

## **Chairman Brady Announces Hearing on the President's and Other Bipartisan Proposals to Reform Medicare Post-Acute Care Payments**

The House Committee on Ways and Means, Subcommittee on Health Chairman Kevin Brady (R-TX) today announced the fourth in a series of hearings to explore bipartisan proposals, including those contained in President Obama's Fiscal Year (FY) 2014 Budget to reform Medicare. This hearing will focus on review of proposals to reform post-acute care under the Medicare program. **The hearing will take place on Friday, June 14, 2013 in 1100 Longworth House Office Building, beginning at 9:30 A.M.**

In view of the limited time available to hear from witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing. A list of witnesses will follow.

### **BACKGROUND:**

In 2011, Medicare spending on Post-Acute Care (PAC), defined as Home Health Agencies (HHA), Skilled Nursing Facilities (SNF), Inpatient Rehabilitation Facilities (IRF) and Long-Term Care Hospitals (LTCH) totaled nearly \$62 billion. Medicare post-acute providers play an important role in the continuum of care for Medicare beneficiaries, providing recuperation and rehabilitation services to Medicare beneficiaries recovering from an acute hospital stay. However, the lack of placement guidelines for beneficiaries in PAC settings, the uneven availability of PAC providers across markets, and multiple PAC payment systems result in wide variation in the use, cost and quality of post-hospitalization care for Medicare beneficiaries.

To address these and other concerns, the Obama Administration has identified several policies to reform PAC within the Medicare program. In the President's FY14 Budget, the Administration focused on five PAC reform policies: (1) reducing market basket updates for HHAs, SNFs, IRFs and LTCHs; (2) creating site neutral payments between IRFs and SNFs for certain procedures; (3) modifying the criteria required for IRF status (the so-called "75 percent rule"); (4) establishing a SNF readmissions program; and (5) creating PAC bundled payments.

The President's FY14 Budget estimates that these five policies will save \$94 billion over 10 years. However, the Congressional Budget Office estimates these policies will save \$53 billion. In addition to the President's budget, several other bipartisan policy organizations, such as the Bipartisan Policy Center, The Moment of Truth project and the Medicare Payment Advisory Commission, have collectively made recommendations to reform Medicare's PAC payment systems.

In announcing the hearing, Chairman Brady stated, **"The new Medicare Trustees report confirms this important program remains in deep financial trouble, with only 13 years left of solvency in the main trust fund. Democrats and Republicans recognize one solution to extending the life of Medicare is to improve how care is delivered to seniors once they leave the hospital. Finding the right reforms in post-acute care can both improve care for today's seniors and help save Medicare for the future generations."**

Ranking Member McDermott stated, **"The Affordable Care Act put us on a path towards reforming post-acute care and many promising ideas are being developed and tested. As the Medicare Trustees' Report illustrates, the Medicare program is stable and strong, however, we should always look for ways to continue to strengthen it and improve the quality of care for its beneficiaries. Improvements in post-acute care are a better approach for reform than policies that merely shift costs to beneficiaries."**

### **FOCUS OF THE HEARING:**

The hearing will review proposals to reform post-acute care under the Medicare program.

**DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:**

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select "Hearings." Select the hearing for which you would like to submit, and click on the link entitled, "Click here to provide a submission for the record." Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Friday, June 28, 2013**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721 or (202) 225-3625.

**FORMATTING REQUIREMENTS:**

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word format and **MUST NOT** exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.
2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.
3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://www.waysandmeans.house.gov/>.