LTCH PPS
FY 2016 Final Rule
Rochelle Archuleta & Akin Demehin
AHA Policy
August 2015
LTCH Payment Update & Site-Neutral Payment Implementation
**NEW Dual-Rate Structure & Estimate of Fiscal Impact**

<table>
<thead>
<tr>
<th>Standard LTCH PPS Cases</th>
<th>Site-Neutral Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>(54% of 2014 Cases)</td>
<td>(46% of 2014 Cases)</td>
</tr>
<tr>
<td>• No rehab or psych principal diagnosis; and</td>
<td>Paid the lesser of:</td>
</tr>
<tr>
<td>• Immediately discharged from inpatient PPS hospital; and</td>
<td>Inpatient PPS-Comparable Per Diem, with any outlier payment</td>
</tr>
<tr>
<td>• <em>Either</em> 3 ICU/CCU days during prior inpatient PPS stay; <strong>OR</strong> &gt;96 hours of ventilator services during LTCH stay</td>
<td><strong>OR</strong></td>
</tr>
<tr>
<td></td>
<td><strong>100% of Estimated Cost</strong></td>
</tr>
</tbody>
</table>

**CMS’s Estimate of Fiscal Impact:**
- **Standard LTCH PPS Cases:** +1.5%
- **Site-Neutral Cases:** -14.8%
- **NET CHANGE:** -4.6% (**$250 million**)
CRITERIA FOR STANDARD LTCH PPS RATE:

Psych & Rehab Cases: 15 MS-LTC-DRGs are prohibited.

Immediate Discharge: Must transfer from inpatient PPS hospital to LTCH must occur within 1 day. *(Removed requirement for inpatient PPS discharge status codes 63 or 91.)*

ICU/CCU Revenue Codes: Must have 3 ICU/CCU days during prior IPPS stay. All ICU/CCU codes (020.x and 021.x) will be counted.

Ventilator Criteria: ICD-10 code 5A1955Z for 96+ consecutive hours of ventilator services in LTCH. *(Must contact MAC re cases receiving exactly 96 hours)*
**Standard LTCH PPS Rate**

**Final FY 2016 Update**
- +2.4% LTCH Market basket
- -0.5% ACA productivity cut
- -0.2% ACA additional cut
- [-0.3% adjustment to remove SSO’s, which are not paid federal rate]
- -0.1% HCOs
- +0.2% SSOs

**NET CHANGE:** +1.5% ($50 million)
- Standard rate: $41,762.85 ($41,043.71 in FY 2015)

**Other LTCH PPS Standard Rate Changes**
- Labor related share: 62.0% (62.306 in FY 2015)
- Outlier fixed loss of $16,423 ($14,972 in FY 2015)
  - Based on only standard LTCH PPS cases
  - 8% outlier pool for only LTCH PPS cases
Site-Neutral Payments

- Site-Neutral Payments Implemented on a Rolling Basis
  - Based on each LTCHs cost reporting period start date.
  - AHA analysis: Approx. half of “site-neutral cases” would be paid a site-neutral blend due to rolling basis implementation.

- 2 Site-Neutral Payment Options, per slide 4

- Blended Payments in FYs 2016 and 2017
  - 50/50 blend of standard LTCH PPS rate and site-neutral payment.

- Site-Neutral Per Diem w High-Cost Outliers
  - Fixed loss amount: $24,485 ($16,423 for LTCH PPS)
  - (Site-neutral cases paid cost receive no outlier payment)

- Interrupted Stay
  - Will apply to site-neutral cases.

- 25% Rule
  - Will apply to site-neutral cases.

- Short Stay Outlier Policy
  - Will not apply to site-neutral cases.
Site-Neutral Payments for HCO Cases

- **CMS**: Concerned that S-Neutral high-cost-outlier payments would increase aggregate LTCH payments.

- **CMS Solution**: Applies another 5.1% BNA within the LTCH PPS.

- **AHA**: This problem unfounded since the IPPS rates are already subject to a 5.1% BNA. Therefore, the second, LTCH BNA is duplicative.

- **RESULT**: Underpayment of S-Neutral HCOs.
Other Provisions

• LTCH Average Length of Stay Calculation
  – Final rule removes these cases from calculation:
    o Site-neutral cases
    o Medicare Advantage cases
  – PAMA: Only LTCHs classified by Dec. 10, 2013 can exclude these cases.

