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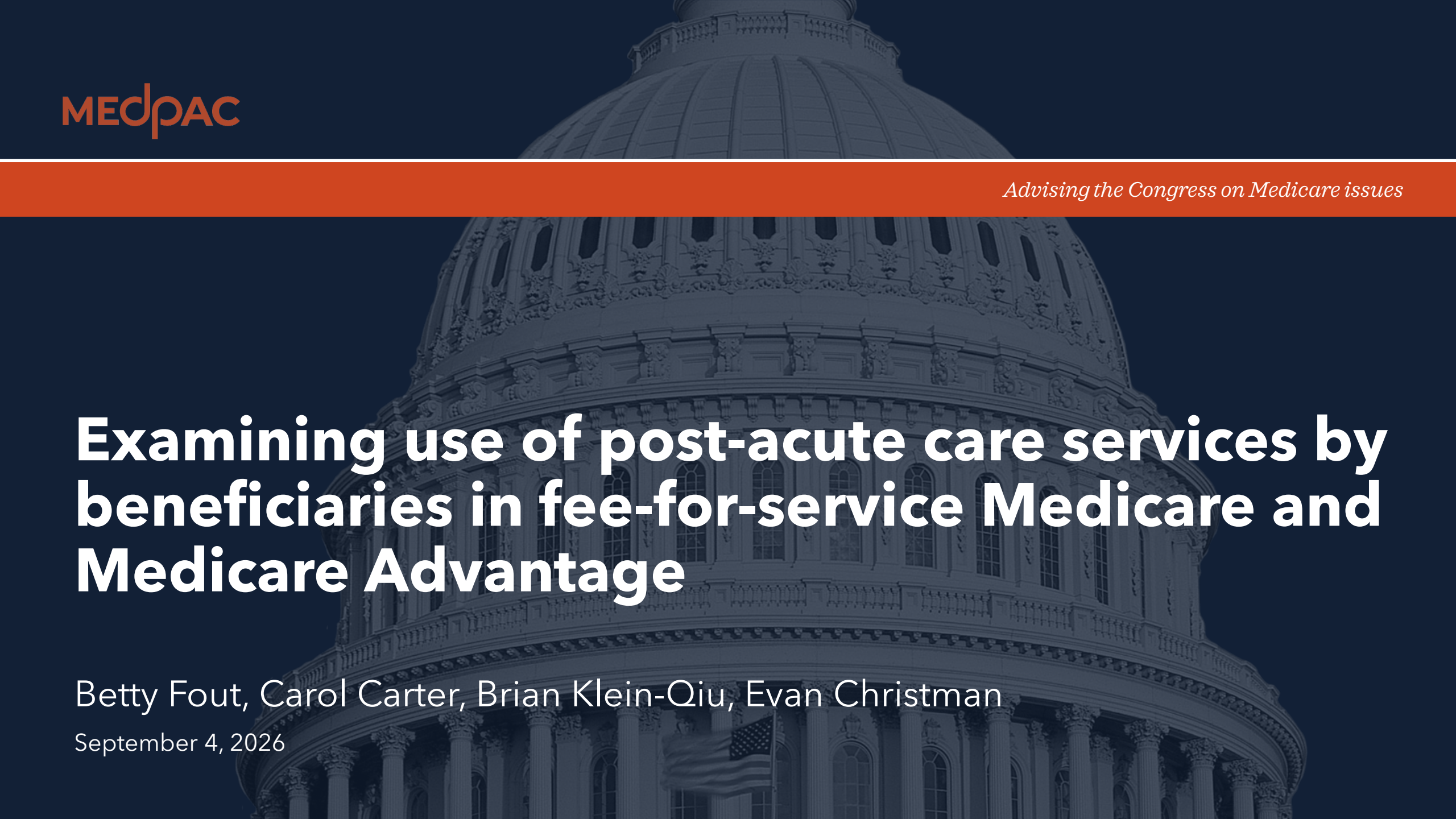

Examining use of post-acute care services by beneficiaries in fee-for-service Medicare and Medicare Advantage

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Presentation roadmap

1. Introduction and background on post-acute care use
2. Data and methods
3. Descriptive analysis of acute and post-acute care use
4. Future analysis and discussion

Furthering our understanding of PAC use by MA and FFS beneficiaries

- Commissioners expressed interest in learning more about how MA and FFS beneficiaries use PAC
- PAC use may differ due to the inherent incentives of FFS and MA, and the application of care management tools by many MA plans
- Today, we present descriptive analyses of PAC use
- At a future presentation, we will report on:
  - Results that have been adjusted for beneficiary characteristics
  - Findings from additional analyses
  - Findings from interviews with providers and MA plan representatives

Note: PAC (post-acute care), MA (Medicare Advantage), FFS (fee-for-service)

PAC settings provide a spectrum of care

- PAC includes:
  - Home health agencies
  - Skilled nursing facilities
  - Inpatient rehabilitation facilities
  - Long-term care hospitals
- All PAC settings provide rehabilitation and skilled nursing services, but the intensity of the care differs
- Not all PAC follows a hospital stay

Note: PAC (post-acute care)

Differing MA and FFS incentives may shape PAC use

- FFS incentives and benefits may encourage unnecessary care
  - Few incentives to select the lowest-cost setting or limit the amount of care received (as long as beneficiaries meet coverage rules)
  - Beneficiaries can choose any participating provider
- MA plans have strong incentives to manage where and how much PAC their enrollees receive
  - Must cover PAC services, but each plan can structure its benefit differently
  - Typically use utilization management tools
  - May pay providers differently from FFS and have their own cost-sharing rules

Note: MA (Medicare Advantage), FFS (fee for service), PAC (post-acute care).

