The Improving Medicare Post-Acute Care Transformation (IMPACT) Act of 2014 will transform performance measurement and reporting for home health agencies.

The IMPACT Act was signed into law by President Obama on October 6, 2014. Once implemented, the Act will standardize patient assessment data across post-acute care (PAC) settings, including Long Term Care Hospitals (LTCHs), Skilled Nursing Facilities (SNFs), Inpatient Rehabilitation Facilities (IRFs), and Home Health Agencies (HHAs). It also requires standard performance measures to be adopted across all PAC settings, and specifies the types of measures that must be adopted by the Centers for Medicare and Medicaid Services (CMS).

According to CMS, the purpose of the IMPACT ACT is to:

- Improve Medicare beneficiary outcomes
- Increase provider access to longitudinal information to facilitate coordinated care
- Enable comparable data and quality across PAC settings
- Improve hospital discharge planning
- Facilitate research on programs and practices that improve outcomes.

**STANDARDIZED POST-ACUTE CARE ASSESSMENT ITEMS**

The IMPACT Act addresses a lack of standardized data and interoperability of information across PAC settings. CMS has taken steps in this direction for almost a decade. For example, the Continuity Assessment Record and Evaluation (CARE) tool was created through the Post-Acute Care Payment Reform Demonstration (PAC-PRD) initiative, part of the Deficit Reduction Act of 2005 (Public Law 109-171). Some standardized severity, payment, and quality of care assessment items for the IRF-PAI, MDS, and OASIS* instruments were developed and tested as part of CARE.

Other than CARE items, each type of PAC provider uses different assessment tools, with different clinical definitions and data elements. This lack of interoperable data adversely

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* PAC assessment tools include the Inpatient Rehabilitation Facility Patient Assessment Instrument (IRF-PAI) in IRFs, Minimum Data Set (MDS) in nursing facilities, the Outcomes and Assessment Information Set (OASIS) in home health, and the Continuity Assessment Record and Evaluation (CARE) tool in LTCHs.
impacts continuity of information. For patients transferred across settings, assessment data transmitted from one setting does not directly correlate to assessment information obtained in a different type of PAC setting.

Assessment domains to be standardized across PAC providers include:

- Functional status
- Cognitive function and mental status
- Special services, treatments, and interventions
- Medical conditions and co-morbidities
- Impairments
- Other categories required by the Secretary

CMS contractors are developing standardized assessment items. Standardization of assessment items will be implemented after performance measures are launched. Standard assessment items must be fully implemented by January 1, 2018 for SNFs, IRFs, and LTCHs, and by January 1, 2019 for HHAs. Some of the HHA items are included on a draft OASIS C2 assessment instrument to be implemented January 1, 2017. The draft OASIS C2 tool is now available for review. ¹

**IMPACT ACT PERFORMANCE MEASURE DOMAINS**

In addition to requiring standardization of patient assessment data elements across PAC providers, the IMPACT Act requires CMS to develop and implement specific types of performance measures. CMS classifies the required measures as either quality or resource use measures:

**Quality Measure Domains:**²
- Skin integrity and changes in skin integrity;
- Functional status, cognitive function, and changes in function and cognitive function;
- Medication reconciliation;
- Incidence of major falls;
- Transfer of health information and care preferences when an individual transitions;

**Resource Use and Other Measure Domains:**
- Resource use measures, including total estimated Medicare spending per beneficiary;
- Discharge to community; and
- All-condition risk-adjusted potentially preventable hospital readmissions rates.

CMS has multiple contractors working on development of the measures and on the risk adjustment methodology. A Technical Expert Panel (TEP) will provide input on each measure, and each measure will be subject to at least one round of public comment. Three IMPACT Act measures were released for public comment in 2015: 1) Potentially Preventable Readmissions; 2) Discharge to Community; and 3) Drug Regimen Review (which includes medication
reconciliation). Another, *Medicare Spending Per Beneficiary (MSPB)* is modeled after a similar measure in use by hospitals and was released for public comment in January 2016.

**IMPLEMENTATION TIMELINE**

As shown in Table 1, implementation dates differ for various measures and for different PAC provider types. The earliest required reporting on will be October 1, 2016 for all PAC providers other than HHAs. Use of standardized assessment data in the required categories will be implemented no later than October 1, 2018 for SNFs, IRFs, and LTCHs, and no later than January 1, 2019 for HHAs.