• Discharge Ratio
  – Penalty starts FY 2020 for LTCHs with >50% site-neutral cases.
  – Status to be reported starting in FY 2016; more guidance pending.
  – No Medicare Advantage Cases included in calculation

• Exceptions to Moratorium on New LTCHs
  – To qualify for an exception, only one of the three exceptions must be met by April 1, 2014.
  – Clarifies definition of “estimated cost of the project.”
  – For satellites that opened during the moratorium, its beds must come from the organization’s March 30, 2014 bed tally.
• AHA-members received impact estimate on proposed rule. Estimates on final rule in process.
• In FY 2016, due to rolling basis implementation of site-neutral payment, 23% of cases (from 2014) would actually be paid a site-neutral blend.
  – Average rate for Standard LTCH PPS: $46,565
  – Average rates for Site-neutral cases:
    o S-N paid standard rate: $36,264
    o S-N paid blend: $9,950
• Substantial variation in response to 2-tiered system
  – Cost-reporting periods distributed across all 12 months
  – Wide range of prevalence of site-neutral cases
  – Local marketplaces differ
  – LTCH strategies differ
LTCH
Quality Reporting Program
Long-Term Care Hospital Quality Reporting (LTCH QRP)

- LTCHs submit quality measures to avoid 2.0 percentage point reduction to annual update

<table>
<thead>
<tr>
<th>Measure</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central-Line Associated Blood Stream Infection (CLABSI)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>Catheter-Associated Urinary Tract Infection (CAUTI)</td>
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<td>X</td>
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<tr>
<td><strong>Percent of patients with pressure ulcers that are new or worsened</strong></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X^F</td>
</tr>
<tr>
<td>Percent of patients who were assessed and appropriately given the seasonal influenza vaccine</td>
<td>--</td>
<td>--</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Influenza vaccination coverage among healthcare personnel</td>
<td>--</td>
<td>--</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Methicillin-resistant Staphylococcus aureus (MRSA) bacteremia</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>Clostridium difficile (C Diff)</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>Unplanned all-cause, all condition readmissions within 30 days following LTCH discharge</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Percent of residents experiencing one or more falls with major injury (Long stay)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^F</td>
</tr>
<tr>
<td>Functional Status: Percent of LTCH Patients with an Admission and Discharge Functional Assessment and a Care Plan that Addresses Function</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^F</td>
</tr>
<tr>
<td>Functional Status: Change in mobility among LTCH patients requiring ventilator support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Ventilator-Associated Event Outcome Measure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

X = Previously Finalized
X^F = Previously finalized, re-finalized in FY 2016 rule
Post-Acute Reporting Changes: IMPACT Act

- Signed into law Oct. 6, 2014

- Framed as creating “building blocks” of post-acute care reform through collection and reporting of “standardized and interoperable”:
  - Patient assessment data
  - Quality measures

- Expands data collection and reporting requirements for LTCHs, IRFs, SNFs and HHAs
  - Payment penalties for non-reporting

- Significant regulatory activity in 2015
IMPACT Act – Patient Assessment Data Domains

To be addressed in future rulemaking

• **Functional status** (e.g., mobility, self care)
• **Cognitive function and mental status** (e.g., depression, ability to understand)
• **Special services, treatments, and interventions** (e.g., ventilator use, dialysis, chemotherapy, central line placement, TPN)
• **Medical condition** (e.g., diabetes, CHF, comorbidities such as severe pressure ulcers)
• **Impairments** (e.g., incontinence, impaired and an impaired ability to hear, see, or swallow.
• Other categories deemed necessary and appropriate by the Secretary of HHS
Measures must address following topics:

- **Functional Status**
- **Skin integrity**
- **Major falls**
  - Medication reconciliation
  - Patients preferences
  - Resource use, including at a minimum:
    - Medicare spending per beneficiary
    - Discharges to community
    - Potentially preventable admissions and readmissions

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FY 2018 LTCH QRP NEW Measures: Falls and Pressure Ulcers

- **Pressure Ulcers:** Assesses percentage of patients with one or more pressure ulcers new or worsened
  - Already in LTCH QRP
  - Collected using LTCH CARE Data Set

- **Falls:** Assesses percentage of patients experiencing one or more falls with major injury during IRF stay
  - Also already in the LTCH QRP
  - Collected using LTCH QRP data set
  - Not NQF-endorsed for LTCH setting
FY 2018 LTCH QRP NEW Measure: Functional Status

• Assesses the percentage of LTCH patients who have functional status assessments completed on admission and discharge and that have care plan assessing function
  – Does not measure functional status change, just completion of assessments

• LTCH CARE data set includes appropriate items to collect assessments
  – Clinicians score level of independence on self-care, mobility, cognition, communication and continence items
  – To demonstrate a care plan assesses function, at least one assessment item needs a numerical “goal”

• Not yet NQF-endorsed
FY 2018 Revision to LTCH QRP Data Submission Deadlines

<table>
<thead>
<tr>
<th>FY 2018 Data Collection</th>
<th>FY 2018 Deadline</th>
<th>Subsequent Fiscal Year Data Collection</th>
<th>Subsequent Fiscal Year Deadlines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr. 1 – Jun. 30, 2016</td>
<td>Nov. 15, 2016</td>
<td>Q2: Apr. 1 – Jun. 30</td>
<td>135 days after the end of each</td>
</tr>
</tbody>
</table>

- LTCHs would have approximately 4.5 months (or 135) after the close of a CY quarter to submit data
- Applies to LTCH QRP measures submitted using LTCH CARE Data Set and NHSN measures
  - Except influenza vaccination
Questions & Discussion