

Closures of hospital-based skilled nursing facility units: preliminary findings from site visits

ISSUE: Why do hospitals decide to close or retain their hospital-based skilled nursing facilities (SNFs)?

KEY POINTS: The number of hospital-based SNFs increased rapidly from the early 1990s to 1998. In 1998, CMS began phasing in the Congressionally-mandated prospective payment system for SNFs. From 1998 to 2004, the number of hospital-based SNFs declined. To gain a deeper understanding of the reasons hospitals had for deciding to close or retain their SNFs, we contracted with the Urban Institute to conduct interviews with providers in five market areas.

We interviewed 15 hospitals—8 had closed their SNFs; 7 had open SNFs—and 3 freestanding SNFs. We will report preliminary findings from these interviews at this session.

ACTION: Commissioners should discuss the findings from this study.

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