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*IRF-PPS  
Statistics and Trends*

Sam Fleming

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Positioning for 2000 and Beyond

- 100 Facilities
- 98,000 Patient (65/35 Split Medicare / Non)
- Discharged Between Jan 1, 1998 – Dec 31, 2000
- Each hospital only represented for a single year (most recent)
- PF2K is congruent with RAND

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- 275 IRFs, 35% of discharges nationally.
- 180,000+ discharges per year (66/34 split MC/non-MC)
- Admit after 01/01/02 discharged before 09/01/2011
- All payers except where otherwise identified
- All CMGs are restated as 2006 CMGs to allow direct comparisons.

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Some Background Financials:  
See Schedule in Handouts

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Averages and Standard Deviations

- Mean
- Standard Deviation defines "Normal"
- Large Standard Deviations mean broad curves, Small ones mean narrow curves.

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Distributions

- Which curve has greater variation (dispersion)?
- What are other factors that affect the shape of these curves?

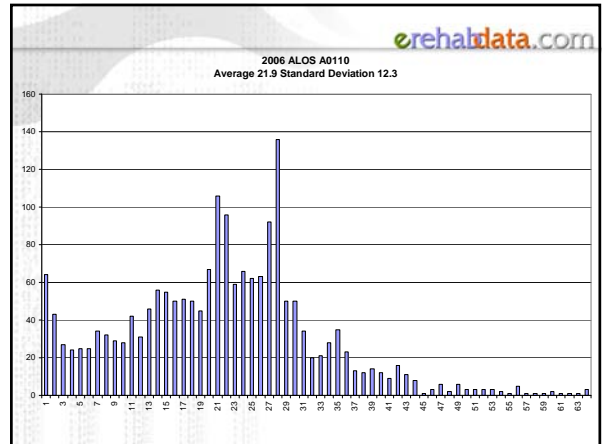
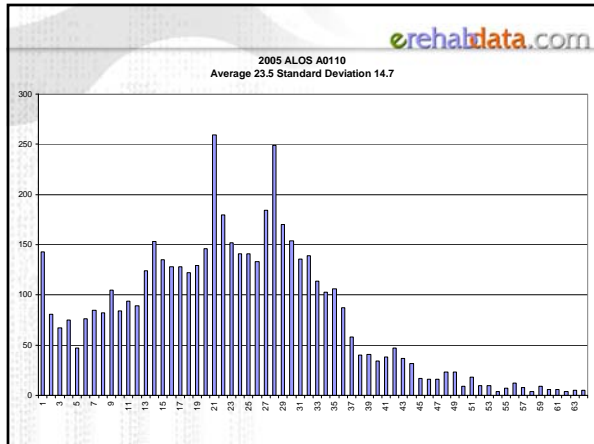
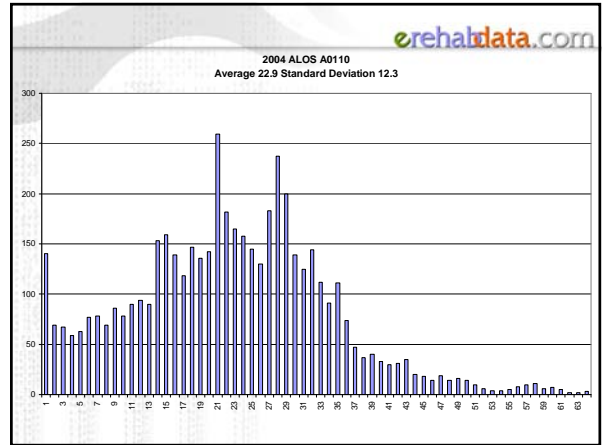
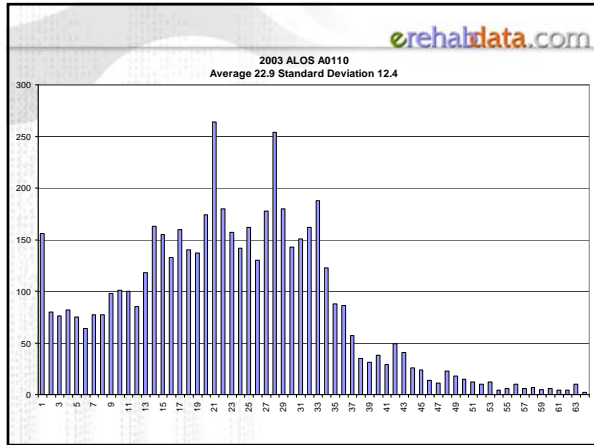
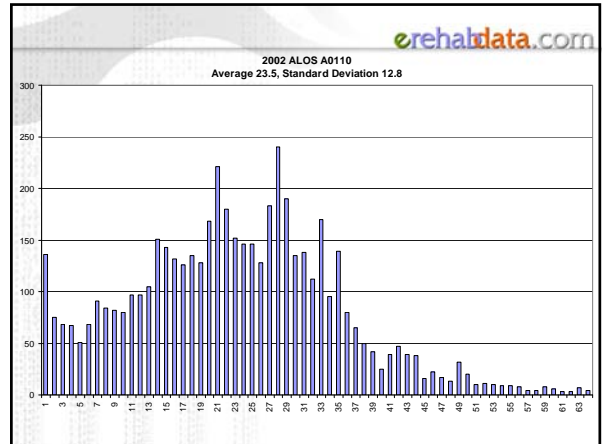
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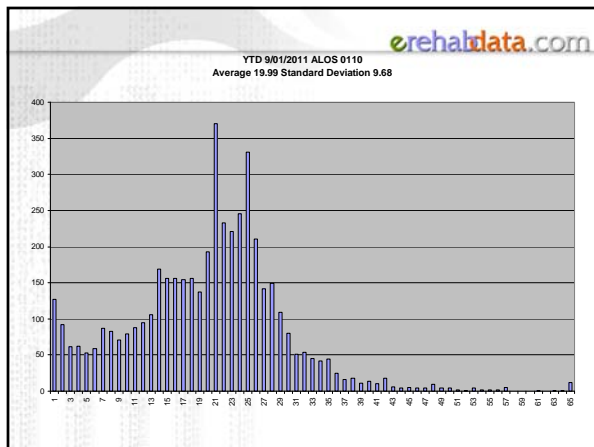
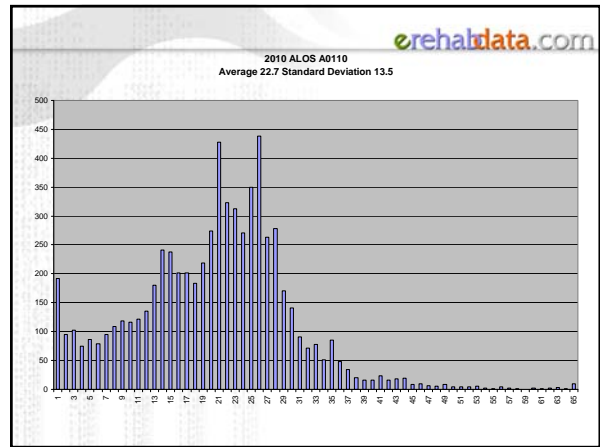
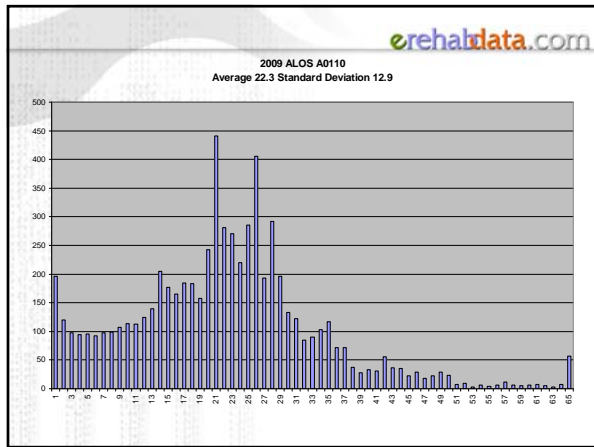
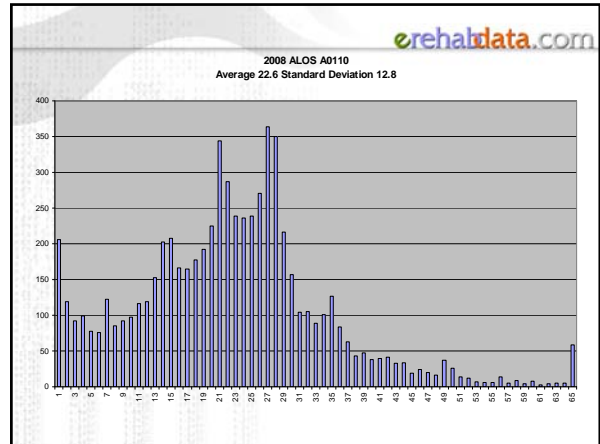
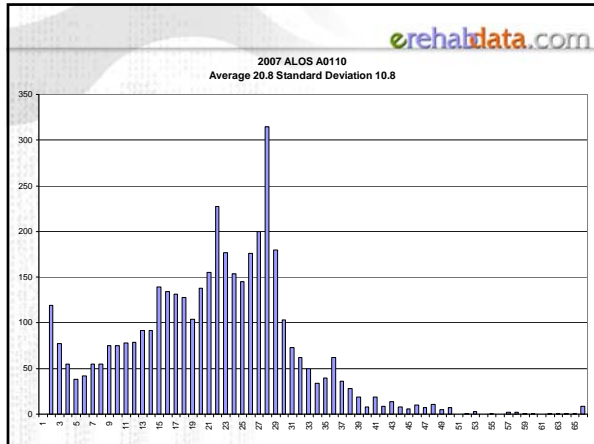
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### Averages and Standard Deviations

