

AHCA/NCAL Washington, DC Update



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Legislative Objectives

- ✓ To ensure that SNF providers do not receive an additional rate cut or reduction in the Market Basket increase.
- ✓ To advance a solutions driven agenda that is beneficial to our members and incorporates volume shifting policies to the SNF sector.



Assessment

✓ Strengths

- Strong relationships with growing reputation as a constructive advocacy group.
- Commitment from House Leadership to avoid provider cuts.
- Key staff support of volume shifting savings concepts.
- Solutions with savings.
- Chairman and staff changes on Senate Finance Committee.
- Unified sector with strong political presence.

✓ Weaknesses

- Not cut in last two SGR/Doc Fix patches. (Making us a target)
- Patch or permanent fix will require offsets.
- Perception of high Medicare margins.
- Industry still subjected to needless scrutiny.



Landscape

✓ Opportunities

- Advance alternative savings solutions that mitigate risks for cuts both legislatively and in the press.
- Advocate for non-healthcare pay-for's.
- Advance legislation that resolves the observation stay problem.

✓ Threats

- Senate Finance Committee propensity to make provider cuts.
- Other provider groups advocating cuts to SNF's.
- MedPac recommendations being used as justification to cut rates.
- Provider cuts outside of market basket resurfacing (Provider tax, bad debt)



Conclusions

- ✓ Nine month SGR/Doc Fix most likely outcome at cost of approximately \$14 Billion.
- ✓ Preparing for possibility of permanent SGR fix is prudent in light of low price tag.
- ✓ Environment remains extremely volatile with multitude of possible scenarios.



Recommendations

- ✓ Continuing our messaging strategy focused on key members and leadership.
- ✓ Focus message on quality and low margins as reason for no additional cuts.
- ✓ Aggressively develop/finalize pay-for policies (bundling, re-hospitalization) to propose as an alternative to traditional cuts. Simultaneously advocate for non-healthcare pay-for alternatives.
- ✓ Intensify political engagement and fundraising strategy in Q 1 of 2014 towards key members, major front loading.



SGR “The Doc Fix”

- ✓ Without congressional action, Medicare physician services face a 24.1% cut on April 1, 2014.
- ✓ Since 2003, Congress has enacted 16 patches to stop Medicare physician payment cuts, creating uncertainty for patients.
- ✓ Therapy caps extension included in SGR legislation.
- ✓ Specifically, we support the inclusion of language that allows for approval of these claims if not reviewed in 10 business days.



Setting the Record Straight

- ✓ MedPAC estimated 2012 overall operating margins a 1.8%. This number reflects Medicare, Medicaid and Private pay.
- ✓ Does not take into account 2% sequestration cut.
- ✓ Series of cuts over the last 5 years has resulted in little of no margin in the skilled nursing profession.
- ✓ We want to be ready for reforms and new payment models.



How to “Pay For” it

- ✓ Every year, 1 in 5 patients that are discharged from the hospital return within 30 days.
- ✓ Total hospital readmission cost to Medicare was over \$17 billion in 2010.
- ✓ Average rate of readmission from a SNF to a hospital is 22% per year.
- ✓ Total number of hospital readmissions from SNF is 444,000 patients annually
- ✓ According to MedPAC data and leading academic studies, the average cost of hospital readmission from a SNF is \$10,000 per patient.



How to “Pay For” it

- ✓ Our Plans establishes a baseline for the SNF 30- day readmission rate and calculating costs associated with those readmissions, the Secretary would then set up a targeted readmissions reduction goal for SNFs necessary to achieve \$2 billion in savings from 2014-2021.
- ✓ Skilled nursing facilities will then work to reduce hospital readmissions by at least the targeted amount.
- ✓ If the savings target is not achieved, then SNFs reimbursement will be reduced to make up for the shortfall in expected Medicare savings.



