



## **PROTECT PATIENT ACCESS TO LONG-TERM HOSPITAL CARE**

### **Support Legislation to Provide Regulatory Stability April 2009**

#### **Background**

Long-term care hospitals (LTCH) provide hospital-level care for medically complex, long-stay patients. LTCHs meet the same Medicare conditions of participation as general acute hospitals, but have a significantly longer average length of stay of greater than 25 days. LTCHs treat a wide variety of serious conditions including respiratory failure with ventilator dependency, infections, complex wounds, and trauma. In the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) Congress took steps to protect patient access to LTCHs by moderating regulatory instability pending development of LTCH patient and facility criteria. MMSEA also contains a number of important policy changes including a moratorium on new LTCHs and satellites and bed increases in existing LTCHs and satellites. These provisions are effective for a 3-year period. MMSEA requires the Secretary of Health and Human Services to conduct a study on the establishment of LTCH facility and patient criteria for determining the medical necessity of admissions to and continued stays and discharges at LTCHs and to report to Congress on the study with recommendations for such criteria by June 2009. The LTCH provider community is conducting such a study which is ongoing at this time. The LTCH community has undertaken a transparent process of reporting study progress and results to the Secretary, MedPAC, and other policy makers at the Centers for Medicare and Medicaid Services as the study progresses.

#### **Issue**

While LTCH facility and patient criteria are being developed, it is important to protect access to LTCH services for Medicare beneficiaries and other patients by maintaining regulatory stability within the LTCH industry.

#### **Solution**

To ensure regulatory stability while LTCH facility and patient criteria are being developed the proposed legislation provides for a 2-year extension of certain MMSEA provisions such as:

The moratorium on new LTCHs and new satellites and bed increases to address concerns about growth;

Continuation of the standstill imposed by Congress in MMSEA on certain regulatory provisions to protect patient access to LTCHs.

In addition to savings resulting from a 2-year extension of the moratorium and other measures, the proposed legislation includes additional cost savings provisions to provide for budget neutrality.