- eRD Data – Medicare – CMG 0110 – YTD 2011
- Medicare Discharges Only
- ALOS – 22.39 days
- Standard Deviation – 12.83 days
- Final Rule LOS – 28 Days
- N = 8,479

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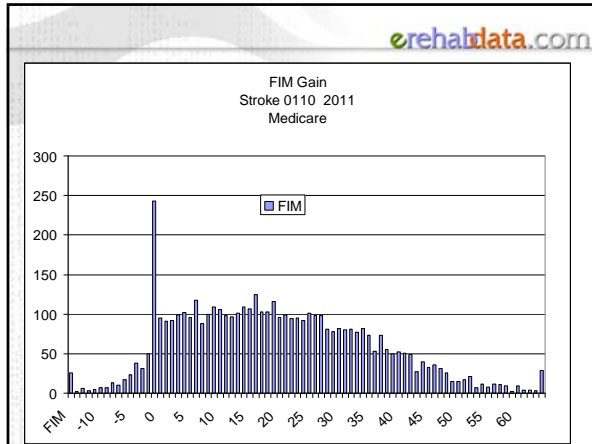




Averages and Standard Deviations

- eRD Data – Medicare CMG 0110 – YTD 9/1/2011
- Mean FIM Gain – 20.18 points
- Standard Deviation – 15.78 points
- N = 4,698

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### The Slide That Won't Go Away

- Beware managing a patient to the ALOS published in the Final Rule (or any other ALOS for that matter).
- Manage the ALOS for the CMG or RIC, not the individual patient.
- Embrace the variance intrinsic to rehabilitation
- The new LOS numbers published in the 2011 rule are not treatment guidelines.

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### RIC Distribution By Year

- See attached schedules
- Pre-PPS to Post-PPS

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### ALOS

- See attached schedule
- Shorter Length of Stay across the board. ALOS decrease has flattened out and seems to be heading up a little bit. This is due, in some part, to the 60% Rule and payment denials reducing ortho patients.
- Average Length of Stay reacts to publication of new transfer LOS ala the 2011 rule.
- Smaller SD (as percentage) indicate narrowing of the distribution as patients are managed to the ALOS.
- LOS difference are understated as case weights have increased as well

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### Yearly Trends – Medicare Using 2006 CMGs

	CMI	ALOS	FIM Gain
<b>2002</b>	1.06	13.11	18.77
<b>2003</b>	1.06	12.66	18.47
<b>2004</b>	1.07	12.56	19.16
<b>2005</b>	1.13	13.18	19.99
<b>2006</b>	1.18	13.03	20.35
<b>2007</b>	1.21	13.20	20.62
<b>2008</b>	1.23	13.31	20.96
<b>2009</b>	1.26	13.19	21.60
<b>2010</b>	1.26	13.04	22.21
<b>YTD 2011</b>	1.26	13.06	22.45

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### FIM Outcomes

- See attached detail
- Slight decreases but change in scoring makes comparison difficult

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Discharge Destination  
-See attached detail

Stroke:

	Community	Institution	SNF
2002	67.46%	31.58%	20.42%
2003	66.85%	32.53%	20.7%
2004	66.0%	33.4%	21.42%
2005	64.71%	34.55%	22.22%
2006	62.3%	37.14%	24.46%
2007	62.02%	37.52%	24.91%
2008	60.98%	38.51%	25.6%
2009	61.1%	38.4%	25.62%
2010	62.02%	37.52%	25.48%
2011	62.23%	37.21%	25.84%

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- Comorbidity Tiers
- Improvement of Co-Morbidity Scoring
  - Facilities now coding when they didn't before.
  - Big increases in the number of patients in Tiers
  - See Attached Detail.
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Annual Trends - Medicare

	Tier 0	Long Stay	Disch. Home
2002	74.90%	0.64%	74.13%
2003	74.01%	0.39%	74.51%
2004	73.01%	0.37%	74.57%
2005	71.58%	2.09%	72.46%
2006	70.03%	6.31%	69.98%
2007	68.21%	5.13%	69.01%
2008	65.67%	2.93%	68.01%
2009	61.93%	1.29%	67.73%
2010	60.30%	1.27%	68.77%
YTD 2011	58.75%	1.29%	68.55%

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- Case Weights
- See attached schedule
  - Increase in average case weight, increases from 2005 are influenced by 60% rule
  - CMI increases using the 2002 CMGs were a couple of points higher in most years.
  - PF2K about 1.0 (expected)
  - SD remain similar (expected)
- Better outcomes for everyone.

- Corrected Statement of LOS Drop
- ALOS has dropped since 1999
  - ALOS days lower than the RAND/PPS presumptions.
  - Medicare margins are still unsustainably high in the IRF setting on a case by case basis.
  - The 60% Rule and the new IRF-PPS Rule are aimed at reducing these margins.
  - Payment denials are a more insidious way of restricting patient access by having murky requirements.
- Better outcomes for everyone.

- RIC Distribution By Region
- See attached schedule
  - Large regional variances for some RICs but these difference are getting smaller and smaller
  - Particularly the always controversial RIC 08 – Replacement of Lower Extremity
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### Compliance

- The 60% Rule is obtusely worded.
- There are wide variations in enforcement standards and compliance across the country.
- "Presumptive" definition in transmittal does not provide reliable compliance guidance as FIs can perform medical record audits at will.

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### Presumptive Versus Conditional Compliance

*(We made up these terms so don't look for them in the rules)*

- Presumptive matches the Transmission from CMS to the FI –
  - This was done for convenience for the FI, not protection for the IRF
- Conditional matches the actual requirements of the 60% Rule.

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### CASPAR Report

- Was developed by Iowa Foundation for Medical Care
- Used by FIs to determine presumptive compliance
- Contained errors in its criteria
- Won't release individual patient data to facilities
- Incorrect date sensitivity
- The existence of the CASPAR reports means there is really a third compliance standard and it is currently a secret.

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### Annual Trends – All Payers

	Conditional Compliance	Presumptive Compliance	RIC 08 Percentage
<b>2002</b>	42.78%	61.62%	24.65%
<b>2003</b>	42.48%	60.98%	25.48%
<b>2004</b>	45.1%	62.45%	25.83%
<b>2005</b>	55.35%	69.92%	22.38%
<b>2006</b>	60.16%	74.74%	19.20%
<b>2007</b>	61.75%	75.31%	16.42%
<b>2008</b>	61.01%	73.95%	14.44%
<b>2009</b>	62.14%	73.58%	12.85%
<b>2010</b>	61.26%	72.21%	12.60%
<b>YTD 2011</b>	61.04%	71.51%	11.79%

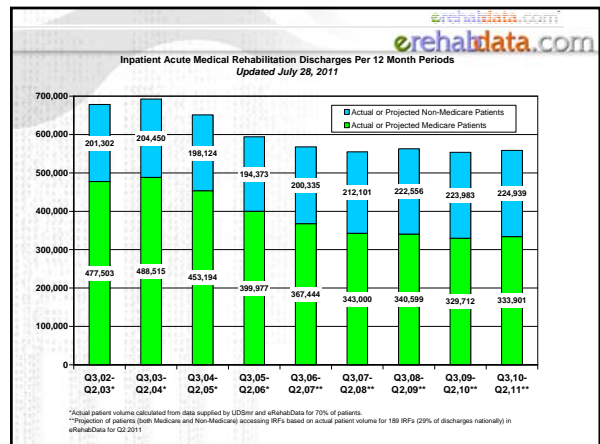
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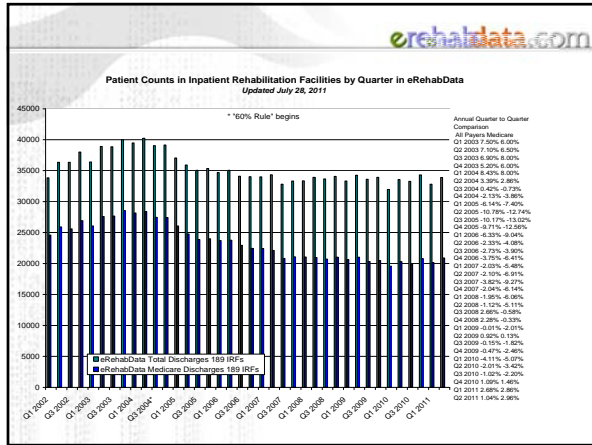
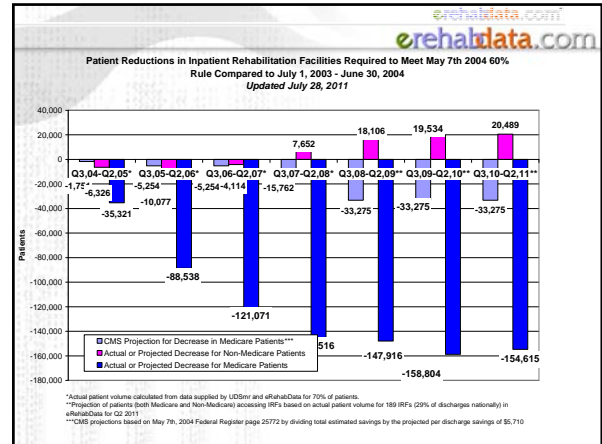
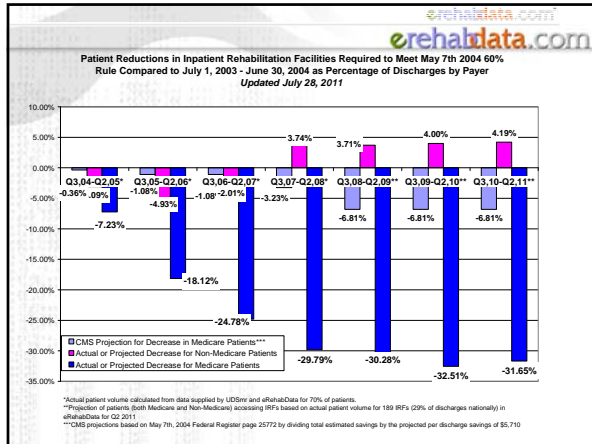
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### Compliance Analysis

- See Detail
- Conditional Compliance (strictest)
- Presumptive
- Actual impact so far has been more severe than the estimates.
- Histogram of current compliance suggests that future impact may be moderately less than the current projections.

