CMS unveils new skilled nursing payment model to reduce hospitalizations, costs

A new payment model released by the Centers for Medicare & Medicaid Services on Thursday aims to reduce avoidable hospitalizations by amping up the medical treatments skilled nursing facilities are able to provide.

The model, part of the CMS' “Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents”, would boost payments to skilled nursing facilities to provide residents with additional treatments for common medical conditions that can cause avoidable hospitalizations. With those payments, participating SNFs would be expected to intensify staff training and purchase new equipment to provide treatments like intravenous therapy and cardiac monitoring, CMS said.

Physicians would also receive increased payments to perform comprehensive assessments for residents in SNFs. Currently, Medicare pays physicians less to conduct assessments at SNFs than it does for those conducted at hospitals.

Boosting those payments should help remove barriers to quality SNF care, reduce avoidable hospitalizations and lower costs for both Medicare and Medicaid beneficiaries, as well as dual eligibles, CMS said.

“Smarter spending can improve the quality of on-site care in nursing facilities and the assessment and management of conditions that too often now lead to unnecessary and costly hospitalizations,” said Tim Engelhardt, director of the Medicare-Medicaid Coordination Office.

The new payment model will begin testing in fall 2016. It is expected to last four years. The model will be implemented at facilities through six health systems in Alabama, Nevada, Colorado, Indiana, Missouri, New York and Pennsylvania.

CMS' initiative to reduce avoidable hospitalizations has shown “promising” results since its introduction in 2012, agency officials said in February. Medicare expenditures were generally reduced at all seven sites where the initiative was tested in 2014, CMS said.

Source: McKnight's.com