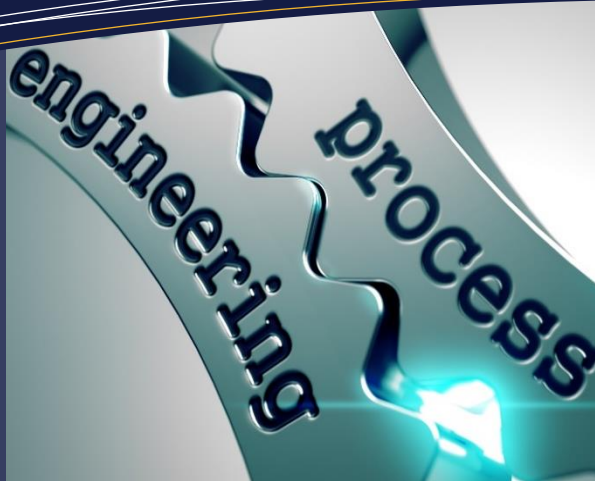


Factors Fueling Acute Care Bed Shortages in the U.S.

1. Increased Demand Due to Aging Population
2. Staffing Shortages
3. Pandemic Impact
4. Lengthy Discharges and Post-Acute Care Delays
5. Hospital Acquisitions, Consolidation & Closure of Hospitals, Particularly Rural Hospitals
6. Shift to Outpatient Care
7. Financial Constraints
8. Regulatory and Capacity Planning

These factors, combined, create a complex environment where the demand for acute-care beds often exceeds supply, particularly during periods of crisis or seasonal surges in illnesses. A recent survey from Vizient shows that 52.8% of hospital and health system leaders see patient access, throughput, and capacity as top focus areas for 2025. Other data tends to indicate that approximately two-thirds of U.S. hospitals have reported experiencing overcrowding in their emergency departments (EDs) and intensive care units (ICUs).

Understanding a complex adaptive system requires a holistic perspective that considers the interactions and relationships between components rather than focusing solely on individual elements. The system is more than the sum of its parts. Hence understanding these causal factors in an important first step in developing solutions



this issue

Understanding Hospital Acute-Care Capacity Issues & Their Causal Factors.

Unpacking the Acute Care Crisis: Exploring the Shortage of Hospital Beds and the Factors Fueling It in the U.S.

Introduction:

A recent article in Becker's Hospital Review <https://www.beckershospitalreview.com/hospital-management-administration/the-next-health-system-c-suite-obsession.html> indicates that solving capacity issues and becoming more efficient with patient throughput is a top priority in 2025 for many healthcare executives. The article further cites a recent survey from Vizient that shows 52.8% of hospital and health system leaders see patient access, throughput, and capacity as top focus areas for 2025.

This is Part-1 of a three-part series on this subject. Part-1 will dive into the causal factors for the shortage. This is a complex issue within a complex, adaptive, system and understanding the cause is critical in formulating a sustainable solution.

Part-2 will dive deeper into the ramifications of the issue, along with the unique challenges in creating a viable and sustainable solution set. Many hospitals have tried employing continuous improvement techniques and

length-of-stay reduction efforts to expand capacity, with marginal success. A systems approach is required in this case due to the multiple causal factors occurring within a complex, adaptive, system.

Part-3 will propose a process for creating a successful solution set. This includes dealing with causal factors listed in the sidebar and understanding the difference between ordered and complex, adaptive systems in creating the solution set.

Factors Fueling the Shortage:

Increased Demand Due to Aging Population -

The aging population, particularly the Baby Boomer generation, is contributing to a rising demand for hospital care. Older adults typically,



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At The Forefront



The Authors

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require more frequent and longer hospital stays, leading to a greater need for acute-care beds.

Staffing Shortages - Hospitals are facing a significant shortage of healthcare workers, especially nurses, physicians, and support staff. Even if beds are available, a lack of staff to care for patients limits the capacity of hospitals to utilize those beds effectively.

Pandemic Impact - The COVID-19 pandemic exacerbated existing issues by increasing patient loads and stretching resources. Many hospitals repurposed or closed beds during surges in COVID-19 cases, and some have not fully recovered or restructured their operations since. Additionally, the pandemic led to burnout and attrition among healthcare workers, compounding staffing challenges.

Lengthy Discharges and Post-Acute Care Delays - Many hospitals face challenges in discharging patients who are ready to leave acute care but cannot transition to post-acute settings like rehabilitation centers or long-term care facilities due to bed shortages or staffing issues in those facilities. This bottleneck creates a backup in acute-care availability.

Hospital Acquisitions, Consolidation & Closure of Hospitals, Particularly Rural Hospitals - As hospitals merge or are acquired by larger healthcare systems, some facilities may reduce their bed capacity or even close if they are deemed redundant or financially unsustainable by the parent organization. Additionally, Financial pressures have led to the closure of many hospitals, particularly in rural areas. This has reduced the total number of acute-care beds available nationwide, often forcing patients to travel farther for care and putting pressure on remaining facilities.

Shift to Outpatient Care - Advances in medical technology and healthcare delivery models have led to a shift toward outpatient care for many procedures and treatments. While this has reduced the demand for hospital beds in some areas, it has also resulted in hospitals reducing their bed capacity to align with this trend.

However, the need for acute-care beds for severe cases remains high, and the overall capacity may be insufficient during periods of high demand.

Financial Constraints - Hospitals face financial challenges that can limit their ability to maintain or expand bed capacity. Rising healthcare costs, changes in reimbursement rates from Medicare, Medicaid, and private insurers, and other financial pressures can lead hospitals to reduce beds or delay necessary expansions.

Regulatory and Capacity Planning - State and local regulations can limit how many beds a hospital can operate. Certificate of Need (CON) laws in some states, which require hospitals to demonstrate the need for more beds before they can expand, may restrict the ability of hospitals to quickly scale up bed capacity in response to rising demand.

Moving Forward:

These factors, combined, create a complex environment where the demand for acute-care beds often exceeds supply, particularly during periods of crisis or seasonal surges in illnesses. Many organizations have attempted to address this challenge through continuous improvement efforts or by attempting to “Length-of-Stay reduce” their way into improved capacity. However, this is an extraordinarily complex issue within a complex, adaptive, system. This has two particularly important ramifications for organizations attempting to solve the shortage: 1.) The root-causes outlined in this document must be met head-on, each prioritized based on impact to the organization, and 2.) Recognition of the fact that acute care is complex and adaptive, meaning it is exceedingly difficult to piece-meal, continuous improvement efforts into a viable and sustainable solution-set. A system-design approach is more appropriate with many of the changes larger in scale and transformational in nature. Part-2 of this series will probe deeper into the consequences of these ramifications and their impact on solution design. Part-3 of this series will propose a process for creating a successful solution set. **Stay**