

Eli's Rehab Report

News Briefs: CMS Proposes Payment Boost for LTCHs

If you work in a long-term care hospital (LTCH), your Medicare reimbursement will increase slightly this July. CMS released a proposed rule to increase Medicare payments to LTCHs by 2.6 percent beginning July 1, according to CMS fact sheet. That's an LTCH PPS standard federal rate of \$39,076.28 for Medicare discharges occurring on or after July 1, 2008, through Sept. 30, 2009.

Last year, the LTCH prospective payment system (PPS) final rule cut Medicare payments by 3.8 percent, but the Medicare, Medicaid, and SCHIP Extension Act of 2007, signed into law in December, provided a freeze in its payment update for the last quarter of 2008, says ASHA in an e-mail announcement.

So as a result of the provisions in the Medicare extenders bill, CMS will delay a permanent adjustment to LTCH payments but plans to cut the market basket by 0.9 percent. This results in the 2.6 percent increase, rather than a higher 3.5 percent update, ASHA said.

- **Don't miss:** CMS has also proposed to change the effective date of the annual update for the LTCH PPS payment rate and policy changes. They are now effective beginning each July 1 to coincide with the annual update of the MS-LTC-DRGs, which are effective beginning each Oct. 1, CMS said.

In the past, LTCHs have received changes to the market basket in January and to the long-term care Diagnosis Related Groups (DRGs) in April. But the proposed rule would, instead, make all annual payment update changes effective on Oct. 1, ASHA said in its e-mail. This means that the 2009 rate would be extended for 15 months, from July 1, 2008, through Sep. 30, 2009. Check out the proposed rule at <http://www.cms.hhs.gov/LongTermCareHospitalPPS/downloads/CMS-1393-P.pdf>.