

Improving Medicare payment for chronically critically ill patients in hospital settings

ISSUE: Chronically critically ill (CCI) patients have been hospitalized for acute critical illness but face multiple organ dysfunction requiring prolonged institutional care.

KEY POINTS: Long-term care hospitals (LTCHs) have positioned themselves as providers of post-acute care for CCI and other medically complex patients, but most CCI patients are cared for in acute care hospitals (ACHs), and most LTCH patients are not CCI. MedPAC staff has previously presented possible policy reforms that would improve payment for CCI patients using a site-neutral approach that rationalizes payment across settings and increases payment accuracy. More recently, CMS raised the possibility of reforms to the LTCH payment system that would direct higher payment rates to LTCH patients who are CCI and otherwise medically complex, while paying lower ACH-equivalent rates for other LTCH patients.

ACTION: Commissioners should review the different payment reform approaches and comment on areas for future development.

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