

2018 AHCA/NCAL CONGRESSIONAL BRIEFING - TALKING POINTS

QUALITY

- SNF quality is better than ever and providers are still making year-over-year improvements.
- SNFs are improving on nearly every metric, showing national progress in 20 of the 24 quality outcomes measured by CMS since 2012.
- Rehospitalization rates for all admissions, regardless of payor status, have been steadily decreasing—this equates to 142,000 fewer hospitalizations and \$1 billion in savings to the health care system.
- The AHCA Quality Initiative was started in conjunction with CMS in 2012 to drive and document quality improvements. New goals were added in 2018 to build upon past successes.

ECONOMIC ENVIRONMENT

- A combination of demographic and reimbursement trends have created one of the most difficult operating environments for SNFs in decades.
- SNF occupancy is at a historic low because demographically, there are so few Americans over the age of 85—the population most likely to need require post-acute and long term care.
- However, in the near future, SNFs will be more important than ever because the large Baby Boomer population will need more post-acute and long term care services as they age.
- Payer mix is also unfavorable, as higher dollar-per-day traditional Medicare is being replaced by Medicare Advantage and the amount of patients in SNFs who rely on Medicaid, which fails to cover the cost of care, remains high.
- This has resulted in razor-thin margins of 0.7% according to MedPAC and several major bankruptcies and closures in the profession.
- SNFs need a predictable financial future and fair regulatory environment to survive this tumultuous economic time.

2018 AHCA/NCAL CONGRESSIONAL BRIEFING - TALKING POINTS

QUALITY

- SNF quality is better than ever and providers are still making year-over-year improvements.
- SNFs are improving on nearly every metric, showing national progress in 20 of the 24 quality outcomes measured by CMS since 2012.
- Rehospitalization rates for all admissions, regardless of payor status, have been steadily decreasing—this equates to 142,000 fewer hospitalizations and \$1 billion in savings to the health care system.
- The AHCA Quality Initiative was started in conjunction with CMS in 2012 to drive and document quality improvements. New goals were added in 2018 to build upon past successes.

ECONOMIC ENVIRONMENT

- A combination of demographic and reimbursement trends have created one of the most difficult operating environments for SNFs in decades.
- SNF occupancy is at a historic low because demographically, there are so few Americans over the age of 85—the population most likely to need require post-acute and long term care.
- However, in the near future, SNFs will be more important than ever because the large Baby Boomer population will need more post-acute and long term care services as they age.
- Payer mix is also unfavorable, as higher dollar-per-day traditional Medicare is being replaced by Medicare Advantage and the amount of patients in SNFs who rely on Medicaid, which fails to cover the cost of care, remains high.
- This has resulted in razor-thin margins of 0.7% according to MedPAC and several major bankruptcies and closures in the profession.
- SNFs need a predictable financial future and fair regulatory environment to survive this tumultuous economic time.

2018 AHCA/NCAL CONGRESSIONAL BRIEFING - TALKING POINTS

REGULATORY RELIEF

- Despite recent changes, the 2016 Requirements of Participation remain onerous and continue to force facilities to use vital financial and staffing resources on paper compliance rather than bedside care.
- AHCA has submitted two proposals to the bipartisan Ways and Means Red Tape Relief project.
 - **CNA Training Programs:** CNA training programs are an indispensable program that helps SNFs alleviate workforce shortages while giving free skilled job training and career growth opportunities to individuals who may not have other options.
 - However, CMS has established an artificial trigger where these programs are automatically terminated for two years. This punishment is draconian and unfair, and CMS should have the discretion to decide when and if these programs are terminated.
 - **Consolidated Billing:** Congress hasn't updated a SNF policy in nearly 20 years that pays for some specialty services not always offered in a SNF. The HHS secretary doesn't have authority to change these exceptions despite the rapid advancement of medicine.
 - Congress needs to update this outdated program and give the Secretary the flexibility to make changes in the future to keep up with advancements in SNF care.

ASSISTED LIVING

- Assisted living providers are continuously improving the quality of care provided without a government mandate through the NCAL Quality Initiative.
- The NCAL Quality Initiative sets specific goals to improve resident outcomes and for our organizations to ensure person-centered care.
- ALs are focused on serving their unique, local communities. States are well positioned to adapt requirements based on their population's long term care needs.
- Medicaid is a critical safety net for vulnerable seniors and individuals with disabilities who need assisted living care.
- About 1 in 6 assisted living residents relies on Medicaid to pay for their care. 44 states & D.C. use Medicaid to cover services in assisted living.

2018 AHCA/NCAL CONGRESSIONAL BRIEFING - TALKING POINTS

REGULATORY RELIEF

- Despite recent changes, the 2016 Requirements of Participation remain onerous and continue to force facilities to use vital financial and staffing resources on paper compliance rather than bedside care.
- AHCA has submitted two proposals to the bipartisan Ways and Means Red Tape Relief project.
 - **CNA Training Programs:** CNA training programs are an indispensable program that helps SNFs alleviate workforce shortages while giving free skilled job training and career growth opportunities to individuals who may not have other options.
 - However, CMS has established an artificial trigger where these programs are automatically terminated for two years. This punishment is draconian and unfair, and CMS should have the discretion to decide when and if these programs are terminated.
 - **Consolidated Billing:** Congress hasn't updated a SNF policy in nearly 20 years that pays for some specialty services not always offered in a SNF. The HHS secretary doesn't have authority to change these exceptions despite the rapid advancement of medicine.
 - Congress needs to update this outdated program and give the Secretary the flexibility to make changes in the future to keep up with advancements in SNF care.

ASSISTED LIVING

- Assisted living providers are continuously improving the quality of care provided without a government mandate through the NCAL Quality Initiative.
- The NCAL Quality Initiative sets specific goals to improve resident outcomes and for our organizations to ensure person-centered care.
- ALs are focused on serving their unique, local communities. States are well positioned to adapt requirements based on their population's long term care needs.
- Medicaid is a critical safety net for vulnerable seniors and individuals with disabilities who need assisted living care.
- About 1 in 6 assisted living residents relies on Medicaid to pay for their care. 44 states & D.C. use Medicaid to cover services in assisted living.