Recent literature on PAC use in MA and FFS and on prior authorization by MA plans

- Studies varied in their scope and methods
  - Different PAC services and clinical conditions
  - Whether the results were adjusted for beneficiary characteristics
- Researchers generally found:
  - MA beneficiaries used less PAC, especially SNF and IRF care
  - Mixed findings regarding quality (using various measures)
- Prior authorization (PA):
  - OIG found that PA could result in delayed or denied care
  - MA plans we spoke with stated that PA helps ensure beneficiaries get to the right level of care and that some delays are due to incomplete information included in the request

Note: PAC (post-acute care), MA (Medicare Advantage), FFS (fee for service), SNF (skilled nursing facility), IRF (inpatient rehabilitation facility).
Sources: Burke et al. 2024, Geng (2023), Huckfeldt et al., 2026, Karmarker et al 2026, Lake et al. 2026, Liu et al 2026, Ma et al. 2024, Marr et al. (2026), Marr et al. 2024), Mroz et al. 2025, Mullens et al. 2026, NORC at the University of Chicago (2025), Office of Inspector General 2026 (two studies), Prusynski (2025), Roy et al. 2025, U.S. Senate Permanent Subcommittee on Investigations 2024, Wang et al 2025, Xu et al. 2026.

The Commission has recently examined post-acute care in FFS and MA

- *June 2025:* Compared FFS and MA home health use rates and visit volume in 2021:
  - MA HHA use rates higher with a prior hospital stay; lower without a hospital stay
  - MA home health users had fewer visits
- *June 2026:* Examined the relationship between MA and PAC providers' finances:
  - No statistically significant association between growth in MA market penetration and SNF and HHA all-payer margins, but there were small declines in volume
  - Substantially lower IRF use among MA enrollees compared to FFS beneficiaries

Note: FFS (fee for service), MA (Medicare Advantage), HHA (home health agencies), PAC (post-acute care)., SNF (skilled nursing facility), IRF (inpatient rehabilitation facility).

Sources: MedPAC (2025) Medicare and the Health Care Delivery System, MedPAC (2026) Medicare and the Health Care Delivery system.

Interpreting differences in PAC use by FFS and MA beneficiaries is complicated

- Current service use in FFS and MA may not represent best practices
  - Higher FFS use may indicate unnecessary care
  - Lower MA use may indicate efficient care delivery or worse beneficiary access to needed care
- Without medical record review, it not possible to assess the appropriateness of care; even then, clinicians may reasonably disagree
- Proceed cautiously when interpreting our results

Note: PAC (post acute care), FFS (fee for service), MA (Medicare Advantage).

Data and methods

Study sample and data sources

- Study sample: 25.6 million FFS beneficiaries and 27.8 million MA enrollees
- ACH and PAC data sources:
  - FFS claims
  - MA encounters
  - Patient assessment data for PAC settings
- We found the PAC encounter data in 2023 to be reasonably complete when comparing to assessments submitted by providers

Note: FFS (fee for service), MA (Medicare Advantage), ACH (acute care hospital), PAC (post-acute care).
Source: MedPAC analysis of enrollment data from CMS.

Descriptive analyses of PAC use in 2023

- Overall beneficiary use rates of ACH and PAC in 2023
- Constructed ACH and PAC stays to examine:
  - Discharge from ACH to PAC
  - Facility vs. community admission to PAC
  - PAC "pathways" linking stays to examine sequential use of settings throughout the year
- These unadjusted findings may change after accounting for differences in beneficiary characteristics in future work

Note: PAC (post acute care), ACH (acute care hospital).

Descriptive analysis of ACH and PAC beneficiary-level use rates in 2023

MA and FFS beneficiaries in our study sample differed in ways that could affect PAC utilization

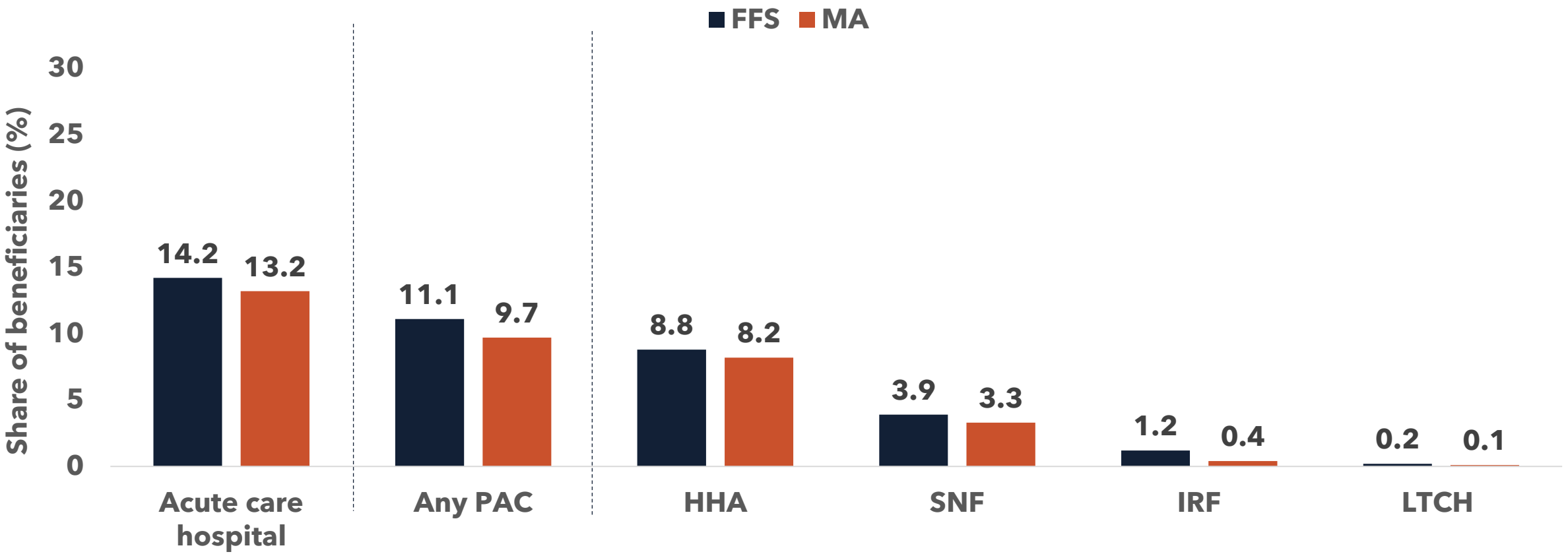
- MA and FFS beneficiaries differed on key attributes
- Caution when interpreting the unadjusted descriptive findings presented today
- Future analyses will account for these differences

