



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
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**Ranking Member Frank Pallone, Jr.
House Energy and Commerce Committee
Subcommittee on Health Hearing on
“Medicare Post-Acute Care Delivery and Options to Improve It”**

April 16, 2015

Mr. Chairman, thank you for calling today’s hearing on post-acute care delivery. Thank you to all of our witnesses for coming to testify. I want to especially welcome Dr. Steven Landers from New Jersey – who is the President and CEO of the Visiting Nurse Association Health Group.

The Affordable Care Act (ACA) has put Medicare on a path towards post-acute reform, however there is still much more that needs to be done. Our committee clearly has a role to play in advancing positive, beneficiary-focused reforms related to post-acute care for Medicare beneficiaries.

We have a Medicare system right now with misaligned incentives, inaccurately priced payments, and little information on the quality or outcomes of beneficiaries served by post-acute

providers like skilled nursing facilities, home health agencies, long term care hospitals, or inpatient rehabilitation facilities.

In 2013, Medicare spent about \$59 billion on post-acute care providers. I believe that there are viable payment solutions in this sector that are more sensible than increasing costs for beneficiaries with average incomes of only \$22,500.

What we know is that the quality, outcomes, and costs of post-acute care has a lot of variation around the country. And as a result of the ACA, Medicare is currently testing a number of payment system reforms that will help improve care and outcomes in this area.

Meanwhile, the need for post-acute care is not well defined. Research has shown the similarity of patients treated in different post-acute care settings. A patient being rehabilitated from a stroke or hip replacement can be treated in a skilled nursing facility (SNF) or an inpatient rehabilitation facility (IRF), but in the latter, Medicare pays 40 to 50% higher than it pays a skilled nursing facility for the same services. We do not have any common and comparable data across PAC providers, to determine which patients fare best in which settings, or even what appropriate levels of care are for patients of varying acuity. That is why, last year, Congress passed the bipartisan IMPACT Act, which, for the first time, requires providers to report standardized assessment data across the various post-acute care settings.

While there are many interesting policy ideas in this arena, we need to learn from the ACA efforts underway and the data being collected as a result of the IMPACT Act and provide

enough time to ensure the models work in a way that doesn't compromise access to high quality services for our beneficiaries.

Data collected by the IMPACT Act coupled with MedPAC's recommendations that Congress could better align post-acute care incentives to better utilize Medicare dollars should be a useful guide for our efforts. Once we have improved information on post-acute care, I look forward to working with my colleagues on the Committee to find policy solutions to ensure that Medicare continues to provide quality and effective health care to our seniors.

Thank you.