

Monitoring post-acute care

ISSUE: In response to rapid growth in the number of post-acute providers and Medicare spending, the Congress required prospective payment systems for all post-acute providers. The PPSs for SNFs and home health care were implemented in 1998 and 2000. Has the implementation of these PPSs resulted in new patterns of post-acute care?

KEY POINTS: To assess the impact of the PPSs, we examine patterns of care before and after the implementation of these payment changes across post-acute settings, using our post-acute episode database. We look at patterns of beneficiaries' use of services across post-acute care in 1996 and 2001. Our analysis finds that:

- use of all post-acute care except for home health care increased between 1996 and 2001.
- use of home health care substantially declined for both beneficiaries referred to home health following a hospital stay and for those referred from the community.
- For post-hospital home health users, the greatest decline in 2001 was for those patients with diagnoses that had low post-acute care use in 1996.
- For some diagnoses, we observe that SNF use in 2001 may be partly replacing home health services.
- For community referred home health users, the greatest decrease in 2001 was for patients who had lower probability of using home health services in 1996.

In the second section of the chapter, we examine a specific post-acute setting—long-term care hospitals—and how patients treated in them differ from patients treated in other settings. LTCHs are the post-acute setting least used by beneficiaries and are located unevenly throughout the nation. In general, policymakers regard rapid growth in any sector as a phenomenon that requires examination. As the number of LTCHs has almost doubled and Medicare spending for LTCH care has almost quintupled, questions have arisen about whether beneficiaries using LTCHs are truly different from patients using other settings. At the meeting we will present the results of our analysis comparing beneficiaries with identical diagnosis related groups and severity of illness.

ACTION: Commissioners will want to comment on the draft chapter for the June report. Their comments will be incorporated in the chapter.

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