Long-Term Care Survey Alert

TRENDS: Gear Up Now for a Changing Post-Acute Landscape

These key developments could affect nursing home survival.

Change is definitely afoot in the post-acute world, which means you need to keep pace with what's coming down the pike. To help you do that, **Eli** spoke with several industry experts about key trends they see evolving, and how facilities can begin to position themselves in a playing field where Medicare and even Medicaid may be increasingly calling the shots.

A number of initiatives indicates that Medicare may be moving toward selective contracting, opined **Kenneth Daily, LNHA,** in his presentation at the March 2009 American Association of Nurse Assessment Coordinators. These include the recently announced value-based purchasing demonstration, in which CMS will pay facilities more if they meet certain quality benchmarks, says Daily (for more information, see the sidebar on p. 53). **Also on the list:** "The Special Focus facilities, a list of nursing homes with which CMS will no longer contract if they don't improve significantly enough, says Daily. And there's the Five-Star program, which publicly posts nursing facilities' star ratings on the Nursing Home Compare Web site to help consumers make a more informed choice.

The bottom line, in Daily's view: "Medicare and Medicaid have done a great job of buying volume without value, but ... I can see CMS flexing its muscles and saying, 'We are only going to buy the best.'"

Veteran long-term care attorney **Joseph Bianculli,** who represents nursing homes, also can envision CMS trying to move in that direction, but not any time soon. And selective contracting that left some nursing homes out in the cold would definitely require regulations, and probably legislation to enact, he says. That's because the current law essentially allows "all willing providers" to participate in Medicare. Also, any criteria CMS came up with for contracting with certain facilities and not others would presumably be controversial, especially to those left out,unless or until the agency gets a much better handle on "quality" than survey data, he adds.

Not only that but there are still states with 90-plus percent statewide occupancy, Bianculli points out.

It is possible CMS could move toward selective contracting, says **Peter Clendenin,** executive VP of the National Association for the Support of Long-Term Care, although he hasn't heard anything about that happening. Yet, when he worked for and with state governments in the past, "there was always the possibility that Medicaid could do selective contracting. That is, the program could decide it only needed five nursing homes in an area where there were 10, as an example."

Rehospitalization a Focus

Preventing hospitalization has also become a hot topic for CMS and lawmakers alarmed by a high rate of rehospitalization within 30 days after hospital discharge. There are five initiatives focusing on that, says Daily. "One is the ninth scope of work for the Quality Improvement Organizations, which has rehospitalization as an issue. The Quality Indicator Survey process collects rehospitalization data during phase 1 of the survey. Rehospitalization is one of the measures in [the value based quality purchasing initiative]." CMS is also rolling out a 14-community project collecting data about rehospitalizations after hospital discharge, Daily notes (see the sidebar on p. 53). The fifth initiative involves "CMS' overall zealousness for contracting with managed care companies." Managed care companies typically employ measures to prevent unnecessary hospitalization.

Watch out: Most recently, President Obama's budget and the Senate Finance Committee proposed bundling inpatient hospital and postacute services that occur within 30 days after hospital discharge -- a strategy that would prevent Medicare from paying for rehospitalizations within that timeframe.

"The proposal for bundling of post-acute services ... is a scary prospect," says Clendenin. "It would seem to put the hospital at risk for decisions about selecting post-acute care, although the details aren't worked out."

Whoever controls the bundling would determine "the best of the best" in terms of whom to contract with, observes **Frances Fowler,** managing director of Health Dimensions Group in Minneapolis. The best would be the ones that don't readmit to acute care and whose patients have the least complications, she says. Fowler foresees bundling occurring. She notes that CMS is working on a questionnaire, the CARE tool, to be used across postacute sites to help determine the best venue for an individual beneficiary.CMS is testing the assessment tool in the ongoing Post Acute Care Payment Reform Demonstration.

Strategy: The American Health Care Association is offering lawmakers an alternative proposal to bundling that is "very much in line with the CARE tool," says AHCA spokeswoman **Susan Feeney.** "The proposal involves a site-neutral postacute payment system that provides a payment based on the patient's needs." A care manager would help the beneficiary select a venue that best meets his needs, she adds.

Take a proactive approach:

What can nursing facilities do in a payment climate with an escalating focus on finding ways to get the biggest bang for the buck?

For one, keep your eye on CMS' value-based demonstration, suggests Daily. And implement accepted best practices and make sure you have really great documentation, advises Clendenin. Facilities should also have a "really clear understanding of what conditions a person has at admission"and document those, he adds.

Also keep in mind that one of the reasons for rehospitalization is that hospitals are discharging patients way too soon, says **Pauline Franko, PT, MCSP,** a consultant in Tamarac, Fla. And "The only way a SNF can really detect that a patient isn't stable enough for SNF admission is for someone from the SNF to actually go look at the person and review the medical record ..."

The facility can also track its rehospitalizations to identify situations where it can prevent residents from going back to the hospital, advises **Nathan Lake, RN, BSN,** along-term expert in Seattle.