



Advising the Congress on Medicare issues

Uniform outcome measures under a unified post-acute care payment system

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Overview of presentation

- Review Commission work on a PAC PPS
- Summarize the requirements of the IMPACT Act
- Outline analyses of two outcome measures across PAC settings

MedPAC's 2016 study of a unified PAC PPS: Findings

- It is possible to accurately predict the cost of stays using readily available data
- Key features: A uniform unit of service and case-mix system, other adjusters, and outlier policies
- Results in more uniform alignment of costs and payments across different types of cases
 - Payments would increase for medically complex care and decrease for therapy care unrelated to a patient's condition
 - Payments would shift from high-cost providers and settings to lower-cost providers and settings

MedPAC's study of a unified PAC PPS: Implementation issues

- Could implement PAC PPS sooner than the timetable anticipated in IMPACT Act
- Need to make conforming regulatory changes
- Consider a transition period and the level of payment
- Adopt companion policies to dampen FFS incentives to generate volume and stint on care
- Monitor provider behavior to detect unintended responses

Summary of the Commission's work examining the shortcomings of PAC

<u>Shortcoming</u>	<u>Commission work</u>
<ul style="list-style-type: none"> • Can not compare patients or outcomes across settings 	<ul style="list-style-type: none"> • Compared tools used in PAC settings, made recommendations (1999, 2005, 2014)
<ul style="list-style-type: none"> • Can not evaluate the value of PAC 	<ul style="list-style-type: none"> • Developed risk-adjusted outcome measures • Included value-based purchasing as a companion policy in a PAC PPS (2016)
<ul style="list-style-type: none"> • Outcomes can not be compared across settings 	<ul style="list-style-type: none"> • Began to align quality measures between IRFs and SNFs (2015)
<ul style="list-style-type: none"> • HHA and SNF PPSs encourage unnecessary therapy 	<ul style="list-style-type: none"> • Redesigned PPSs to eliminate therapy incentives (2008, 2011)
<ul style="list-style-type: none"> • FFS discourages efficient and coordinated care over an episode 	<ul style="list-style-type: none"> • Explored bundled payment for PAC stays (2013)
<ul style="list-style-type: none"> • Multiple PPSs result in different prices for the same patient 	<ul style="list-style-type: none"> • Compared patients, outcomes, and payments for select conditions in SNFs and IRFs (2014, 2015) • Designed features of a PAC PPS (2016)

Requirements of the IMPACT Act of 2014

- Studies of a payment system to span the four PAC settings
- Collect uniform patient assessment information
- Standardize performance measures
 - Requires public reporting of provider performance

Patient assessment information required by the IMPACT Act

- Functional status
- Cognitive status
- Medical conditions
- Special services and treatments
- Patient impairments (e.g. vision and hearing)

IMPACT Act did not require acute hospitals to submit assessment data

- Why is this information important?
 - Evaluate decision to discharge patients to PAC
 - Validate assessment information collected at admission to PAC
- Consider requiring hospitals to collect a small set of patient assessment items at discharge

Performance measures required by the IMPACT Act

- Function and cognition
- Skin integrity
- Resource use: Medicare spending per beneficiary
- Discharge to community
- Readmission to hospital
- Medication reconciliation
- Incidence of major falls
- Transfer of health information and patient preferences between providers

Performance measures developed by CMS to date

Measures

- Medication reconciliation
- Discharge to community
- Potentially avoidable readmissions
- Skin integrity
- Incidence of major falls
- Functional assessment was conducted
- Resource use (MSPB)

Commission concerns

- Some measure definitions differ by setting
- Risk adjustment differs by setting
- Medication reconciliation throughout the care continuum is not required
- Discharge to community is not confirmed with claim
- Function measure is a process measure

Follow-up PAC PPS work: Why develop and analyze PAC outcome measures?

- Commission helped shape the development of PAC outcome measures
 - Given the overlap in patients treated in different settings, measures and risk adjustment must be uniform
- If the implementation of PAC PPS is accelerated, we need to have developed uniform measures and established a baseline performance

Analyze PAC performance measures

- Begin with two measures
 - Readmissions
 - Medicare spending per beneficiary
- Compare performance across and within settings
- Provide a baseline for measuring changes under a PAC PPS
- Future: consider other measures

Potentially avoidable readmission rates

- Readmissions during the stay
 - Any time during the stay
 - A “point in time measure”
- Readmissions within 30 days of discharge

