

**Department of Health Care Services
Proposed Trailer Bill Legislation**

Acute Inpatient Intensive Rehabilitation Services

FACT SHEET

Issue: Acute Inpatient Intensive Rehabilitation (AIIR) services. The Department of Health Care Services (DHCS) proposes to eliminate the statutory provisions related to initial evaluation (7-10 days) and 14-day trial program for AIIR services.

Background: AIIR is an intensive set of services in an inpatient setting to rehabilitate a physically or cognitively impaired patient to achieve or regain their maximum potential for mobility, self-care and independent living. This is accomplished by restoring maximum independent function, resulting in a sustained higher level of self-care with a discharge to home or other community setting, or to a lower level of care, in the shortest possible time. Established in 1976, the statute describing AIIR services is partially outdated and misaligned with evidence-based practice and current policy delineated by the Centers for Medicare & Medicaid Services (CMS) for the Medicare program. Specifically, existing law states a typical program provides an initial evaluation of 7-10 days followed by a 14-day trial program as needed. However, in 2010, CMS determined that trial periods such as these are “no longer considered reasonable and necessary” for purposes of Medicare coverage. Instead, each admission decision must be evaluated and based on a thorough preadmission screening. In 2021, DHCS updated the relevant treatment authorization request criteria for AIIR, accordingly, to align with this evidence-based practice and Medicare policy, given a lack of clinical justification for the trial period.

Justification for the Change: DHCS proposes to update state law to conform with evidence-based practice, federal Medicare policy and current DHCS policy on medical necessity by removing the provision that describes the “trial period” as detailed in Welfare & Institutions (W&I) Code Section 14064 (C). DHCS also proposes nonsubstantive technical changes to update the section with contemporary numbering (W&I Code Section 14064(a) and (b)).