

Fact Sheet: Inpatient Rehabilitation Facilities – A Unique and Critical Service

Inpatient rehabilitation facilities (IRFs) serve a unique and valuable role within the Medicare program by treating patients who require hospital-level care in conjunction with intensive rehabilitation.

About IRFs

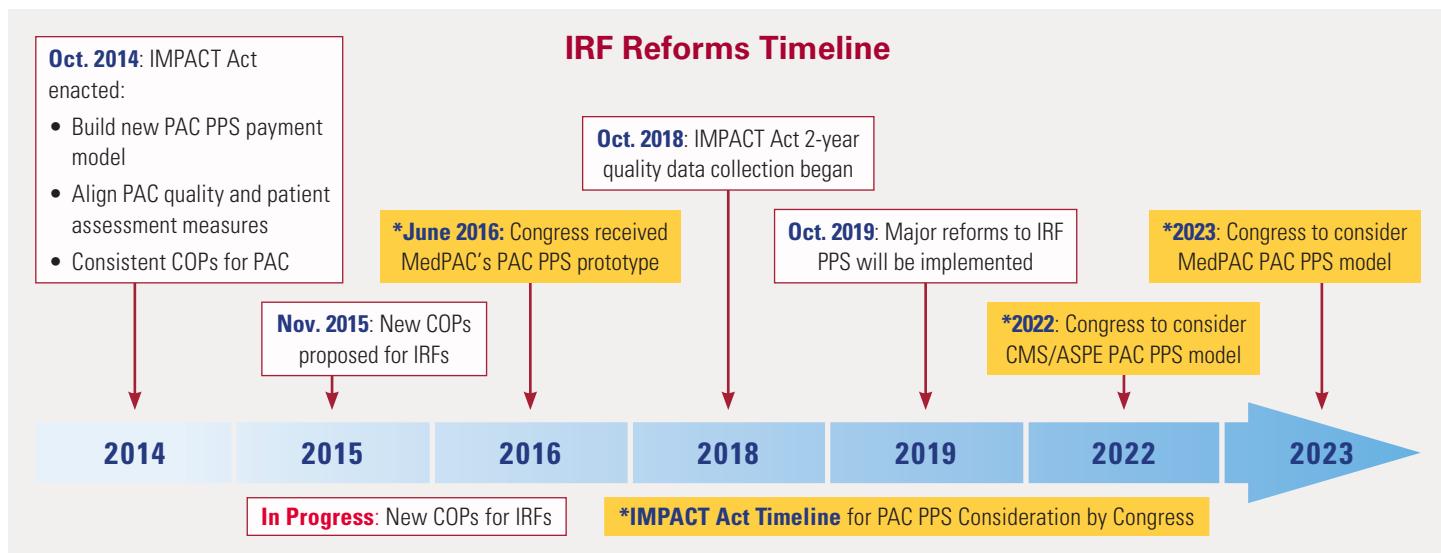
Most IRF patients transfer from a general acute-care hospital following treatment for complex conditions.

- These conditions include traumatic brain injuries, spinal cord injuries, cancer, organ transplants, major burns, complex trauma, strokes, and other neurological and orthopedic conditions.
- Medicare beneficiaries treated in IRFs must meet stringent admissions criteria to ensure that IRF care is necessary.
- Sixty percent of IRF cases must have one of Medicare's qualifying conditions and Medicare auditors ensure that patients satisfy strict guidelines.

AHA Position: Additional IRF Changes Must Wait

In fiscal year (FY) 2020, the IRF field faces major challenges as it works to implement a redesigned payment system – the first since the early 2000s. A pause in additional statutory and regulatory changes will help IRFs in implementing the new model in a patient-friendly and effective way.

- IRFs are particularly attuned to ensuring the refinements do not have a negative effect on access to care for high-acuity IRF patients.
- The congressionally-mandated development of a post-acute care payment model will conclude in 2022 and 2023. If approved by Congress, this model would represent yet more enormous change for IRFs, as well as other post-acute care settings.
- The regulatory landscape also continues to include the potential for major change beyond 2020.



IRF Challenges

IRF PPS Reform. In October 2019, the IRF payment system will undergo a significant update, with its well-established patient assessment tool slated for elimination and a new case-mix system taking effect. This transformation requires substantial staff training on new clinical and administrative protocols. In addition, the refined system is expected to substantially redistribute payments across clinical conditions and providers.

Medicare Advantage (MA) Plans are Limiting IRF Access. Many beneficiaries who would qualify for IRF coverage under traditional Medicare are being denied access under MA. Under the law, MA plans are required to cover the same scope of services as traditional Medicare. However, MA networks often exclude IRFs.

Quality Measurement and Patient Assessment Requirements are Growing Rapidly. IRFs face ever-growing reporting requirements. Specifically, under the Improving Medicare Post-Acute Care Transformation (IMPACT) Act, CMS has more than quadrupled the number of IRF quality measures since 2016. While reporting consistency across post-acute care providers is important, many of these items are not fully tested and do not provide accurate, meaningful data, nor do they benefit patients.

IRFs Provide a Distinct Service

No other health care setting offers IRFs' specialized programming for hospital-level patients requiring intensive rehabilitation. The chart below shows IRFs' unique clinical requirements relative to those of SNFs.

Medicare Requirements for Inpatient Rehabilitation Facility (IRF) vs. Skilled Nursing Facility (SNF)	IRFs	SNFs
Physician approval of preadmission screen and admission	Yes	No
Patient requires resource-intensive inpatient care	Yes	No
Close medical supervision by a physician with specialized training	Yes	No
Physician-coordinated multidisciplinary team, including medical plan of care, 24-hour registered nurse care and therapy	Yes	No
3 hours of intensive therapy; 5 days per week	Yes	No
Discharge rate to community*	76.0%	40.0%
Potentially-avoidable rehospitalization during stay*	2.6%	10.9%
Potentially-avoidable rehospitalization during 30 days after discharge*	4.7%	6.1%
Medicare fee-for-service spending (in billions)*	\$7.9B	\$28.4B

*Source: 2017 Data from MedPAC's March 2019 Report to Congress