



**American Hospital
Association**

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August 3, 2011

The Honorable Bill Nelson
United States Senate
716 Hart Senate Office Building
Washington, DC 20510

Dear Senator Nelson:

On behalf of our more than 5,000 member hospitals, health systems and other health care organizations, and our 42,000 individual members, including 250 long-term acute care hospitals (LTCHs), the American Hospital Association (AHA) wishes to express support for the legislation you introduced yesterday, S. 1486, the *Long-Term Care Hospital Improvement Act of 2011*.

As you know, LTCHs provide hospital care for a specific patient population – medically complex, long-stay patients. LTCHs include both free-standing facilities and facilities co-located within hospitals, and treat a wide variety of conditions such as respiratory failure with ventilator dependency, infections, patients with complex wounds and trauma patients.

The Medicare Payment Advisory Commission and other policymakers have called for new LTCH patient and facility criteria as the best policy approach to ensure the right patients are treated in LTCHs. To do this, Congress should establish comprehensive patient and facility criteria to distinguish LTCHs from all other provider settings. Your legislation would accomplish this goal; we applaud your leadership and appreciate that you carefully considered input from hospitals and clinicians who work in this medically complex area.

The legislation implements patient criteria, facility criteria and the retrospective test to ensure that LTCHs are focused on treating high-acuity patients. The patient criteria standard ensures all potential LTCH patients are screened prior to admission through a standardized process that is overseen by a physician, with new patients examined by an LTCH physician during the first 24 hours to assess whether LTCH-level care is reasonable and necessary. The legislation's facility criteria would establish common requirements for the programmatic, personnel and clinical operations of an LTCH.



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Additionally, LTCHs should demonstrate that 70 percent of LTCH cases meet criteria that demonstrate that LTCHs focus on treating medically complex patients and patients requiring extended stays.

In the absence of LTCH criteria, CMS instituted the “25% Rule” in 2004 to reduce access to LTCHs based on a patient’s prior site of care. The 25% Rule is a blunt payment policy necessitated by the lack of criteria based on the clinical needs of patients; the very short-stay outlier (VSSO) policy and CMS’s planned budget neutrality adjustment were in turn necessitated as blunt payment containment policies. This legislation replaces these policies with patient and facility criteria that clarify a specific and unique role for LTCHs in the continuum of care, ensure patients are admitted based on their medical needs, and bring uniformity and cost containment to the LTCH field.

Congress should support criteria that ensure LTCHs provide quality hospital care to the appropriate patients. Furthermore, in concert with establishing facility and patient criteria, Congress should repeal the 25% Rule, budget-neutrality adjustment, and VSSO policies.

We appreciate your support for these sickest-of-the-sick patients and the facilities that treat them, and look forward to working with you in advancing it through the legislative process.

Sincerely,

Rick Pollack
Executive Vice President