STATEMENT FOR THE RECORD

Ways & Means Subcommittee on Health "After the Hospital: Ensuring Access to Quality Post-Acute Care"
March 11, 2025

Chairman Buchanan, Ranking Member Doggett, and distinguished Members of the Subcommittee on Health, thank you for the opportunity to share the perspectives of the American Health Care Association and the National Center for Assisted Living (AHCA/NCAL) regarding access to quality post-acute care. AHCA/NCAL represents approximately 15,000 long term and post-acute care facilities, including skilled nursing facilities (SNF), assisted living (AL) communities, and intermediate care facilities (ICF) for individuals with intellectual and developmental disabilities (ID/DD). Across the country, these facilities provide care for approximately five million people each year.

We appreciate you holding a hearing about this important matter. Many associate SNFs as nursing homes and as places to spend the rest of your days—and that's true for some. However, SNFs are also a vital post-acute care option, helping patients get better and often return home after a hospital stay. SNFs provide post-acute care to approximately 2.3 million individuals each year. On average, the length of stay for a SNF patient is 26 days, and 50 percent of them return home. Whether helping patients rebuild their strength to walk after a fall, recover their speech after a stroke, or regain their independence by doing simple tasks around the house, SNF therapists and caregivers are empowering seniors to live the best rest of their lives.

Strengthening access to this life-affirming, post-acute care is crucial now more than ever. With a rapidly growing elderly population who have increasing health care needs, the services our members provide will be paramount. We would like to share some of the key barriers to access as well as exciting opportunities to enhance it.

Improving Care Coordination

As patients move between the home, hospital, and post-acute care setting, communication and coordination among the various providers is key to ensuring quality care and value. This can be achieved when providers are aligned to what metrics will drive quality and how to measure them.

One way Congress valiantly attempted to help foster communication and coordination was through the Improving Medicare Post-Acute Care Transformation Act of 2014 (IMPACT Act), which standardized patient assessment data in post-acute care settings. At the time of its passage, AHCA/NCAL was supportive of this legislation because we saw it as a way to help break down the siloed approach to quality measurement and resource utilization. Patient care would be delivered based on what the patient needs, and we could build a bridge for the digital divide between post-acute care providers and the hospitals and primary care providers.

Today, while the IMPACT Act has developed some meaningful outcomes measures as envisioned, we believe there is significant room for improvement and refocus. Unfortunately, like many well-intentioned federal programs, IMPACT has ballooned and become more about

process and penalties than improving care. The Centers for Medicare and Medicaid Services (CMS) has continuously added measures, including non-comparable, paperwork-driven process measures that are not risk-adjusted or linked to care outcomes. The ever-expanding reporting and complexities of the program increase the likelihood of providers getting penalized with a two percent Medicare rate cut through the SNF Quality Reporting Program (QRP). The IMPACT Act should center on the metrics that matter for patients, but it has become a punitive, burdensome, and sometimes duplicative reporting process. We ask members of this committee to encourage CMS to focus on the original goals of the IMPACT Act and streamline reporting, so that providers can devote more of their energy to delivering and improving care.

Additionally, the IMPACT Act has not leveraged opportunities to accelerate the improvement of care through seamless, interoperable data exchange in post-acute care settings. Despite decades of progress to modernize healthcare in a digital age, providers have developed electronic medical records in silos with various vendor partners, and the level of secure and timely electronic data exchange is deficient. The Office of the National Coordinator for Health Information Technology (ONC) indicated that only 17 percent of hospitals are able to routinely send, and 8 percent were able to receive interoperable health information with long term and post-acute care providers.[1]

One of the reasons for this is that while hospitals and primary care providers were supported and provided resources in developing interoperability standards, post-acute care providers were not. Real-time interoperable health information data exchange is a missing critical piece for the IMPACT Act vision of improving care to be fully realized. We would welcome Congress and the Administration moving the IMPACT Act to the next level by investing in these modernization and care coordination efforts.

