PROTECT PATIENT ACCESS TO LONG TERM HOSPITAL CARE

Support Legislation to Provide Regulatory Stability

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BACKGROUND

Long-term care hospitals (LTCH) provide hospital-level care for a specific patient population – medically complex, long-stay patients. LTCHs meet the same requirements as general acute hospitals, but have a significantly longer average length of stay of 25 days or greater. LTCHs can be free-standing facilities or co-located within hospitals, and treat a wide variety of conditions including respiratory failure with ventilator dependency, infections, patients with complex wounds, and trauma patients.

ISSUE

MedPAC and other policymakers call for new LTCH patient and facility criteria as the best policy approach to ensure the right patients are treated in LTCHs. However, rather than enact LTCH criteria, CMS has promulgated a series of blunt payment regulations that arbitrarily limit patient access to LTCH services. Current regulatory instability threatens LTCHs' ability to continue caring for Medicare beneficiaries and other patients.

SOLUTION

We strongly support H.R. 3057 and S. 1958, as well as key LTCH provisions of H.R. 3162, which passed the House on August 1, 2007. This legislation creates a common sense approach to define the appropriate role for LTCHs in treating medically complex, long-stay Medicare patients and ensure regulatory stability. Specifically, legislation would:

- ✓ Require CMS to create LTCH patient and facility criteria through issuing a report to Congress in 12 months and implement criteria by the subsequent year.
- ✓ Expand the current medical necessity review of LTCH admissions and continued stay through professional physician peer review to ensure that clinically appropriate patients are admitted;
- ✓ Impose a 4-year moratorium on the development of new LTCHs to address concerns about growth;
- ✓ Prevent the current "25% Rule" pertaining to hospital referrals from being extended to free-standing and grandfathered LTCHs and freeze this regulation at its current levels for LTCHs that are co-located within a general acute hospital, in rural areas, or in areas with one dominant source of hospital referrals;
- ✓ Protect patient access by preserving the short-stay outlier regulation that was in effect June 30, 2007; and
- ✓ Prevent imposition of a one-time, budget-neutrality adjustment.

The Congressional Budget Office has estimated this proposal will save $500 million over 5 years and $1.3 billion over 10 years. We believe this legislative approach addresses concerns regarding LTCH growth, defines the appropriate role of LTCHs, requires action on comprehensive LTCH criteria, and maintains access to quality services for vulnerable Medicare beneficiaries.