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**60% Rule...**

- Is denying access to many patients
- Is emptying 15% to 20% of bed days (and subsequently forcing closure of those beds)
- Raises the ALOS in the country
- Makes the rest of the country look more like the Pacific region did in 2003

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**PEPPER Report-**  
New 'Quality' reporting initiative.  
Kinda weak.

eRehabData will be replicating:

- Percentage of Miscellaneous CMGs
- CMGs at Risk for Unnecessary Admission
- Outlier Payments

Not replicating:  
STACH admission following IRF discharge

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**Pre-Admission Screening**

- Language is in the Final Rule
- Language is in Medicare Beneficiaries Manual
- eRehabData has a new tool (PAS tool) for pre-admission screening to assist in denial proofing your patient.
- Is included with your eRehabData subscription fee
- Really cool integrated physician remote notification and admission office reviews are coming very soon.
  - Push technology to alert admission office for insurance review
  - Push technology for physician review and remote approval

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Contact Information

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CMS Cost Report Data

fy	type	count	mc alos	avg mc cost/day	avg mc cost/disch	avg mc anc cost/day	avg mc anc cost/disch	avg mc rout cost/day	avg mc rout cost/disch	mc disch	mc days	total days	mc % of disch	mc % of days	mc total cost	mc disch/facility	overall occupancy rate
FY1996	IRF-Free Hosp	186	18.39	\$643	\$11,823	\$272	\$4,999	\$371	\$6,823	111,131	2,043,187	2,998,142	70.03%	68.15%	1,313,867,294	597	69.63%
FY1997	IRF-Free Hosp	198	18.42	\$645	\$11,876	\$271	\$4,992	\$374	\$6,884	115,890	2,134,674	3,175,753	67.99%	67.22%	1,376,259,493	585	69.74%
FY1998	IRF-Free Hosp	207	17.93	\$621	\$11,127	\$259	\$4,637	\$362	\$6,490	120,553	2,161,399	3,292,492	65.97%	65.65%	1,341,381,416	582	71.32%
FY1999	IRF-Free Hosp	190	17.50	\$611	\$10,697	\$253	\$4,436	\$358	\$6,261	128,894	2,255,793	3,389,478	66.75%	66.55%	1,378,814,698	678	73.87%
FY2000	IRF-Free Hosp	197	16.93	\$634	\$10,727	\$258	\$4,375	\$375	\$6,352	137,788	2,332,901	3,475,689	67.22%	67.12%	1,478,005,336	699	70.48%
FY2001	IRF-Free Hosp	213	15.55	\$679	\$10,556	\$268	\$4,172	\$411	\$6,384	134,930	2,098,120	3,188,330	67.89%	65.81%	1,424,260,930	633	73.89%
FY2002	IRF-Free Hosp	209	14.79	\$636	\$9,409	\$248	\$3,662	\$389	\$5,747	165,899	2,453,906	3,619,812	69.05%	67.79%	1,560,898,199	793	74.14%
FY2003	IRF-Free Hosp	215	14.31	\$692	\$9,905	\$273	\$3,909	\$419	\$5,996	174,905	2,503,724	3,598,724	70.76%	69.57%	1,732,456,032	821	72.09%
FY2004	IRF-Free Hosp	215	14.21	\$748	\$10,634	\$298	\$4,237	\$450	\$6,397	183,081	2,601,679	3,719,937	71.52%	69.94%	1,946,895,699	822	71.08%
FY2005	IRF-Free Hosp	211	14.28	\$843	\$12,046	\$337	\$4,812	\$507	\$7,234	152,964	2,184,480	3,216,486	70.00%	67.92%	1,842,608,605	724	66.01%
FY2006	IRF-Free Hosp	213	13.88	\$943	\$13,092	\$378	\$5,239	\$566	\$7,853	138,229	1,918,199	2,983,197	67.25%	64.30%	1,809,688,672	665	64.01%
FY2007	IRF-Free Hosp	213	13.92	\$947	\$13,184	\$376	\$5,234	\$571	\$7,950	139,439	1,941,508	3,166,047	64.77%	61.32%	1,838,299,684	650	65.18%
FY2008	IRF-Free Hosp	15	14.40	\$1,135	\$16,349	\$402	\$5,785	\$734	\$10,564	7,188	103,510	190,906	56.61%	54.22%	1,177,513,201	508	64.68%
FY1996	IRF Units	837	14.95	\$724	\$10,824	\$271	\$4,056	\$453	\$6,769	217,266	3,247,090	4,804,229	69.67%	67.59%	2,351,779,436	260	65.72%
FY1997	IRF Units	920	14.28	\$747	\$10,663	\$279	\$3,988	\$467	\$6,675	237,947	3,398,896	5,148,933	64.03%	66.01%	2,537,322,163	259	65.08%
FY1998	IRF Units	945	13.95	\$760	\$10,600	\$282	\$3,928	\$478	\$6,672	246,734	3,441,726	5,379,422	64.77%	63.98%	2,615,383,747	261	65.10%
FY1999	IRF Units	974	13.54	\$778	\$10,525	\$285	\$3,856	\$493	\$6,669	263,470	3,566,349	5,549,843	65.23%	64.26%	2,773,020,023	271	66.01%
FY2000	IRF Units	967	13.07	\$798	\$10,433	\$289	\$3,781	\$509	\$6,653	282,544	3,691,941	5,728,268	63.81%	64.45%	2,947,901,379	292	67.25%
FY2001	IRF Units	974	12.39	\$847	\$10,500	\$301	\$3,734	\$546	\$6,766	289,982	3,593,357	5,589,229	65.26%	64.29%	3,044,860,820	298	66.05%
FY2002	IRF Units	953	11.98	\$890	\$10,654	\$311	\$3,728	\$578	\$6,926	306,296	3,667,992	5,621,070	66.33%	65.25%	3,263,370,654	398	65.62%
FY2003	IRF Units	971	11.85	\$925	\$10,967	\$321	\$3,809	\$604	\$7,158	319,652	3,787,923	5,700,306	66.81%	66.45%	3,505,633,867	378	66.04%
FY2004	IRF Units	994	12.05	\$987	\$11,888	\$338	\$4,067	\$649	\$7,821	317,066	3,819,258	5,716,219	68.51%	66.81%	3,769,232,136	368	64.43%
FY2005	IRF Units	995	12.48	\$1,082	\$13,505	\$383	\$4,786	\$699	\$8,720	280,087	3,496,370	5,409,161	65.83%	64.64%	3,782,660,942	358	61.51%
FY2006	IRF Units	981	12.54	\$1,154	\$14,476	\$401	\$5,034	\$753	\$9,442	251,445	3,154,364	5,134,990	63.41%	61.43%	3,639,978,085	351	59.52%
FY2007	IRF Units	924	12.81	\$1,207	\$15,472	\$417	\$5,346	\$790	\$10,126	221,351	2,836,369	4,844,985	60.65%	58.54%	3,424,706,036	345	59.53%
FY2008	IRF Units	104	13.22	\$1,262	\$16,690	\$446	\$5,892	\$817	\$10,798	22,005	290,927	498,184	59.98%	58.40%	367,268,114	400	58.77%
FY1996	LTACH	124	26.93	\$726	\$19,545	\$295	\$7,933	\$431	\$11,612	34,923	940,452	2,468,871	59.70%	38.09%	682,561,378	282	63.24%
FY1997	LTACH	146	27.89	\$774	\$21,584	\$322	\$8,978	\$452	\$12,607	37,525	1,046,539	2,469,947	67.24%	42.37%	809,950,836	257	61.83%
FY1998	LTACH	175	28.06	\$771	\$21,648	\$327	\$9,164	\$445	\$12,484	43,277	1,214,416	2,775,440	67.86%	43.76%	936,859,678	247	64.33%
FY1999	LTACH	181	28.11	\$778	\$21,873	\$325	\$9,129	\$453	\$12,744	53,953	1,516,693	3,090,401	70.67%	49.08%	1,180,119,225	298	65.90%
FY2000	LTACH	194	28.14	\$805	\$22,647	\$334	\$9,396	\$471	\$13,252	58,888	1,657,070	3,150,110	71.52%	52.60%	1,333,656,266	304	67.04%
FY2001	LTACH	225	28.10	\$853	\$23,982	\$354	\$9,951	\$499	\$14,014	72,648	2,041,731	3,804,363	71.88%	53.67%	1,742,228,876	323	68.64%
FY2002	LTACH	278	26.58	\$932	\$24,777	\$384	\$10,201	\$524	\$13,927	112,946	3,001,581	5,051,283	76.60%	59.42%	2,798,479,652	320	67.58%
FY2003	LTACH	314	26.74	\$994	\$26,592	\$415	\$11,097	\$555	\$14,848	118,214	3,160,960	5,396,474	74.16%	58.57%	3,143,571,997	331	65.80%
FY2004	LTACH	351	26.80	\$1,067	\$28,594	\$450	\$12,066	\$592	\$15,851	132,148	3,541,240	5,806,130	74.18%	60.99%	3,778,649,872	318	64.56%
FY2005	LTACH	381	26.73	\$1,136	\$30,362	\$487	\$13,018	\$624	\$16,678	135,694	3,627,694	5,970,021	72.45%	60.77%	4,119,926,632	282	64.37%
FY2006	LTACH	384	26.92	\$1,192	\$32,083	\$513	\$13,808	\$651	\$17,538	136,244	3,667,686	6,212,573	71.02%	59.04%	4,371,110,376	257	65.22%
FY2007	LTACH	389	26.88	\$1,247	\$33,505	\$536	\$14,406	\$683	\$18,361	132,667	3,565,477	6,264,217	67.73%	56.92%	4,444,992,160	240	64.99%
FY2008	LTACH	30	27.52	\$1,149	\$31,625	\$476	\$13,097	\$666	\$18,313	11,256	309,743	705,768	62.25%	43.89%	355,965,813	223	78.41%

