

**NASL Summary of the *Improving Medicare Post-Acute Care Transformation (IMPACT) Act of 2014 (H.R. 4994/S. 2553)***

September 19, 2014

The *Improving Medicare Post-Acute Care Transformation (IMPACT) Act of 2014 (H.R. 4994/S. 2553)*, a bi-partisan bill drafted by the Chairmen and Ranking Members of the House Ways and Means and Senate Finance Committees, was introduced on June 26, 2014. The bill had been circulated in draft form in March, and the bill that was introduced responds to much of the post-acute care (PAC) community's feedback, including several specific recommendations made by the National Association for the Support of Long Term Care (NASL). The bill would require the use of standardized patient assessment instruments by post-acute providers to provide the Centers for Medicare & Medicaid Services (CMS) with patient data that can be compared across the post-acute care settings.

The Act mandates that post-acute settings begin reporting of quality measures starting on October 1, 2016, and standardized patient assessment data by October 1, 2018. It is widely perceived that this information is necessary to the development of Medicare PAC payment reform. This legislation will have a significant impact on expediting CMS' use of data to compare quality, cost and other factors across settings.

The bill was on a fast track for action. The House sponsors indicated the proposal would bypass the traditional committee mark-up process. The House passed the measure on September 17 by voice vote, under a suspension of the rules. The Senate cleared the proposal by unanimous consent on September 19, also by unanimous consent. The legislation is headed to President Barack Obama and he is expected to sign the legislation.

**Highlights of the *IMPACT Act of 2014***

**PAC Providers**

Post-acute care providers are defined as Long Term Care Hospitals (LTCHs), Inpatient Rehabilitation Facilities (IRFs), Skilled Nursing Facilities (SNFs) and Home Health Agencies (HHAs).

## Reporting Standardized Patient Assessment Data Requirements

Building on current tools (MDS, OASIS, IRF-PAI, LTCH-CARE), requires providers to report standardized patient assessment data across post-acute settings for assessing patients by October 1, 2018 for SNFs, IRFs and LTCHs, and January 1, 2019 for HHAs. The data shall include functional status, cognitive function and mental status, special services, medical condition, impairments, prior functioning levels and other categories as determined by the Secretary of HHS. The purposes for collecting the data include comparing quality and resource use across settings. The bill acknowledges that data that is comparable across settings is the foundation for making recommendations including payment reform.

Quality Domains	HHAs	SNFs	IRFs	LTCHs
Functional Status	1/1/2019	10/1/2016	10/1/2016	10/1/2018
Skin Integrity	1/1/2017	10/1/2016	10/1/2016	10/1/2016
Medication Reconciliation	1/1/2017	10/1/2018	10/1/2018	10/1/2016
Major Falls	1/1/2019	10/1/2016	10/1/2016	10/1/2016
Patient Preference	1/1/2019	10/1/2018	10/1/2018	10/1/2018

\*Displayed dates are deadlines for measure specification and data collection. Confidential feedback reporting and public reporting is required one and two years, respectively, after the dates displayed above,

## Alignment of Patient Assessment Data with Claims Data

By October 1, 2018 for SNF, IRF and LTCH and January 1, 2019 for HHA, the Secretary of HHS shall ensure a match between the patient assessment data submission and any claims data that is also submitted for each patient.

## Reporting of Quality Measures, Resource Use & Other Measures

By 2016, quality data would be used to help discharge hospital patients to appropriate facilities. The secretary may specify additional quality measures for PAC providers, which shall address, at a minimum, the following quality domains: functional status and changes in function; skin integrity and changes in skin integrity; medication reconciliation; incidence of major falls; and patient preference regarding treatment and discharge options. The timeline to submit under the applicable reporting provisions are included in the table below.

In 2017, providers would be required to report standardized quality and resource-use data. Such measures shall be risk adjusted, as determined by the Secretary.

## Public Reporting of PAC Provider Performance

By October 1, 2018 for SNF, IRF and LTCH and January 1, 2019 for HHA, the Secretary shall create procedures for making available to the public information pertaining to individual PAC performance related to the resource use measures. In an important change from the draft bill, before the initial rulemaking process to implement quality and resource use measures, the Secretary must allow for stakeholder input, such as through town halls, open door forums and mail-box submissions.

## Patient Preference & Discharge Planning

The HHS Secretary is required to develop a process around using quality and resource use measures to assist providers, suppliers, beneficiaries and the families with discharge planning from inpatient or PAC settings. The guidance shall include procedures to address patient treatment preferences and goals of care.

## **CMS & MedPAC Reports on PAC Prospective Payment**

The bill requires CMS and the Medicare Payment Advisory Commission (MedPAC) to provide Congress with reports that evaluate the information collected under the *IMPACT Act* and recommend features of a new PAC payment system. Recommendations on a PAC payment system that establishes payment rates according to individual characteristics instead of the setting where the patient is treated are due by June 30, 2016.

### **Funding**

The legislation would increase direct spending by appropriating \$222 million over the 2015 – 24 period for activities related to survey and certification requirements for hospices and for the development of use of standardized assessment and quality data for post-acute services furnished to Medicare beneficiaries.

The legislation would authorize the Secretary of Health & Human Services to spend \$195 million in 2020 or subsequent years to increase payment rates for services furnished in the fee-for-service sector. The legislation also would reduce direct spending by reducing Medicare's payment rates for services furnished by skilled nursing facilities that do not report assessment and quality data and by reducing the caps on payments for beneficiaries receiving hospice services.

### **Additional Resources**

- Summary documents prepared by the committees on the legislation (as introduced) can be found [here](#), and a more detailed section-by-section can be found [here](#).
- Bill text is available [here](#).
- Table summarizing NASL's primary concerns regarding the March 2014 *IMPACT Act* draft proposal and how the issue was addressed in the bill that was introduced in June 2014. The table is available on NASL's website at the following URL: <http://nasl.mymemberfuse.com/resources2/view/profile/id/44926>
- NASL's July 30, 2014 webinar, "Overview of the *IMPACT Act* on Post-Acute Care" is available at the following URL: <http://nasl.mymemberfuse.com/resources2/view/profile/id/45715>