

Long-Term Care Survey Alert

Federal Developments: MEDICARE PACKAGE CONTAINS PARTIAL SNF GIVEBACK

A Medicare prescription drug benefit and reform package passed by the House of Representatives in late June had a little something in it for skilled nursing facilities but not as much as providers hoped for.

The measure (H.R. 4954) would partially continue SNF add-on payments set to expire in October of this year, pulling SNFs back from the impending fiscal cliff.

The current add-on to the nursing component of the RUGs would be continued for three years but at 12 percent, rather than the current 16 percent, beginning Oct. 1. This number would drop to 10 percent in the second year and 8 percent in the third.

In addition, the per diem to SNFs for AIDS patients would be increased by 128 percent until the case-mix is adjusted.

On the downside, the four percent overall add-on, set to expire at the end of September, would not be continued.

The **American Association of Homes & Services for the Aging** gave the measure a mixed review. "It's encouraging to see Congress taking steps to address the Medicare cliff, but any reduction in payments is too steep for providers whose resources are already stretched beyond capacity," says **Suzanne Weiss**, senior vice president for advocacy at AAHSA.

"AAHSA will continue to fight to fully preserve payments before the legislation is enacted into law," Weiss adds.

H.R. 4954 also includes a \$310 billion (over 10 years) outpatient prescription drug benefit that would pay 100 percent of a beneficiary's medication costs once his out-of-pocket spending hit \$3,700. Beneficiaries would pay a \$250 annual deductible and a \$33 monthly premium for the coverage. If enacted by Congress, a prescription benefit could help Part B-stay nursing home residents pay for their medications.