Subacute Care Bulletin
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American Association for Respiratory Care

SNF PPS Update

The Centers for Medicare and Medicaid Services (CMS) (formerly HFCA) has issued several revised rules for the skilled nursing prospective payment system (SNF PPS).

According to the payment updates, which were published in the July 31 Federal Register, Medicare payments to skilled nursing facilities will increase by 10.3% beginning October 1. The increase is a result of increased rates under the SNF PPS for Medicare beneficiaries requiring long-term skilled nursing care.

CMS is also easing the transition to PPS for small, rural, swing-bed facilities by delaying its full implementation to July 1, 2002. A revised, streamlined resident assessment tool for swing-bed facilities has been developed as well. The new tool, which has been shortened from six pages to two, requires only information necessary for ensuring accurate payments under the PPS. ■

Some Patients Still Difficult to Place

A new report from the Office of Inspector General (OIG) has found little change in the ability of discharge planners to place Medicare beneficiaries in skilled nursing facilities since the recent increases in payment rates under PPS. While discharge planners can place most patients in appropriate facilities, they are still having difficulty placing those with more complex medical needs, such as patients on IV medications or those who are ventilator-dependent.

The report follows up on two previous reports aimed at assessing the effects of PPS on access to SNF care for Medicare beneficiaries, both of which found that while most discharge planners were able to place Medicare patients in SNFs, about half believed that nursing homes were changing their admissions practices in response to PPS.

The new report, which was based on a survey of a random sample of 208 hospital discharge planners, along with an analysis of the Centers for Medicare and Medicaid Services' Provider of Services File and the National Claims History File, found that about 73% of discharge planners are able to place all of their Medicare patients who need care in skilled nursing facilities. Another 20% are able to place all but 1-5%, and 7% are not able to place more than 5%. Discharge planners report having to contact an average of three facilities to place a Medicare patient and say that patients who they are not able to place in a skilled nursing facility often remain in the hospital or go home either with or without home health care.

Seventy-five percent of discharge planners report that there are enough skilled nursing facility beds in their area for Medicare patients. Those who say there are not enough beds note that facilities are often full or that the bed supply in their area has not kept pace with the needs of a growing elderly population. Medicare data indicate that the number of skilled nursing facility beds nationwide increased by nearly 38% from 1997 to 2000.

Some discharge planners report delays in placing Medicare patients in skilled nursing facilities. Thirty-six percent say they experience delays sometimes, while 16 percent say they usually or always experience delays when placing beneficiaries in skilled nursing facilities. Seventy-six percent of discharge planners who report delays say that they are associated with certain medical conditions or service needs. They most commonly cite delays associated with patients who need IV antibiotics and/or expensive drugs, ventilator-dependent patients, and those who require dialysis.

Over half of the discharge planners who report delays associated with medical conditions or service needs attribute these delays to PPS. Some explain IV therapy often requires expensive medications that are not adequately reimbursed for under PPS. In addition, some dialysis patients experience delays when transportation costs are not covered by Medicare. Lastly, ventilator and wound care patients are delayed because their needs are often labor intensive and require expensive medical supplies. ■

Payment Increase Not Having Much Effect

Many of the initial complaints about the SNF PPS were related to the fact that the payment rates did not take into account the higher resource needs of medically complex patients being treated in SNFs. The Balanced Budget Reconciliation Act (BBRA) attempted to address this issue by raising the payment rates for a group of RUGs involving these patients. Have the increased payments increased the willingness of SNFs to admit such patients?

Not really, says a new report from the Office of Inspector General (OIG). The report, which examines the trends in the proportion of Medicare residents assigned to each RUG, found virtually no change in the proportion of residents assigned to the seven RUG categories — special rehabilitation, extensive care, special care, clinically complex, cognitively impaired, behavior problems, and reduced physical functions — since the implementation of PPS in January 1999.