Beneficiary characteristic	FFS	MA
Reason for entitlement: Disabled	16%	22%
85+ years	13%	10%
Dually eligible or LIS	17%	27%
Urban	79%	85%
Rural	8%	6%

Note: MA (Medicare Advantage), FFS (fee for service), PAC (post-acute care), LIS (low-income subsidy). Dually-eligible includes beneficiaries who qualified for Medicare and Medicaid. LIS are beneficiaries who qualified for the low-income subsidy program for qualifying part D enrollees.

Source: MedPAC analysis of enrollment data from CMS.

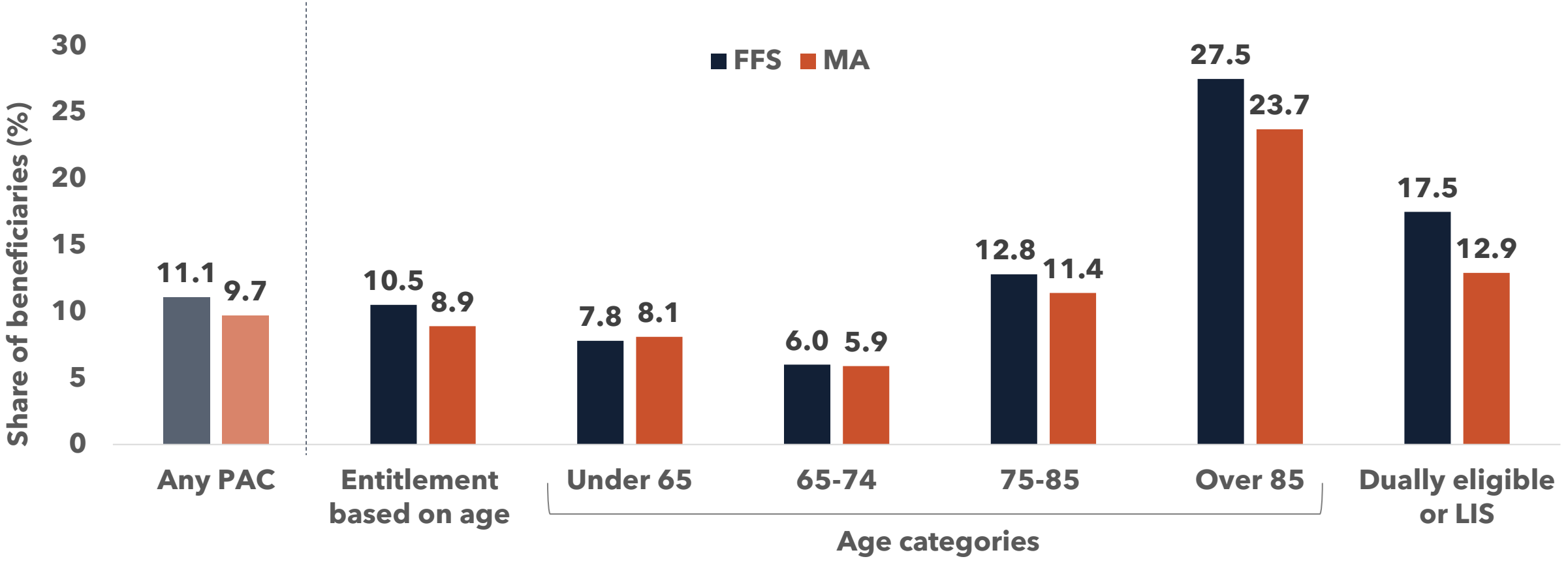
ACH and PAC use rates were slightly lower among MA enrollees, 2023



Note: ACH (acute care hospital), PAC (post-acute care), MA (Medicare Advantage), FFS (fee for service), HHA (home health agency), SNF (skilled nursing facility), IRF (inpatient rehabilitation facility), LTCH (long-term care hospital). Rates are the share of beneficiaries with any use during 2023 divided by the total number of beneficiaries in the sample. Figures are unadjusted for differences in MA and FFS beneficiaries who were in our study sample.

Source: MedPAC analysis of enrollment, FFS Medicare claims, and MA encounter data from CMS.

