

Assessing payment adequacy : Skilled nursing facilities

ISSUE: Each year, MedPAC assesses the adequacy of current payments and develops an update recommendation for skilled nursing facilities in 2013. Key questions to consider:

- Are Medicare payments for skilled nursing facility (SNF) care adequate?
- How should Medicare's payments change for fiscal year 2013? As part of the update discussion, the Commission will consider whether and when CMS should rebase the SNF payment rates.

In addition, the Commission will consider whether CMS should implement a rehospitalization policy for SNFs.

KEY POINTS: We use the Commission's payment adequacy framework to discuss the update for SNF services for 2013. 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 should review the findings in preparation for discussing the chairman's draft recommendations that will be presented at the meeting.

STAFF CONTACT: Carol Carter (202-220-3700)