There have, however, been small shifts in the proportion of residents assigned to the five different sub-categories under the rehabilitation RUG. The BBRA increased payment rates for three RUGs within the high and medium therapy sub-categories. The proportion of Medicare residents assigned to two of these RUGs increased slightly, while those assigned to the third RUG remained about the same. At the same time, the proportion of residents in all of the RUGs in the ultra-high, very high, and low therapy sub-categories steadily decreased over the last two years.

The BBRA also increased payment for all RUGs in the extensive care, special care, and clinically complex categories by 20%. The report found minimal changes in the proportion of residents coded in each of the RUGs in these categories since the implementation of PPS. ■

Better Days Ahead?

Things could be looking up for nursing homes still reeling from the effects of the SNF PPS. According to a recent report by the National Investment Center of the Seniors Housing & Care Industries, key financial indicators suggest a possible recovery is underway.

The report found that the median long-term care occupancy rate rose from 83% for the last quarter of 2000 to 86.5% for the first quarter of 2001. The mean average occupancy was up slightly as well, and the average monthly move-in rate for not-yet-stabilized nursing homes increased from 6 to 6.9 a month.

The news wasn't so good for assisted living facilities. Their median occupancy rate dropped from 88% for the last quarter of 2000 to 86% for the first quarter of 2001, and the net move-in rate dropped from 2.6 to 2.3. ■

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PPS Finalized for Rehab Hospitals

About 1200 rehabilitation hospitals and units will go under their own prospective payment system on January 1, 2002. The new system, which was finalized by the Centers for Medicare and Medicaid Services (CMS) (formerly HCFA) in late summer, will include all of the costs of furnishing covered inpatient rehab services, including routine, ancillary, and capital costs. Excluded will be bad debt and certain other costs that are paid for separately. For more on the new PPS, go to http://www.access.gpo.gov/su_docs/aces/fr-cont.html. ■

Nursing Home Abuse Widespread

A new government report, prepared at the request of Rep. Henry A. Waxman, says that 5283 nursing homes, or almost one out of every three, were cited for an abuse violation in the two-year period from January 1, 1999, through January 1, 2001. All of the violations had the potential to harm nursing home residents, and in over 1600, the abuse violations were serious enough to cause actual harm to residents or to place the residents in immediate jeopardy of death or serious injury.

Federal health and safety standards protect nursing home residents from physical, sexual, and verbal abuse. To enforce these standards, the U.S. Department of Health and Human Services contracts with the states to conduct annual inspections of nursing homes. These inspections assess whether nursing homes are meeting federal standards of care, including the prohibitions on abuse of residents. In addition, when an individual files an abuse complaint, state inspectors are required to investigate these allegations and assess whether federal standards of care were violated by the nursing home.

This report is the first to assess the incidence of abuse in nursing homes by comprehensively evaluating the results of these state inspections. It is based on an analysis of the results of all annual nursing home inspections or complaint investigations conducted in the two-year period from January 1, 1999, through January 1, 2001. The report also reviews a sample of state inspection reports and citations to assess the severity of the abuse violations.

The report does not estimate the number of nursing home residents who have been victims of abuse. In some of the abuse violations reviewed for the report, only one resident in the nursing home was victimized; in other instances, a single abuse violation affected numerous residents. It is likely, however, that the findings in this analysis underestimate the incidence of abuse in nursing homes since researchers have reported that abuse cases

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are especially likely to go undetected or unreported.

Major findings

Over 30% of the nursing homes in the United States were cited for an abuse violation that had the potential to cause harm. These nursing homes were cited for almost 9000 abuse violations during the two-year study period.

Over 2500 of the abuse violations were serious enough to cause actual harm to residents or to place residents in immediate jeopardy of death or serious injury. In total, nearly 10% of the nursing homes in the United States, or 1601, were cited for abuse violations that caused actual harm to residents or worse.

State inspectors can find evidence of abuse either during annual inspections or during an inspection after a formal complaint is filed. The data indicate that over 40% of the abuse violations, or more than 3800 in the two-year period, were discovered only after the filing of a formal complaint. In over one-third of these cases, the violation was determined to have caused actual harm to the resident.

