

# HCFA Addresses Inpatient Payments, SNFs

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HCFA's recently published interim final rule concerning the "Provisions of the Balanced Budget Refinement Act of 1999; Hospital Inpatient Payments and Rates and Costs of Graduate Medical Education" will provide a 2.3 percent increase in payment rates for most acute care hospitals in fiscal year 2001. Further, as a requirement of the Balanced Budget Refinement Act of 1999, hospitals identified as the only provider of acute hospital services for a geographic area will receive an increase of 3.4 percent—equal to the market basket, which HCFA defines as "the projected growth in the inflation rate for goods and services purchased by hospitals." The interim final rule can be obtained at [www.access.gpo.gov/nara](http://www.access.gpo.gov/nara).

HCFA also published the update to the skilled nursing facility prospective payment system and consolidated billing update for fiscal year 2001, which sets the annual prospective payment system rates and the rates for consolidated billing. HCFA projects that in fiscal year 2001, nursing home payments will increase more than 20 percent over the current year's projections. Payment rates will also receive a 4 percent increase in the adjusted federal per diem payment in fiscal years 2001 and 2002, which will become effective on October 1, 2000. According to the final rule, 15 RUG-III groups (SE3, SE2, SE1, SSC, SSB, CC2, CC1, CB2, CB1, CA2, CA1, RHC, RMC, RMB) will receive a 20 percent increase in the per diem payment rate for SNF services after April 1, 2000, through October 1, 2000, or when the secretary of Health and Human Services implements a refined RUG system—whichever is later. Because HCFA research did not support revising the case mix system, the increase will remain in effect for fiscal year 2001. For an electronic copy of the final rule, go to [www.access.gpo.gov/nara](http://www.access.gpo.gov/nara).

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**Source:** *Journal of AHIMA* 71:9 (October 2000)

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