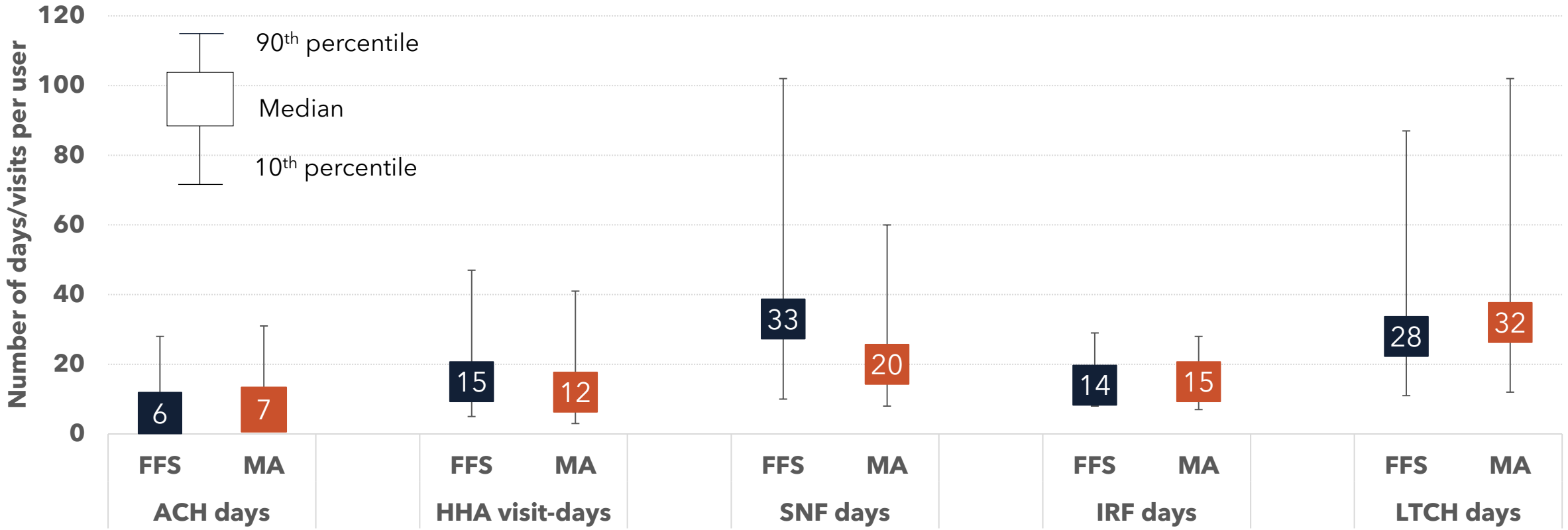
PAC use rates varied by beneficiary characteristics, 2023



Note: PAC (post-acute care), FFS (fee for service), MA (Medicare Advantage), LIS (low-income subsidy). Rates are the share of beneficiaries with any use during 2023 divided by the total number of beneficiaries by subgroup. Figures are unadjusted for differences in MA and FFS beneficiaries who were in our study sample.

Source: MedPAC analysis of enrollment, FFS Medicare claims, and MA encounter data from CMS.

Variation in annual days of care received by MA and FFS beneficiaries using ACH and PAC, 2023



Note: MA (Medicare Advantage), FFS (fee for service), ACH (acute care hospital), PAC (post-acute care), HHA (home health agency), SNF (skilled nursing facility), IRF (inpatient rehabilitation facility), LTCH (long-term care hospital). "HHA visit-days" are the number of days in the year for which a beneficiary using home health had a visit (two visits on one day by different home health disciplines counts as two days). For the other settings, "days" are the sum of the lengths of stay in the year.

Source: MedPAC analysis of FFS Medicare claims and MA encounter data.

Descriptive analysis of ACH and PAC stays

ACH and PAC stays per beneficiary were higher for FFS beneficiaries than MA enrollees, 2023

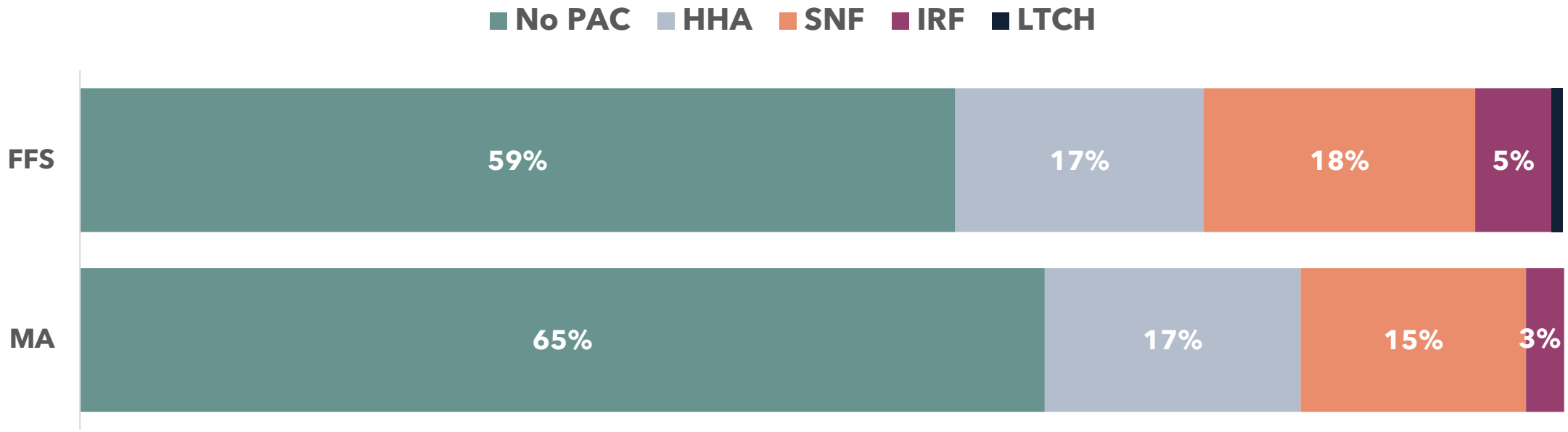
- Constructed stays to better understand how beneficiaries move across settings
- Stays per FFS beneficiary higher than for MA across all settings
- Linking these stays together, we assess:
  - Discharge from ACH to PAC
  - Community vs. facility-admitted PAC stays
  - PAC pathways

