

June 27, 2008

Kerry N. Weems  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
200 Independence Avenue, S.W., Room 445-G  
Washington, DC 20201

***RE: (CMS-1493-IFC) Medicare Program; Changes for Long-term Care Hospitals Required by Certain Provisions of the Medicare, Medicaid, SCHIP Extension Act of 2007: Three-Year Delay in the Application of Payment Adjustments for Short Stay Outliers and Changes to the Standard Federal Rate.***

Dear Mr. Weems:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our 37,000 individual members, the American Hospital Association (AHA) appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) interim final rule pertaining to the long-term care hospital (LTCH) prospective payment system.

This interim final rule – the first of two issued by CMS in 2008 on the LTCH prospective payment system – implements two provisions authorized by the *Medicare, Medicaid, SCHIP Extension Act of 2007* (MMSEA):

- a three-year delay of the short-stay outlier policy that would lower payments for many short-stay cases to an amount comparable with the inpatient prospective payment system rate; and
- a three-month reduction of the LTCH PPS rate from April 1, 2008 through July 30, 2008, and a basing of the 2009 rate on the 2007 amount.

As noted in our March 20 letter on the rates for the LTCH prospective payment system, we oppose basing the 2009 rate on the 2007 amount. While MMSEA specifically reduced LTCH payments to the 2007 standard rate for discharges occurring between April 1 and June 30, 2008, it did not in any way refer to payments for discharges occurring during or after rate year 2009, which begins July 1. Yet, the proposed



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rule uses the 2007 base rate when calculating the 2009 update for the LTCH prospective payment system.

This action is not authorized by Congress. Instead, the annual update to the LTCH standard rate should be based on the 2008 rate that was in effect for the nine months of rate year 2008. We urge CMS to reverse this inappropriate and unauthorized payment reduction.

If you have any questions about our comments, please feel free to contact me or Rochelle Archuleta, senior associate director for policy, at (202) 626-2320 or [rarchuleta@aha.org](mailto:rarchuleta@aha.org).

Sincerely,

Rick Pollack  
Executive Vice President