Observation Stays Legislation

- ✓ Representatives Joseph Courtney (D-CT) and Tom Latham (R-IA) and Senator Sherrod Brown (D-OH) introduced the Improving Access to Medicare Coverage Act of 2013 (H.R. 1179/S. 569)
- ✓ Identical bills - deem time an individual spends under observation status eligible to count towards satisfying the three-day stay requirement
- ✓ **S. 569** 25 bipartisan cosponsors (1 from New Jersey)
- ✓ **H.R. 1179** 139 bipartisan cosponsors (4 from New Jersey)

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Possible Fixes

- ✓ Rep. Jim Renacci (R-OH) introduced the Creating Access to Rehabilitation for Every Senior Act of 2013 (H.R. 3531)
- ✓ Eliminates the three-day inpatient stay required for Medicare coverage of Part A skilled nursing care benefits by allowing centers that meet particular criteria (based on the CMS Nursing Home Compare program) to automatically qualify to waive the prior hospitalization requirement
- ✓ 23 bipartisan cosponsors (No one from New Jersey)

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Possible Fixes

- ✓ On September 9, 2013, Representative Jim McDermott, MD, (D-WA) introduces H.R. 3144, *Fairness for Beneficiaries Act of 2013*.
- ✓ Eliminates the requirement for a 3 day stay prior to beneficiaries accessing SNF care.



Next Steps

- ✓ Continued Outreach to Capitol Hill and CMS



Advocacy Goals

✓ **Advocacy Centers**

✓ **Fundraisers**

✓ **DC Fly-ins**

✓ **Advocates**

✓ **Facility Tours**

✓ **District Meetings**

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Get to Know Your Legislators

- ✓ Building personal relationships with legislators is key
 - You are the expert on long term care issues
 - As a constituent, you have ultimate influence over a legislator - you vote!
 - Legislators weigh how every issue "plays back at home"



NEW JERSEY			
Facility Characteristics		Patient Characteristics	
Nursing Facilities	366	Total Patients Served	125,000
Total Employees (FTE)	61,077	# Admissions	97,000
All Direct Care Staff (FTE)	32,577	% with Medicare FFS as Payer	83%
Registered Nurses (FTE)	5,340	Average Age	78.0
Licensed Practical Nurse (FTE)	6,709	% with Dementia	33%
Aides (FTE)	20,529	Average ADL Dependence*	4.5
		# Long Stay Resident (≥ 1 yr)	28,000
		Average Age	78.9
		% with Dementia	44%
		Average ADL Dependence*	4.3
		Average Daily Census	124.6
		% with Medicaid as Current Payer	62.4%

UNITED STATES			
Facility Characteristics		Patient Characteristics	
Nursing Facilities	15,681	Total Patients Served	3,350,000
Total Employees (FTE)	1,821,226	# Admissions	2,495,000
All Direct Care Staff (FTE)	1,019,334	% with Medicare FFS as Payer	81%
Registered Nurses (FTE)	120,935	Average Age	77.8
Licensed Practical Nurse (FTE)	227,800	% with Dementia	32%
Aides (FTE)	670,599	Average ADL Dependence*	4.4
		# Long Stay Resident (≥ 1 yr)	855,000
		Average Age	79.3
		% with Dementia	45%
		Average ADL Dependence*	4.3
		Average Daily Census	88.1
		% with Medicaid as Current Payer	63.5%

*Activities of Daily Living (ADL) = Average Dependence out of 5 ADLs: Bathing, Dressing, Toileting, Transferring, and Eating
Fee for Service (FFS)

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New Jersey Senators

- ✓ Senator Robert Menendez (D-NJ)
- ✓ Member of the Senate Finance Committee
- ✓ Senator Cory Booker (D-NJ)
- ✓ Won “special” election in October 2013.

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New Jersey House Members

- ✓ NJ (1) Open
- ✓ NJ (2) Frank LoBiondo (R)
- ✓ NJ (3) Jon Runyan (R)
- ✓ NJ (4) Chris Smith (R)
- ✓ NJ (5) Scott Garrett (R)
- ✓ NJ (6) Frank Pallone (D)



New Jersey House Members

- ✓ NJ (7) L. Lance (R)
- ✓ NJ (8) Albio Sires (D)
- ✓ NJ (9) Bill Pascrell (D)
- ✓ NJ (10) Don Payne (D)
- ✓ NJ (11) R. Frelinghuysen (R)
- ✓ NJ (12) Rush Holt (D)