	Stays Per 1,000 Medicare beneficiaries	
	FFS	**MA**
ACH	224	207
Any PAC	177	149
HHA	109	101
SNF	53	43
IRF	14	5
LTCH	2	1

Note: ACH (acute care hospital), PAC (post-acute care), FFS (fee for service), MA (Medicare Advantage), HHA (home health agency), SNF (skilled nursing facility), IRF (inpatient rehabilitation facility), LTCH (long-term care hospital), The figures are unadjusted for differences in MA and FFS beneficiaries in our study sample.

Source: MedPAC analysis of enrollment, FFS claims and MA encounter data from CMS

MA enrollees were less likely to be discharged from ACHs to SNFs, IRFs, and LTCHs, 2023



Share of acute care hospital discharges by PAC destination

Note: MA (Medicare Advantage), ACH (acute care hospital), SNF (skilled nursing facility), IRF (inpatient rehabilitation facility), LTCH (long-term care hospital), PAC (post-acute care), HHA (home health agency), FFS (fee for service). "PAC destination" was determined based on claims and encounter data and was defined as the first PAC use within 30 days of discharge from the hospital. The figures are unadjusted for differences in MA and FFS beneficiaries who were included in our study sample.

Source: MedPAC analysis of enrollment, FFS Medicare claims and MA encounter data.

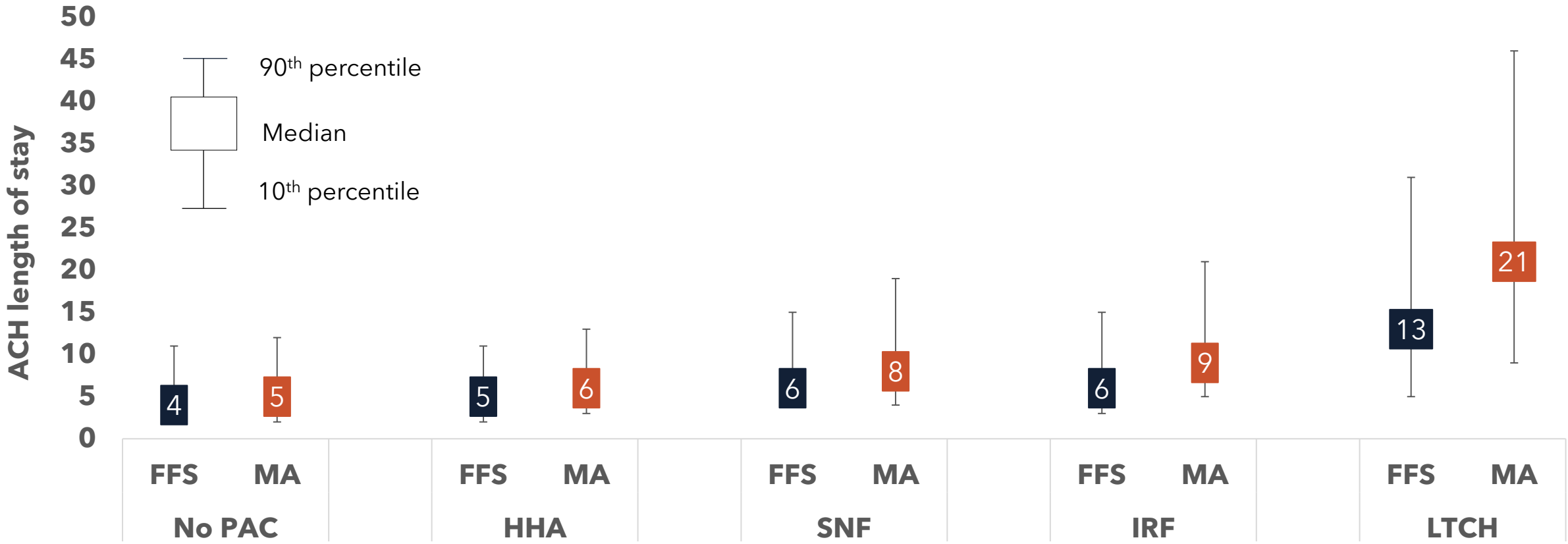
Discharge from ACH to PAC varied by medical vs. surgical stays, 2023

- ACH stays for surgical conditions were more likely to be followed by PAC use compared to stays for medical conditions
- More likely to use SNF following MA surgical stays than medical stays, but rates were similar for FFS
  - MA: 18% following surgical ACH stays vs. 14% for medical
  - FFS: 18% following both surgical and medical ACH stays
- Discharge to IRF rates lower in MA
  - MA: 3% following surgical ACH stays vs. 1% for medical
  - FFS: 9% following surgical vs. 4% for medical

Note: ACH (acute care hospital), PAC (post-acute care), SNF (skilled nursing facility), MA (Medicare Advantage), FFS (fee for service). PAC destination was determined based on claims and encounter data and was defined as the first PAC use within 30 days of discharge from the hospital. "Surgical" and "Medical" refer to the Medicare severity diagnosis related group of the acute care hospital stay. The figures are unadjusted for differences in MA and FFS beneficiaries in our study sample.

