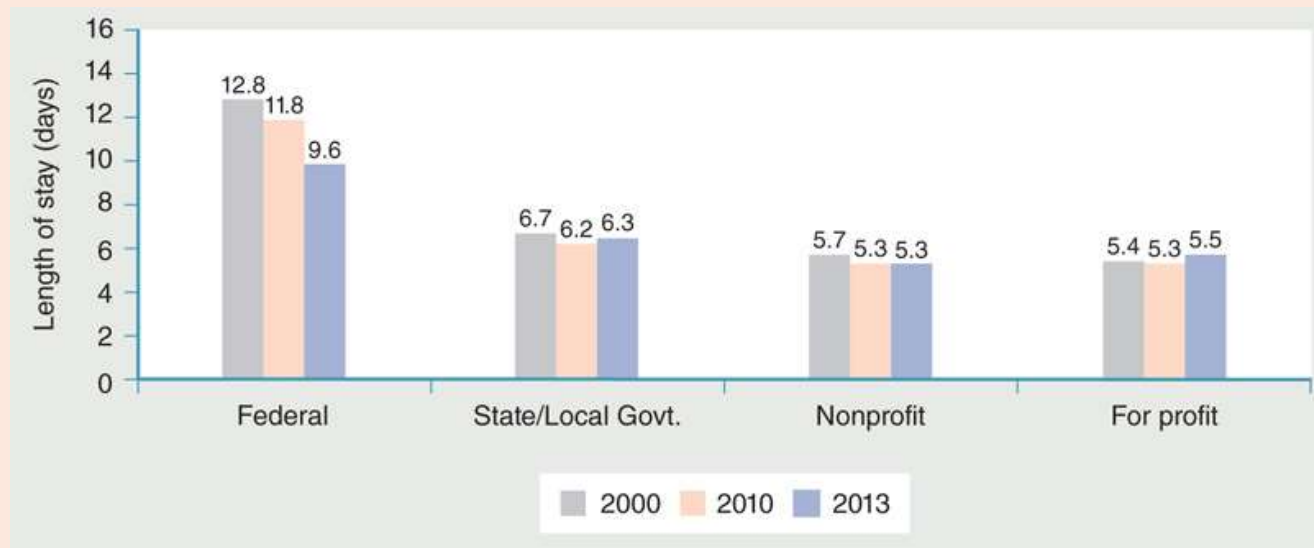
Characteristics	Total Discharges (in Thousands)	Discharges per 1,000 Population (Hospitalization Rates)	Average Length of Stay (Days)	Average Cost per Stay (\$)
Total	36,500	116.2	4.5	10,400
<i>Age</i>				
< 1 year	4,300	1070.9 <sup>1</sup>	3.8	5,000
1–17 years	1,500	21.1	3.9	9,900
18–44 years	9,000	78.9	3.6	7,600

**TABLE 8-2** Discharges, Average Length of Stay, and Average Cost per Stay in U.S. Community Hospitals, 2012 (*continued*)

Characteristics	Total Discharges (in Thousands)	Discharges per 1,000 Population (Hospitalization Rates)	Average Length of Stay (Days)	Average Cost per Stay (\$)
45–64 years	9,000	108.8	4.9	12,900
65–84 years	9,700	260.9	5.2	13,000
≥ 85 years	3,000	502.0	5.2	10,200
<i>Gender</i>				
Male	15,400	99.9	4.8	11,700
Female	21,000	132.0	4.3	9,400
<i>Primary Payer</i>				
Medicare	14,300	—	5.2	12,200
Medicaid	7,600	—	4.3	8,100
Private insurance	11,200	—	3.8	9,700
Uninsured	2,000	—	4.0	8,800
<i>Community Income</i>				
Low	10,900	136.8	4.6	9,700
Not low	24,700	106.1	4.4	10,600
<i>Geographic Region</i>				
Northeast	7,000	125.2	4.9	10,800
Midwest	8,200	122.4	4.3	10,200
South	14,100	120.4	4.5	9,300
West	7,200	97.2	4.2	12,300

