

Corrections

Principles of Healthcare Reimbursement and Revenue Cycle Management, Seventh Edition
AHIMA Product # AB202019

Chapter 6, page 99, example 6.1 should be updated as follows:

Component	Urban	Wage	CMG	CMG	Adjusted	Adjusted for	Component
	Base	Index		CMI	for CMI	Variable Day	Payment
	Rate	Adjusted				Factors/AIDS	
		Rate					
		(1.241*)					
PT	\$60.75	\$75.39	TO	1.55	\$116.85	1.0	\$116.85
						All days	
ОТ	\$56.55	\$70.18	ТО	1.55	\$108.78	1.0	\$108.78
						All days	
SLP	\$22.68	\$28.15	SL	4.21	\$118.51		\$118.51
Nursing	\$105.92	\$131.45	PBC2	1.22	\$160.37		\$160.37
NTA	\$79.91	\$99.17	NC	1.84	\$182.47	3.0	\$547.41
						Days 1–3	
						1.0	\$182.47
						Days 4–10	
Non-Case	\$94.84	\$117.70					\$117.70
Mix							

Total per diem rate days 1–3				
(\$116.85 + \$108.78 + \$118.51 + \$160.37 + \$547.41 + \$117.70)				
Total per diem rate days 4–10	\$804.68			
(\$116.85 + \$108.78 + \$118.51 + \$160.37 + \$182.47 + \$117.70)				

^{*} Wage index of 1.241 is an example wage index value.

The first step is selecting the correct base rate. Community SNF is classified as urban, so the urban base rates are chosen. In step two, the urban base rate is wage index adjusted. The labor portion (70.9 percent) is adjusted with the hospital wage index of 1.241. Since the wage index amount is greater than 1.0, the base rate increases once adjusted. In step three, the adjusted base rate is multiplied by the CMG CMI. The CMG is determined based on the resident characteristics provided in the scenario (use tables 6.1, 6.4, 6.5, and 6.6 in the text). The result is shown in the column labeled Adjusted for CMI. The fourth step is to apply the variable day adjustments. The PT/OT day adjustment for days 1 through 10 is 1.0 (table 6.2). The NTA day adjustment for days 1 through 3 is 3.0, and for days 4 through 10 it is 1.0 (table 6.7). The last step is to sum the fully adjusted component rates to determine a total per diem. The total per diem rate for days 1 through 3 equals \$1,169.62; this accounts for the increase in payment for NTA during the first three days of the stay. The total per diem rate for days 4 through 10 equals \$804.68. The total reimbursement for the entire stay equals \$9,141.62 [(\$1,169.62 × 3) + (\$804.68 × 7)].

Chapter 6, p. 98, figure 6.2. Please see the updated figure, below.

STEP 3: STEP 4: STEP 1: Choose urban or STEP 2: Adjust for geographic STEP 5: Sum the Adjust for Adjust for rural base rate factors components case mix day of stay Nursing Nursing Nursing adjusted by + non-labor No base rate CMI payment related portion area wages Physical PΤ therapy (PT) adjusted by + non-labor CMI payment related portion base rate area wages 70.9% Occupational OT OT therapy (OT) adjusted by + non-labor CMI payment base rate area wages related portion Speech-language pathology (SLP) services base rate 29.1% SLP SLP adjusted by + non-labor Nο CMI payment related portion area wages Nontherapy ancillary (NTA) services 70.9% 29.1% NTA NTA adjusted by + non-labor Yes payment CMI base rate area wages related portion 29.1% Non-case mix Non-case mix adjusted by + non-labor No base rate payment area wages related portion Total payment

Figure 6.2. Foundation of SNF payment system

Source: MedPAC 2019, 2.