Medicare Advantage

Nationwide, we have seen a tremendous increase in the number of patients who are enrolled in Medicare Advantage (MA), now the majority of Medicare beneficiaries. We recognize that it's a desirable option for many seniors given the supplemental benefits. However, as patients get sicker, there is troubling evidence that MA plans are too often denying or delaying seniors' access to necessary post-acute care, including in SNFs. One of the domino effects of this alarming trend is that many seniors are leaving MA plans for traditional Medicare to get the care and coverage they need. This results in the federal government and taxpayers holding the tab, while MA plans net savings.[2]

Unlike traditional Medicare, enrollees are often required by MA insurers to obtain prior authorization for post-acute care services to ensure they are medically necessary. MA insurers are also increasingly using tools like artificial intelligence (AI) to help make these prior authorization determinations. Year over year, prior authorization requests are increasingly being

[1] Interoperable Exchange of Patient Health Information Among U.S. Hospitals: 2023. Office of the National Coordinator for Health Information Technology (ONC). May 2024.
[2] The Sickest Patients Are Fleeing Private Medicare Plans—Costing Taxpayers Billions. Wall Street Journal. November 11, 2024.

denied.[3] It is especially concerning these delays and denials are disproportionately occurring for post-acute care. From 2019 to 2022, the top three MA insurers denied prior authorization requests for post-acute care at higher rates than for other types of care.[4]

Seniors have earned the right to make choices, changes, and have timely access to necessary care, including post-acute care. We would encourage members of the committee to ensure that seniors can get the care they need by empowering medical professionals and patients to determine the proper course of care, rather than AI or insurers. Additionally, federal policies and actions that foster MA transparency and market competition would help seniors have options to make informed choices. Ultimately, we want to ensure that patients, policymakers, and taxpayers are getting the best deal, and we hope to work with lawmakers to develop those solutions and realize the promise of Medicare Advantage.

The larger, ongoing challenge that post-acute care faces is being recognized as a meaningful part of the health care continuum. Due to our patients' high-acuity and care needs, policymakers and insurers often look at the price tag and not the overall value that SNFs can offer. Our caregivers can provide extensive medical care and help prevent sending patients back and forth to the hospital. With the proper recognition and resources, SNFs can help improve care outcomes and reduce costs, benefiting everyone involved.

One exciting opportunity is a type of MA plan called an Institutional Special Needs Plan (I-SNP) that is specifically designed for long term residents of nursing homes or those who live in the community but need a nursing home level of care. I-SNPs provide on-site nurse practitioners in nursing homes to help improve primary care, care planning, and care coordination. Recent research suggests these plans can improve outcomes for our residents.[5] We believe this is an exciting opportunity because these plans are specifically built for those we serve. The needs of long term care residents are distinct. The challenge with many value-based care models is that they tend to focus on community-dwelling older adults, which creates misalignment between resident needs and care model design. This is certainly needed, but where we can customize payment models that recognize the unique needs of long term and post-acute care patients, the better we will be able to deliver the results that add value.

Workforce

Delivering high-quality, post-acute care is only possible thanks to the millions of dedicated nurses, nurse aides, therapists, and other care professionals who support our patients every day. However, with a rapidly growing elderly population, our nation's younger generation and caregiver workforce are not keeping pace. Health care providers across the spectrum, but especially long term and post-acute care providers, face surmounting pressures to meet the increasing demand for care. Addressing the growing caregiver shortage is essential to maintaining access to post-acute care.

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[3] Medicare Advantage Insurers Made Nearly 50 Million Prior Authorization Determinations in 2023. Kaiser Family Foundation. January 2025.
[4] Refusal of Recovery: How Medicare Advantage Insurers Have Denied Patients Access to Post-Acute Care. U.S. Senate Permanent Subcommittee on Investigations, Majority Staff Report. October 2024.
[5] I-SNP Enrollment and Outcomes in Long-Term Care Settings. ATI Advisory. March 4, 2025.