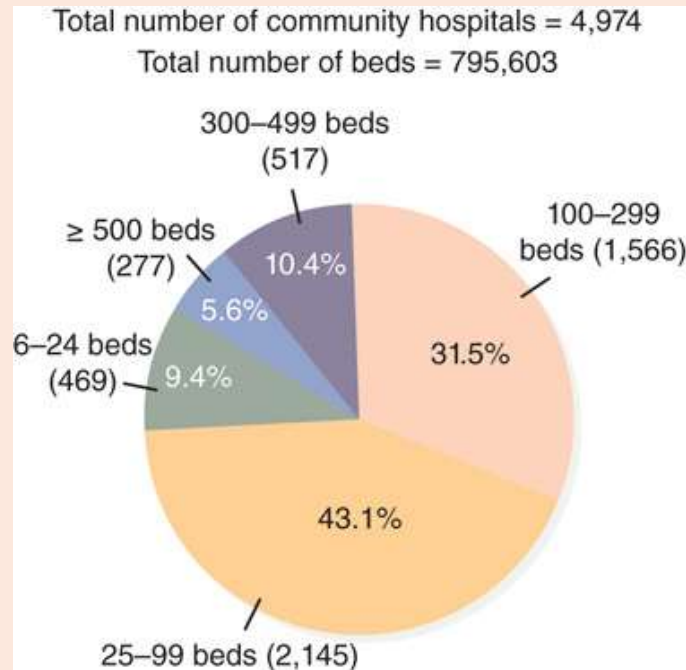
Modified from Weiss, A. J., and A. Elixhauser. 2014. Overview of hospital stays in the United States, 2012 (Statistical Brief #180). Rockville, MD: Agency for Healthcare Research and Quality. Available at: <http://www.hcup-us.ahrq.gov/reports/statbriefs/sb180-Hospitalizations-United-States-2012.pdf>. Accessed May 2017.

# Figure 8-5: Average lengths of stay by U.S. hospital ownership (selected years).



Data from National Center for Health Statistics. 2013. Health, United States, 2012. Hyattsville, MD: U.S. Department of Health and Human Services. p. 307; National Center for Health Statistics. 2016. Health, United States, 2015. Hyattsville, MD: U.S. Department of Health and Human Services. p. 281.

# Figure 8-6: Breakdown of U.S. community hospitals by size, 2013.



Data from National Center for Health Statistics. 2016. Health, United States, 2015. Hyattsville, MD: U.S. Department of Health and Human Services. p. 288.

# Figure 8-7: Change in occupancy rates in U.S. community hospitals, 1960–2013 (selected years).



Data from National Center for Health Statistics. 2013. Health, United States, 2012. Hyattsville, MD: U.S. Department of Health and Human Services. p. 314; National Center for Health Statistics. 2016. Health, United States, 2015. Hyattsville, MD: U.S. Department of Health and Human Services. p. 288.

# Factors That Affect Hospital Employment

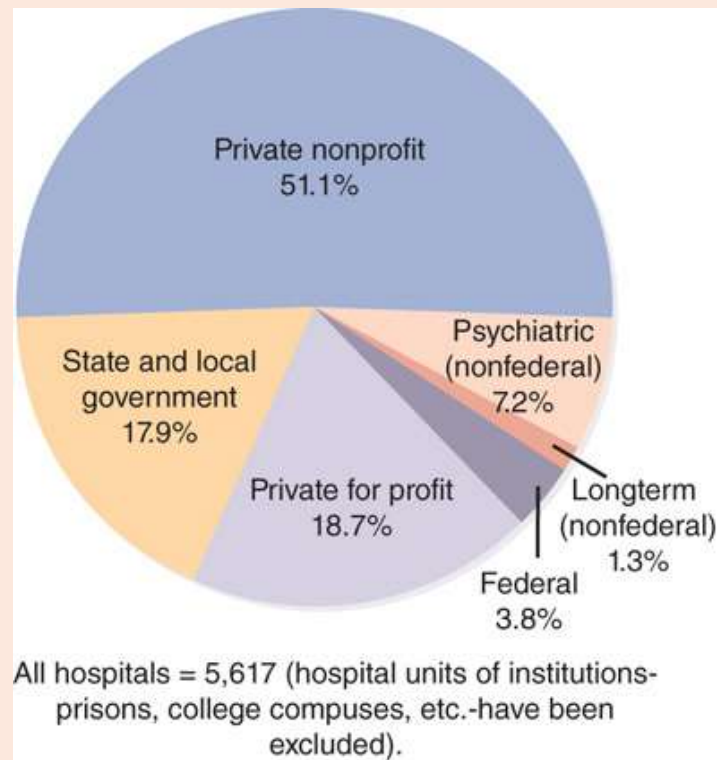
- Hospitals accounted for largest number of jobs in the health care industry in 2013.
  - Workforce represented roughly 39% of total health care employment.
  - More than 6 million people are employed by U.S. hospitals.
- Changes in reimbursement policy can affect employment.
- Cannot outsource health care jobs because they generally require personal interaction.



