

FOR IMMEDIATE RELEASE

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**Alliance for Quality Nursing Home Care Details SNF
Rehospitalization Initiative**

*As Deficit Reduction Debate Continues, Nursing Homes' Essential Role and Value in Care Continuum Warrant
Greater Congressional Attention*

Washington, DC – Stating that avoidable rehospitalizations represent one of the most significant issues in acute and post-acute care, and that one out of every five Medicare beneficiaries discharged from the hospital is readmitted within 30 days at a cost to Medicare of over \$17 billion annually, the Alliance for Quality Nursing Home Care today detailed an interim initiative to reduce Medicare rehospitalizations from Skilled Nursing Facilities (SNFs) based on the proposal advanced by the Obama Administration.

Alan G. Rosenbloom, President of the Alliance, pointed out that approximately 40 percent of Medicare beneficiaries are discharged to post-acute care settings such as SNFs or Inpatient Rehabilitation Facilities (IRFs), and this is significant because gaps in care coordination between acute and post-acute settings (such as inadequate exchange of information about care and treatment in acute settings or lack of medication reconciliation) are widely cited as risk factors for rehospitalization.

“Improvement in care coordination across settings is becoming even more essential to providing quality care because the ongoing decline in hospital length of stay that began in the 1990s continues to result in the discharge of sicker patients to SNFs,” Rosenbloom said. “The readmissions reduction program in the Affordable Care Act (ACA), however, focuses solely on hospitals -- and ignores the crucial role of hospital and post-acute coordination in reducing this problem. We believe a fully effective rehospitalization program must cross care settings and align incentives across providers. Until such a program is developed, the Alliance supports establishing an interim initiative to reduce Medicare rehospitalizations from SNFs based on the Administration’s proposal.”

Administration Proposal: Beginning in 2015, individual SNFs with above-average rehospitalization rates would have their reimbursement rates cut by up to 3 percent. The Administration proposal is very similar in approach to the hospital readmission reduction program in the ACA.

The Alliance will support the Administration proposal, with the following modification: CMS would be required to consult with independent academics and other stakeholders regarding the manner in which the definition of rehospitalization and/or readmission would:

- 1) Account for the geographic variations in readmission patterns; and,
- 2) Risk-adjust for patient mix and in doing so account for the substantial differences in patient characteristics and readmission patterns between Medicare post-acute patients in SNFs and long-stay nursing home patients. These factors are well documented in the

professional literature and demonstrate that a definition designed primarily for hospitals is not appropriately applied to SNFs.

Rosenbloom said given that the SNF rehospitalization initiative would not begin until 2015, there is ample time to develop such a SNF-specific metric without jeopardizing the savings to be generated within the relevant budget window.

“Among our key policy objectives is to ensure lawmakers are fully cognizant of how cuts directed at one health care sector can have significant, negative implications to patients, other providers and the stability of our increasingly integrated care continuum,” the Alliance leader concluded. “More than ever, we urge Congress to protect Medicare funding for patients requiring the multifaceted care and therapies that can only be provided in America’s skilled nursing and rehabilitation centers.”

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