Spending Declines May Reflect Site of Care Changes; Limited Information Is Available on Quality

What GAO Found

GAO’s analysis of Department of Health and Human Services (HHS) Centers for Medicare & Medicaid Services (CMS) data show that in fiscal year 2018, 287,547 Medicare fee-for-service beneficiaries had inpatient stays that included care for severe wounds. These wounds include those where the base of the wound is covered by dead tissue or non-healing surgical wounds. About 73 percent of the inpatient stays occurred in acute care hospitals (ACH), and a smaller percentage of stays occurred in post-acute care facilities. Specifically, about 16 percent of stays were at skilled nursing facilities (SNF), and about 7 percent were at long-term care hospitals (LTCH).

CMS data show that Medicare spending on stays for severe wound care was $2.01 billion in fiscal year 2018, representing a decline of about 2 percent from fiscal year 2016, when spending was about $2.06 billion. Spending declined as a result of decreases in both the total number of these stays, as well as spending per stay, which both decreased by about 1 percent. The decrease in per stay spending was likely driven, in part, by a change in where beneficiaries received care. CMS data show fewer severe wound care stays in LTCHs, which tend to be paid higher payment rates. At the same time, more severe wound care stays were at two other types of facilities that tend to be paid lower payment rates: ACHs and inpatient rehabilitation facilities.

GAO’s analysis of CMS data also show that, while the number of LTCHs that billed Medicare for severe wound care decreased by about 7 percent from fiscal years 2016 to 2018, Medicare beneficiaries continued to have access to other severe wound care providers. For example, CMS data show that most beneficiaries resided within 10 miles of an ACH or SNF that provided severe wound care in fiscal year 2018.

HHS provided technical comments on a draft of this report, which we incorporated as appropriate.