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VIA OVERNIGHT AND ELECTRONIC MAIL

January 14, 2015

Glenn M. Hackbarth
Chairman
MedPAC
42 I Street, N.W., Suite 701
Washington, DC 20001

Mark Miller
Executive Director
MedPAC
42 I Street, N.W., Suite 701
Washington, DC 20001

RE: AAPM&R'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 December 19, 2014 public meeting which focused, in part, on site-neutral payments between skilled nursing facilities (SNFs) and inpatient rehabilitation hospitals and units, commonly referred to as "IRFs." The session concluded with most commissioners expressing support for the draft recommendation to direct the Secretary to implement site-neutral payment between IRFs and SNFs for select conditions, and a statement that this recommendation will be revisited in MedPAC's next public meeting, which is scheduled for January 15.

The American Academy of Physical Medicine and Rehabilitation (AAPM&R) is the national medical society representing more than 8,000 physiatrists, physicians who are specialists in the field of physical medicine and rehabilitation. Physiatrists treat adults and children with acute and chronic pain, persons who have experienced catastrophic events resulting in paraplegia, quadriplegia, traumatic brain injury, spinal cord injury, limb amputations, rheumatologic conditions, musculoskeletal injuries, and individuals with neurologic disorders or any other disease process that results in impairment and/or disability.

AAPM&R had previously sent a letter to MedPAC dated December 18, 2014. Rather than restating the concerns we raised in that letter, AAPM&R incorporates the comments in that letter by reference. Subsequent to the last meeting, MedPAC released a copy of the list of the conditions to which it believes site-neutral payment should apply. AAPM&R has shared this list with a number of its member physiatrists who practice in both IRFs and SNFs and obtained expert opinion as to the clinical concerns in implementing a site-neutral



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payment policy before data across PAC settings authorized under the IMPACT Act can be collected and analyzed.

The concerns raised by our physiatrists focused on two areas:

1. The DRGs to which site-neutral payments would apply are too broad and do not recognize that many of these patients have moderate to severe comorbid conditions that would make treatment in a SNF a risky and perhaps dangerous proposition;
2. There is wide variation in SNFs/nursing homes and Medicare has minimal requirements that such settings must meet in order to treat Medicare patients. In order to protect patients, Medicare policy must be designed to provide appropriate care to all beneficiaries in need of rehabilitation services, not just those who happen to be sent to a SNF that has developed a substantial therapy program.

Our clinicians have expressed serious concerns that MedPAC's proposal would make the determination as to the appropriate setting of post-acute care for a particular patient based solely on the medical diagnosis of the patient when other key factors (e.g, current and prior function, anticipated functional recovery, social/family support) must be considered.

Commenting specifically on the list of proposed diagnoses, we can provide several examples of patients that could receive substandard care if this proposal is implemented. Patients (particularly amputees, but also those with joint replacements and hip fractures) with major complicating or co-morbid conditions require a high level of medical expertise and rehabilitation training to treat appropriately and obtain good outcomes without undue risk. For instance, an amputee with pre-existing hemiparesis from a previous stroke would require specialized therapy and training which would likely include treatment for the hemiparesis, even if chronic. Amputees with edema from a variety of causes require daily visits from a physician trained in prosthetic prescription and fluid management. Persons with hip fracture and a prior traumatic brain injury (TBI) will require specialized teaching methods for safety and remobilization that are unlikely to be available from the staff at a SNF.

We are also concerned about the lack of differentiation of the state of the complication or comorbidity at issue with particular patients. An amputee with uncontrolled diabetes does not have the same needs as an amputee status post failed bypass graft, yet both have comorbidities. Typically, the former would need to be in a setting where close medical management and supervision is





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provided whereas the latter may be able to be treated in a SNF without serious risk.

The code describing “amputation for circulatory disorders with MCC and w/ CC” is particularly problematic for inclusion on the list of conditions recommended for site-neutral payment. There is a wide spectrum of the degree of comorbidities that would affect these patients. Applying site neutrality to this condition would likely have a significant impact on medical decision making. A particularly sick amputee patient with multiple comorbidities would be a potentially very costly admission. Certain units with a significant vascular amputee population would be very negatively impacted by this change.

For all these reasons, and for the reasons incorporated by reference from AAPM&R’s December 18, 2014 letter to MedPAC, AAPM&R urges restraint in proceeding with site-neutral payment recommendations until further data can be developed under the IMPACT Act. Reforms to post-acute care should not result in underservice, or harm, to patients.

AAPM&R thanks MedPAC for the opportunity to share its thoughts on site-neutral payments in the PAC setting. We remain committed to being part of the solution in any way we can. We hope these comments provide meaningful perspective in your deliberations over possible reforms.

If you have any questions or require more information, please contact Thomas Stautzenbach, AAPM&R Executive Director at tstautzenbach@aapmr.org or (847) 737-6000.

Sincerely,

Kathleen R. Bell, MD
President

