Swing Bed Reimbursement Cuts at Critical Access Hospitals Proposed Again



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The House's latest Medicare extenders bill, proposed by Rep. Kevin Brady, chairman of the Ways and Means Committee, would extend several Medicare payment provisions sought by rural hospitals. Medicare payment programs such as the Medicare Dependent Hospital Program, the Low-Volume Adjustment Programs, and payments for Ground Ambulance Add-Ons and the Home Health rural add-on services, which are key aspects of rural healthcare, would be extended. But the detrimental cut to at least partially pay for all the extensions will be the swing bed payments used by many critical access hospitals (CAH). The proposal aims to cut swing bed payments to the lower Skilled Nursing Facility Prospective Payment System rates. Swing bed services are currently paid at the 101% of reasonable costs at CAHs.

This proposal, however, is not new. It was an issue in 2010 when the Office of Inspector General (OIG) recommended the same cut to swing bed services at CAHs. The recommendation was met with great opposition from CMS due to concerns with the OIG's findings on the availability of skilled nursing services at nearby facilities and OIG's calculations of potential savings appeared inflated, especially with the additional costs of transportation of moving a patient to an alternative facility.

The current bill is also met with opposition by organizations such as the American Hospital Association (AHA) and the Critical Access Hospital Coalition. Thomas Nickels, executive vice president of the AHA, stated that the AHA strongly opposed the cuts to CAHs to pay for the Medicare extensions as "CAHs are often the only source of healthcare in their communities and swing bed services allow seniors to stay close to home to receive care, rather than being transferred to another facility. This is the time when Congress should be looking to stabilize access to care, rather than reducing payments for critical healthcare services in our most vulnerable rural communities."

The Critical Access Hospital Coalition wants its member hospitals to call on state representatives to protect swing bed payments rates.

Questions?

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