

**SUMMARY OF MEDPAC OBSERVATIONS AND RECOMMENDATIONS, POST-ACUTE CARE
(MARCH 2017 REPORT)**

	ACCESS TO CARE	QUALITY OF CARE	ACCESS TO CAPITAL	MEDICARE PAYMENTS/ PROVIDER COSTS	PAYMENT UPDATE RECOMMENDATIONS
SKILLED NURSING FACILITIES	Adequate	Discharge rates improved	Adequate but getting tighter	Projected 2017 Medicare margin of 10.6%	Revise PPS, rebase payments; 0% update
HOME HEALTH AGENCIES	Adequate	Core measures improved	Less applicable; acquisitions by large PAC companies suggest attractive market	Projected 2017 Medicare margin of 13.7%	Reduce base rates by 5% in 2018; implement 2-year rebasing of payment system beginning 2019
INPATIENT REHABILITATION FACILITIES	Adequate to meet demand	Small improvements in rates of readmission	Significant player has very good access to capital	Projected 2017 Medicare margin of 14.3%	Reduce rate by 5% for 2018
LONG-TERM CARE HOSPITALS	Access to care maintained	Stable trends based on claims data	CMS payment reductions and moratorium on new LTCH beds limit need for capital	Projected 2017 Medicare margin of 5.4%	0% update
HOSPICE	Use increased with stable length of stay	Generally positive	Not capital intensive; continued growth in the number of providers	Projected Medicare margin of 7.7%	0% update

