

Requirements of Participation for Nursing Centers are Onerous and Unnecessary Regulation



The Centers for Medicare and Medicaid Services (CMS) in October 2016 issued a rule updating the “Requirements of Participation” for skilled nursing facilities (SNF). The rule includes sweeping changes, including updated standards of practice, consideration for different types of residents in nursing centers, and changes that CMS believes will improve care for residents. Some of the requirements represent a significant government overreach and need to be more provider-friendly. CMS estimated the nationwide first year implementation costs as \$831M and on-going annual costs as \$736M (see table 1 on next page for state break down on CMS estimated costs). This comes at a time when the MedPAC has confirmed that SNFs’ all-in margins are only 0.7% when all payments are taken into account.¹

There are many provisions that require entirely new infrastructure and documentation to be set up within SNFs, as well as new staff positions that can create redundant, costly, and unfeasible positions due to a national shortage of healthcare professionals. New sweeping regulations on issues ranging from pharmacy services to transitions of care mean well, but together create a large unfunded mandate that is impossible to follow. Although CMS has implemented an 18-month moratorium for imposing the most severe remedies for noncompliance with some of the provisions, providers are still forced to implement these changes for fear of future penalties.

Quality of care has been steadily improving for SNFs as measures by CMS’s tracking of survey inspections, staffing levels, and quality outcomes. In addition, AHCA has worked with CMS since 2012 to create a sweeping, nationwide Quality Initiative which has demonstrated marked reductions in rehospitalizations and the use of off-label antipsychotics.




However, the rule represents extensive unfunded mandates or micromanagement of operations that threaten this progress. Most of the new provisions are well-intended, but regulators did not take into account the immense amount of resources needed to document everything in the 184-page rule. Staff in SNFs have said that, on average, for every 15 minutes of care they deliver, there is an additional 45 minutes of paperwork that has to be done.

The implementation of these requirements and the associated costs are unfunded. This burden to business owners is significant even if you just consider the grossly underestimated costs done by CMS. Skilled nursing facilities are working to improve quality, but regulations like these shift resources toward paper compliance and away from bedside care.

Ask for Congress: Advise CMS to revise the SNF requirements of participation in order to make them more outcome-focused, patient-centered, and ensure the rule does not cause a financial hardship for providers.

¹MedPAC presentation, “Assessing payment adequacy and updating payments: Skilled facility services,” December 8, 2016.

AHCA
AMERICAN HEALTH CARE ASSOCIATION

 facebook.com/careadvocacy
 twitter.com/careadvocacy
 [contact us: 202-898-2816](tel:202-898-2816)

1201 L Street NW Washington, DC 20005
www.ahcancal.org

NCAL
NATIONAL CENTER FOR ASSISTED LIVING

IMPROVING LIVES by DELIVERING SOLUTIONS for QUALITY CARE

Table 1. Cost to SNF setting to comply with new Requirement of Participation Regulations based on CMS cost estimates.

State	SNF Count	First Year Cost (\$)	Annual Cost (\$)	Five Year Cost (\$)
National	15653	831,000,000	\$736,000,000	3,775,000,000
AK	18	1,132,200	990,000	5,092,200
AL	229	14,404,100	12,595,000	64,784,100
AR	228	14,341,200	12,540,000	64,501,200
AZ	147	9,246,300	8,085,000	41,586,300
CA	1207	75,920,300	66,385,000	341,460,300
CO	221	13,900,900	12,155,000	62,520,900
CT	226	14,215,400	12,430,000	63,935,400
DC	19	1,195,100	1,045,000	5,375,100
DE	45	2,830,500	2,475,000	12,730,500
FL	690	43,401,000	37,950,000	195,201,000
GA	358	22,518,200	19,690,000	101,278,200
GU	1	\$62,900	55,000	282,900
HI	46	2,893,400	2,530,000	13,013,400
IA	440	27,676,000	24,200,000	124,476,000
ID	77	4,843,300	4,235,000	21,783,300
IL	742	46,671,800	40,810,000	209,911,800
IN	546	34,343,400	30,030,000	154,463,400
KS	340	21,386,000	18,700,000	96,186,000
KY	291	18,303,900	16,005,000	82,323,900
LA	279	17,549,100	15,345,000	78,929,100
MA	412	25,914,800	22,660,000	116,554,800
MD	228	14,341,200	12,540,000	64,501,200
ME	103	6,478,700	5,665,000	29,138,700
MI	446	28,053,400	24,530,000	126,173,400
MN	378	23,776,200	20,790,000	106,936,200
MO	514	32,330,600	28,270,000	145,410,600
MS	205	12,894,500	11,275,000	57,994,500
MT	78	4,906,200	4,290,000	22,066,200
NC	425	26,732,500	23,375,000	120,232,500
ND	81	5,094,900	4,455,000	22,914,900
NE	214	13,460,600	11,770,000	60,540,600
NH	75	4,717,500	4,125,000	21,217,500
NJ	366	23,021,400	20,130,000	103,541,400
NM	75	4,717,500	4,125,000	21,217,500
NV	58	3,648,200	3,190,000	16,408,200
NY	624	39,249,600	34,320,000	176,529,600
OH	962	60,509,800	52,910,000	272,149,800
OK	304	19,121,600	16,720,000	86,001,600
OR	137	8,617,300	7,535,000	38,757,300
PA	701	44,092,900	38,555,000	198,312,900
PR	5	314,500	275,000	1,414,500
RI	84	5,283,600	4,620,000	23,763,600
SC	189	11,888,100	10,395,000	53,468,100
SD	110	6,919,000	6,050,000	31,119,000
TN	320	20,128,000	17,600,000	90,528,000
TX	1214	76,360,600	66,770,000	343,440,600
UT	98	6,164,200	5,390,000	27,724,200
VA	288	18,115,200	15,840,000	81,475,200
VI	1	62,900	55,000	282,900
VT	37	2,327,300	2,035,000	10,467,300
WA	221	13,900,900	12,155,000	62,520,900
WI	386	24,279,400	21,230,000	109,199,400
WV	126	7,925,400	6,930,000	35,645,400
WY	38	2,390,200	2,090,000	10,750,200

Note: individual state costs calculated by multiplying the CMS average costs per facility by the number of facilities in state, may in total exceed the CMS total costs because the number of SNFs varies over time and we used the most recent data as of Dec 2016 while CMS used data in 2015.