



VIA ELECTRONIC MAIL

January 14, 2015

Glenn M. Hackbarth
Chairman
Medicare Payment Advisory Commission
42 I Street, N.W., Suite 701
Washington, DC 20001

Mark Miller
Executive Director
Medicare Payment Advisory Commission
42 I Street, N.W., Suite 701
Washington, DC 20001

RE: COALITION TO PRESERVE REHABILITATION'S RESPONSE TO MEDPAC'S POST-ACUTE CARE SITE-NEUTRAL PAYMENT PROPOSAL

Dear Chairman Hackbarth and Dr. Miller:

We write with respect to MedPAC's proposal to recommend site-neutral payments between skilled nursing facilities ("SNFs") and inpatient rehabilitation hospitals and units ("IRFs") for Medicare beneficiaries with certain diagnoses. We understand that MedPAC commissioners will take a formal vote on this proposal at its upcoming meeting scheduled for January 15th.

The Coalition to Preserve Rehabilitation (CPR),¹ a coalition of disability and rehabilitation organizations led by a consumer-directed steering committee, has serious concerns about site-neutral proposals for post-acute care services. We believe this proposal stands to erect financial barriers to admission of Medicare beneficiaries in IRFs based solely on diagnosis and not on an individual's medical and functional needs. The proposals being considered by MedPAC raise alarming concerns for Medicare beneficiaries that could have long-term implications on their ability to access the appropriate level of rehabilitative care in the right setting and at the right time following injury or illness.

Because of these concerns, we strongly urge MedPAC to defer its recommendation on site-neutral payment between IRFs and SNFs and wait until data across PAC settings authorized under the IMPACT Act² can be collected and analyzed.

In December, CPR sent a letter to MedPAC, submitted testimony to Congress, and issued two press releases raising serious concerns with MedPAC's proposal on site-neutrality between inpatient

¹ The Coalition to Preserve Rehabilitation (CPR) is a coalition of national consumer, clinician, and membership organizations that advocate for policies to ensure access to rehabilitative care so that individuals with injuries, illnesses, disabilities and chronic conditions may regain and/or maintain their maximum level of health and independent function.

² *Improving Medicare Post-Acute Care Transformation (IMPACT) Act of 2014*, <http://www.gpo.gov/fdsys/pkg/BILLS-113hr4994enr/pdf/BILLS-113hr4994enr.pdf>, pages 1, 4-7.

rehabilitation hospitals (IRFs) and skilled nursing facilities (SNFs). These concerns and recommendations were not meaningfully addressed by the Commission before the MedPAC vote. Rather than restate its arguments from these documents, CPR incorporates them into this letter by reference.

CPR believes that site-neutral payments are a penny-wise, pound-foolish approach, prioritizing short-term cost considerations over long-term patient outcomes. In its proposal, MedPAC fails to consider the long-term patient impact of diverting beneficiaries into less intensive rehabilitation settings despite their clinical needs. MedPAC's mandate includes advising Congress on both cost *and* quality aspects of Medicare. In our view, MedPAC is acting prematurely in recommending site-neutral payment for IRFs and SNFs, especially when Congress recognized that further data collection is necessary through passage of the IMPACT Act last fall.

CPR is also disappointed with the lack of transparency MedPAC exhibited in developing this recommendation. MedPAC only recently disclosed the twenty-two conditions proposed for site-neutral payments to the public, which limited the opportunity for timely public analysis and comment. In fact, MedPAC had the list of twenty-two conditions available at December's public meeting, but chose not to distribute it until after the meeting concluded. Finally, CPR believes that MedPAC's recommendation is a clear overreach and under-calculation of the real impact on patients.

Clinical Data on Twenty-Two Conditions Does Not Support Site-Neutral Payments

Rehabilitation physicians and other clinicians have examined the twenty-two conditions affected by this policy and are alarmed by the failure to recognize patients with comorbid conditions or complications. Not all SNFs offer the same level of care, and with minimal SNF regulations in place, expert opinion by clinicians suggests that many patient with conditions on MedPAC's list, including individuals with limb loss, may be placed at risk under this site-neutral proposal.

The disability and rehabilitation community understands the magnitude of the problem that our nation faces in attempting to contain federal health care spending. However, achieving federal savings through what we believe to be short-sighted post-acute care reforms that do not adequately take into account long-term cost-effectiveness, maximal patient outcomes, and the future capacity of our rehabilitation system, is not the path to success.

We look forward to working with you to strengthen the Medicare program while preserving access to rehabilitation services in all settings for all Medicare beneficiaries. *We also reiterate our request that MedPAC defer its recommendation on site-neutral payment between IRFs and SNFs and wait until data across PAC settings authorized under the IMPACT Act³ can be collected and analyzed.*

³ *Improving Medicare Post-Acute Care Transformation (IMPACT) Act of 2014*, <http://www.gpo.gov/fdsys/pkg/BILLS-113hr4994enr/pdf/BILLS-113hr4994enr.pdf>, pages 1, 4-7.

For more information, please contact the CPR Steering Committee members listed below. Thank you for considering our views.

Sincerely,

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