Source: MedPAC analysis of enrollment, FFS Medicare claims and MA encounter data.

MA ACH stays were longer than FFS stays regardless of PAC destination, 2023

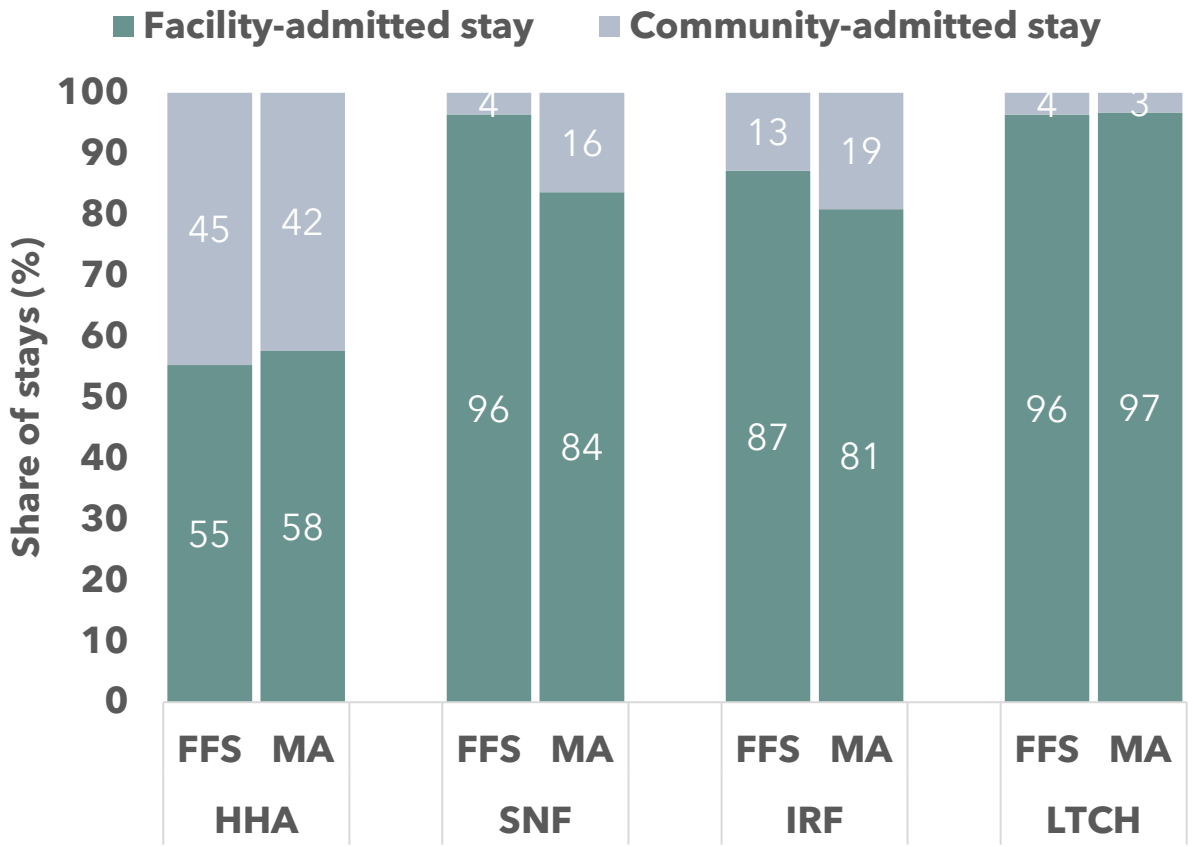


Note: MA (Medicare Advantage), ACH (acute care hospital), FFS (fee for service), PAC (post-acute care), HHA (home health agency), SNF (skilled nursing facility), IRF (inpatient rehabilitation facility), LTCH (long-term care hospital). "PAC destination" was determined based on claims and encounter data and was defined as the first PAC use within 30 days of discharge from the ACH. The figures are unadjusted for differences in MA and FFS beneficiaries who were in our study sample.

Source: MedPAC analysis of enrollment, FFS Medicare claims and MA encounter data from CMS.

Variation in the share of facility vs. community stays by PAC setting and payer, June – December 2023

- HHA: Community-admitted stay shares higher in FFS
- Other settings: Community-admitted stays shares higher in MA
  - SNF difference (16% vs. 4%) likely reflects 3-day hospital-stay restriction in FFS



Note: PAC (post-acute care), HHA (home health agency), FFS (fee for service), MA (Medicare Advantage), SNF (skilled nursing facility), IRF (inpatient rehabilitation facility), LTCH (long-term care hospital). "Facility-admitted stays" are PAC stays with Medicare-covered institutional care in the 30 days prior. "Community-admitted stays" are remaining stays. Figure is limited to stays occurring after May 2023, when the COVID-19 public health emergency ended and are unadjusted for differences in MA and FFS beneficiaries who were in our study sample.
Source: MedPAC analysis of enrollment, FFS claims and MA encounter data from CMS.

