Luna and Health Systems

Unlock the Potential of Rehabilitation Services with On-Demand Delivery
Unlock Your Rehabilitation Services Potential

For health systems, rehabilitation services such as physical and occupational therapies offer a golden opportunity to improve the quality of patient care, patient satisfaction, and outcomes, while driving revenue, reducing costs, increasing the patient’s engagement with the system, and expanding the system’s market reach. Yet for most, it’s a lost opportunity; the majority of outpatient therapy referrals go elsewhere for care or don’t go anywhere at all. A way to capture these benefits wasn’t easy or apparent – until Luna created a turn-key approach to on-demand rehabilitation.

New Paradigm for Outpatient Therapy

87% of outpatient cases can be serviced anywhere there’s space to move via a qualified therapist - and only 13% of outpatient therapy cases require special equipment or facility-based care.¹ Luna eliminates the need for an outpatient facility and instead leverages the patient’s home, gym, or office as the site of care.

Making it convenient for patients to access physical therapy helps them commit to recovery. When the “clinic” travels to them, 92% of the patients referred for outpatient therapy by their physician start care with Luna.² And given how convenient that treatment is, the average patient demonstrates approximately 50% more adherence to their treatment plan compared to the facility-based alternative.³

From a clinical perspective, Luna optimizes patients’ treatments by delivering care directly to the patient with as few hurdles as possible. From a cost perspective, Luna maximizes the value of outpatient care by making it easier for patients to start and complete PT while lowering the cost compared to traditional home health care or facility-based care.

Health systems finally have a way to use rehab to their benefit: offer it on-demand.

¹ Scripps Health outpatient case volume analysis, 2020.
² Luna patient sign-up rate data, 2020.
Better Delivery – Better Outcomes

With growing populations needing outpatient therapy each year, it should be a core service for health systems. Instead, it is common for systems to lose ample patients to dozens of smaller providers in their community while struggling to find enough capacity to accommodate the patients they do retain. Through on-demand delivery, Luna solves this problem and enhances access across the board:

- **Convenience** - It’s well known that asking patients to travel to an outpatient facility 2-3 times per week for 6+ weeks leads to 70% of patients ending treatment prematurely. Delivering PT at home makes treatment as convenient as possible, leading to higher rates of adherence along with greater improvements in pain and function. Luna keeps patients engaged with care, and reduces the chances that patients “stop going”, “give up”, or cancel at the last minute, which is often the case with clinic-based care.

- **Safety** – Some patients forego outpatient therapy because they worry about unsanitary facilities. COVID-19 only inflamed these concerns. Treatment that happens in the patient’s own living room minimizes these safety concerns and eliminates one more obstacle to patients getting a full-course of outpatient therapy.

- **Value** – On-demand therapy means 45-55 minutes of personalized, 1:1 care delivered by a licensed therapist in an environment where the patient feels most comfortable. In-clinic care usually means 10-15 minutes with a therapist before an aide takes over – on top of the travel time. The value of on-demand care is instantly clear to the patient.

- **Faster Recovery** – Luna’s adherence is the highest in the industry not just because of the clear convenience, but also because Luna therapists are providing care in the patients’ homes, thereby permitting them visibility into patient surroundings. The therapists tailor exercises that are specific to the patients and their home environments, which increases patient compliance and enables faster recovery.

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4 CDC - Delay or Avoidance of Medical Care Because of COVID-19 - Related Concerns - June 2020
Keeping Patients Within the System

Health systems see anywhere from 40-70% of the patients they refer to outpatient therapy leave the system. For every 25,000 referrals to outpatient therapy, 10,000-17,500 referrals leave the system for treatment, resulting in a lack of continuity and coordination of care for the patient, higher costs for the payer, and significant lost revenue for the health system. In fact, “rehab referral leakage” is often the largest category of leakage in most health systems.

Why do so many patients leave a health system they already have a relationship with? The answer is predominantly lack of geographical coverage. Convenience compels most patients to seek out a therapy provider close to them. Since it’s unfeasible to build outpatient therapy facilities everywhere patients live in a market, health systems rarely offer the most convenient option, driving patients to local competitors. And when a patient has to wait weeks to get an appointment in one of the few facilities a health system does have, it alienates even more patients.

Luna solves the coverage problem by dispatching therapists directly to the patient immediately after the referral. Regardless of location, your health system is now always the closest, most convenient option for outpatient therapy. The incentive for the patient to stay with the health system for services when they are delivered to their home far outweighs the need to drive to a brick and mortar facility. Lack of geographical coverage and increasing leakage are complex problems – and Luna offers an immediate and reliable solution.

Why Patients Choose On-Demand Care

- Convenient and on their schedule (available 7 days per week, 6:30am-9:30pm)
- No waitlists and faster access to care (within 48 hours of referral)
- Avoid driving, traffic, and waiting rooms
- COVID-19 safe with fewer social interactions required
- Covered by outpatient insurance with no extra fees or costs (same as in-clinic rates)
- Therapist provides 1:1 personalized care, for 45-55 minutes per session

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5 Data obtained via Luna from more than 50 health systems in 2020, supported with Definitive analysis.
Patients perform in-app exercises that are therapist prescribed and monitored

Easier to adhere to the recommended treatment plan

How Luna Works - Leveraging the “Sharing Economy”

Home is now an extension of the health system, and outpatient therapy delivery is the perfect solution for home care. Health systems are aware of this, and are making significant investments and deploying initiatives to provide more services in patients’ homes.

However, with outpatient delivery, scaling a reliable program in an economically-viable manner is a tremendous task. Too few therapists on board results in longer drive times to deliver care, quickly resulting in unprofitable visits. Or worse, too few therapists being available ends in a lack of patient matches - resulting in frequent failed matches and a frustrating patient experience.

