

The Issue

Congress and the Centers for Medicare & Medicaid Services have launched extensive, ongoing efforts to reform post-acute care (PAC), as shown in the timeline below.

Congress and CMS have set in motion an ambitious plan to significantly reform PAC, which includes long-term care hospitals (LTCH), inpatient rehabilitation facilities (IRF), skilled nursing facilities (SNF) and home health (HH) agencies:

- First, in the Bipartisan Budget Act of 2013, Congress mandated an overhaul of the LTCH payment system that has led to reduced services, underpayment of many cases, hospital closures and bankruptcies.
- Next, in 2014, Congress passed the Improving Medicare Post-Acute Care Transformation (IMPACT) Act, which requires consistent discharge planning and quality and patient assessment metrics across the PAC settings, as well as the development of a combined prospective payment system for the four PAC settings by 2023.
- More recently, the Balanced Budget Act of 2018 mandated the redesign of the HH payment system.
- In addition, this October CMS will implement a completely re-engineered SNF payment system, along with major IRF payment and patient assessment reforms.

Collectively, these directives send a clear message to the PAC field that policymakers want to raise the bar on the quality and efficiency of PAC services.

AHA Position

Instead of additional changes that will jeopardize care for PAC patients, we urge Congress and CMS to provide a stable environment for providers to implement the existing reform agenda, then allow the evaluation of the impact of these reforms to guide further improvements.

PAC 101

Following care in a general acute-care hospital, such as a surgery, some patients are referred for PAC for services focused on regaining the level of function needed to go home.

- **LTCHs** treat patients with a high level of acuity who require an extended hospital stay. Most LTCH patients have an extreme or major level of severity.
- **IRFs** specialize in treating patients who require a combination of hospital-level care and intensive rehabilitation in order to regain the level of function needed to return home.
- **SNF** services are available to patients who have received at least three days of inpatient services during the prior hospital stay.
- **HH agencies** provide care for homebound beneficiaries who require skilled, intermittent nursing and therapy care.

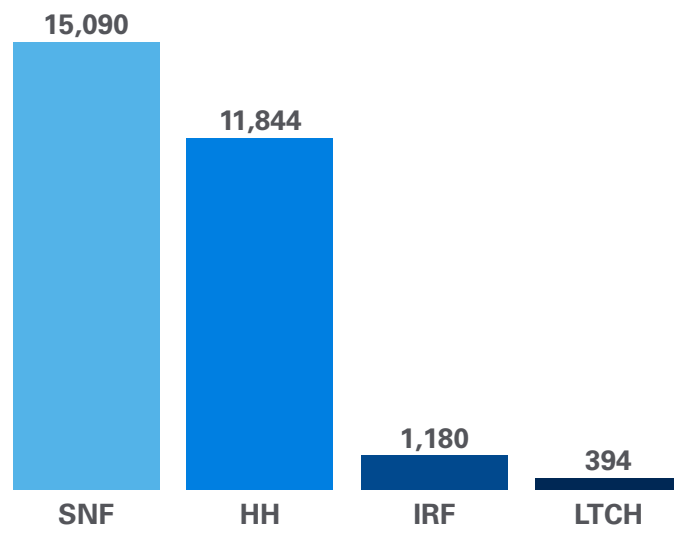
Other PAC Challenges

- Medicare Advantage (MA) Plans are Limiting IRF and LTCH Access.** Many beneficiaries who would qualify for IRF and LTCH coverage under traditional Medicare are being denied access under MA. Under the law, MA plans are required to cover the same scope of services as traditional Medicare; however, MA networks often exclude IRFs and LTCHs. As other types of providers generally do not provide IRF and LTCH-like services, beneficiaries are often prevented from accessing this care ensured by Medicare.
- Quality Measurement and Patient Assessment Requirements are Growing Rapidly.** IRFs also face mounting reporting requirements, including items that add burden without value. Specifically, under the IMPACT Act, CMS has more than quadrupled the number of IRF quality measures since 2016. The agency is poised to add new patient assessment items to already-lengthy admission and discharge processes, most of which are inapplicable to IRF patients. While we appreciate the goal of greater reporting consistency across post-acute care, we are concerned about items that are not fully tested for their purposes and do not provide accurate, meaningful data.
- Home Health Review Choice Demonstration.** In April 2019, CMS re-launched a five-state (FL, IL, OH, NC, TX), five-year demonstration that requires HH agencies to choose from among three tough options for all of their Medicare episodes of care (pre-claim review, post-payment review, or a 25% cut combined with reduced review). Instead of this across-the-board effort to “identify and prevent fraud,” AHA urges CMS to use targeted and proven data-based interventions. It is excessive and unwarranted to penalize agencies with no history of fraud with this administrative and financial burden. The demonstration was initially launched in Illinois.

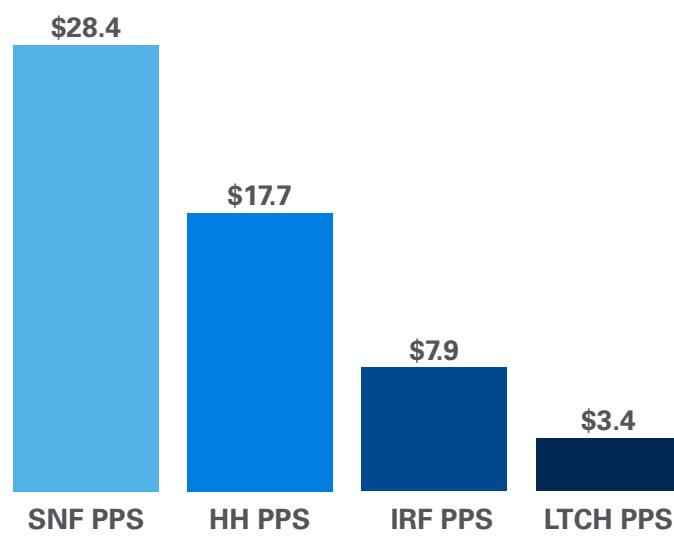
For more on the benefits of post-acute care and the challenges facing providers, please visit

www.aha.org/postacute.

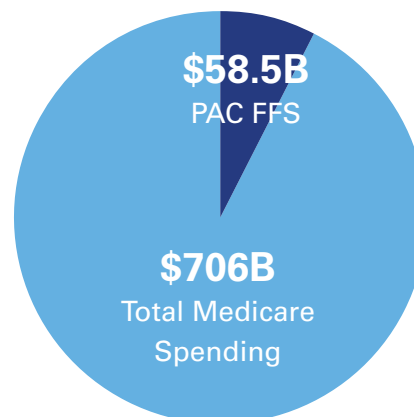
Number of PAC Providers



Medicare Spending (in Billions)



PAC FFS Spending is 8.3% of Total Medicare Spending



Source: 2017 data from MedPAC's March 2019 Report to Congress