



POST-ACUTE CARE

Hospitals lease post-acute beds, embed staff to move patients



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Hospital for Special Surgery embeds clinicians at Mary Manning Walsh Nursing Home & Short Term Rehab (Hospital for Special Surgery, ArchCare)

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Health systems are teaming up with skilled nursing facilities on bed space and staffing to quickly move patients to post-acute care and avoid readmissions.

Stanford Health Care, Scripps Health, Cone Health and others say leasing beds within nursing homes and embedding hospital staff at those facilities frees up hospital capacity. These strategies can also help the systems avoid millions of dollars in penalties and tee up

partnerships ahead of the Transforming Episode Accountability Model or TEAM. But providers warn the collaborations must be carefully choreographed to work effectively.

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Health system executives and nursing home operators said the partnerships are critical as demand for post-acute rises in the face of staffing shortages and lower Medicaid reimbursements.

“With the headwinds that we are facing, we have to come up with a lot of creative strategies. That is the bottom line,” said Robin Smith, director of post-acute care services for Stanford Health Care.

Nursing home bed leases

Stanford Health Care, Scripps Health and Cone Health have opted to lease beds within nursing homes to ease patient capacity strain. Systems contract with nursing homes for a certain number of beds at a set rate, effectively reserving a spot for their patients.

Smith said leasing nursing home beds saved Palo Alto, California-based Stanford Health Care about \$2 million in penalties last year by freeing up about 1,200 in-patient beds at two hospitals.

A similar strategy helped San Diego-based Scripps Health free up about 15,000 in-patient beds over the last two years at five hospitals, said Scott Patterson, Scripps Health senior director of case management. He couldn't provide a cost-savings.

“It has worked out great for us,” Patterson said. “It’s all about throughput for hospitals.”

Still, leasing nursing home beds can be tricky since health systems have to pay for them whether patients are in them or not. Coming up with a formula that balances supply with demand at the right price can be challenging, said Fred Bentley, who advises post-acute providers at healthcare advisory firm ATI Advisory.

“When we’ve looked at it from a practicality standpoint, it’s hard to right size to fit demand,” Bentley said.

Both Scripps and Stanford have been leasing nursing home beds for a few years — and halved the number of beds during that time to better align with demand. Patterson said Scripps has scaled back from 24 beds to 13, while Stanford has scaled back to five beds from 10, according to Smith.

Greensboro, North Carolina-based Cone Health started leasing 10 beds from Compass Healthcare and Rehab in Mebane, North Carolina, a couple of months ago and is still evaluating its strategy, said Aashka Mehta, vice president of post-acute care at Cone Health.

Leasing some of their beds to health systems brings certain trade-offs for nursing homes, said Heidi Stone, regional director of business development at nursing home operator Spyglass Healthcare. It leases beds to Stanford Health.

“I think you always run the risk when you are tied into a bed lease agreement that there might be other patients coming from a higher payer,” she said.

But Compass Healthcare and Rehab CEO Todd Nunn said that, so far, the upside of partnering with Cone Health has outweighed the downside.

“I think it’s helping build a better relationship with the hospital,” he said. “They have been really appreciative of the partnership.”

Health system staff embeds at post-acute care facilities

Placing health systems’ clinical staff within skilled nursing facilities allows them to assist with patients’ care and ensure they don’t bounce back to the hospital unnecessarily.

Stanford Health Care embedded geriatricians in two nursing homes a few years ago and plans to expand the strategy to two more facilities, Smith said.

New York’s Hospital for Special Surgery has had a registered nurse clinical program manager and lead physical therapist onsite at Mary Manning Walsh Home and Rehabilitation Center for the past four years to assist patients recovering from joint replacements and other orthopedic procedures. The strategy paved the way for the two providers to [collaborate on TEAM](#) beginning in January.

The clinicians oversee a care model HSS developed for patients recovering from surgery and monitor their progress, said Paul Coyne, senior vice president and chief nurse executive at HSS, in an email. He said the length of patient stays for those recovering at Mary Manning Walsh is about 40% shorter than those recovering at other nursing homes.

Some nurses were initially skeptical about the prospect of outside clinicians monitoring patient care, said Dr. Taimur Mirza, chief medical officer at Mary Manning Walsh. But Mirza said staff got on board quickly and the collaboration has improved the quality of care, as well as the culture at the skilled nursing facility.

“We started operating a bit more like HSS — a lot more efficient with a higher standard of quality and care,” Mirza said. Since we’ve been doing this with HSS, our overall readmission rate for the facility went down by 10%.”

Mirza said Mary Manning Walsh’s successful partnership with HSS has paved the way for similar collaborations with other health systems.

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