Medicare Patients  
RIC Distribution - Patient Counts

RIC		PF2K N	eRD 2002	eRD 2003	eRD 2004	eRD 2005	eRD 2006	eRD 2007	eRD 2008	eRD 2009	eRD 2010	eRD 2011*
01	Stroke	17,972	21185	25219	24650	25148	26831	25373	23545	23577	22524	15092
02	Traumatic Brain Injury	1,165	1648	2195	2448	2781	3309	3404	3318	3434	3264	2349
03	Nontraumatic Brain Injury	2,051	2572	3067	3540	4151	4880	4727	4564	4877	4705	3387
04	Traumatic Spinal Cord Injury	643	824	907	1079	1036	1183	1017	937	992	884	621
05	Nontraumatic spinal cord	3,031	4611	5713	5705	5193	5508	4703	4266	4519	4459	3102
06	Neurological	3,635	4415	6112	6476	6424	7708	7670	6875	7117	7068	4984
07	Fracture of Lower Extremity	9,397	13709	18114	18762	19100	20247	19267	18112	17171	15556	10328
08	Replacement of Lower Extremity Joint	19,783	29085	37525	38069	28976	24939	19823	16477	14505	13909	8895
09	Other Orthopedic	4,982	5224	6539	6802	5831	6073	5968	6219	6515	6848	4889
10	Amputation - Lower Extremity	2,873	3420	4136	4036	4042	4100	3861	3362	3292	3098	2116
11	Amputation - Other	352	319	388	363	207	230	190	170	188	178	155
12	Osteoarthritis	2,032	2460	3090	1833	678	755	535	322	233	186	143
13	Rheumatoid - Other Arthritis	711	1059	1266	1113	699	668	645	573	625	617	386
14	Cardiac	4,855	6626	7610	7488	5713	5232	5419	5897	6065	6166	4393
15	Pulmonary	2,301	3154	3272	3101	2301	1774	1727	2054	2047	2128	1601
16	Pain Syndrome	1,096	2625	3143	2885	1915	1583	1465	1333	1181	1056	548
17	Major multiple trauma (no brain)	621	1319	1779	1554	1285	1338	1279	1274	1285	1368	854
18	Major multiple trauma (W/brain or SC)	119	236	339	346	329	358	358	346	358	401	241
19	Guillian-Barre	163	166	207	190	191	208	201	223	195	205	138
20	Miscellaneous	9,197	13267	16553	16868	13375	12870	13032	14135	14597	15672	11200
21	Burns	124	76	80	74	104	79	70	67	86	63	55
50	Short Stay (LOS < 4 days)	2,473										
51	Expired, orthopedic, short stay	22										
52	Expired, orthopedic, not short stay	11										
53	Expired, non-orthopedic, short stay	169										
54	Expired, non-orthopedic, not short stay	84										
	All RICs	89,862	118,000	147,254	147,382	129,479	129,873	120,734	114,069	112,859	110,355	75,477
	*YTD											

Medicare Patients  
RIC Distribution - Percentages

RIC	PF2K N	eRD 2002	eRD 2003	eRD 2004	eRD 2005	eRD 2006	eRD 2007	eRD 2008	eRD 2009	eRD 2010	eRD 2011
01	20.00%	17.95%	17.13%	16.73%	19.42%	20.66%	21.02%	20.64%	20.89%	20.41%	20.00%
02	1.30%	1.40%	1.49%	1.66%	2.15%	2.55%	2.82%	2.91%	3.04%	2.96%	3.11%
03	2.28%	2.18%	2.08%	2.40%	3.21%	3.76%	3.92%	4.00%	4.32%	4.26%	4.49%
04	0.72%	0.70%	0.62%	0.73%	0.80%	0.91%	0.84%	0.82%	0.88%	0.80%	0.82%
05	3.37%	3.91%	3.88%	3.87%	4.01%	4.24%	3.90%	3.74%	4.00%	4.04%	4.11%
06	4.05%	3.74%	4.15%	4.39%	4.96%	5.94%	6.35%	6.03%	6.31%	6.40%	6.60%
07	10.46%	11.62%	12.30%	12.73%	14.75%	15.59%	15.96%	15.88%	15.21%	14.10%	13.68%
08	22.01%	24.65%	25.48%	25.83%	22.38%	19.20%	16.42%	14.44%	12.85%	12.60%	11.79%
09	5.54%	4.43%	4.44%	4.62%	4.50%	4.68%	4.94%	5.45%	5.77%	6.21%	6.48%
10	3.20%	2.90%	2.81%	2.74%	3.12%	3.16%	3.20%	2.95%	2.92%	2.81%	2.80%
11	0.39%	0.27%	0.26%	0.25%	0.16%	0.18%	0.16%	0.15%	0.17%	0.16%	0.21%
12	2.26%	2.08%	2.10%	1.24%	0.52%	0.58%	0.44%	0.28%	0.21%	0.17%	0.19%
13	0.79%	0.90%	0.86%	0.76%	0.54%	0.51%	0.53%	0.50%	0.55%	0.56%	0.51%
14	5.40%	5.62%	5.17%	5.08%	4.41%	4.03%	4.49%	5.17%	5.37%	5.59%	5.82%
15	2.56%	2.67%	2.22%	2.10%	1.78%	1.37%	1.43%	1.80%	1.81%	1.93%	2.12%
16	1.22%	2.22%	2.13%	1.96%	1.48%	1.22%	1.21%	1.17%	1.05%	0.96%	0.73%
17	0.69%	1.12%	1.21%	1.05%	0.99%	1.03%	1.06%	1.12%	1.14%	1.24%	1.13%
18	0.13%	0.20%	0.23%	0.23%	0.25%	0.28%	0.30%	0.30%	0.32%	0.36%	0.32%
19	0.18%	0.14%	0.14%	0.13%	0.15%	0.16%	0.17%	0.20%	0.17%	0.19%	0.18%
20	10.23%	11.24%	11.24%	11.45%	10.33%	9.91%	10.79%	12.39%	12.93%	14.20%	14.84%
21	0.14%	0.06%	0.05%	0.05%	0.08%	0.06%	0.06%	0.06%	0.08%	0.06%	0.07%
50	2.75%										
51	0.02%										
52	0.01%										
53	0.19%										
54	0.09%										

Medicare Patients  
Average Length Of Stay

RIC		PF2K ALOS	eRD 2002	eRD 2003	eRD 2004	eRD 2005	eRD 2006	eRD 2007	eRD 2008	eRD 2009	eRD 2010	eRD 2011*
01	Stroke	20.97	17.12	16.64	16.66	16.86	16.09	16.02	16.12	15.73	15.69	15.67
02	Traumatic Brain Injury	22.46	16.06	15.53	15.36	15.66	15.02	14.98	15.01	14.89	14.75	14.67
03	Nontraumatic Brain Injury	20.02	14.89	14.78	14.14	14.43	14.26	13.77	13.95	13.56	13.41	13.50
04	Traumatic Spinal Cord Injury	25.92	20.23	19.61	19.73	20.45	19.32	19.73	20.52	20.34	20.58	20.52
05	Nontraumatic spinal cord	17.10	14.48	14.17	14.06	14.40	14.48	14.68	14.98	14.79	14.81	14.81
06	Neurological	17.51	14.34	13.91	13.80	13.90	13.53	13.44	13.58	13.36	13.20	13.11
07	Fracture of Lower Extremity	15.89	13.66	13.24	13.14	13.50	13.10	13.24	13.32	13.35	13.10	13.16
08	Replacement of Lower Extremity Joint	11.01	9.23	8.91	8.82	9.22	9.24	9.40	9.54	9.63	9.53	9.60
09	Other Orthopedic	14.35	12.05	11.83	11.76	12.20	11.93	11.94	12.09	11.87	11.67	11.58
10	Amputation - Lower Extremity	18.07	14.97	14.61	14.42	14.52	14.04	14.39	14.23	13.86	13.88	13.52
11	Amputation - Other	17.71	13.67	13.21	13.88	13.87	13.24	13.33	12.94	11.84	12.43	12.43
12	Osteoarthritis	14.54	12.41	12.17	12.16	11.73	11.82	12.59	11.93	11.72	12.02	11.24
13	Rheumatoid - Other Arthritis	15.17	12.64	12.35	12.48	12.68	12.07	12.21	12.57	12.04	11.81	12.80
14	Cardiac	13.85	11.83	11.47	11.26	11.60	11.26	11.45	11.51	11.12	11.07	11.17
15	Pulmonary	15.75	12.83	12.07	12.27	12.69	11.89	11.94	12.21	11.24	11.53	11.27
16	Pain Syndrome	13.95	11.36	10.78	10.78	10.94	10.86	11.07	11.10	11.07	11.01	10.70
17	Major multiple trauma (no brain)	17.14	14.64	14.24	14.13	14.49	13.66	13.76	14.18	14.09	13.63	13.91
18	Major multiple trauma (W/brain or SC)	22.22	18.98	17.26	18.09	20.08	18.78	18.52	18.90	18.11	17.64	18.81
19	Guillian-Barre	24.20	23.14	21.64	20.81	20.62	20.41	19.68	20.02	18.92	18.74	21.20
20	Miscellaneous	15.54	13.09	12.77	12.56	12.90	12.53	12.70	12.48	12.40	12.20	12.16
21	Burns	16.96	20.30	15.60	16.20	16.17	15.92	18.01	14.70	15.12	15.44	18.49
50	Short Stay (LOS < 4 days)	2.30										
51	Expired, orthopedic, short stay	7.05										
52	Expired, orthopedic, not short stay	21.91										
53	Expired, non-orthopedic, short stay	7.68										
54	Expired, non-orthopedic, not short stay	26.89										
All RICs		15.62	13.08	12.65	12.55	13.18	13.03	13.20	13.31	13.19	13.04	13.05
*YTD												