# Hospital Costs

- Inpatient hospital services are the largest share of total U.S. health care expenditures.
- Medicare and Medicaid payments.
- Rise in bad debts.
- International cost comparisons.

# Figure 8-8 Proportion of total U.S. hospitals by type of hospital, 2014.



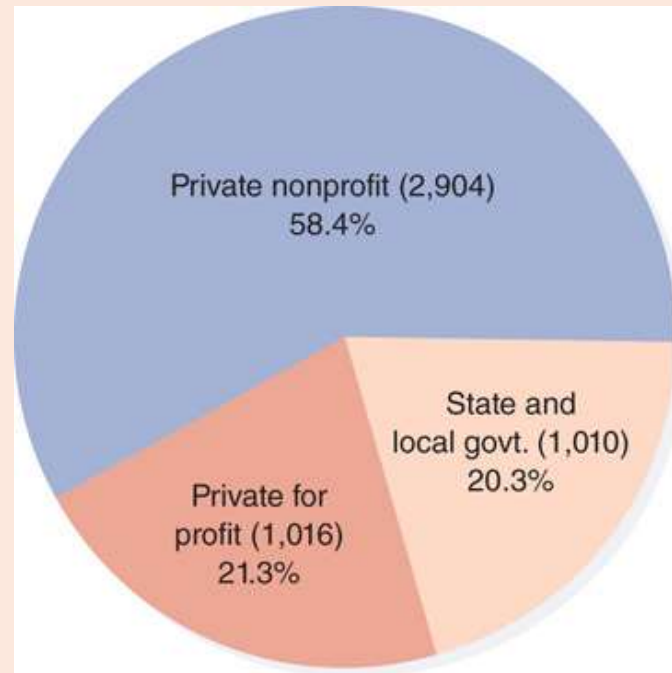
Data from Health Forum. 2016. Fast facts on U.S. hospitals. Available at: <http://www.aha.org/research/rc/stat-studies/fast-facts.shtml>. Accessed October 30, 2016.

# Types of Hospitals

(1 of 4)

- Classification by ownership
  - Public hospitals
  - Private nonprofit hospitals
  - Private for-profit hospitals
- Classification by public access
- Classification by multiunit affiliation

# Figure 8-9: Breakdown of U.S. community hospitals by types of ownership, 2013.



Data from National Center for Health Statistics. 2016. Health, United States, 2015. Hyattsville, MD: U.S. Department of Health and Human Services. p. 288.

# Table 8-6: The Largest U.S. Multihospital Chains, 2014

Name of Hospital System (Location)	Number of Owned Hospitals	Number of Staffed Beds
<i>Nonprofit Chains</i>		
Ascension Health (St. Louis, MO)	55	11,079
Dignity Health (San Francisco, CA)	39	9,109
Kaiser Permanente (Oakland, CA)	38	8,591
Catholic Health Initiatives (Englewood, CO)	62	7,860
Trinity Health (Livonia, MI)	41	7,377
Adventist Health System (Altamonte Springs, FL)	37	6,698
North Shore-Long Island Jewish Health System (Great Neck, NY)	15	5,975
Providence Health and Services (Renton, WA)	26	5,768
CHRISTUS Health (Irving, TX)	23	5,084
Mercy (Chesterfield, MO)	30	4,820
<i>For-Profit Chains</i>		
HCA (Nashville, TN)	156	33,415
Community Health Systems	208	26,299
Tenet Health System (Dallas, TX)	76	17,846
LifePoint Hospitals (Brentwood, TN)	55	5,237
Universal Health Services (King of Prussia, PA)	24	5,190
<i>State and Local Government–Owned Chains</i>		
New York City Health and Hospitals Corporation (New York, NY)	11	6,681

Data from Sanofi-Aventis. 2016. Managed care digest series: Hospital/systems digest, 2016. Bridgewater, NJ: Author.

