



# Administrative Policy

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## Long Term Care Hospitals (LTCH)

### Table of Contents

Table of Contents .....	1
Administrative Policy.....	1
General Background.....	1
References .....	3

### Related Coverage Resources

[Custodial and Non-Skilled Services](#)

#### PURPOSE

Administrative Policies are intended to provide further information about the administration of **standard** Cigna benefit plans. In the event of a conflict, a customer's benefit plan document **always supersedes** the information in an Administrative Policy. Coverage determinations require consideration of 1) the terms of the applicable benefit plan document; 2) any applicable laws/regulations; 3) any relevant collateral source materials including Administrative Policies and; 4) the specific facts of the particular situation. Administrative Policies relate exclusively to the administration of health benefit plans. Administrative Policies are not recommendations for treatment and should never be used as treatment guidelines.

### Administrative Policy

Coverage of Long Term Care Hospital (LTCH) services is subject to the terms, conditions and limitations of the applicable benefit plan's Inpatient Hospital Services/Inpatient Hospital-Facility Services benefit or Inpatient Services at Other Health Care Facilities/Other Health Care Facility benefit of the plan. Please refer to the applicable benefit plan document to determine benefit availability and the terms and conditions of coverage.

Services provided in a long term care hospital (LTCH)/long term acute care facility (LTAC) are covered when the individual's condition cannot be adequately treated in a less intensive setting and the individual:

- Requires acute or subacute ongoing medically necessary inpatient hospital care services;
- Is medically complex with one or more medical comorbidities (which are currently stable)

Depending upon whether the customer's care needs are acute or subacute, the services may fall under different benefits as outlined in the underlying benefit plan.

### General Background

A Long Term Care Hospital (LTCH) (also referred to as long-term acute care facility [LTAC]) is a hospital which provides medical and rehabilitative care for the clinically complex individual with multiple acute or chronic conditions and has an average inpatient length of stay of greater than 25 days. LTCHs are licensed as acute care hospitals and must meet state licensure requirements for acute care hospitals. Services may include comprehensive rehabilitation, respiratory therapy, complex wound therapy, cancer treatment, head trauma treatment, and pain management.

The Centers for Medicare and Medicaid Services (CMS) defines four types of LTCH specialties: respiratory, psychiatric, rehabilitation-related, and multi-specialty. The most common facilities are the respiratory and rehabilitation-related hospitals.

Conditions that may be treated in LTCH include: respiratory failure, including ventilation management; pulmonary conditions; spinal cord injuries; non-healing wounds; status post skin grafts; end stage renal disease; postoperative wound complications; systemic infections; cardiomyopathy; and psychiatric disorders.

### **Level of Care**

Inpatient LTCH stay is dependent upon the medically necessary level of care required and the appropriateness of the setting. The required level of care and the most appropriate setting is based upon the individual's actual clinical condition, including but not limited to the treatment(s) required, and the stability of the individual's primary condition(s) and associated comorbidities.

When the individual is determined to be unstable, and requires acute inpatient hospital level of care, "Acute Hospital Level of Care" benefit provisions apply. The acute level of care days at a LTCH are not subject to day limits when determined to be medically necessary. When an individual is in an acute inpatient hospital facility awaiting transfer to a LTCH where the customer will receive acute level of care services, the level of care is considered the same and delay in discharge would not apply.

When the individual's clinical condition is determined to be stable, "Subacute Level of Care" benefit provisions apply. Inpatient days at a LTCH at the subacute level are subject to benefit limitations under the "Inpatient Services at Other Health Care Facilities" or similar provision. When an individual's level of care needs frequently fluctuate between acute and subacute, acute inpatient level of care may be assigned.

Individuals who are on ventilators and are placed in a LTCH facility require close evaluation to determine the appropriate level of care which is based upon the individual's current medical status and the required services, rather than the physical location of the individual. Individuals who receive services at a LTCH may be assigned either an acute or subacute level of care, depending upon whether they are clinically stable or unstable (considering any relevant comorbidities).