Functional Gains  
All Payors

RIC	1999 PF2K FIM Gain	2002		2003		2004		2005		2006		2007		2008		2009		2010		2011*	
		eRD	FIM Gain	eRD	FIM Gain	eRD	FIM Gain	eRD	FIM Gain	eRD	FIM Gain	eRD	FIM Gain	eRD	FIM Gain	eRD	FIM Gain	eRD	FIM Gain	eRD	FIM Gain
01	21	19.49	19.15	19.66	20.29	20.45	20.96	21.12	21.60	22.13	22.69										
02	30	26.86	25.81	25.39	25.92	26.54	26.39	25.71	26.10	26.12	25.62										
03	22	19.79	19.18	19.67	20.45	20.35	20.38	21.14	21.84	22.01	22.26										
04	21	18.58	18.15	18.77	19.18	19.94	20.00	20.75	21.21	21.70	21.29										
05	21	19.13	18.83	19.12	20.00	19.94	20.21	20.35	21.61	22.27	22.44										
06	18	16.86	16.80	17.47	18.11	18.73	19.16	20.14	21.18	21.93	22.17										
07	20	19.52	19.23	20.01	21.05	21.52	21.96	22.39	22.94	23.74	24.02										
08	22	21.41	20.77	21.59	22.94	23.67	24.16	24.50	25.27	26.04	26.27										
09	20	18.53	18.11	18.92	20.45	21.19	21.13	21.89	22.64	23.50	23.25										
10	16	15.52	15.39	15.93	16.77	16.95	17.58	17.63	18.30	19.03	19.14										
11	17	16.82	15.47	17.21	17.65	17.41	17.47	18.02	18.43	19.64	18.44										
12	20	19.77	18.99	19.63	20.27	20.53	20.76	19.92	23.60	23.00	22.08										
13	20	17.62	17.00	18.19	19.40	19.89	20.24	21.10	21.04	21.41	21.23										
14	20	17.90	17.74	18.08	19.37	19.92	20.20	20.59	21.32	21.87	21.98										
15	17	16.70	15.70	16.77	17.87	18.27	19.51	19.59	19.85	20.38	20.19										
16	19	18.60	18.20	19.10	19.72	19.94	21.21	21.64	22.71	22.77	23.28										
17	23	21.70	21.25	21.82	22.78	23.61	23.37	24.25	24.74	25.33	25.62										
18	31	29.95	28.48	29.03	29.91	29.57	29.63	29.22	29.27	29.32	29.20										
19	25	22.91	22.96	22.60	24.56	24.10	24.53	24.53	25.04	25.10	25.44										
20	18	16.98	16.69	17.34	18.00	18.60	19.11	19.38	20.20	20.77	21.35										
21	22	26.40	25.57	25.87	25.76	29.21	26.67	27.08	27.33	26.49	27.75										
21																					

\*YTD

Medicare Patients  
Discharge Destinations

Discharge Destination	2002 eRD	2003 eRD	2004 eRD	2005 eRD	2006 eRD	2007 eRD	2008 eRD	2009 eRD	2010 eRD	2011* eRD
01 Home	74.20%	74.55%	74.63%	72.52%	69.98%	69.00%	68.01%	67.73%	68.76%	68.54%
02 Board and Care	0.44%	0.34%	0.35%	0.37%	0.27%	0.26%	0.22%	0.21%	0.21%	0.23%
03 Transitional Living	0.08%	0.04%	0.05%	0.06%	0.04%	0.04%	0.03%	0.03%	0.03%	0.04%
04 Intermediate Care	0.32%	0.29%	0.31%	0.29%	0.21%	0.19%	0.18%	0.12%	0.11%	0.08%
05 Skilled Nursing Facility	9.03%	9.15%	9.40%	10.37%	11.43%	11.72%	12.22%	12.58%	11.76%	12.16%
06 Acute unit of own facility	4.11%	4.55%	4.62%	4.93%	5.25%	5.25%	5.16%	5.24%	5.09%	4.98%
07 Acute unit of another facility	5.12%	4.72%	4.63%	4.99%	5.06%	5.44%	5.81%	5.80%	5.78%	5.69%
08 Chronic Hospital	0.19%	0.15%	0.15%	0.15%	0.15%	0.16%	0.18%	0.15%	0.15%	0.15%
09 Rehabilitation Facility	0.13%	0.14%	0.13%	0.13%	0.14%	0.17%	0.16%	0.16%	0.13%	0.14%
10 Other	0.19%	0.18%	0.20%	0.21%	0.18%	0.17%	0.16%	0.16%	0.17%	0.25%
11 Died	0.31%	0.26%	0.25%	0.28%	0.26%	0.25%	0.21%	0.22%	0.19%	0.19%
12 Alternate Level of Care Unit	0.09%	0.06%	0.07%	0.07%	0.09%	0.06%	0.09%	0.09%	0.09%	0.08%
13 Subacute Setting	3.28%	3.29%	3.08%	3.53%	4.86%	5.27%	5.44%	5.43%	5.38%	5.21%
14 Assisted Living Residence	2.31%	2.25%	2.13%	2.11%	2.08%	2.03%	2.12%	2.07%	2.14%	2.25%

\*YTD

## All Payors - 2009 CoMorbidity Tier Distribution

RIC		PF2K			PF2K			eRD		
		Tier None	Tier 3	Tier 2	Tier 1	Tier None	Tier 3	Tier 2	Tier 1	N
01	Stroke	93.07%	5.66%	1.16%	0.11%	71.07%	22.38%	2.40%	4.15%	3785
02	Traumatic Brain Injury	79.72%	10.60%	9.48%	0.21%	47.35%	15.46%	25.77%	11.42%	718
03	Nontraumatic Brain Injury	75.40%	16.25%	8.20%	0.15%	37.34%	30.70%	22.68%	9.27%	798
04	Traumatic Spinal Cord Injury	88.93%	5.70%	5.27%	0.10%	52.71%	18.35%	16.54%	12.40%	387
05	Nontraumatic spinal cord	88.99%	5.96%	4.86%	0.19%	59.86%	25.48%	11.78%	2.88%	730
06	Neurological	84.85%	7.98%	6.97%	0.20%	53.39%	23.85%	15.04%	7.72%	738
07	Fracture of Lower Extremity	94.45%	3.88%	1.66%	0.01%	73.62%	18.94%	5.87%	1.57%	1975
08	Replacement of Lower Extremity Joint	95.92%	2.24%	1.83%	0.01%	76.60%	20.80%	2.28%	0.32%	1889
09	Other Orthopedic	92.61%	4.90%	2.45%	0.04%	70.91%	22.17%	6.17%	0.76%	794
10	Amputation - Lower Extremity	81.45%	15.68%	2.80%	0.07%	43.41%	34.99%	5.40%	16.20%	463
11	Amputation - Other	72.39%	23.94%	3.66%	0.00%	30.77%	46.15%	3.85%	19.23%	26
12	Osteoarthritis	87.41%	10.27%	2.32%	0.00%	55.56%	29.63%	14.81%	0.00%	27
13	Rheumatoid - Other Arthritis	90.74%	6.98%	2.14%	0.14%	60.00%	27.14%	8.57%	4.29%	70
14	Cardiac	85.25%	9.14%	5.52%	0.09%	50.69%	35.00%	9.14%	5.17%	580
15	Pulmonary	89.18%	5.08%	5.65%	0.08%	59.07%	21.94%	12.66%	6.33%	237
16	Pain Syndrome	91.93%	5.60%	2.39%	0.09%	71.84%	21.26%	6.32%	0.57%	174
17	Major multiple trauma (no brain)	92.93%	5.05%	1.95%	0.07%	70.37%	21.08%	4.84%	3.70%	351
18	Major multiple trauma (W/brain or SC)	83.53%	8.34%	8.13%	0.00%	48.00%	10.00%	16.80%	25.20%	250
19	Guillian-Barre	80.47%	10.79%	8.16%	0.58%	61.11%	12.96%	14.81%	11.11%	54
20	Miscellaneous	77.33%	15.92%	6.41%	0.33%	38.43%	35.27%	15.23%	11.06%	1582
21	Burns	90.23%	4.65%	5.12%	0.00%	20.83%	33.33%	20.83%	25.00%	24
										15652

