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SunSolutions · **SPOTLIGHT**

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News Break

## Reduction of SNF Payments by 4% Recommended in 2014 by MedPAC

The Medicare Payment Advisory Commission (MedPAC) is required to annually review Medicare payment policies and make recommendations to Congress.

The principal focus of the March 15<sup>th</sup> 2013 Commission's Report is to recommend annual rate adjustments under Medicare's various FFS payment systems, or sector "updates." The Commission bases its update recommendations for each sector on an assessment of payment adequacy, including beneficiary access to care (supply of providers, service use, access surveys); quality of care; providers' access to capital; and provider costs and Medicare payments (where available).

**The Commission's recommendations for Skilled Nursing Facilities in 2014 are listed below.**

For the skilled nursing sector we reiterate our recommendation from last year to first restructure the SNF payment system and then to re-base payments in the following year.

Specifically, the Commission recommended revising the SNF PPS and, during the year of revision, holding payment rates constant (no update).

The Commission discussed three revisions to improve the accuracy of payments.

- First, payments for therapy services should be based on patient characteristics (not services provided).
- Second, payments for nontherapy ancillary services (such as drugs) need to be removed from the nursing component and made through a separate component established specifically to adjust for differences in patients' needs for these services.
- Third, an outlier policy would be added to the PPS. After the PPS is revised, in the following year CMS would begin a process of rebasing payments, starting with a 4% (percent) reduction in payments.

To read the entire MedPAC article go to:

<http://www.medpac.gov/>

Visit us @ [www.sunsolutionsconsulting.com](http://www.sunsolutionsconsulting.com)



## PPS Revenue Analysis

### Be Prepared...

Congress continues to control the growth of Medicare spending and preserve beneficiaries' access to high quality care with sufficient payment for efficient providers.

Do you have strategies in place for surviving regulatory and reimbursement challenges?

### Be Ready...

Efficient providers will receive sufficient payments according to MedPAC.

SunSolutions will navigate your success by reviewing your current PPS practices for:

- Pre-admission screening
- Data gathering
- Daily management
- Communications
- MDS accuracy/timing
- Care Plan review

And more...

## Working Together to Drive You Forward!!

Contact SunSolutions Consulting at [GRSBusDev@genesishcc.com](mailto:GRSBusDev@genesishcc.com)

or toll free - 800-728-8808 for a listing of products, services or to schedule an educational seminar/teleconference.