

MDS Alert

Payment News

If your SNF is looking for a 3.1 percent bump up in Medicare payment for fiscal 2007, it might be surprised. The amount could be much more--or less. The increase in the federal market basket was just over 3 percent, notes **Steve Jones, CPA**, with the Clearwater, FL office of **Moore Stephens Lovelace PA**. But facilities' rates will vary because they are fully transitioning from the old Metropolitan Statistical Area (MSA) wage indices to the new Core-Based Statistical Area (CBSA) wage indices. How much variance in rates are we talking about? "Florida increases ranged from zero to 7.6 percent," for example, he says. But "Flagler County changed from the urban to the rural classification, resulting in a five to 13 percent decline in most of the 'deemed' categories," says Jones. Georgia's rural counties decreased slightly, while one urban area had an increase of over 15 percent.

The new payment rates also include the special adjustment to help offset the extra costs in caring for nursing home residents with HIV/AIDS. The temporary 128 percent increase in the PPS per diem payment for SNF residents with HIV/AIDS remains in effect until the **Health & Human Services** Secretary certifies that the case-mix system has an appropriate adjustment for these residents, says Jones. The new PPS rates go into effect on Oct. 1.

DME suppliers may be calling CMS if they can't resolve a consolidated billing-related payment dispute with your SNF. At a recent SNF Open Door forum, **Centers for Medicare & Medicaid Services** officials said they continue to hear about some SNFs refusing to pay outside suppliers that have provided a bundled item subject to consolidated billing. A CMS official speaking at the forum urged DME suppliers to see if the SNF has mistakenly assumed it is not responsible for paying for the item. If that doesn't work, and the SNF refuses to take the supplier's calls, the supplier may contact the CMS regional office that serves the state in which the SNF is located, according to the forum.