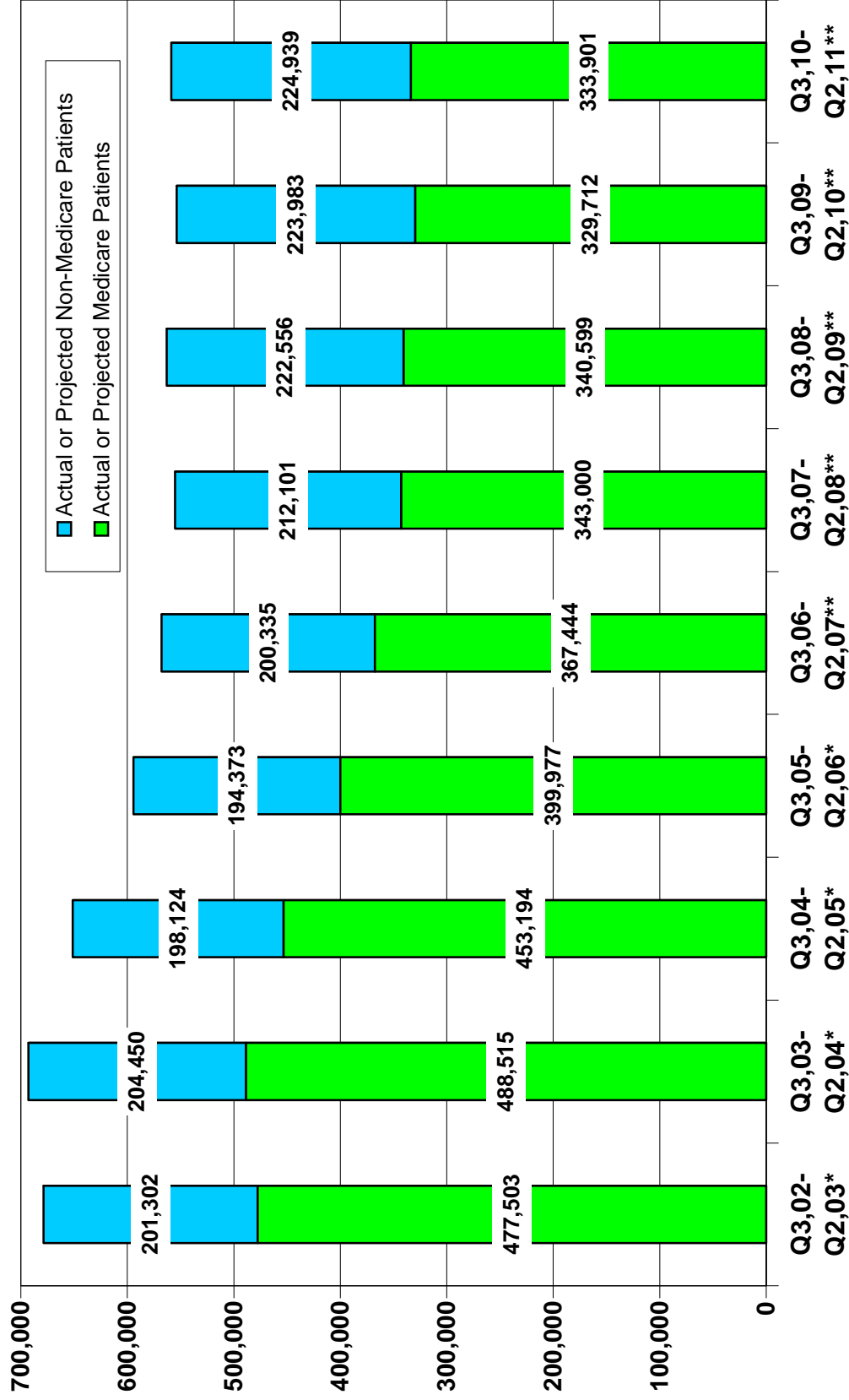
Medicare Patients  
Case Mix Index

RIC	PF2K* 1999 CMI	eRD 2002 CMI	eRD 2003 CMI	eRD 2004 CMI	eRD 2005 CMI	eRD 2006 CMI	eRD 2007 CMI	eRD 2008 CMI	eRD 2009 CMI	eRD 2010 CMI	eRD 2011* CMI
01	Stroke	1.43	1.47	1.51	1.54	1.56	1.58	1.58	1.57	1.55	1.54
02	Traumatic Brain Injury	1.41	1.36	1.38	1.45	1.46	1.48	1.47	1.48	1.48	1.46
03	Nontraumatic Brain Injury	1.30	1.27	1.30	1.33	1.36	1.38	1.39	1.38	1.38	1.37
04	Traumatic Spinal Cord Injury	1.65	1.74	1.81	1.80	1.86	1.99	1.99	2.03	2.06	1.92
05	Nontraumatic spinal cord	1.07	1.15	1.18	1.21	1.27	1.31	1.36	1.39	1.40	1.38
06	Neurological	1.03	1.11	1.12	1.14	1.17	1.19	1.21	1.28	1.29	1.31
07	Fracture of Lower Extremity	0.97	1.08	1.10	1.13	1.16	1.17	1.19	1.23	1.22	1.23
08	Replacement of Lower Extremity Joint	0.62	0.70	0.70	0.73	0.76	0.77	0.79	0.82	0.83	0.84
09	Other Orthopedic	0.84	0.94	0.96	0.99	1.02	1.03	1.05	1.07	1.07	1.07
10	Amputation - Lower Extremity	1.15	1.26	1.29	1.30	1.33	1.35	1.36	1.40	1.41	1.40
11	Amputation - Other	1.03	1.18	1.26	1.24	1.29	1.25	1.23	1.30	1.29	1.31
12	Osteoarthritis	0.84	0.94	0.96	0.96	1.01	1.03	1.04	1.10	1.07	1.05
13	Rheumatoid - Other Arthritis	0.94	0.99	1.01	1.04	1.08	1.09	1.10	1.11	1.12	1.10
14	Cardiac	0.77	0.95	0.98	0.99	1.03	1.04	1.06	1.08	1.10	1.10
15	Pulmonary	0.99	1.06	1.10	1.12	1.14	1.17	1.18	1.18	1.20	1.17
16	Pain Syndrome	0.80	0.85	0.87	0.87	0.90	0.91	0.92	0.96	0.96	0.96
17	Major multiple trauma (no brain)	1.07	1.17	1.16	1.22	1.25	1.28	1.30	1.34	1.33	1.34
18	Major multiple trauma (W/brain or SC)	1.58	1.64	1.70	1.76	1.85	1.83	1.89	1.87	1.82	1.98
19	Guillian-Barre	1.64	1.88	1.93	1.85	1.99	1.87	1.97	2.02	2.05	2.08
20	Miscellaneous	0.97	1.07	1.09	1.11	1.14	1.16	1.17	1.21	1.21	1.21
21	Burns	1.36	1.64	1.62	1.69	1.65	1.70	1.74	1.95	2.06	2.06
50	Short Stay (LOS < 4 days)	0.17									
51	Expired, orthopedic, short stay	0.43									
52	Expired, orthopedic, not short stay	1.24									
53	Expired, non-orthopedic, short stay	0.54									
54	Expired, non-orthopedic, not short stay	1.71									
All RICs		1.00	1.06	1.07	1.13	1.18	1.21	1.23	1.26	1.26	1.26
*YTD											

## 2010 Medicare RIC Populations by Region

RIC	New England		Middle Atlantic		South Atlantic		East North Central		East South Central		West North Central		West South Central		Mountain		Pacific	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
01 - Stroke	855	22.34%	3412	20.37%	3937	23.60%	5082	19.33%	1990	22.84%	1681	21.12%	3699	17.01%	201	21.90%	1667	22.35%
02 - TBI	147	3.84%	591	3.53%	502	3.01%	774	2.94%	230	2.64%	266	3.34%	491	2.26%	37	4.03%	226	3.03%
03 - NTBI	150	3.92%	664	3.96%	748	4.48%	1436	5.46%	251	2.89%	365	4.59%	582	2.68%	41	4.47%	468	6.27%
04 - TSCI	41	1.07%	138	0.82%	171	1.03%	220	0.84%	83	0.95%	58	0.73%	102	0.47%	9	0.98%	62	0.83%
05 - NTSCI	159	4.15%	461	2.75%	833	4.99%	1217	4.63%	310	3.56%	279	3.51%	738	3.39%	33	3.59%	429	5.75%
06 - Neuro	237	6.19%	841	5.02%	773	4.63%	2186	8.31%	442	5.07%	536	6.74%	1634	7.51%	42	4.58%	377	5.05%
07 - FracLE	521	13.61%	2054	12.26%	2240	13.43%	3087	11.74%	1494	17.14%	932	11.71%	3999	18.39%	131	14.27%	1098	14.72%
08 - RepILE	305	7.97%	3216	19.20%	1724	10.34%	2836	10.79%	875	10.04%	836	10.51%	3156	14.51%	129	14.05%	832	11.15%
09 - Ortho	236	6.17%	1196	7.14%	819	4.91%	1521	5.78%	523	6.00%	502	6.31%	1593	7.32%	99	10.78%	359	4.81%
10 - AMPLE	70	1.83%	422	2.52%	633	3.79%	684	2.60%	339	3.89%	205	2.58%	549	2.52%	25	2.72%	171	2.29%
11 - AMP-NLE	6	0.16%	21	0.13%	32	0.19%	47	0.18%	18	0.21%	14	0.18%	30	0.14%	1	0.11%	9	0.12%
12 - OsteoA	4	0.10%	24	0.14%	3	0.02%	37	0.14%	11	0.13%	11	0.14%	85	0.39%	2	0.22%	9	0.12%
13 - Rheuma	14	0.37%	34	0.20%	43	0.26%	272	1.03%	23	0.26%	44	0.55%	131	0.60%	3	0.33%	53	0.71%
14 - Cardiac	280	7.32%	1299	7.75%	1014	6.08%	1553	5.91%	361	4.14%	389	4.89%	938	4.31%	21	2.29%	311	4.17%
15 - Pulmonary	125	3.27%	510	3.04%	286	1.71%	411	1.56%	244	2.80%	110	1.38%	324	1.49%	7	0.76%	111	1.49%
16 - Pain	69	1.80%	62	0.37%	143	0.86%	229	0.87%	76	0.87%	109	1.37%	290	1.33%	19	2.07%	59	0.79%
17 - MMT-NBSCI	83	2.17%	161	0.96%	202	1.21%	239	0.91%	160	1.84%	60	0.75%	331	1.52%	18	1.96%	114	1.53%
18 - MMT-BSCI	20	0.52%	55	0.33%	87	0.52%	80	0.30%	38	0.44%	26	0.33%	67	0.31%	9	0.98%	19	0.25%
19 - GB	10	0.26%	25	0.15%	48	0.29%	39	0.15%	16	0.18%	16	0.20%	31	0.14%	3	0.33%	17	0.23%
20 - Misc	489	12.78%	1564	9.34%	2431	14.57%	4325	16.45%	1222	14.02%	1511	18.99%	2976	13.68%	87	9.48%	1067	14.30%
21 - Burns	6	0.16%	2	0.01%	12	0.07%	20	0.08%	8	0.09%	8	0.10%	5	0.02%	1	0.11%	1	0.01%
<b>All</b>	<b>3827</b>		<b>16752</b>		<b>16681</b>		<b>26295</b>		<b>8714</b>		<b>7958</b>		<b>21751</b>		<b>918</b>		<b>7459</b>	