State/District Work Periods

2014 Congressional Calendar –

House

Feb 13 - 24

April 11- 25

May 12 – 16

June 30 – July 6

August month

Senate

March 17 – 21

April 14 – 18

June 30 – July 4

August month

Anticipated adjournment early October

Election Day November 4, 2014

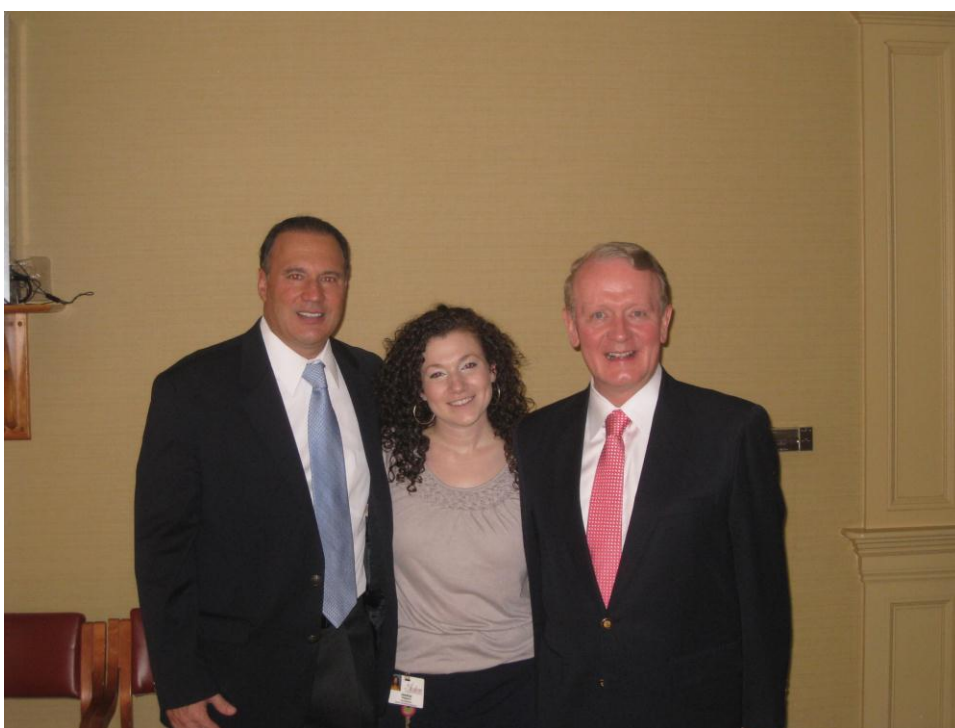
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Facility Tours for Elected Officials

- ✓ Critical role in AHCA/NCAL's educational and legislative efforts.
- ✓ Enable policy makers to see firsthand issues that affect our industry and how their constituents are impacted by decisions made in Washington, the state house, or city hall.
- ✓ One of our profession's **best** grassroots lobbying tools.







Social Media, Grassroots & Your Business



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Like us:
Facebook.com/CareAdvocacy

Contact Michael Cowden, Manager Grassroots & Member
Advocacy
mcowden@ahca.org, 202.454.1290



Development of “Advocacy Centers” to drive our message

- Aggressive push for more frequent and greater number of facility tours. Election year, so members will want to be in facilities
- More advocates in the database - expand our reach - social media



Do You See What I See?



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Social Media as an Advocacy Tool

- * Members of Congress have adopted social media much faster than previous communication tools such as FAX
- * 88% of Members of Congress are active on Twitter
- * When it comes to understanding constituents' opinions...
 - * 64% of Capitol Hill staff think Facebook is somewhat or very important
- * Critical that we engage on these platforms to communicate with Members and advocate on behalf of our profession



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Tweet at Your Members



AHCA/NCAL PAC

- \$2+ million cycle PAC

Sustained impact on 3 levels:

- Leadership/Committee Chairs
- Long Term Care Champions
- Future Leaders



Recent PAC Events

- ✓ **Senator Orrin Hatch (R-UT)**
Ranking Member, Senate Finance Committee
Thursday, January 30, 2014
8:30 AM – 9:30 AM
The Monocle
107 D Street, NE
Washington, DC
- ✓ **Rep. Frank Pallone (D-NJ)**
Ranking Member, Health Subcommittee
House Energy and Commerce Committee
Friday, March 28, 2014
South Plainfield, NJ
- ✓ **Democratic Senatorial Campaign Committee
with Members of the Democratic Caucus**
Wednesday, February 26th
6:30 PM
Charlie Palmer Steak
101 Constitution Ave, NW
Washington, DC
- ✓ **Senate Majority Leader Harry Reid (R-NV)**
Friday, March 7th
AHCA Headquarters
Washington, DC



