

FY2010 OVERVIEW: NURSING HOME REIMBURSEMENT

MARYLAND

\$132 million = FY2010 TOTAL CUT (federal and state)

- \$70 million from FY09 continues.
- \$37 million in FY2010 budget because rates were flat funded.
- \$37 million is derived from losing the inflationary factor of approximately 3%.
- \$25 million (effective August 1st, NHs were cut \$23 million which annualized would have been \$25 million)

\$70 million = FY09 TOTAL CUT to Nursing Home Reimbursement System

- Governor's FY09 Budget – \$15 million cut carried over from FY08
- General Assembly Additional Cut - \$17 million
- November 1st Interim Cut - \$25.5 million (annualized it is approximately \$38 million)

\$15 million = FY08 TOTAL CUT to Nursing Home Reimbursement System. *** Provider Tax Goes Into Effect. NH Industry Self-Funds.

- \$3.2 million – additional funds raised from nursing home Quality Assessment @ 1.7% – returned to the general fund per the General Assembly*
- \$4.3 million – additional funds raised from nursing home Quality Assessment @ 1.7% – returned to the general fund per Board of Public Works cuts, May 2007

\$26 million = FY07 TOTAL CUT to NH Reimbursement System

\$32 million = FY06 TOTAL CUT to NH Reimbursement System FEDERAL

\$44 billion

- \$12 billion in cuts imposed when the Administration finalized a rule affecting skilled nursing facility care on July 31st.

PLUS

- \$32 billion in proposed cuts over 10 years included in H.R. 3200, America's Affordable Health Choice Act.

These provisions (H.R. 3200) significantly cut Medicare payments for skilled nursing facility. These provisions would:

- As of October 1, 2009, cut skilled nursing facility rates (SNF) rates by 3.3% by applying a “projection error” adjustment;
- Eliminate the 2.2% SNF market basket update – removing this cost of living adjustment for January 1, 2010 through September 30, 2010; and
- Apply a productivity adjustment estimated at 1% of the SNF rate beginning in fiscal year 2010.