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Study Finds Inpatient Rehabilitation Hospital Patients Have Better Outcomes, Live Longer

Wheaton, Illinois -- A new study released Tuesday at a meeting of the American Medical Rehabilitation Providers Association (AMRPA) demonstrates that patients treated in inpatient rehabilitation hospitals and units had better long-term clinical outcomes than those treated in nursing homes¹. The study is the most comprehensive national analysis to date that examines the long-term outcomes of clinically similar patient populations treated in inpatient rehabilitation hospitals/units versus nursing homes.

“This study demonstrates that clinically complex patients treated in inpatient rehabilitation hospitals and units achieve better outcomes than similar patients treated in skilled nursing facilities,” said Kathleen Yosko, President and CEO of Marianjoy Rehabilitation Hospital in Wheaton, Illinois. “The findings from this research provide empirical evidence that intense and standardized rehabilitation programs, delivered by physician-led teams within hospital inpatient settings, help patients return to their homes and communities faster.”

Policy Implications

Currently, there are proposals being considered by Congress to cut or freeze Medicare coverage for inpatient rehabilitation hospitals and units as a way to pay for reform of the Medicare Physician Fee Schedule. If enacted, the cuts would inappropriately divert patients in need of hospital-level rehabilitation to other settings, despite their clinical needs.

“Patients and their families need to be informed of the levels and intensity of services provided in an inpatient rehabilitation setting compared to nursing homes,” said Yosko. “Congress must recognize the value each setting can provide for patients, and allow patients access to the level of care that will enable them to optimize clinical outcomes. To do otherwise would be to deny many Medicare patients the choice to determine the care they need to return to their family and community activities more quickly. Policy decisions that impact medical rehabilitation should prioritize what is best for the patient and not be based solely on what is the most economic option,” Yosko added.

Leaders from Marianjoy have joined the 1,165 inpatient rehabilitation hospitals and units nationwide urging Congress to protect patient access to this critical part of the healthcare system. Approximately 2,500 patients are admitted to Marianjoy for inpatient rehabilitation each year. With many of the proposed Medicare spending priorities, these patients could lose access to these critical services. If Congress moves forward with these cuts, many providers nationwide, who are already subsidizing the cost of caring for Medicare patients, will face serious threats to their ability to keep their doors open to provide the treatment that supports the recovery of individuals with disabling injuries and illnesses.

¹ Medicare Part A covers “skilled nursing facilities (SNFs),” commonly called “nursing homes.”

Key Findings

Assessment of Patient Outcomes of Rehabilitative Care Provided in Inpatient Rehabilitation Facilities and After Discharge, conducted by Dobson DaVanzo & Associates, LLC, studied a national sample of Medicare fee-for-service claims data to compare the clinical outcomes and Medicare payments for patients who received rehabilitation in an inpatient rehabilitation hospital to clinically similar patients in nursing homes. The study's key findings show:

- Over a two-year episode of care, inpatient rehabilitation hospital and unit patients clinically comparable to skilled nursing facility patients, on average:
 - Returned home from their initial hospital rehabilitation stay **two weeks earlier**
 - Remained home nearly **two months longer**
 - Stayed alive nearly **two months longer**
- Of matched patients treated:
 - Inpatient rehabilitation hospital and unit patients showed an **8 percent lower mortality rate** than skilled nursing facility patients
 - Inpatient rehabilitation hospital and unit patients with 5 of the 13 diagnostic conditions showed **significantly fewer hospital readmissions** than skilled nursing facility patients
 - Inpatient rehabilitation hospital and unit patients made **5 percent fewer emergency room visits per year** than skilled nursing facility patients
- These better clinical outcomes were achieved by inpatient rehabilitation hospitals and units for an additional cost to Medicare of only **\$12.59 per day**.

The Role of Inpatient Rehabilitation Hospitals and Units

Medicare pays for approximately 60 percent of all patients treated in inpatient rehabilitation hospitals and units. It strictly regulates and requires highly specialized, carefully coordinated, and individualized care to help restore the skills and abilities people need to return home to their families and community activities. Typical conditions treated in these medical rehabilitation hospitals include stroke; brain and spinal cord injury; neurological diseases; and major musculoskeletal disorders.

For those patients needing inpatient rehabilitation, nursing homes are virtually unregulated by Medicare as to how rehabilitation services are provided. The absence of these critical regulatory standards leads to more varied and less intense rehabilitation treatment in the nursing home setting.

While there are many settings in which individual rehabilitation therapy services may be provided, only the most complex and vulnerable patients who need medical rehabilitation are—or should be—treated in an inpatient rehabilitation hospital or unit. In fact, rehabilitation hospitals and units currently decline between one-third and one-half of the patients who are referred, because the rehabilitation physicians who review these cases determine that the patient could more appropriately be served in an alternative setting.

About the Study

The ARA Research Institute, (an affiliate of the American Medical Rehabilitation Providers Association), commissioned Dobson-DaVanzo & Associates, LLC, to conduct a retrospective study of inpatient rehabilitation hospital and unit patients and clinically similar nursing home patients to examine the downstream comparative utilization; effectiveness of post-acute care pathways; and total cost of treatment during the five years following the implementation of the 60 percent rule.

Using a 20 percent sample of Medicare beneficiary claims, this study analyzed all Medicare Parts A and B claims across all care settings (excluding physicians and durable medical equipment) from 2005 through 2009. Using statistical matching methods, 100,000 clinically similar pairs of patients were identified. Two-year care episodes were created to track all healthcare utilization and payments following discharge from an index acute care hospitalization that resulted in a transfer to either an inpatient rehabilitation hospital/unit or a nursing home. This episode length allowed the capture of the long-term impact of the rehabilitation, including meaningful differences in mortality, use of downstream facility-based care, and patients' ability to remain home.

Study Limitation

Medicare fee-for-service claims do not include care covered and reimbursed by Medicaid and third parties. Therefore, non-Medicare services, such as long-term nursing home stays, are not captured in this analysis. This omission may overestimate the calculated number of days a patient remains at home and underestimate the cost of their healthcare to the federal and state governments.

About Marianjoy Rehabilitation Hospital

Marianjoy Rehabilitation Hospital is a nonprofit teaching hospital in Wheaton, Illinois, dedicated to the delivery of Physical Medicine and Rehabilitation programs including stroke, neuromuscular, orthopedic, brain injury, spinal cord injury, and pediatrics. Marianjoy's state-of-the-art, 128-private-room facility, opened in 2006 and was designed to provide rehabilitative care in a naturally holistic setting on a 60-acre campus. Founded in 1972, Marianjoy Rehabilitation Hospital maintains an extensive network of inpatient, subacute, and outpatient sites, as well as physician clinics throughout the Chicago area. Marianjoy is a member of Wheaton Franciscan Healthcare. To learn more, visit www.marianjoy.org.

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