<table>
<thead>
<tr>
<th>Measure</th>
<th>HHA Implementation</th>
<th>SNF, IRF and LTCH Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Medicare Spending per Beneficiary (resource use)</td>
<td>January 1, 2017</td>
<td>October 1, 2016</td>
</tr>
<tr>
<td>Discharge to community (resource use)</td>
<td>January 1, 2017</td>
<td>October 1, 2016</td>
</tr>
<tr>
<td>All condition risk adjusted potentially preventable hospital readmission rates (resource use)</td>
<td>January 1, 2017</td>
<td>October 1, 2016</td>
</tr>
<tr>
<td>Skin integrity and changes in skin integrity</td>
<td>January 1, 2017</td>
<td>October 1, 2016</td>
</tr>
<tr>
<td>Medication reconciliation</td>
<td>January 1, 2017</td>
<td>October 1, 2018</td>
</tr>
<tr>
<td>Incidence of major falls</td>
<td>January 1, 2019</td>
<td>October 1, 2016</td>
</tr>
<tr>
<td>Communicating the existence of and providing for the transfer of health information and care preferences</td>
<td>January 1, 2019</td>
<td>October 1, 2018</td>
</tr>
<tr>
<td>Functional status, cognitive function, changes in function and cognitive function</td>
<td>January 1, 2019</td>
<td>October 1, 2016 for SNF, IRF October 1, 2018 for LTCH</td>
</tr>
</tbody>
</table>

**DEVELOPMENT AND ROLL OUT OF REQUIREMENTS**

Congress mandated a timeline for CMS development and implementation of the new measures and standard assessment items. Table 2 outlines the development process and timeline as known. Several key steps are still unclear. For example, CMS indicates that the measures will be validated and tested, but due to the implementation timeline, this may occur after PAC providers are required to report the measures.

The IMPACT Act also requires that the measures be submitted to a ‘consensus-based entity’ for endorsement, e.g. the National Quality Forum (NQF). However, it allows CMS to use measures not endorsed by NQF under certain circumstances, as long as CMS explains why the measures...
were not endorsed. It is not clear whether CMS will respond to measure-related issues raised through the National Quality Forum.

Table 2: HHA Implementation Steps and Timeline for Impact Act Measures

<table>
<thead>
<tr>
<th>Type of Measure</th>
<th>HHA reporting begins</th>
<th>Confidential Feedback Reports to Providers</th>
<th>Preview Reports to HHAs for Review</th>
<th>Public Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Medicare Spending per Beneficiary</td>
<td>January 1, 2017</td>
<td>January 1, 2018</td>
<td>October, 2018</td>
<td>January 1, 2019</td>
</tr>
<tr>
<td>Discharge to community</td>
<td>January 1, 2017</td>
<td>January 1, 2018</td>
<td>October, 2018</td>
<td>January 1, 2019</td>
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<tr>
<td>All condition risk adjusted potentially preventable hospital readmission rates</td>
<td>January 1, 2017</td>
<td>January 1, 2018</td>
<td>October, 2018</td>
<td>January 1, 2019</td>
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<tr>
<td>Skin Integrity and changes in skin integrity</td>
<td>January 1, 2017</td>
<td>January 1, 2018</td>
<td>October, 2018</td>
<td>January 1, 2019</td>
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<tr>
<td>Medication reconciliation</td>
<td>January 1, 2017</td>
<td>January 1, 2018</td>
<td>October, 2018</td>
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<tr>
<td>Incidence of major falls</td>
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<td>January 1, 2020</td>
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<td>Communicating the existence of and providing for the transfer of health information and care preferences</td>
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<td>Functional status, cognitive function, changes in function and cognitive function</td>
<td>January 1, 2019</td>
<td>January 1, 2020</td>
<td>October, 2020</td>
<td>January 1, 2021</td>
</tr>
<tr>
<td>Use of Standardized Assessment data in required areas</td>
<td>October 1, 2018</td>
<td>NA</td>
<td>NA</td>
<td>No later than January 1, 2019</td>
</tr>
</tbody>
</table>

