Quality and Corporate Compliance

Compliance Program: Components for Long Term Acute Care

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Objectives

- Define what an LTAC hospital is
- Describe the Medicare Compliance Requirements
- Review how an LTAC hospital meets the compliance requirements
- Discuss anticipated industry changes
LTAC Hospitals Defined

- Created in 1983 with TEFRA rates
- Payment system now based on DRGs
- 400 LTAC hospitals in the country - usually small facilities
- Average Length of Stay >25 days per Medicare discharge
- 80% patients are Medicare
- Typical Hospital Clinical Programs
  - Medically Complicated
  - Pulmonary/Ventilator
  - Wound Care
  - Low Tolerance Rehab

The Drivers for LTAC Hospitals

- Growing aging, fragile population
- Medicare & Medicaid strategies to control costs
- Growing cost pressures
  - Reimbursement changes
  - Chronic long-term care patient needs
Length of Stay Comparison

Days Unadjusted

<table>
<thead>
<tr>
<th>STAC</th>
<th>LTAC</th>
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</thead>
<tbody>
<tr>
<td>4.5 days</td>
<td>27 days</td>
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</table>

LTAC Hospital Qualification Period and Reimbursement

**STACH**
- Average acute DRG Payment is $13,500

**LTACH**
- 6 months under acute DRG payment, then paid under LTC-DRG’s
- Average payment is $38,000
Continuum of Care

- Short Term Acute Care
- Long Term Acute Care
- Acute Rehab
- Subacute/Skilled

Ambulatory

Home Care
Community Prevention & Wellness

Post Acute LTAC Hospital Challenges/Demands

- Ever-Increasing Regulations
- Financial Reimbursement Changes
- Focus on High Acuity Patients
- CMS Admission Criteria
- Anticipate regulatory changes and develop strategies to comply
- Keep physicians in the team process
### Most Common Chronic Diseases Requiring Acute Long Term Care

- Asthma
- Diabetes
- Hypertension
- Cardiac
- Arthritis
- Post Trauma
- Pulmonary
- Cardiovascular
- Parkinson’s
- Muscular Dystrophy
- Renal Failure
- Other Neurological

### Clinical Programs

<table>
<thead>
<tr>
<th>STACH</th>
<th>LTACH</th>
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<tbody>
<tr>
<td>Specialized units</td>
<td>Medically-Complex</td>
</tr>
<tr>
<td>ICU/telemetry</td>
<td>Pulmonary – Vent</td>
</tr>
<tr>
<td>SNF/swing beds</td>
<td>Transitional Rehab</td>
</tr>
<tr>
<td></td>
<td>Wound Care</td>
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</table>
CMS LTAC Hospital Rules

- LOS > 25 days for all Medicare patients
- 25-75% rule for hospital within hospital
- InterQual admission criteria
- LRMP/QIO
- Transfer DRG’s
- 48-hour look back assessment
- Management Separation Rules
- Ownership restrictions
- Building separation

Additional CMS Rules 2007

New criteria required by the:

- Medicare, Medicaid and SCHIP Extension Act (MMSEA) of 2007
- WPS audits by the FI/MAC
MMSEA 2007 Regulations

- Patient review process, documented in each medical record, that screens patients prior to admission for appropriateness of admission.
- Medical record for each patient contains, within 48 hours of admission, a statement validating that the patient meets admission criteria for an LTAC hospital.
- Medical record document appropriateness of continuing stay and assess available discharge options at regular intervals.
- Hospital has an organized physician directed interdisciplinary treatment team that develops an individual treatment plan for each patient.

Audits

- Q.I.O.
- MMSEA form the FI/MAC
- R.A.C.
The LTAC hospital must develop and distribute written standards of conduct, as well as written policies and procedures that promote the hospital’s commitment to compliance (e.g., by including adherence to compliance as an element in evaluating managers and employees and that address specific areas of potential fraud, such as claims development and submission processes, code gaming, and financial relationships with physicians and other health care professionals).

Support by the Governing Board and Physicians critical
Number 2: Authority

The designation of a Chief Compliance Officer (CCO) and other appropriate bodies, e.g., a corporate compliance committee, charged with the responsibility of operating and monitoring the compliance program.

The CCO reports directly to the CEO and the governing body.

Number 3: Compliance Enforcement System

Development of a system to respond to allegations of improper/illegal activities.

Policies to address the enforcement of appropriate disciplinary action against employees who have violated internal compliance policies, applicable statutes, regulations or Federal health care program requirements.

Report to Board level.
Number 4: Education

The development and implementation of regular, effective education and training programs
Effective for all levels of the hospital:
  Board
  Physicians
All employees
  Contractors

Number 5: Hotline

The maintenance of a process, such as a hotline, to receive complaints, and the adoption of procedures to protect the anonymity of complainants and to protect whistleblowers from retaliation
Web site access
Visitor/vendor access
Number 6: Disciplinary Action

The development of a system to respond to allegations of improper/illegal activities

The enforcement of appropriate disciplinary action against employees who have violated internal compliance policies, applicable statutes, regulations or Federal health care program requirements;

Number 7: Monitoring

The use of audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem areas

Involvement of staff and physicians
LTAC Hospital 2008 OIG Workplan

- Long Term Care Hospital Payments for Interrupted Stays
- Long Term Care Hospital Short Stay Outliers
- Special Payment Provisions for Patients Who Are Transferred to Onsite Providers and Readmitted to Long Term Care Hospitals
- Special Payment Provisions for Long Term Care Hospitals Discharging Beneficiaries to Collocated or Satellite Providers

Separateness Criteria – Hospital Within a Hospital

- Must have separate governing body from host hospital
- Chief Medical Officer must be different
- Management staff must not have cross-over of staff
- Policies and procedures must be separate
PPS Exemption

- Track LOS daily and cost report year-end
- Must be 25 > for all CMS patients
- Total number of patient days (covered and non-covered) divided by number of discharges
- Must notify FI/MAC of co-location

Physician

- Must give notice to each patient that 24-hour physician coverage is not present
- Notification on admission of physician ownership
5% Rule

- Effective 10/1/1999
- Effects all hospital within hospitals
- Can’t exceed 75% of patients admitted from host hospital to LTAC hospital, then readmitted to host hospital and back to LTAC hospital again
- Effects transfers to and from SNF, IRF and psychiatric hospitals

Interrupted Stay Rules

- Effective 5/7/2004
- If patient is admitted from the host acute care hospital to the LTAC hospital and goes back to the acute care hospital for services within 72 hours, may limit payment
- If patient’s LTAC hospital stay is interrupted
  - Acute care 72 hours – 9 days
  - IRF within 27 days
  - SNF within 45 days
- LTAC hospital pays for services at the acute hospital
Remote and Satellite Facilities

- Remote – some of the LTAC hospital licensed beds are also in a free-standing building
- Satellite – some of the LTAC hospital licensed beds are also in a hospital within a hospital
- Effects 25 – 75% restrictions
- Effects outlier payments

Future Rules

- Medicare Facility Criteria
  - Lab, radiology, dietary services
  - ICU care available
  - Equipment on site
- Patient Criteria
  - Acuity level
  - Staffing levels
  - Programs
  - Dialysis
  - Rehab/Psych DRGs
- Bundling
New “Care Tool” system has been proposed by CMS

- Same tool across the continuum
- Payments based on quality indicators
- Based on which current system?

Patient Assessment Tool

Key Components to Compliance

Set of Interrelated Activities
Compliance Management

- Leadership/Clinical Teamwork
- CMS LTACH Rules Updates
- Ongoing Assessment Program
- Continuous Readiness Program

Thanks