



November 17, 2014

Daily News

<http://insidehealthpolicy.com/medpac-eyes-making-17-conditions-site-neutral-irfs-snfs-beneficiaries-upset>

MedPAC Eyes Making 17 Conditions Site-Neutral At IRFs, SNFs; Beneficiaries Upset

Posted: November 13, 2014

Congressional Medicare advisers are pushing forward with creating a draft recommendation for site-neutral payments for 17 conditions treated at inpatient rehabilitation facilities (IRFs) and skilled nursing facilities (SNFs), but haven't reached a consensus on adding strokes to the list. The Medicare Payment Advisory Commission (MedPAC) has not yet specified which 17 conditions it wishes to recommend for site neutral payments, saying only that they will be a mix of orthopedic, pulmonary, cardiac and infections that make up roughly 10 percent of IRF cases and spending, according to commission staff.

Rather than paying IRFs at the lower SNF rate for the site-neutral conditions MedPAC is considering paying a blended rate and relieving IRFs of some of their site-specific requirements -- such as doctors' visits 3 times a week, round the clock registered nurse coverage and three hours a day of intensive therapy -- when providing rehabilitative services for the 17 conditions.

SNF advocates applauded MedPAC's moves at its Friday (Nov. 7) meeting, but IRF and beneficiary advocates say the commission is failing to recognize the higher level of care and different outcomes based on individual patients' needs that IRFs offer compared to SNFs. One beneficiary advocate said MedPAC's decision to move forward with draft recommendations for site-neutral payments is "extremely dangerous."

MedPAC staff told commissioners that if the 17 conditions were accepted for site-neutral payments at the SNF rate -- in addition to orthopedic conditions of joint

replacement, hip and femur the commission decided to recommend for site-neutral payments in June -- aggregate IRF spending would decrease by \$497 million or 7.1 percent.

The American Health Care Association/National Center for Assisted Living (AHCA/NCAL), which advocates for SNFs, said MedPAC's work on site-neutral payments is in line with the IMPACT Act on post-acute care delivery and payment reform signed into law by President Barack Obama last month.

"There were many positive developments to come out of Friday's MedPAC session. AHCA/NCAL supports the Commission's consensus to move forward with the formulation of a site-neutral policy recommendation, which includes certain orthopedic conditions as well as 17 additional conditions," AHCA/NCAL spokesman Greg Crist said. "The recently-enacted IMPACT law laid the groundwork for achieving our ultimate goal: a sustainable, predictable payment system for our members. Site neutral is a vital building block within the payment reform discussion and is crucial for Medicare's fiscal future."

While some commissioners approved of adding strokes to the list of site-neutral conditions, many felt that the complexity of strokes and the differences in patients who are sent to either an IRF or SNF for rehabilitation following a stroke makes the condition an unlikely candidate for site-neutral payments.

MedPAC staff found that IRFs tend to treat less-severe stroke patients who can benefit from the facilities' intense physical therapy requirements, while SNFs tend to treat more severely ill stroke patients that have more complications. Commission staff found that patients with paralysis were more likely to be sent to IRFs, unless they had a type of paralysis that is harder to recover from like dominant-side paralysis.

Commissioner Alice Coombs, a critical care specialist and anesthesiologist at Milton Hospital and South Shore Hospital in Weymouth, MA, said vast differences in the severity of strokes in patients and the individual likelihood of recovery outcomes based on a vast array of factors make the condition one that doesn't qualify for site-neutral status.

"I'm not quite sure stroke fits into the site-neutral category," Coombs said.

Beneficiary advocate Judith Stein, executive director of the Center for Medicare Advocacy, is opposed to site-neutral payments and told *Inside Health Policy* that

MedPAC commissioners should look at all conditions in the way it is viewing strokes, and recognize that IRFs and SNFs provide significantly different levels of care based on individual patient's needs and severity of illness.

“You shouldn't make a decision based just on diagnosis,” Stein said. “That just isn't appropriate. It should always be an individual assessment of what the patient needs and where that care can be provided given that medical analysis.”

Stein said adopting site-neutral policies for IRFs and SNFs could be “extremely dangerous.”

“I hope they will continue to think through the analysis being done for stroke and apply it to people with any other primary diagnosis who also have all sorts of other considerations and comorbidities,” Stein said.

The American Medical Rehabilitation Providers Association (AMRPA), which advocates for IRFs, echoed Stein's statements and said it hoped Congress would ignore recommendations from MedPAC to make some conditions site-neutral between IRFs and SNFs.

“We encourage Congress to challenge MedPAC's recommendation to push patients into a less-capable care setting that produces poorer outcomes because it is the cheapest option. Instead, the policy should be based on improving patient health outcomes and ensuring patients receive the right care that allows them to return more quickly to their family, work and community,” said AMRPA chairman Bruce Gans. “Rehabilitation hospitals and nursing homes are not the same and should not be treated as such by Congress or Medicare. The differences between the two care settings can be found in the intensity of professional services provided as well as their mandated approach to rehabilitation. And, more importantly, the difference is in the resulting patient outcomes.”

MedPAC chair Glenn Hackbarth said the commission would look at a draft recommendation on making the 17 conditions site-neutral between IRFs and SNFs, as developed by staff at MedPAC's December meeting.

-- Todd Allen Wilson (twilson@iwppnews.com)