Issues on the Horizon
How Members Can Prepare for Changes in 2016

Mark Parkinson, AHCA/NCAL President & CEO
Issue 1: Rehospitalization Rates
Every Payer Cares About Rehospitalization

Estimated Volume of Medicare Covered Days by Payer Type

Sources: CMS Office of the Actuary for spending and enrollment. Avalere analysis for alternative payment model projections.
Every Payer Cares About Rehospitalization

- Adding First Payment Adjustment: October 1, 2018
- Performance will be based beginning July 2016 to July 2017

Sources: CMS Office of the Actuary for spending and enrollment. Avalere analysis for alternative payment model projections.
SNF National Rehospitalization Rates

National Average 17.3%

- May get most of 2% withhold back
- At risk for full 2% penalty

Risk Adjusted PointRight® Pro 30™ 30-day Rehospitalization Rates Ranges (2015Q1)
Tips to Succeed

✓ Know your rehospitalization rates
  ▪ Reduce rehospitalizations to less than 10 - 12%

✓ Review all of your rehospitalizations
  ▪ Assume 100% were preventable

✓ Develop robust transitions of care program
  ▪ Arrange follow-up and communicate with primary care MD
  ▪ Do follow-up calls to discharges to community within 24 hours and 3-5 days later
Issue 2: Five Star Rating
Five Star Rating: Why Does It Matter?

- Managed Care & ACOs use to establish networks

- CMS will waive 3 day hospital stay to qualify for SNF stay if SNF has 3 Star or greater rating for
  - Hospitals in CCJR model (starting Jan 1st)
  - Hospitals in Advanced ACO demonstration
Five Star Rating

Adding quality measures in 2016

- 30 day SNF Rehospitalization
- Discharge back to community
- Change in ADL from admission to discharge
- Mobility in room for long stay residents

Adding measures in 2017

- Staffing turnover and retention
- Other IMPACT act quality measures (TBD)
Run a report

Configure your Report Criteria

Choose a Report:

- CASPER Citation Report: Combined Health Survey
- CASPER Citation Report: Complaint Health Survey
- CASPER Citation Report: Life Safety Survey
- CASPER Citation Report: Standard Health Survey
- CASPER Resident Report
- CASPER Staffing Report
- Cost Report
- Discharge to Community AHCA Measure Report
- Five Star Overall Rating Report
- Five Star Quality Measure Rating Report
- Five Star Staffing Rating Report
- Length of Stay Report
- Quality Measure (All) Report
- Rehospitalization Rate AHCA Measure Report
- RUGS Medicare Utilization Report
- Staff Turnover and Retention Report

Five Star Rating & Prediction tools
Issue 3: Mandatory Bundling of Hips and Knees
SNF Revenue Exposure to the 2016 CJR Final Rule Policy
Limiting to the 67 MSAs Only
(Based on 2013 SNF and Inpatient Claims)

November 2015

Legend
Percent of Revenue Exposed
- 0.0 - 2.5%
- 2.5 - 5.0%
- 5.0 - 7.5%
- 7.5 - 10.0%
- ≥10.0%

Source: AHCA analysis of 2013 Medicare Standard Analytical Files
Mandatory Bundling of Hips and Knees

✓ Rule Goes Into Effect on April 1, 2016

✓ Hospitals begin bearing risk on January 1, 2017
Mandatory Bundling of Hips and Knees – How To Prepare

✓ Pull your rehospitalization data
✓ Create partnerships with hospitals
✓ Evaluate risk and gain sharing
Configure your Report Criteria

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DC to community

LOS

Rehospitalization
Mandatory Bundling of Hips and Knees – CJR Toolkit

- CJR Toolkit – will start releasing pieces in late Jan 2016

- Data Analytics
  - Examples: Lower joint extremity replacement volume by MSA, rehospitalization rates

- Strategic Materials
  - Examples: Guidance on liaison with hospitals in the demo MSAs, contractual guidance on how to risk-bear with hospitals

- National Experience Analysis
  - Examples: AHCA member learning collaborative, AHCA quarterly summaries on CJR performance based on CMS data and AHCA analysis
Issue 4: Payroll Based Journal
Payroll Based Journal

✓ Goes into effect on July 1, 2016

✓ PBJ staffing reported quarterly
  ▪ Voluntary Oct 1st 2015
  ▪ Mandatory Jul 1st 2016

▪ Register NOW for the voluntary submission:
  http://go.cms.gov/1Ok0y9M
Good News: Post-Acute Care Utilization Expected to Grow
Shift Away from Traditional FFS from 2010 to 2015, Continued but Slower Growth in Alternative Payment Going Forward

Sources: CMS Office of the Actuary for spending and enrollment. Avalere analysis for alternative payment model projections.
SNF Utilization Rates Substantially Lower under MA, ACO, and Other Risk-Based Payment Models

<table>
<thead>
<tr>
<th>Percentage Reduction from Current FFS SNF Utilization</th>
<th>SNF Utilization (Days Per 1,000 Enrollees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Medicare FFS (from CMS OACT)*</td>
<td>NA</td>
</tr>
<tr>
<td>Bundled FFS</td>
<td>-</td>
</tr>
<tr>
<td>Accountable Care Organizations</td>
<td>-</td>
</tr>
<tr>
<td>Medicare Advantage</td>
<td>-46.4%</td>
</tr>
<tr>
<td>Duals Demonstrations**</td>
<td>-</td>
</tr>
</tbody>
</table>

*Estimated SNF utilization per 1,000 from 2015 Medicare Trustees’ Report, CMS Office of the Actuary (OACT)

**Avalere estimates that SNF utilization rates for duals participating in the demos will be 46.4 percent lower than for the FFS dual population. However, SNF utilization in the duals demo is only expected to be 6.1 percent lower than in the overall FFS population. This is because SNF utilization for duals in FFS is much higher than for non-dual FFS beneficiaries.
More People Will Need Our Post-Acute Services

Source: SNF Volume from Avalere projection model; Medicare enrollment from 2015 Trustees' Report
Final Thoughts
Final Thoughts

- Utilize [www.LTCTrendTracker.com](http://www.LTCTrendTracker.com)
- Apply for the Quality Award Program
- Embrace the Quality Initiative
Your Member Resource for…

Survey History
Resident Characteristics
Staffing Information
Cost Report & Medicare Utilization
CMS Five Star Rating
AHCA Quality Metrics

www.ltctrendtracker.com
Quality Award Program

- Based on Baldrige Performance Excellence for Health Care
- Three levels of distinction
  1. **Bronze** – Commitment to Quality (5 pages)
  2. **Silver** – Achievement in Quality (20 pages)
  3. **Gold** – Excellence in Quality (55 pages)
- Similar framework to CMS QAPI program
- Organizations must achieve the award at each level to continue to the next level
AHCA Quality Initiative 2015-2018
Improving Lives by Delivering Solutions for Quality Care

<table>
<thead>
<tr>
<th>Process</th>
<th>Goal</th>
<th>Outcome</th>
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</thead>
</table>
| Adopt QAPI/BALDRIGE informed business processes and quality systems | Organizational Success | • Improve Turnover  
• Improve Customer Satisfaction  
• Reduce Unintended Healthcare Outcomes |
| | Short Stay & Post-Acute Care Quality | • Safely Reduce Rehospitalization  
• Improve Discharge to Community  
• Adopt AHCA Functional Outcome measures |
| | Long Term & Dementia Care Quality | • Safely Reduce Antipsychotic Use  
• Safely Reduce Hospitalizations |