Workforce has been a persistent challenge for SNFs—a challenge AHCA/NCAL has been raising to policymakers for years. The profession is still slowly recovering from historic workforce losses seen during the COVID-19 pandemic. Despite unprecedented efforts to recruit and retain workers, including the highest wage rate increases across health care, nursing homes struggle to compete for workers. While every other health care sector has rebounded, nursing homes still need more than 60,000 workers to return to their pre-pandemic workforce levels.[6]

The situation may only worsen as our nation faces a growing caregiver gap. By 2028, it is estimated that there will be a nationwide shortage of 100,000 healthcare workers. The biggest projected deficit is among nursing assistants, the backbone of the long term and post-acute care workforce.[7] When SNFs cannot find the workers they need, they must restrict access to care—by limiting admissions, downsizing their facility, or even closing their doors. Since the pandemic, unfortunately, we have seen just that. Nearly 775 nursing homes have closed and there are more than 62,000 fewer nursing home beds than there were in February 2020. More than half of nursing homes had a waiting list for new patients or residents last year, frequently due to a lack of workers.[8] With a growing elderly population, we are going in the wrong direction.

A shortage of caregivers in post-acute care has a rippling effect on the larger health care system. When SNFs cannot find enough staff to accept additional patients, those patients end up waiting in hospital beds until they can find an available facility. Backlogs in hospitals create capacity issues, are detrimental to patients who are ready to be discharged, and are costly to the healthcare system and taxpayers.

Investing in our long term and post-acute care (LTPAC) workforce helps ensure seniors have access to high-quality care and fosters an effective health care system. We urge members of this committee to support SNFs and the larger healthcare system in building a pipeline of caregivers and nurses through a multi-pronged approach. There is no silver bullet or government mandate that can address this issue. We believe a variety of supportive solutions are necessary to develop the next generation of caregivers and aid in recruitment and retention efforts, such as:

- Addressing faculty shortages at nursing schools;
- Streamlining legal pathways for international caregivers to work in the United States;
- Creating incentives, such as tax credits, loan forgiveness, and affordable housing and childcare to licensed health care professionals to work in LTPAC;
- Offering subsidies and grants to schools whose graduates work in LTPAC;
- Extending grants and scholarships to LTPAC professionals for ongoing training and expanding career ladder programs; and
- Removing barriers that exacerbate staffing shortages, such as bans on in-house training programs the develop certified nursing assistants for nursing homes that have already corrected identified deficiencies.

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[6] AHCA/NCAL Fast Facts on Workforce. As of January 2025.
[7] Mercer projects a deficit of over 100,000 healthcare workers in the US by 2028, worsening health disparities and impacting patient care. Mercer. August 2024.
[8] AHCA's Access to Care Report. AHCA/NCAL. August 2024.

There are many pieces of legislation that have already been previously introduced on these issues or have yet to be developed, and we welcome the opportunity to work with you on advancing these workforce solutions.

Protecting Medicaid

While post-acute care is primarily funded through Medicare, 40 percent of our Medicare patients also qualify for Medicaid. Having a strong Medicaid system is crucial for our sector and the entire healthcare system. Nearly two-thirds of nursing home residents rely on Medicaid to cover their daily care. Unfortunately, the program has been underfunded for decades. Currently, Medicaid only covers 82 percent of actual nursing home costs. This has created an unfortunate reality where many SNFs have to cover the shortfall through their Medicare and private pay patients, or otherwise, they would have to close their doors.

Similar to how we seek to break down the silo approach to quality measurement through the IMPACT Act, policymakers should also break down the siloed view of Medicare and Medicaid payments. We need to look at the bigger picture and the confluence of factors that contribute to our providers' ability to maintain access, enhance quality care, and invest in improvements.

Therefore, we would also urge members of the committee to reaffirm its support of Medicaid, especially for seniors and individuals with disabilities who rely on the program to cover their long term care. Medicaid is a critical safety net for this vulnerable population, and they deserve access to the highest quality care.