**VNAA’S CONCERNS**

VNAA and other PAC providers have expressed concern over the rapid development and implementation of IMPACT Act requirements mandated in the law. VNAA is also concerned about the lack of information and clarity from CMS on how new requirements will be integrated with already-complex reporting and cost management requirements for PAC providers. The rapidity of development, along with the complexity of the measures, raises the potential for unintended consequences. VNAA’s concerns include:

- Validity of Measures: Neither the performance measures nor risk adjustment methodologies for PAC have ever been implemented or tested, yet are slated to be
implemented across very diverse types of PAC providers. Multiple, simultaneous changes in measurement approach and assessment terminology introduce risks to the reliability and validity of the measures. Measures that are not properly validated could appear to show quality of care problems or cost inefficiencies that are in fact a result of improper risk adjustment or other measurement error.

- Reduced Patient Access: Patient access to care may be impacted if providers avoid patients perceived to be more costly or more likely to adversely impact quality measures to improve their reported performance.
- Reduced Availability of Providers: There are also risks to provider availability if PAC providers are financially penalized as a result of problems in the reported measures.

The risks to home health agencies derive from the uncertainty of how the measures will be implemented and their link to reimbursement. In particular:

- No information has been provided at this time on whether current measures in Home Health Compare (or other PAC reporting programs) will be replaced or retired. Overlapping reporting of IMPACT Act measures with current Home Health Compare measures will be an administrative burden to HHAs. The alternative, an overly hasty transition to the new measures without adequate testing, increases risk that some agencies will see major changes in reported performance.
- It is not yet defined how IMPACT Act measures will be used in future PAC payment adjustments. HHAs could be adversely impacted if significant payment adjustments are linked to measures over which HHAs have relatively little control.

**NEXT STEPS FOR HOME HEALTH AGENCIES**

The intended outcome of the IMPACT Act is to improve quality of care for people using PAC services, to improve coordination of services, to identify better approaches for post-acute care, and to manage costs. Better information could help demonstrate the value of HHAs and help HHAs improve home-based and community support services. Standardized IMPACT Act assessment data may also permit better understanding of effective clinical pathways of patients treated in PAC settings.

To ensure these positive outcomes for home health resulting from the IMPACT Act, it is essential for HHAs to stay actively involved. HHAs need to be engaged in the measure development and testing process. As measures are rolled out, HHAs should work closely with data vendors to closely review CMS performance reports to ensure that their performance is accurately reflected. HHAs should invest in quality improvement strategies and partnerships with hospitals and other referral sources to continue driving improvements on metrics for which there is shared accountability, such as readmissions and discharge to community.
CONCLUSION

Many IMPACT Act items, including performance measures and OASIS items have already been released for comment. VNAA is actively engaged with CMS and continues to advocate on behalf of HHAs. VNAA has urged CMS to implement new instruments and measures carefully to avoid adversely impacting patient access, quality, or provider availability. As measures are released for review and are then implemented, VNAA will:

- Comment on draft measures to ensure they appropriately attribute accountability for clinical services and costs;
- Encourage that risk adjustment methods be consistent across measures, and that risk adjustment methods are tested and vetted through public comment;
- Advocate that proposed changes in payment based on measure and performance be addressed in federal rulemaking and should not adversely impact the home-based care industry;
- Advocate for a careful phase-in of new measures into Home Health Compare and Star Ratings to reduce the risk of unintended consequences.

Going forward, implementation of IMPACT Act requirements will be subject to the federal rulemaking process. Proposed changes to the Home Health Conditions of Participation (and conditions for other PAC providers) will be published in the Federal Register for public comment. Given the close interaction between patient assessment, quality reporting, and reimbursement, it is critical for home-based care providers to be at the table and speak up as advocates.

RESOURCES

- Video: Introduction to the Improving Medicare Post-Acute Care Transformation Act of 2014 1/8/16
- CMS Presentation on the IMPACT Act, October 2015
- Home Health Quality Initiative (CMS website with links to many initiatives)
- OASIS C2 Form, with several new IMPACT Act items

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1 IMPACT Act of 2014. https://www.govtrack.us/congress/bills/113/hr4994/text