

Nursing Home Budgeting Changes

Nursing home members are reminded that several new developments should be considered when they are preparing budgets for 2013. Hospitalization bed holds will be paid at 50 percent of the home's Medicaid rate retroactive to July 1, 2012 and going forward. An additional negative rate adjustment of about \$2.36 will be made effective Dec. 1, 2012. This is expected to last until April 1 then be reduced to roughly \$0.80.

Until we know what approach the state will use for updating the rates for case mix changes, members should be careful about budgeting case mix increases, especially larger ones. We hope to know more on this within a week and will update you as soon as possible. In the meantime, our template that provides DOH estimates of rates through 2017 is the most accurate way to gauge future fee-for-service rates.

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