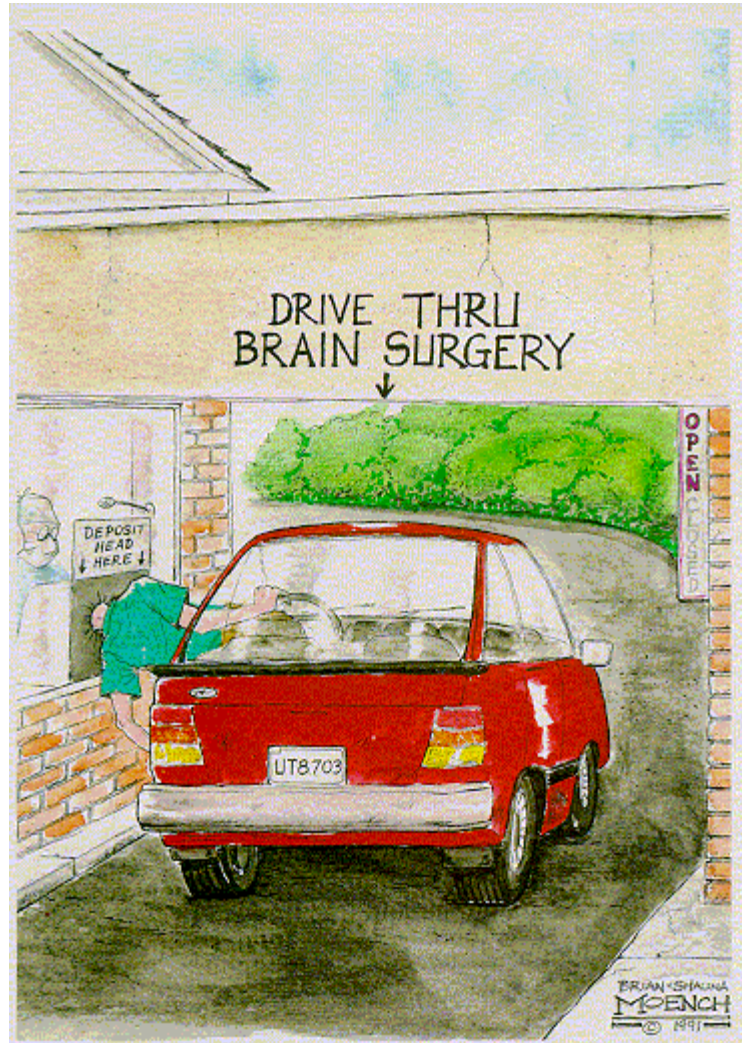


Medicare Contractor's Impact on Post Acute Update

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Health Care Reform



Post Acute – the Components

- ▶ Long Term Acute Care Hospitals
- ▶ Inpatient Rehabilitation (units and hospitals)
- ▶ Skill Nursing Facilities
- ▶ Long Term Care
- ▶ Home Health Agencies
- ▶ Outpatient Rehabilitation (therapy programs and services)

Post Acute and the RACs??????



Results of RAC Demonstration for Post Acute Providers

\$1.03 B identified in overpayments

<i>Overpayments by Provider Type (1)</i>	<i>Impact (in millions)</i>
Inpatient Rehabilitation Facility	\$59.7
Outpatient Hospital	\$44.0
Physician	\$19.9
Skilled Nursing Facility ++	\$16.3
Ambulance/Lab/Other	\$5.4
Durable Medical Equipment	\$6.3

<i>Outpatient Hospital – Speech-Language Pathology Services</i>		<i>% of Total for Outpatient Hospital</i>
Amount Collected (1)	\$3.2M	36.67%
Number of Claims with Overpayments (1)	24,991	55.76%

(1) Less cases overturned on appeal

Sources: The Medical Recovery Audit Contract Program: An Evaluation of the 3-Year Demonstration

What Makes Post Acute so Challenging for Medicare Contractors?



Post Acute is Unique

- ▶ Different regulatory structures than acute care
 - Licensed acute care beds
 - Inpatient rehabilitation and Long term acute care hospitals have an additional layer of regulations
 - Unique regulatory structure
 - Skilled Nursing Facilities
 - Home Health Agencies
 - Outpatient therapy

Post Acute is Unique

- ▶ Different reimbursement than acute care
 - Prospective Payment
 - LTCH
 - Inpatient Rehabilitation
 - Skilled Nursing
 - Home Health Agency
 - Reimbursement Systems
 - LTCH – LTC–DRGs
 - Inpatient Rehabilitation – Case Mix Groups
 - Skilled Nursing – Resource Utilization Groups
 - Home Health Agencies – episode of care
 - Outpatient Rehabilitation – PFS (CPT codes)

Post Acute is Unique . . .

Post Acute ...Update

- ▶ **Accountability**
 - Quality Measures
 - Pay for Performance
- ▶ **Global Payment**
 - ACO's
 - Bundled Payment
 - 8 models, 4 specifically include post acute
 - Continuing Care Hospital (CCH)
 - 1 (potential) provider for all levels of care

Therapy Caps

Post Acute Update

Post Acute Update

Don't think Post Acute has fallen off the Medicare Contractors' radar screen.....

And now, without further ado....