

THE ISSUE

In recent years, post-acute care providers have faced scrutiny from Congress and other policymakers that has resulted in substantial payment cuts. Regulatory and statutory payment reductions and restrictions have been considerable for all four post-acute sectors – long-term care hospitals (LTCH), inpatient rehabilitation facilities (IRF), skilled nursing facilities (SNF) and home health (HH). *The Patient Protection and Affordable Care Act (ACA)* included productivity offsets and other reductions to updates, quality reporting requirements and significant HH changes

that reduce Medicare payments over the next 10 years. Additionally, major regulatory tightening by the Centers for Medicare & Medicaid Services (CMS) of the post-acute payment system has included coding and documentation offsets, rebasing and significant operational changes. Most recently, The President's Plan for Economic Growth and Deficit Reduction included several across-the-board post-acute update cuts, along with lowering IRF reimbursement for selected patients to a SNF-level payment, and raising the current IRF 60% Rule threshold.

AHA POSITION

Reject further reductions to post-acute providers.

WHY?

- **It is excessive and unjustified to pile additional payment cuts onto the already substantial reductions imposed on post-acute care providers.** Current law and other CMS regulations already are reducing Medicare payments to post-acute care providers. Additional cuts could further exacerbate financial pressures and limit patient access to needed post-acute care services.
- **The administration's latest proposal would inappropriately restrict access to IRFs. Such proposals overlook clear distinctions between SNF and IRF patients and services, as recently documented by CMS*.** In addition, IRF case mix has increased and the number of IRF patients treated per year has dropped by 136,000 cases annually since 2004. Additionally, further restrictions on patients' eligibility for IRFs is unwarranted and could lead to inappropriate care settings for patients. Medicare payments to IRFs in recent years have been relatively flat. These policies would not only significantly harm IRFs and their patients, but also strain the post-acute continuum of care.
- **Instead of new arbitrary, across-the-board cuts to post-acute care, Congress should allow the ACA provisions that reform the delivery of post-acute services to be implemented.** The ACA included several provisions — post-acute care quality reporting and value-based purchasing, accountable care organizations and bundling — intended to improve care coordination and heighten accountability for post-acute care and other providers. As a result, proposals are already under way by CMS and others to develop thoughtful and targeted changes to move care delivery away from our current silos to a more integrated care model.

*CMS's SNF PPS Final Rule for FY 2012, Published May 2011 in the *Federal Register*.