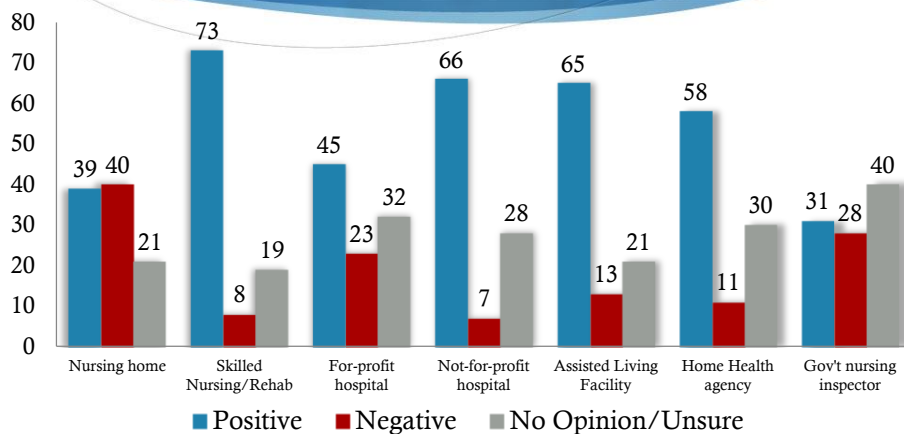
Polling Results

- ✓ The public's perception of nursing homes is better than expected.
- ✓ Names matter
 - "nursing homes" vs. "skilled nursing & rehab"
- ✓ The public doesn't think the sector should get cut.
- ✓ Public still holds concerning views
 - Out for profits
 - Split on quality care



The Public's Perception

What is your opinion of...?

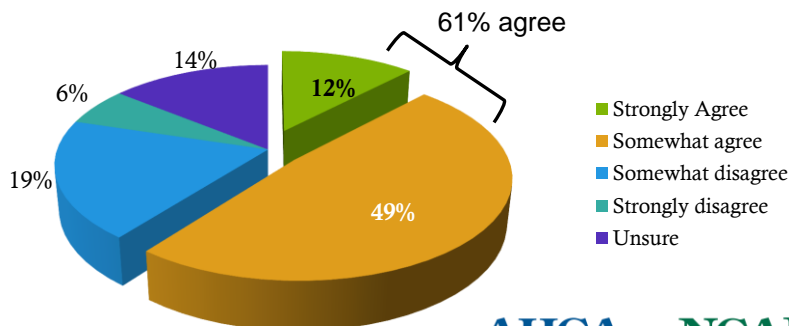


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The Public's Perception

"The quality of care provided in America's nursing homes today has improved over the last 20 years."



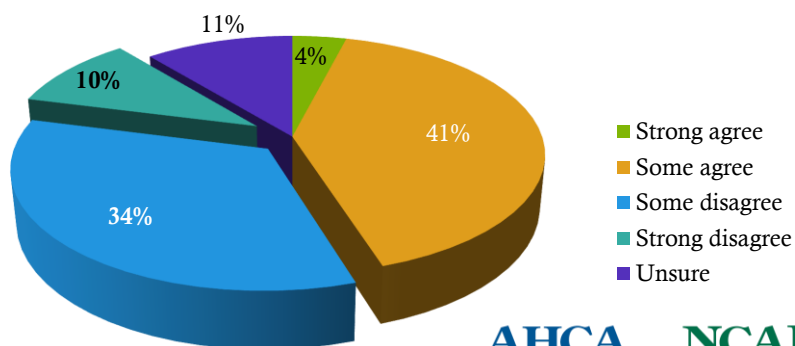
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The Public's Perception

44% plurality disagree that nursing home patients receive high quality health care

"Patients and residents receive high quality health care in today's nursing homes."

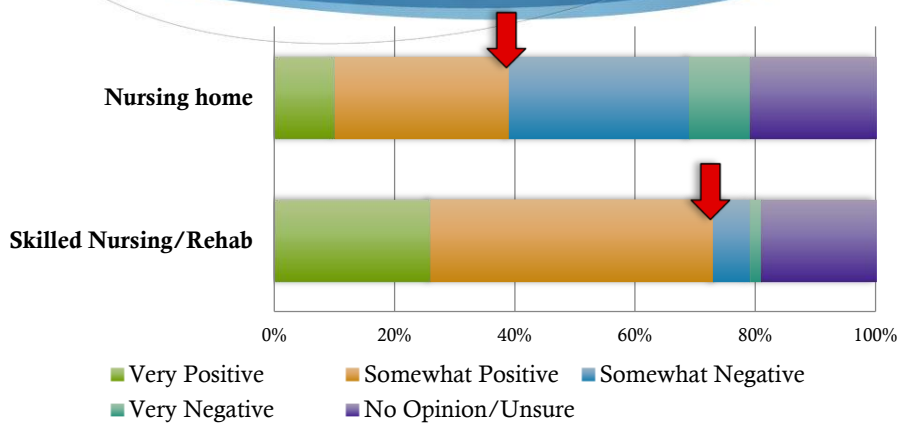


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Phrases Matter

What is your opinion of...?

