

Prospective payment examples

Ventilator patients in skilled nursing facility (SNF)

RUG	ADL score	End splits	Case-mix adjusted federal rate—urban	Case-mix adjusted federal rate—rural
ES3	2–16	Tracheostomy care (<i>while a resident</i>) and ventilator or respirator (<i>while a resident</i>)	\$709.20	\$684.89
ES2	2–16	Tracheostomy care (<i>while a resident</i>) or ventilator or respirator (<i>while a resident</i>)	\$555.16	\$537.72
HC1	6–10	COPD with shortness of breath when lying flat, no signs of depression	\$353.71	\$345.28

Definitions

RUG—resource utilization group: A patient’s day of care in a skilled nursing facility is assigned to one of 66 RUG categories based on patient characteristics and service use that are expected to require similar resources for treatment in the facility.

ADL—activity of daily living or basic tasks of everyday life, such as eating, bathing, dressing, toileting, bed mobility and transferring: When people are unable to perform these activities, they need help in order to cope with other people or mechanical devices or both. The ADL score indicates the level of functional assistance or support required by a patient; a score of 0 represents independence whereas a score of 16 represents total dependence. The ADL score is used to determine a patient’s placement in a RUG classification.

End splits—a RUG category: Each RUG level contains a primary category (*based on type of services needed*), a secondary category (*based on the level of services needed*), and an “end split” (*based on clinical and behavioral indicators, including ADLs, clinical services, indications of depression and restorative nursing services*).

Case-mix adjusted federal rate—a predetermined daily rate (or base payment rate) for each day of care provided to a patient in the skilled nursing facility: The base payment rate is the sum of three components, a nursing component, a therapy component, and a component reflecting the costs of room and board, linens and administrative services. The three components of the base payment rate vary depending on whether the skilled nursing facility is located in an urban or rural area. Further, the base payment rate is multiplied by the case-mix index (*based on nursing and therapy weights*) associated with each RUG in order to determine the case-mix adjusted federal rate for each RUG.

Source: The case-mix adjusted rates for each of the RUG groups can be found in the final rule for the SNF PPS. See table 4—RUG–IV case-mix adjusted federal rates and associated indexes urban; table 5—RUG–IV case-mix adjusted federal rates and associated indexes rural (*79 Fed. Reg. 45, 634-35. Aug. 5, 2014*).

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