

## MDS Alert

### **CMS Explains the Math for the \$3.87 Billion SNF Part A Reduction for FY 2012**

**'Believe it or not, it could have been worse,' says SNF PPS expert.**

CMS noted in a press statement that the FY 2012 update, "an increase of 1.7 percent or \$600 million ... reflects a 2.7 percent increase in the prices of a 'market basket' of goods and services reduced by a 1.0 percent multifactor productivity (MFP) adjustment mandated by the Affordable Care Act. The combined MFP-adjusted market basket increase and the FY 2012 recalibration will yield a net reduction of \$3.87 billion, or 11.1 percent."

"The productivity adjustment offset in accordance with the Affordable Care Act of 2010 was 1.0 percent, which is slightly less than the CMS estimate of 1.2 percent," says **Steve Jones, CPA**, director of the SNF practice group at Moore Stephens Lovelace, PA, in Clearwater, Fla. "So believe it or not, it could have been worse."