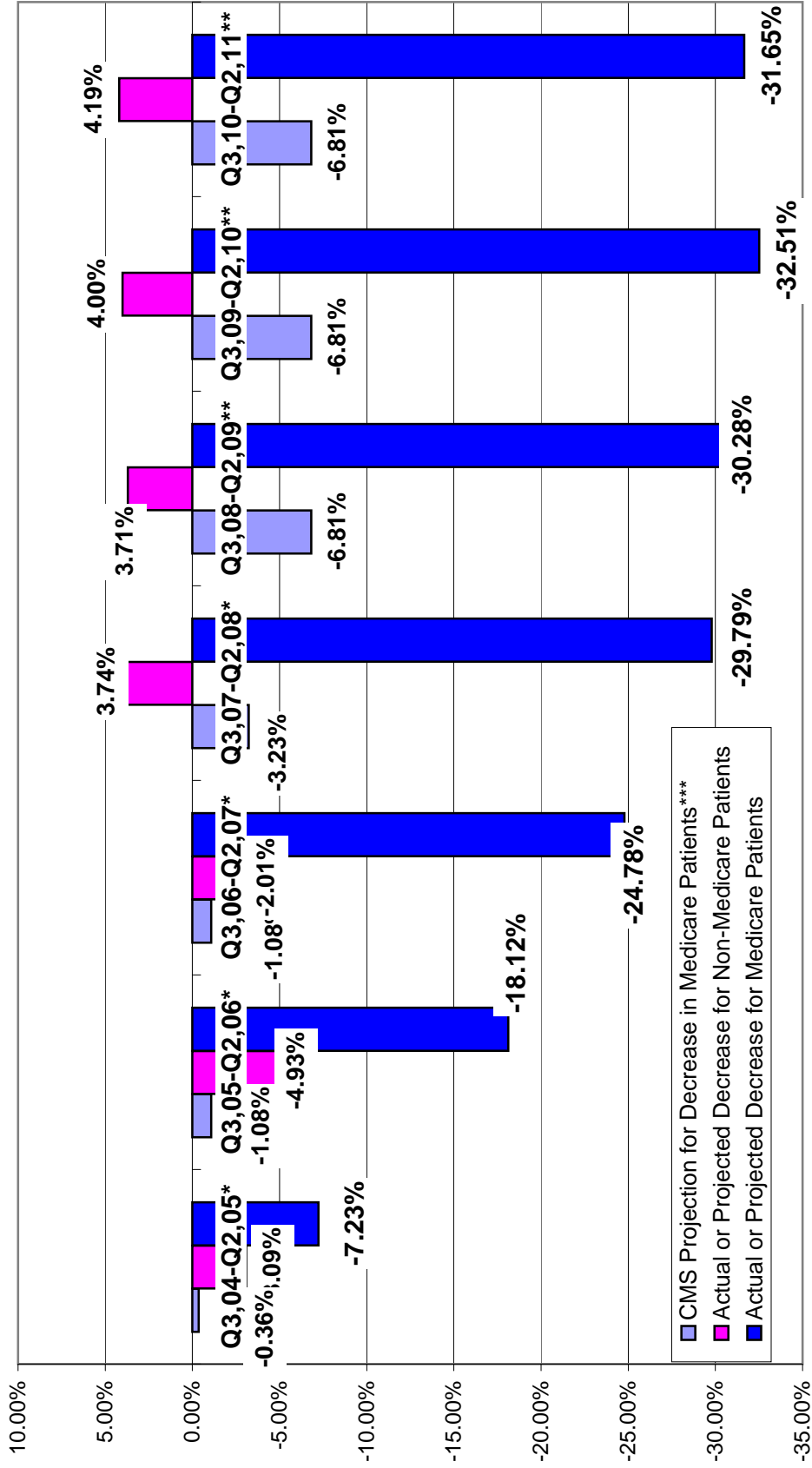
### Inpatient Acute Medical Rehabilitation Discharges Per 12 Month Periods Updated July 28, 2011



\* Actual patient volume calculated from data supplied by UDsmr and eRehabData for 70% of patients.

\*\* Projection of patients (both Medicare and Non-Medicare) accessing IRFs based on actual patient volume for 189 IRFs (29% of discharges nationally) in eRehabData for Q2 2011

**Patient Reductions in Inpatient Rehabilitation Facilities Required to Meet May 7th 2004 60% Rule Compared to July 1, 2003 - June 30, 2004 as Percentage of Discharges by Payer**  
*Updated July 28, 2011*

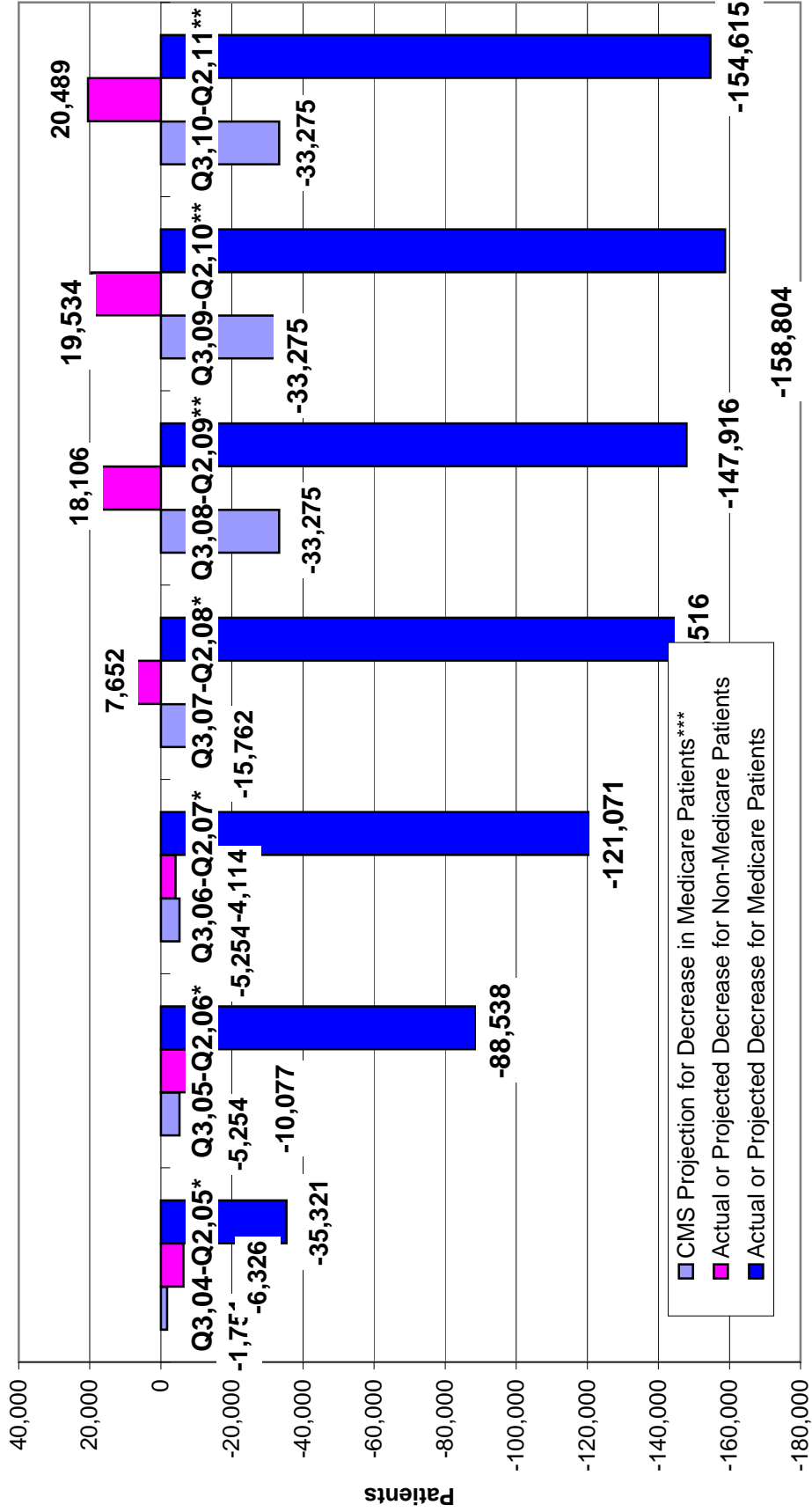


\*Actual patient volume calculated from data supplied by UDsmr and eRehabData for 70% of patients.