Preliminary analysis of "PAC pathways"

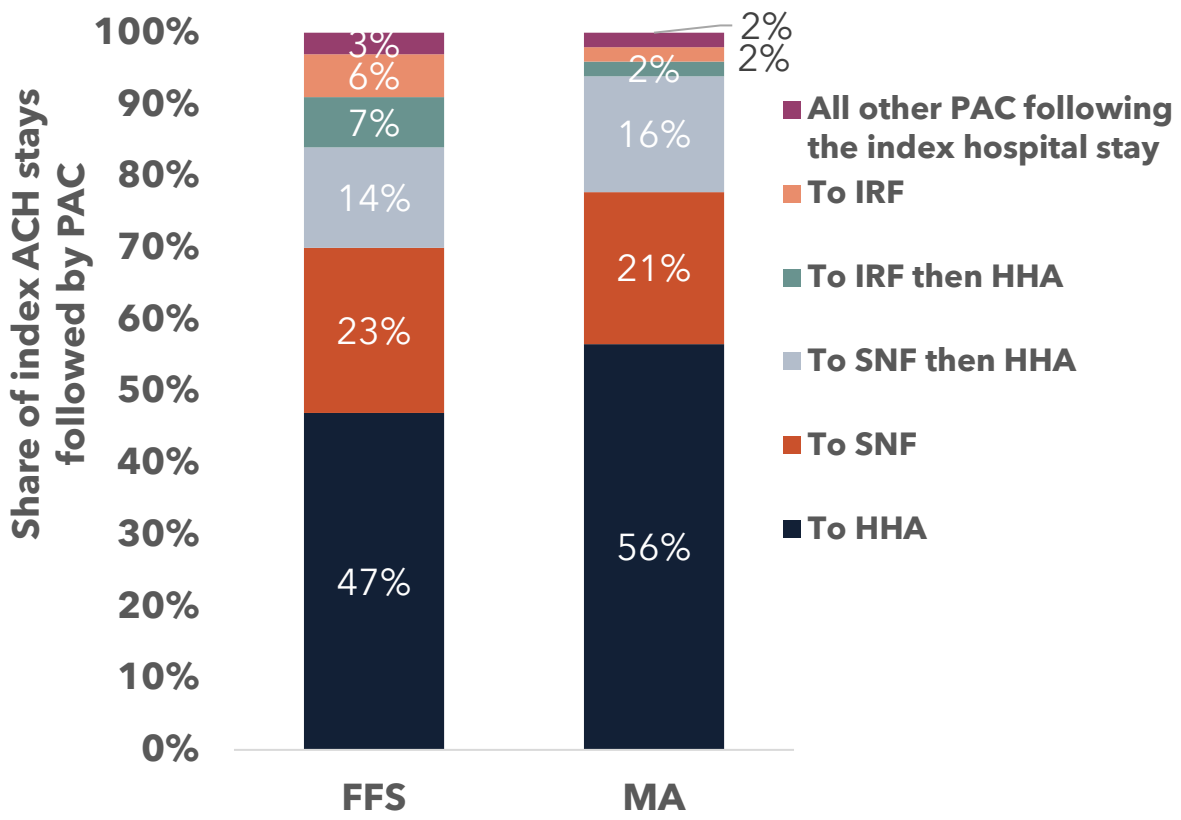
Defining "PAC pathways" and "transitions"

- Many beneficiaries used multiple sequential ACH and PAC services
- We defined a pathway as a sequence of ACH or PAC stays occurring within 30 days of each other in 2023
  - The initial (or index) event is an ACH or PAC stay with no stay in the prior 30 days
- We counted the number of times a beneficiary changed service settings during a pathway ("transitions")

Note: PAC (post-acute care), ACH (acute care hospital).

Comparing the most common PAC pathways following an index ACH stay, 2023

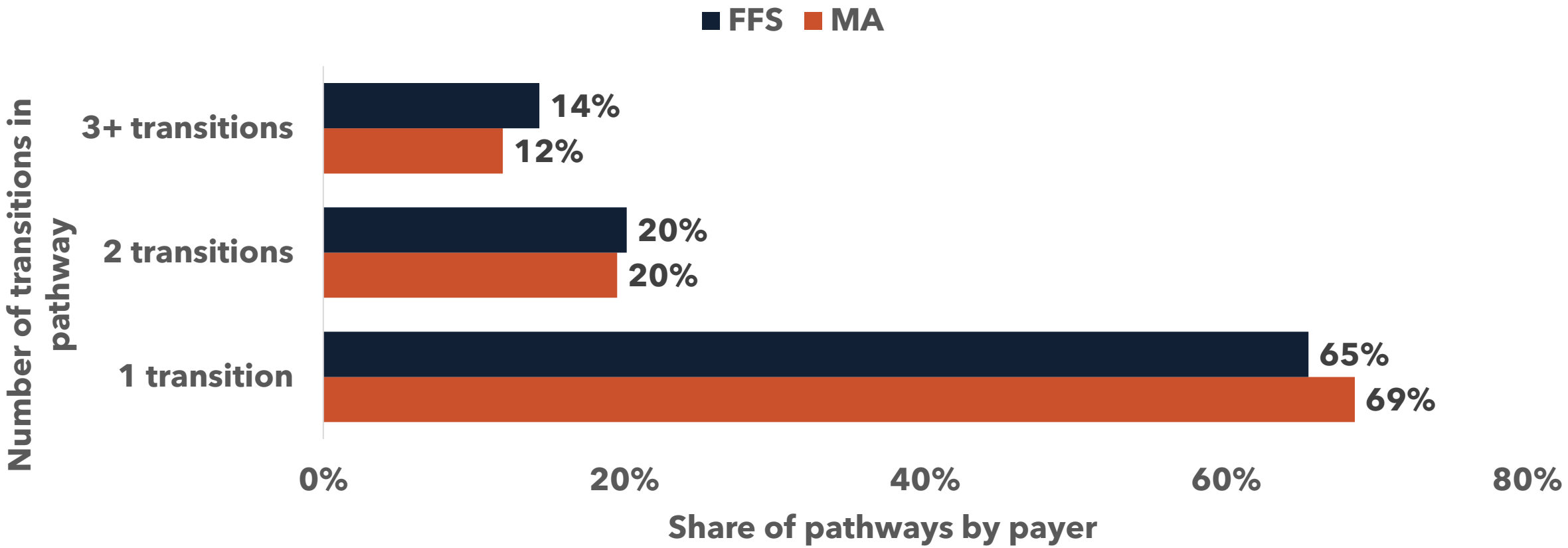
- The most common ACH to PAC pathways were:
  - ACH → HHA
  - ACH → SNF
  - ACH → SNF → HHA
- Pathways including IRF were less common among MA enrollees