That’s why health systems increasingly rely on best-in-class service providers, like Luna, to extend and enhance their capabilities.⁸

Luna’s Vast Network of Therapists

Luna offers health systems a turn-key solution to enable consistent, scalable outpatient delivery - all branded by the health system. The key is utilizing our vast network of qualified therapists. Luna attracts 15-20% of all the outpatient therapists in each metropolitan market to join by giving them a way to meaningfully supplement their income with at-home visits. Benefits to therapists also include immediate and automated payment after the session, short drive times (always under 30 minutes), flexible schedules (work anytime they want), and fast documentation (all done by voice dictation to save time).

Luna’s Technology Platform

The Luna technology platform matches a patient’s needs with a therapist’s specialties and

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availability, with 97% of patients staying with one therapist ensuring continuity of care. Our platform automates this matching and scheduling (and even calculates drive times with traffic and seasonality adjustments), and optimizes the routes therapists take to keep them as productive as possible. Luna’s technology platform also ensures a seamless experience for charting, billing, and compliance, and can be integrated into existing EMR systems such as Epic and Cerner.

Luna works for all involved: local physical therapists earn extra income by tapping into their discretionary time and providing services when they would otherwise be idle; patients get PT in a form factor and location they prefer; health systems retain more patients in their network without having to construct an outpatient delivery program themselves.

And Luna complements existing facility based models, so that health systems can offer both in-clinic care and a delivery option to patients!

“Adventist Health believes in investing in the patient experience. Offering at-home outpatient PT care not only expands our access, but more importantly, it ensures patients have an integrated patient experience with us. Our industry has to shift towards a consumer-driven model to deliver care and Luna helps us move that direction!”

Cory Ferrier
Executive of Business Development

Quality Care and Outcomes

At the start of treatment, we measure a patient’s pain level, which serves as a baseline for assessing the effectiveness of treatment. With Luna, patients experience an average of 45% pain improvement within 10 visits. Additionally, 77% of Luna patients demonstrate clinically important pain differences within 10 visits. Luna’s performance exceeds industry benchmark studies with an average of 30% pain improvement overall during a course of care.⁹

Significant Home Health Savings

When outpatient therapy is provided on-demand at home, the patient can be safely discharged home with the lowest possible cost of care. In addition, the safety of the patient is ensured, fall risk is managed, adaptations can be made in the home to improve function, and assessments for adaptive equipment can be performed - without the need for expensive traditional home health services.

Traditional home health costs $4,200 per case on average, compared to just $1,300 for outpatient care (estimated via 10 visits on Medicare Part B) when Luna is utilized, which is a savings of $2,900 per case. Multiplying that total by 2,000 cases per year results in a $5.8 million cost savings that’s 100% enjoyed by the health system when a system participates in BPCI bundles.

Most often for patients recovering from total hips or total knees, on-demand outpatient therapy through Luna is the only care needed. Other disciplines like nursing, personal care services, speech therapy and nutrition are not necessary, as in traditional home health care. This allows the patient to receive therapy in the home to improve strength, movement and function without excessive home health requirements or the cost of home health.

“Scripps is continuously seeking innovative ways to enhance our care delivery. Partnering with Luna for at-home outpatient care expands our access and reach across the San Diego market.”

Lisa Thakur
Corporate SVP, Ancillary Operations

There’s a reason why outpatient delivery hasn’t been available until now. Traditional home health provides at-home care at rates of $300-$500 per visit. With outpatient rates 70% less than home health rates, the need for technology-enabled efficiency is clear: Luna’s technology platform and broad network of outpatient therapists ensures reliable patient matches, short drive times, and substantial therapist density and coverage - all critical to making outpatient delivery work economically at scale.

Real Success with Luna

When a 15-hospital health system with over $5 billion in net revenue and 500+ physicians partnered with Luna, the outcome is exactly as expected: higher market share, increased revenues, and lowered costs. Here is the business impact:

- Enabling referral recapture by adding 90,454 annual visits and $12,211,290 in revenue.
- Improving profitability of existing cases by adding 14,450 visits and $1,950,750 in revenue, serving the existing waitlist.
- Reducing home health care spend, saving $2,900 per case on average. For BPCI bundles, health systems keep 100% of these savings.
- Relieving pressure on two underperforming facilities, saving $900,000 annually.

The total value creation for this client (added profit plus cost savings) over 5 years is proforma’d at $34.9M – significant by any standard.
Partnering with Luna

A partnership with Luna allows any health system to include on-demand rehabilitation among its outpatient service offerings – and immediately see the results as improved patient access, coverage, referral recapture, and profits.

Luna performs all of the key functions relevant to patient, therapist, physician, and partner success while efficiently managing billing, compliance, and clinical quality assurance. The new service can be branded in a manner that is consistent with the health system’s brand and strategy. Partners with Luna receive everything they need to turn outpatient care into a reliable and contributing service line. And in most cases, Luna’s profit-sharing arrangement with health systems exceeds their own in-clinic margins due to greater efficiencies, while enhancing patient care.

About Luna

Luna, the leading on-demand physical therapy provider, was founded in 2018 to reimagine the physical therapy experience. Luna makes receiving and practicing outpatient physical therapy more convenient, modern, and impactful – through the use of technology. Now, patients have greater access to care, and therapists have the autonomy and flexibility they need to manage their careers and thrive in their own practice. For more information about Luna, please visit www.getluna.com.
Is your health system interested in learning more about the benefits of a partnership with Luna? Email us today at partner@getluna.com