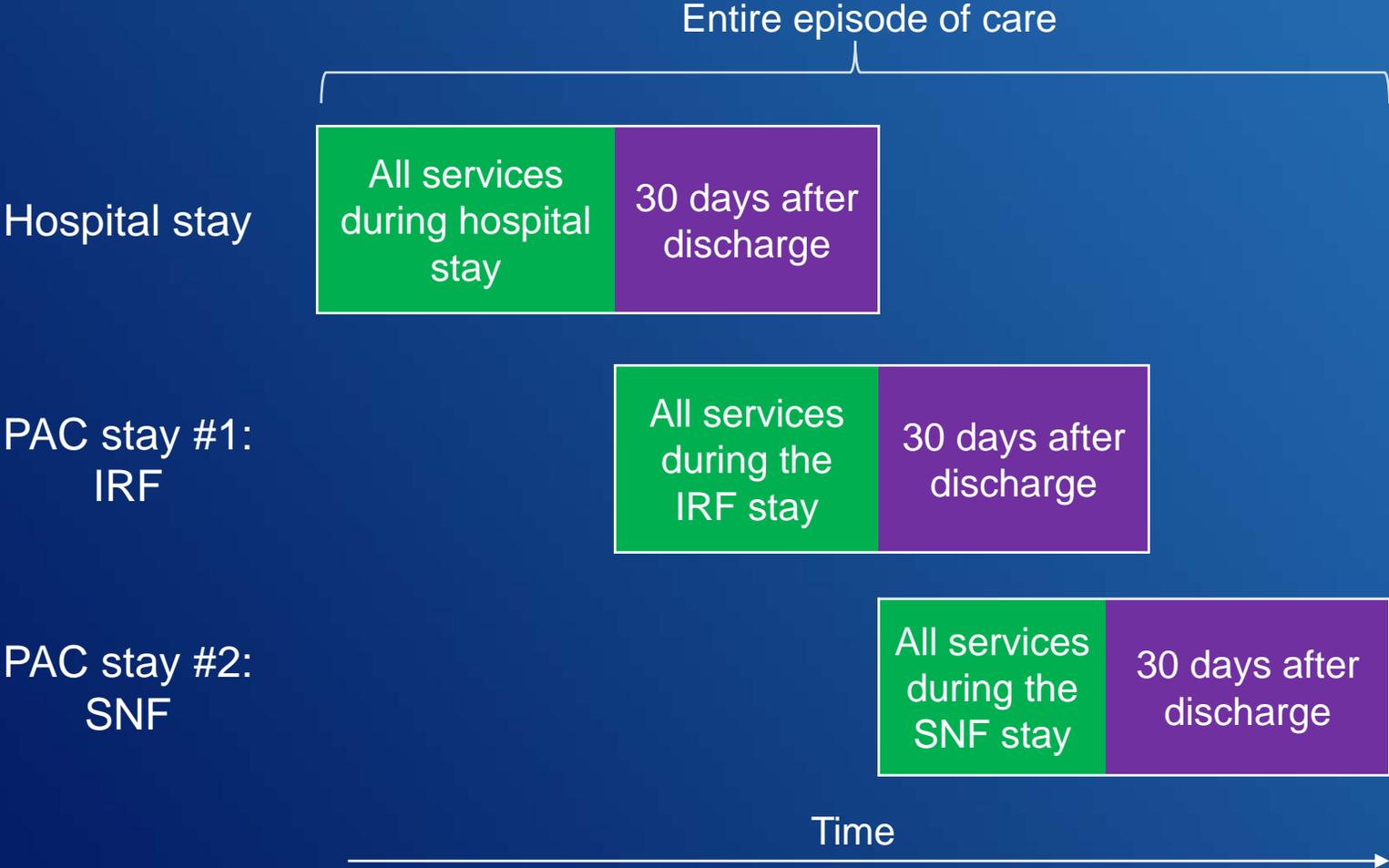
Why are LTCHs are excluded from the readmission rates?

- Key patient assessment information was not collected by LTCHs until recently
- “Interrupted stay” policy prevents the detection of patients readmitted to the hospital for 3 or fewer days
- Could explore policy options to change the claims submission requirements

Medicare spending per beneficiary

- Provider-level measure of total A + B spending during PAC stay plus 30 days
- Focuses attention on resource use during PAC stay *and* during period after discharge
 - Encourages effective care coordination, make referrals for needed care, and collaborate with providers with low readmission rates
 - Aligns provider incentives

Example of overlapping stays that align provider incentives



Next steps

- Develop and analyze variation in readmission rates and MSPB across and within settings
- Present results in the spring
- Include in a June report chapter

Commission discussion

- Planned analyses
- Policy options:
 - Require hospitals to gather functional assessment data at discharge
 - Require changes to claim submissions to be able to measure all readmissions from LTCHs