



# WAYS AND MEANS

## The Sustaining Healthcare Integrity and Fair Treatment (SHIFT) Act of 2016 (H.R. 5713)

### Summary

The *Sustaining Healthcare Integrity and Fair Treatment (SHIFT) Act of 2016* provides regulatory relief to Long-Term Care Hospitals (LTCHs). The *SHIFT Act* provides relief that applies to all LTCHs, as well as targeted policies that apply to specific LTCHs who meet eligibility criteria. The main focus of the *SHIFT Act* is to provide prospective regulatory relief to all LTCHs from the “25 percent rule.” In the Medicare program, LTCHs are not able to receive full reimbursement if the plurality (defined as exceeding 25 percent) of their total annual Medicare patient population comes from only one inpatient acute hospital. The *SHIFT Act* would reinstate the 50 percent threshold that was in place prior to July 1, 2016, providing relief for 9 months (October 1, 2016 through June 30, 2017).

The *SHIFT Act* also provides targeted relief from the site neutral payment policy enacted as part of the *Bipartisan Budget Act of 2013* for four specific LTCH groups. The first group is any “new” LTCH that has come into the Medicare program since December 26, 2013. The second group is any LTCH that was in existence prior to September 3, 1982 and was exempt from the prospective payment system established in the *Tax Equity and Fiscal Responsibility Act of 1982*. The third group is any LTCH that primarily treats Medicare patients who have severe spinal cord injuries. The fourth group is any LTCH that was in existence after September 3, 1982 and before September 30, 1995 and is a small LTCH within another existing hospital.

Finally, the *SHIFT Act* provides three entitlement programs—Medicare, Medicaid and the Children’s Health Insurance Program—with the ability to pursue action against those newly eligible providers or suppliers that may be engaging in fraud, waste or abuse. Specifically, such providers or suppliers will not receive reimbursement if they attempt to exploit program integrity loopholes.