

Improving Medicare payment for chronically critically ill patients in hospital settings

ISSUE: Chronically critically ill (CCI) patients have survived acute critical illness in the hospital but face multiple organ dysfunction requiring prolonged institutional care. 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. Medicare pays for the cost of caring for CCI beneficiaries under different payment systems, depending on where the care is delivered. This approach is inequitable and creates financial incentives to provide services in higher paid LTCH settings, raising costs for the Medicare program and encouraging transitions between care settings, which may be disruptive and even harmful for beneficiaries.

KEY POINTS: At the April meeting, staff will present two policy approaches to improving payment for CCI patients by using a site-neutral approach that rationalizes payment across settings and increases payment accuracy.

ACTION: Commissioners should review the findings presented here and discuss issues raised by this analysis.

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