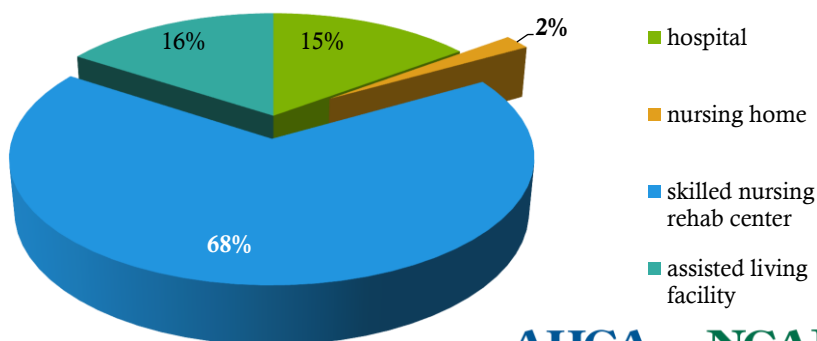


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Phrases Matter

If you had a hip replacement at the hospital, but then needed an additional 30 days of therapy before you could live independently at home, where would you want your therapy to take place?

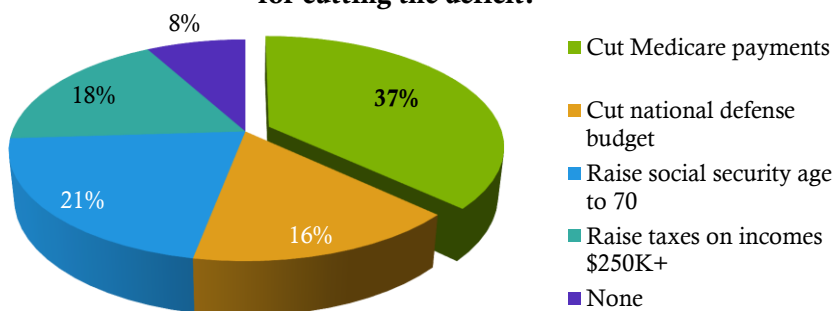


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No More Cuts

Which do you think is the least acceptable way to pay for cutting the deficit?



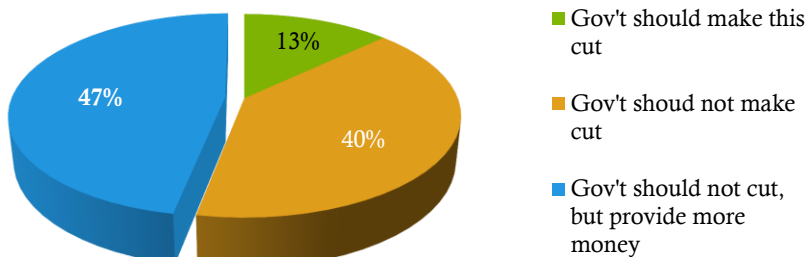
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No More Cuts

In fact, nearly half believe Medicare should provide more money.

What's your reaction to current congressional budget initiatives such as the sequestration proposal to cut \$700 million in Medicare from nursing homes?



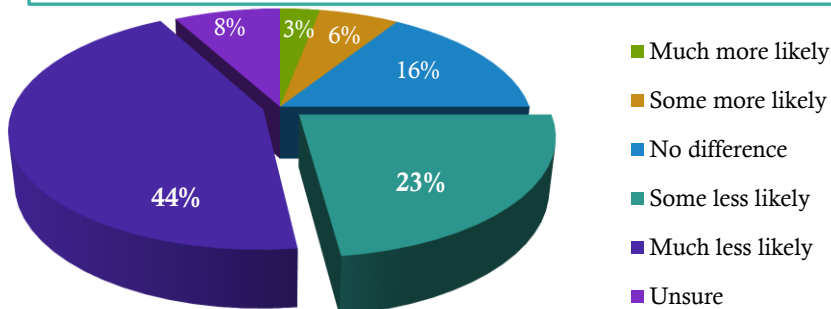
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No More Cuts

67% less likely to reelect Member of Congress if they voted to cut Medicare

If your Member of Congress voted to cut \$15 billion in Medicare payments to nursing homes to care for seniors, would you be more likely or less likely to reelect them, or would it not make much difference to your vote?



