Fact Sheet: PDPM Payments for SNF Patients with HIV/AIDS

Background

The PDPM includes specific provisions to ensure that it accounts accurately for the increased costs associated with caring for SNF patients with HIV/AIDS. Moreover, as discussed further below, in contrast to the imprecision of the previous model's undifferentiated, across-the-board add-on for such patients, the PDPM's provisions are specifically targeted at those particular rate components that actually account for the disparity in cost between HIV/AIDS patients and others.

History of AIDS-Related Payments under the SNF PPS

In accordance with §511(a) of the Medicare Modernization Act of 2003 (MMA, Public Law 108-173), the previous Resource Utilization Groups, version IV (RUG-IV) model included a temporary 128% add-on for those SNF residents with AIDS, as identified through the presence of ICD-10-CM code B20 on the claim. The MMA provision was prompted by an analysis showing that compared with other SNF residents who classified into the same RUG, the cost of caring for those residents with AIDS was significantly higher. The MMA further specified that the add-on was to sunset upon the Secretary's certification that there is ". . . an appropriate adjustment in the case mix . . . to compensate for the increased costs associated with [such] residents."

However, the actual 128% level of the MMA's AIDS add-on was merely a general approximation of the added cost of caring for AIDS patients that reflected the state of research and clinical practice at the time. Further, as a simple across-the-board multiplier, the add-on by its very nature was not accurately targeted at those particular rate components that actually account for the disparity in cost between AIDS patients and others. Thus, as the PDPM was developed, its rate components were designed specifically with the need for addressing those issues in mind.

Accordingly, the FY 2019 SNF PPS final rule that finalized the PDPM included the prescribed certification ". . . that there is an appropriate adjustment in the PDPM to compensate for the increased costs associated with residents with AIDS" and, thus, provided that the MMA's temporary AIDS add-on would be replaced ". . . with the PDPM's permanent adjustment in the case mix that appropriately accounts for the increased costs of patients with AIDS, effective with the conversion to the PDPM on October 1, 2019" (83 FR 39255, August 8, 2018).

Accounting for AIDS-Related Costs under the PDPM

As explained in section 3.8.2. of the SNF PDPM technical report (available at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/therapyresearch.html), ensuring the PDPM's ability to account accurately and appropriately for the increased costs associated with caring for AIDS patients has been a key consideration in designing the various elements of the new model. Research indicated that for those SNF residents with AIDS, NTA costs per day were 151 percent higher, and wage-weighted nursing staff time was 18 percent greater, than for other residents.

As a result, residents with AIDS are assigned the highest point value (8 points) of any condition or service for purposes of classification under the PDPM's NTA component, and they also receive a special 18% add-on to the nursing component of the payment. As under the previous RUG-IV model, the presence of an AIDS diagnosis continues to be identified through the SNF's entry of ICD-10-CM code B20 on the claim.