In some cases, the nursing homes were cited because a member of the nursing staff committed acts of physical or sexual abuse against the residents under his or her care. In other cases, nursing homes were cited because they failed to protect vulnerable residents from violent residents who beat or sexually assaulted them.

The percentage of nursing homes cited for abuse violations has increased every year since 1996. In 2000, over twice as many nursing homes were cited for abuse violations during annual inspections than were cited in 1996. The reasons for this increase are unclear. ■

Granny Cam Debate Continues

Should families have the right to place video cameras in the nursing home rooms of their loved ones to check up on the quality of care being delivered? That has been a big issue in numerous states this year, but now legislation appears to be stalled. According to the State Net Capitol Journal, 11 states have debated the "Granny Cam" issue in 2001, but most bills dealing with the topic have not been successful. Even those states that have agreed to conduct studies on the use of Granny Cams, such as Maryland, Massachusetts, and Florida, have not passed legislation allowing them. Texas is the lone exception. A bill was recently passed there allowing families the right to record the care their loved ones receive. ■

Get it on the Web

Want the latest news from the section in the quickest manner possible? Then access the *Bulletin* on the Internet! If you are a section member and an Internet user, you can get your section newsletter a week and a half to two weeks earlier than you would get it in the mail by going to your section homepage at: http://www.aarc.org/sections/section_index.html. You can either read the *Bulletin* online or print out a copy for later.

The AARC is encouraging all section members who use the Internet to opt for the electronic version of the *Bulletin* over the mailed version. Not only will you get the newsletter faster, you will be helping to save the AARC money through reduced printing and mailing costs. These funds can then be applied to other important programs and projects, such as ensuring effective representation for RTs on Capitol Hill.

To change your option to the electronic section *Bulletin*, send an email to: mendoza@aarc.org. ■

Experience the Best of the Science, Tradition, and Future of Respiratory Care

28th Annual Donald F. Egan Scientific Lecture

COPD - On the Exponential Curve of Progress

John Heffner, MD, of the Medical University of South Carolina will the address COPD and its growing significance for respiratory therapists.

16th Annual Phil Kittredge Memorial Lecture

Mechanical Ventilation: How Did We Get Here and Where Are We Going?

Among therapists, Rich Branson, RRT, FAARC, of the University of Cincinnati Medical Center, is well recognized as an authority and visionary when it comes to mechanical ventilation.

27th Annual OPEN FORUM

Hundreds of original research papers will be showcased over the four days of the Congress, reviewing the latest in pediatric, adult, critical care, home care, and education. Learn about cutting edge research in the OPEN FORUM and see the latest technology in the Exhibit Hall.

17th Annual New Horizons Symposium

This year the topic is airway clearance techniques. This featured symposium attracts an audience of hundreds who come to immerse themselves in the most thorough review of a clinical topic.

Secure your early bird low-cost registration fee now! Register online at www.aarc.org. Also, continue checking the AARC website for the latest information on the Congress.

The AARC's International Respiratory Congress is the gold standard of respiratory care meetings. The Congress boasts:

- The lowest cost of continuing education per credit of any show, anywhere.
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JCAHO Accreditation Report

The AARC is currently seeking information on JCAHO accreditation site visits. Please use the following form to share information from your latest site visit with your colleagues in the Association. The information will be posted immediately on the AARC web site at http://www.aarc.org/members_area/resources/jcaho.html and will also be featured in the *Bulletin*.

Accreditation visit you are reporting (choose one):

❏ Home Care
❏ Hospital
❏ Long Term Care
❏ Pathology & Clinical Laboratory Services

Inspection Date: _____

Facility Name:_____

Contact: _____
(Please provide name and e-mail address.)

1. What was the surveyors' focus during your site visit?_____

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2. What areas were cited as being exemplary?

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3. What suggestions were made by the surveyors?

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4. What changes have you made to improve compliance with the guidelines?

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Additional comments:

_____

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