DC Update
Mark Parkinson, AHCA/NCAL President & CEO
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Major Objectives for 2017

- Defend Medicaid
- Defend Medicare
- Survey and Regulatory relief

Defend Medicaid
House Bill: States will Receive Per Capita Amounts for Each Person in Each Category Beginning in 2020

- Elderly
- Blind & Disabled
- Children
- Expansion
- Adults
- Other Populations

Source: Chart: CNNMoney; Data: CBO data, via Center on Budget and Policy Priorities

Projected Average Annual Growth Rate Over the Coming Decade

- Inflation: 2.4%
- Medical Inflation: 3.7%
- Medicaid: 4.4%

House Bill: Enhanced Funding for our Beneficiaries

- CPI-Medical +1%
- Elderly
- Blind & Disabled
- Children
- Expansion
- Adults
- Other Populations
Block Grants Exclude Us

Impact of the Senate Bill on Nebraska
- Reduction in growth rate in 2016 dollars = ($317,364) per building in the state

What You Can Do
- Register for the grassroots Care Advocacy program
  • [http://cqrcengage.com/ahca/home](http://cqrcengage.com/ahca/home)
- Keep an eye out for requests to activate
Defend Medicare

Our Critics Want to Cut Us

- MedPAC recommendations
  - No market basket increase for 2018 or 2019
  - Imposition of characteristics-based model

2018 Results

- 1.0 percent increase
- New payment model delayed
New Payment Model

- AHCA undertaking deep analysis of new payment model
  - Served on six Technical Expert Panels
  - Made major improvements
  - Now analyzing on a building-by-building basis

- Recorded Webinar: Overview of CMS Proposed Medicare Payment Reform

Survey & Regulatory Relief

Trend in Total CMP Due When Issued as Per Diem
Quality Outcomes Improving

Data from CMS Nursing Home Compare using the Quality Measures (QM) from electronic medical record (MDS) mandated that all SNFs use. Comparing QM rates from 2011 Q4 to 2016 Q2.

Increase in Discharge Back to the Community

Decrease in Rehospitalizations

Data from NQF endorsed PointRight Pro 30 risk adjusted rehospitalization measures that captures all rehospitalizations for all payor types within 30 days of admission to a SNF from a hospital.
Quality Progress in Nebraska

<table>
<thead>
<tr>
<th>Facility</th>
<th>Baseline</th>
<th>Current</th>
<th>Percent Change</th>
<th>Meeting Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehospitalization (Short Stay)</td>
<td>17.7%</td>
<td>16.6%</td>
<td>-6.2%</td>
<td>28.0%</td>
</tr>
<tr>
<td>Antipsychotics (Long Stay)</td>
<td>22.9%</td>
<td>17.8%</td>
<td>-20.9%</td>
<td>36.2%</td>
</tr>
</tbody>
</table>

Note: Percent change displayed is based on unrounded baseline and current rates. Negative percent change indicates improvement.

Time Frames:
- Rehospitalization (Baseline-2011 Q4, Current-2016 Q4)
- Antipsychotics (Baseline-2011 Q4, Current-2017 Q1)

Quality Initiative Goals:
- Rehospitalization (30% improvement from baseline or current rate ≤ 10%)
- Antipsychotics (30% improvement from baseline)

Quality Awards in Nebraska

Past Recipients

For More Information Visit: https://www.ahcancal.org/quality_improvement/quality_award/

Our Asks
- Survey and CMP relief
- Requirements of Participation
- Observation Stays
- General business issues
Some Regulatory Relief Granted

- Survey and CMP relief
  - Limitation on retroactive CMPs and automatic federal review of CMPs over $250,000
- Reversal of arbitration ban
- CMS proposed rule to:
  - Cancel the most recent mandatory bundling program (added two cardiac episodes to mandatory bundling and gave hospitals the bundle)
  - Make major changes to the Comprehensive Care for Joint Replacement

Changing Payment Models
These Changes Impact Length of Stay
- Traditional fee-for-service: 27 days
- Medicare Advantage: 14 days
- ACOs: 20 days

Population Growth – 80-84 Years

More People Will Need Our Post-Acute Services

Note: 2021–2031 projections account for changes to age distribution (65‐74, 75‐84, 85+ years) but assume enrollment in alternative payment models remains proportionally constant at 2021 levels.

Refer to "Assumptions and Methodology" section for overview of SNF utilization assumptions under each scenario.

Sources: SNF Volume from Avalere projection model; Medicare enrollment from 2015 Trustees' Report
Some Providers Will Win

Survival is Dependent Upon Hitting Metrics

- Rehospitalization rate
- Five-Star rating
- Ability to adapt as new metrics become important

Assisted Living
Assisted Living Goals

- Congress does not pass legislation allowing CMS to regulate assisted living at the federal level
- Ensure the HCBS Rule does not negatively impact residents or providers when implemented