Note: PAC (post-acute care), ACH (acute care hospital), FFS (fee for service), MA (Medicare Advantage). HHA (home health agency), SNF (skilled nursing facility), IRF (inpatient rehabilitation facility). Index hospital stays have no prior hospital or PAC service in the 30 days prior to the hospital stay. The figure includes only index hospital stays for which there was PAC use in the 30-days after the index hospital discharge and shows the most frequent PAC pathways. If another hospital stay occurred as part the pathway, we ended the pathway. For example, a hospital-to-SNF pathway and a hospital-to-SNF-to-hospital both count as a hospital-to-SNF pathway. "All other PAC following the index hospital stay" includes other pathways that are low frequency. The figure was limited to beneficiaries with 12 months of Medicare enrollment.

Source: MedPAC analysis of enrollment, FFS claims, and MA encounter data from CMS.

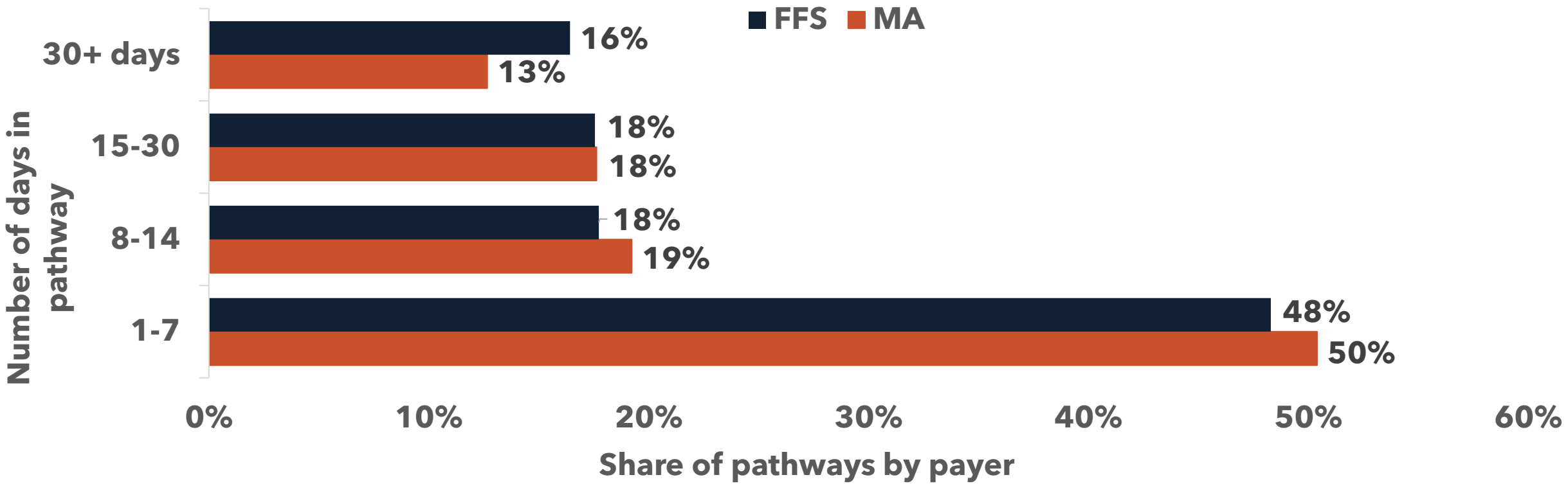
FFS beneficiaries comprised the majority of pathways that included 3 or more transitions, 2023



Note: FFS (fee for service), MA (Medicare Advantage). Pathways are composed of a series of hospital or PAC stays following an index event that are separated by no more than 30 days. Transitions consist of the number of different settings used in a pathway (an index hospitalization followed by a skilled nursing facility stay and then home health care count as 3 transitions).

Source: MedPAC analysis of enrollment, claims, and encounter data from CMS.

FFS beneficiaries accounted for the majority of pathways that included more than 30 days, 2023



Note: FFS (fee for service). Pathways are composed of a series of hospital or PAC stays following an index event that are separated by no more than 30 days.
Source: MedPAC analysis of enrollment, claims, and encounter data from CMS

Summary

- Interpret differences between FFS and MA use cautiously
  - Unadjusted for differences in beneficiary characteristics
  - Levels of use do not indicate whether care was appropriate
- Compared with FFS, MA beneficiaries:
  - Used slightly less acute and post-acute care
  - Less likely to receive PAC after a hospitalization
  - Much less likely to receive IRF care
- FFS care pathways were more likely to include multiple settings and last longer

Note: FFS (fee for service), MA (Medicare Advantage), PAC (post-acute care).

Future work

- Adjust findings for differences in patient characteristics
- Conduct additional analyses:
  - Subgroups of beneficiaries, such as beneficiaries who switched from MA to FFS and from FFS to MA
  - Quality ratings of providers used by MA and FFS beneficiaries
- Continue to conduct interviews with PAC providers and MA plan representatives

Note: FFS (fee for service), MA (Medicare Advantage), PAC (post-acute care).

Discussion

- Questions about work presented
- Commissioner feedback on future work

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