\*\*Projection of patients (both Medicare and Non-Medicare) accessing IRFs based on actual patient volume for 189 IRFs (29% of discharges nationally) in eRehabData for Q2 2011

\*\*\*CMS projections based on May 7th, 2004 Federal Register page 25772 by dividing total estimated savings by the projected per discharge savings of \$5,710

**Patient Reductions in Inpatient Rehabilitation Facilities Required to Meet May 7th 2004 60% Rule Compared to July 1, 2003 - June 30, 2004**  
*Updated July 28, 2011*



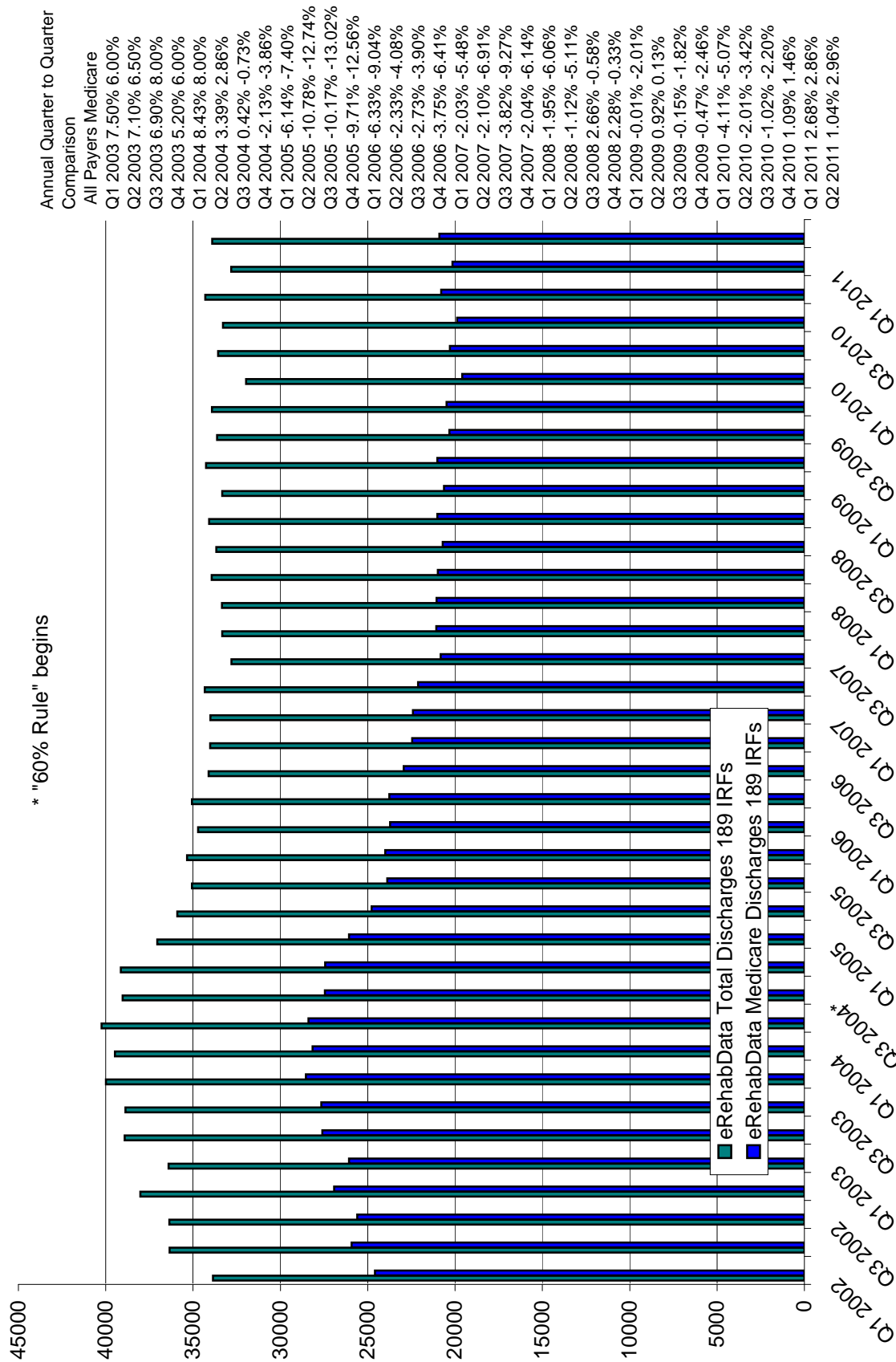
\* Actual patient volume calculated from data supplied by UDSmr and eRehabData for 70% of patients.

\*\* Projection of patients (both Medicare and Non-Medicare) accessing IRFs based on actual patient volume for 189 IRFs (29% of discharges nationally) in eRehabData for Q2 2011

\*\*\* CMS projections based on May 7th, 2004 Federal Register page 25772 by dividing total estimated savings by the projected per discharge savings of \$5,710

## Patient Counts in Inpatient Rehabilitation Facilities by Quarter in eRehabData

Updated July 28, 2011



Proposed 60% Rule Compliance - "Conditional"

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*	
	All Payors	All Payors	All Payors	All Payors	All Payors	All Payors	All Payors	All Payors	All Payors	All Payors	Medicare	Medicare	Medicare	Medicare	Medicare	Medicare	Medicare	Medicare	Medicare	Medicare	
Nation	46.43%	46.01%	49.08%	59.19%	63.83%	65.65%	65.09%	66.04%	65.71%	65.60%	42.66%	42.40%	45.05%	55.37%	60.15%	61.75%	61.01%	62.14%	61.29%	61.02%	
New England	40.51%	40.27%	45.88%	56.57%	65.30%	63.38%	59.63%	65.03%	66.77%	64.86%	36.86%	35.02%	41.92%	52.22%	61.90%	59.62%	55.37%	61.56%	63.31%	60.90%	
Middle Atlantic	39.14%	39.33%	44.37%	58.82%	61.88%	63.99%	65.17%	65.38%	64.99%	64.27%	36.95%	36.57%	40.44%	55.43%	57.78%	59.28%	60.41%	60.30%	59.07%	58.03%	
South Atlantic	47.97%	48.32%	50.07%	61.65%	65.04%	67.85%	66.05%	66.96%	66.61%	66.69%	44.50%	44.90%	45.88%	58.42%	61.42%	64.24%	62.24%	63.62%	62.16%	62.87%	
East North Central	51.34%	49.82%	53.12%	60.19%	65.30%	66.73%	65.51%	66.05%	65.37%	65.91%	45.58%	44.63%	47.87%	55.10%	61.04%	62.36%	60.26%	61.23%	60.13%	60.93%	
East South Central	49.06%	48.49%	51.70%	58.38%	64.05%	67.60%	67.45%	68.56%	67.79%	67.12%	44.97%	44.08%	47.78%	54.50%	60.10%	63.77%	63.96%	65.59%	64.51%	61.91%	
West North Central	51.51%	47.77%	50.15%	56.67%	60.64%	62.51%	62.00%	65.11%	64.38%	66.19%	46.19%	43.78%	45.76%	51.68%	56.53%	57.61%	57.16%	60.96%	59.42%	61.83%	
West South Central	42.72%	42.70%	44.30%	56.66%	63.12%	63.42%	63.09%	64.02%	64.11%	63.46%	40.17%	40.78%	41.92%	54.45%	60.81%	60.71%	60.42%	61.21%	61.48%	60.28%	
Mountain	47.30%	51.36%	52.15%	61.44%	62.88%	68.60%	69.00%	69.06%	69.29%	65.31%	41.21%	44.08%	46.00%	54.98%	55.86%	63.54%	66.00%	66.22%	62.20%	56.58%	
Pacific	56.08%	55.75%	57.66%	61.10%	64.59%	68.30%	71.19%	69.10%	68.92%	69.35%	52.19%	52.88%	53.72%	58.01%	61.89%	65.41%	69.00%	65.81%	65.00%	64.92%	
*YTD																					



**New England**

Connecticut  
Maine  
Massachusetts  
New Hampshire  
Rhode Island  
Vermont

**Middle Atlantic**

Pennsylvania  
New York  
New Jersey

**South Atlantic**

Delaware  
Florida  
Georgia  
Maryland  
North Carolina  
South Carolina  
Virginia  
Washington DC  
West Virginia

**East North Central**

Illinois  
Indiana  
Michigan  
Ohio  
Wisconsin

**East South Central**

Alabama  
Kentucky  
Mississippi

**West North Central**

Iowa  
Kansas  
Minnesota  
Missouri  
Nebraska  
North Dakota  
South Dakota

**West South Central**

Arkansas  
Louisiana  
Oklahoma  
Texas

**Mountain**

Arizona  
Colorado  
Idaho  
Montana  
Nevada  
New Mexico  
Utah  
Wyoming

**Pacific**

Alaska  
California  
Hawaii  
Oregon  
Washington