# Types of Hospitals

(2 of 4)

- Classification by type of service
  - General hospitals
  - Specialty hospitals
  - Physician-owned specialty hospitals
  - Psychiatric hospitals
  - Rehabilitation hospitals
  - Children's hospitals

# Types of Hospitals

(3 of 4)

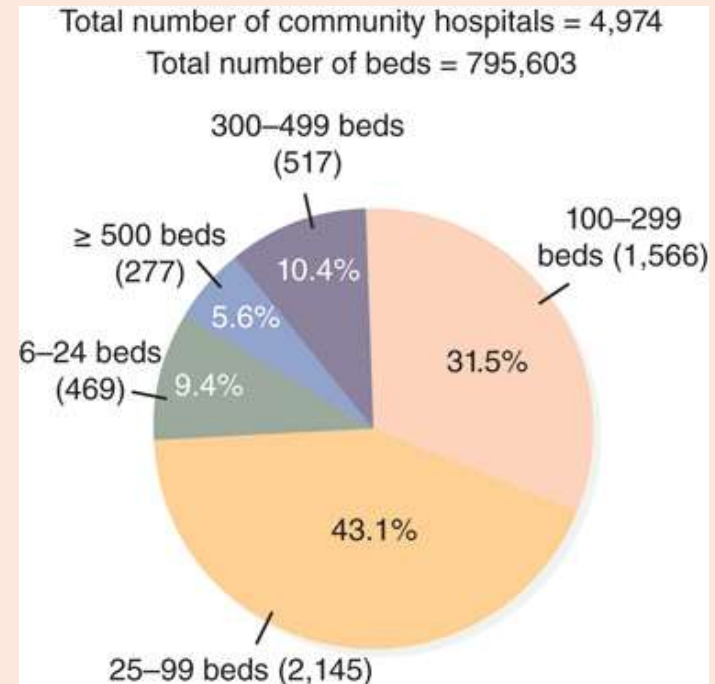
- Classification by length of stay
  - Short-stay hospitals
  - Long-term care hospitals
- Classification by location
  - Swing-bed hospitals
  - Critical access hospitals
  - Other rural designations

# Types of Hospitals

(4 of 4)

- Classification by size
- Other types of hospitals
  - Teaching hospitals
  - Church-affiliated hospitals
  - Osteopathic hospitals

Figure 8-6 Breakdown of U.S. community hospitals by size, 2013.



Data from National Center for Health Statistics. 2016. Health, United States, 2015. Hyattsville, MD: U.S. Department of Health and Human Services. p. 288.



# Expectations for Nonprofit Hospitals

(1 of 2)

- Internal Revenue Code, Section 501(c)(3)
  - Grants tax-exempt status to nonprofit organizations
  - Institutions are exempt from federal, state, and local taxes
- Nonprofit organizations
  - Provide some defined public good
  - Do not distribute any profits to any individuals

# Expectations for Nonprofit Hospitals

(2 of 2)

- Nonprofit institutions face new ACA demands
  1. Establish written financial assistance and emergency care policies.
  2. Limit charges for those eligible for assistance under hospital's financial assistance policy.
  3. Limit billing and collection actions against those within the guidelines of financial assistance.
  4. Conduct a community health needs assessment.

# Some Management Concepts

- Hospital's organizational structure differs from other large business organizations.
- Hospital governance
  - See Figure 8-10
  - Board of trustees
  - Chief executive officer
  - Medical staff

# Licensure, Certification, and Accreditation

- State governments oversee the licensure of health care facilities.
- Certification allows a hospital to participate in Medicare and Medicaid programs.
- Accreditation is designed to ensure facilities meet certain basic standards.

# Magnet Recognition Program

- Designation conferred by the American Nurses Credentialing Center
  - Affiliate of the American Nurses Association
- Recognizes
  - Quality patient care
  - Nursing excellence
  - Innovations in professional nursing practice in hospitals

# Ethical and Legal Issues in Patient Care

- Principles of ethics
- Legal rights
  - Bill of rights and informed consent
  - Advance directives
    - DNR
    - Living will
    - Durable power of attorney
- Mechanisms for ethical decision making

# Summary

- Almshouses and pesthouses evolved into public hospitals to serve the poor.
- Key measures of inpatient utilization.
- Hospitals are classified in numerous ways.
- ACA restrictions.
- Ethical decision making has been a special area of concern for hospitals.