Individuals on a ventilator whose respiratory status or other relevant comorbidities are not stable, which includes active ventilator weaning, may be assigned acute level of care, whether they are in a hospital facility or LTCH facility. Under these conditions, when a level of care at the acute inpatient level of care is designated, the benefit is not subject to the day limitations of "Inpatient Services at Other Health Care Facilities", even when residing in a LTCH.

Individuals who are on a ventilator only and are otherwise medically stable, including all major comorbidities, are considered to be at a subacute level of care and subject to any day limitations specified in the individual's benefits, under "Inpatient Services at Other Health Care Facilities" or similar provision.

Changes in level of care when an individual is transitioned from an acute level of care (with no day limitations) to a subacute level of care (with day limitations) based upon their current clinical status, should be communicated to the hospital and individual according to standard protocol. When the benefit limitation is reached for subacute care, no further coverage will be provided under those benefits.

If the individual's condition improves such that acute inpatient hospital level of care is no longer required, the LTCH stay will no longer be covered under the "Inpatient Hospital Services"/"Inpatient Hospital Facility Services" or similar benefit provision of the plan. The LTCH continued stay may then be considered for subacute coverage under the "Inpatient Services at Other Health Care Facility"/"Other Health Care Facility" (e.g., subacute facility) benefit provision.

If the individual requires or is receiving only inpatient skilled nursing facility, inpatient rehabilitation facility, or inpatient subacute facility level of care while in a LTCH, coverage may be subject to the terms, conditions and limitations of the "Inpatient Services at Other Health Care Facility"/"Other Health Care Facility" (e.g., subacute facility) or similar benefit because the individual does not medically require a higher (i.e., acute) level of care.

If the individual requires or is receiving inpatient skilled nursing facility, inpatient rehabilitation facility, or subacute facility level care while in a LTCH and the "Inpatient Services at Other Health Care Facility"/"Other Health Care Facility" benefit maximums are reached, no further coverage will be provided under those benefits. In addition, coverage of the LTCH stay cannot then switch to the "Inpatient Hospital Services"/"Inpatient Hospital - Facility Services" benefit unless the acute level of care is medically necessary.

Custodial care is not covered in any setting including when provided in a LTCH/LTAC.

### **Definitions**

**Hospital:** An institution licensed as a hospital, which: (a) maintains, on the premises, all facilities necessary for medical and surgical treatment; (b) provides such treatment on an inpatient basis, for compensation, under the supervision of Physicians; and (c) provides 24-hour service by Registered Graduate Nurses;

- an institution which qualifies as a hospital, a psychiatric hospital or a tuberculosis hospital, and a provider of services under Medicare, if such institution is accredited as a hospital by the Joint Commission on the Accreditation of Healthcare Organizations; or

- an institution which: (a) specializes in treatment of Mental Health and Substance Abuse or other related illness; (b) provides residential treatment programs; and (c) is licensed in accordance with the laws of the appropriate legally authorized agency.

The term Hospital will not include an institution which is primarily a place for rest, a place for the aged, or a nursing home.

**Other Health Care Facility:** A facility other than a Hospital or hospice facility. Examples of Other Health Care Facilities include, but are not limited to, licensed skilled nursing facilities, rehabilitation Hospitals and subacute facilities.

### **References**

1. Centers for Medicare and Medicaid Services. Long Term Care Hospital PPS. Accessed on Aug 16, 2021. Available at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/LongTermCareHospitalPPS>
2. Centers for Medicare and Medicaid Services. Medicare Benefit Policy Manual. Chapter 1. Inpatient Hospital Services Covered Under Part A. Rev. 234, 03-10-17. Accessed on Aug 16, 2021. Available at: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c01.pdf>
3. Centers for Medicare and Medicaid Services. Medicare Learning Network. Long-Term Care Hospital Prospective Payment System. March 2021. Accessed Aug 16, 2021. Available at: <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/html/medicare-payment-systems.html>
4. Liu K, Baseggio C, Wissoker D, Maxwell S, Haley J, Long S. Long-Term Care Hospitals Under Medicare: Facility-Level Characteristics. Health Care Financing Review. 2001; 23 (2). Accessed on Aug 16, 2021. Available at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/LongTermCareHospitalPPS/Downloads/ltchurban.pdf>

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