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No More Cuts

83%

- ✓ Statement A: I support a Member of Congress who **will not reduce Medicare funding** for nursing homes. Such reductions could lead to a loss of jobs, less quality care, and could make it difficult for seniors to find a nursing home close to family and friends. Congress should look to other places to balance the budget.

16%

- ✓ Statement B: I support a Member of Congress who **will reduce Medicare funding** for nursing homes. Such reductions are difficult, but needed or else the system may fail altogether. It is better to have something than nothing, and Medicare spending needs to decrease to help balance the budget.

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No More Cuts

84%

- ✓ Statement A: **Continuous cuts to Medicaid and Medicare for nursing homes are unacceptable.** Nursing homes have been cut enough and with millions of more seniors needing long term care, nursing centers need the proper resources to provide quality care.

16%

- ✓ Statement B: **Additional cuts to nursing homes are needed** to help reduce the federal deficit. Nursing homes can afford additional cuts to Medicaid and Medicare without threatening care to individuals.

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Leveraging the Data

- ✓ Benchmarking
 - Continued polling over the next several years to understand how we're trending
- ✓ On the Hill
- ✓ Messaging
 - "skilled nursing care centers"
 - Quality improvement efforts



The Cost and Quality Solution We're Making Progress!

- ✓ **Five Star**
 - 5 Star centers are up 38% since 2009
 - 1 Star centers are down 32%
- ✓ **Advancing Excellence**
 - 50% of all SNFs
 - 61% of participants AHCA members
- ✓ **AHCA/NCAL Quality Awards**
 - 18% of members have earned Bronze, Silver or Gold



THE QUALITY INITIATIVE

In early 2012, the long term and post-acute care profession launched a bold, national effort to further improve the quality of care in America's skilled nursing care centers. The Quality Initiative sets measurable goals with specific deadlines in key areas of quality care. The profession's voluntary and ongoing efforts have improved the lives of patients while also reducing health care costs.

▶ **THE GOALS** [Learn more at http://qualityinitiative.ahcancal.org](http://qualityinitiative.ahcancal.org)

- Safely Reduce the Off-Label Use of Antipsychotic Drugs**
By December 2013, safely reduce the off-label use of antipsychotic drugs by 15%.
- Safely Reduce Hospital Readmissions**
By March 2015, safely reduce the number of hospital readmissions within 30 days during a SNF stay by 15%.
- Increase Staff Stability**
By March 2015, reduce turnover among nursing staff by 15%.
- Increase Customer Satisfaction**
By March 2015, increase the number of customers who would recommend the facility to others up to 90%.

▶ **CONTINUING PROGRESS**

Decrease in Off-Label use of Antipsychotics
13.1%
34,900 individuals no longer receive these medications

Reduction in Hospital Readmissions
3.8%
43,400 readmissions prevented since the end of 2011

Results as of the end of the Third Quarter of 2013

CMS FIVE STAR PROGRAM

11.8%

★★★★★

2009

19.6%

★★★★★

2013

Since the launch of the Centers for Medicare and Medicaid Services' Five Star Ratings System, the percentage of facilities rated four or five stars has increased by 40%. The proportion of facilities receiving a one or two-star rating has correspondingly declined by 23%.

How to Become an AHCA/NCAL Advocate

- Sign Up for the Mailing list
- Take Action Online
- Stay Informed of Important Bills and Votes
- Research and Directly Contact Representatives

How to Sign Up for the Mailing List

Step #1: Select link located on AHCA/NCAL Main Page or Advocacy Center Page

www.ahca.org



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Congressional Briefing

May 20 - 21, 2014

“Hyatt Regency Washington on Capitol Hill”

- ✓ Attend briefings and gain understanding of Congress and AHCA/NCAL's goals
- ✓ Hear insights from Members of Congress, Administration officials, and Washington experts. SFC Chairman Wyden (D-OR) confirmed to speak.
- ✓ Meet with elected officials and policy makers
 - Build relationships with Members of Congress
 - Shape public policy
 - Network with peers



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Advancing AHCA/NCAL Goals with Members of Congress



Thank You!

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