



Protect Patient Access

Major Problems with Site Neutral Payments for Rehabilitation

Vulnerable Medicare beneficiaries risk being diverted into less intensive, less appropriate rehabilitation setting because it is the cheaper option.

It's a Mistake to Divert Patients into Less Intensive Care Settings Based on Diagnosis

- MedPAC's recommendation is to pay the same amount for rehabilitation regardless of whether a patient is treated in an inpatient rehabilitation hospital or nursing home. This is often referred to as "site-neutral" payment
- The rationale is that the daily cost of care in the nursing home is lower than the hospital, and the care is similar, but this is a fallacy
- Site neutral would result in patients who need intensive inpatient rehabilitation being diverted inappropriately to less intensive settings based solely on their diagnosis, despite their clinical needs
- Reform policies should ensure patients receive the intensive, coordinated rehabilitation that allows them to return more quickly to their home, family, work and community
- Congress should ensure that Medicare policies do not override clinical judgment on where a patient should receive care

Nursing Homes and Rehabilitation Hospitals are NOT the Same

- Rehabilitation hospitals and nursing homes are not the same and should not be treated as such by MedPAC, Congress or the Medicare program
- Rehabilitation hospitals must meet stringent criteria to be licensed as a hospital and follow specific regulatory requirements that govern the intensity and coordination of rehabilitation services, as well as the medical management of rehabilitative hospital patients
- Conversely, there are virtually no regulations that set quality standards and proper supervision for how rehabilitation is provided in nursing homes or "skilled nursing facilities"
- MedPAC acknowledges these differences, stating that rehabilitation hospitals have more extensive requirements regarding the amount of therapy and the frequency of physician supervision their patients receive

Latest Evidence Demonstrates Significant Differences in Patient Outcomes

- Patients treated in inpatient rehabilitation hospitals have better outcomes, go home earlier and live longer than similar patients treated in nursing homes, according to a 2014 study by Dobson DaVanzo & Associates, LLC
- Across all 13 conditions examined in this study, including some of those being proposed for site neutral payments, patients treated in nursing homes have more emergency room visits, are readmitted to hospitals more often, and have an increased risk of death compared to clinically similar patients treated in rehabilitation hospitals
- This study demonstrates the risk of denying many Medicare patients the care they need to more quickly return to their home, family and community activities

Patient Policies Should be Evidence-Based and Use Comparable Data

- It would be a mistake to implement post-acute reforms for Medicare before implementation of the recently enacted “IMPACT Act,” which will provide a chance to analyze comparable data on patient outcomes across different settings of post-acute care
- Before the IMPACT Act, there were no requirements to report comparable data on outcomes for those treated in rehabilitation hospitals and nursing homes
- Without comparable data, policy makers are left making decisions on payment reform based on cost alone, without the ability to measure patient outcomes

The Coalition to Preserve Rehabilitation (www.preserverehab.org) is a coalition of national consumer, clinician and membership organizations with the goal of preserving access to rehabilitation services. CPR advocates for policies that ensure access to rehabilitative care so that individuals with injuries, illnesses, disabilities, and chronic conditions may regain and/or maintain their maximum level of independent function.