

Assessing payment adequacy and updating payments: Skilled nursing facility services

ISSUE: MedPAC assesses the adequacy of current payments and develops a recommendation for updating Medicare payments to skilled nursing facilities in 2021. Key questions to consider:

- Are Medicare payments for skilled nursing facility (SNF) care adequate?
- How should Medicare’s payments change for fiscal year 2021?

KEY POINTS: We use the Commission’s payment adequacy framework to discuss the payment update for SNF services for 2021. This framework considers:

- beneficiary access to care (including the supply of providers and volume of services),
- indicators of the quality of care furnished to beneficiaries,
- access to capital markets, and
- changes in Medicare costs and payments.

ACTION: Commissioners will discuss the adequacy of Medicare’s payments to SNFs.