

Eli's Rehab Report

Reimbursement :Meanwhile, SNFs Brace for a Part A Payment Cut

CMS re-attempts case-mix recalibration.

If you manage an in-house rehab department or contract therapists to skilled nursing facilities, heads up: While the May 12 proposed SNF PPS rule saved the major RUG changes for the 2011 fiscal year, it would implement a major case-mix recalibration to RUG-III, effective on Oct. 1, 2009. The calibration accounts for the unexpected high utilization of the Rehab plus Extensive Services RUGs.

"The recalibration is basically \$1.05 billion," observes **Peter Arbuthnot**, regulatory analyst with American HealthTech in Jackson, Miss. "So even with a \$660 million market basket increase, that's a net decrease of about \$390 million for Medicare."

Overall, rates will drop about 1.2 percent, says **Steven Jones, CPA**, shareholder with Moore Stephens Lovelace PA in Clearwater, Fla.

CMS tried to implement the recalibration in FY 2009, Arbuthnot adds, "but backed off to study it further. Now CMS has studied it and is proposing it again." And don't count on CMS removing it from the final rule this time. "Given the concern at the federal level over the Medicare budget, I'd be surprised if it's not included in the final rule," Jones says.