

MDS Alert

Payment & Survey News

The proposed FY 2009 SNF payment rates represent a give-and-take proposition. The **Centers for Medicare & Medicaid Services** has proposed recalibration of the case-mix weights to compensate for higher utilization of the nine new rehab plus extensive services RUGs than the agency originally projected. The proposed payment adjustment would cut reimbursement by \$770 million or 3.3 percent. CMS says, however, that the FY 2009 update to SNF Medicare payments based on changes in prices in the "market basket" of goods and services included in a SNF stay would "largely offset" this reduction, leading to a net loss of only \$60 million in payments. In analyzing the proposed rule, **Steve Jones, CPA**, with the Clearwater, FL, office of **Moore Stephens Lovelace**, notes that for the federal rates, the nursing index declined in all categories, from under 5.5 percent in some of the non-deemed categories (those in the lower 18 RUGs), to almost 8 percent for CC2. For the nine new RUGs, the nursing component declined from just under 6.5 percent to 7.3 percent, Jones adds. This means that "even with the market basket increase, the nursing component is declining in real terms." Thus, from an operational standpoint, facilities with higher percentages of residents in the extensive services and clinically complex categories are going to be more adversely impacted than those with more rehab patients, Jones says.

The Nursing Home Compare Website will starting this spring include information about whether a nursing home is or has been on CMS' special focus facility (SFF) list for poor performing facilities. As of April 2008, the list included 134 SFFs, which are subject to heightened survey scrutiny. As facilities improve and graduate from the program -- or fail to improve and get booted from Medicare and Medicaid -- CMS works with the states to select new SFF facilities.