Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244–1850  
August 23, 2017

Re: Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities: Revisions to Case-mix Methodology

Dear Administrator Verma,

The Alzheimer’s Association writes to express concerns about the proposed changes to the revisions to the case-mix methodology applied to Skilled Nursing Facilities (SNFs).

The Alzheimer’s Association is the leading voluntary health organization in Alzheimer’s care, support, and research. Today, there are more than 5 million Americans living with Alzheimer’s, and it is the only cause of death among the top 10 without a way to prevent, cure, or even slow its progression. As the size and proportion of the United States population age 65 and older continue to increase, the number of Americans with Alzheimer’s and other dementias will grow. Skilled nursing facilities serve Medicare beneficiaries with dementia nearly four times more frequently than those without dementia: There are 283 SNF stays per 1,000 beneficiaries with Alzheimer’s or other dementias compared to 73 stays per 1,000 beneficiaries without these conditions. Despite this growing population and greater SNF use, we believe many beneficiaries with dementia are not receiving the skilled therapy they need. Thus, we encourage the Centers for Medicare & Medicaid Services (CMS) to consider the following comments to improve care and ensure that efforts to improve payment accuracy do not hinder their access to skilled nursing and therapy services.

We agree that the provision of therapy services based on financial incentive rather than resident need is distressing and we support CMS’s efforts to better align payment and resident characteristics. We are, however, concerned by the ultimate conclusion that the model will provide greater reimbursement to SNFs that deliver fewer or no therapy services. This could create another unintended financial incentive: discouraging SNFs from providing this care even when beneficiaries need it.

While we appreciate the estimates CMS provides for each group of beneficiaries, we do not believe the model sufficiently accounts for the range of persons who live with Alzheimer’s and related dementias and their changing needs, which vary by individual and by where someone is in the disease process. For example, the proposed model gives more weight to cognitive status when predicting therapy costs, which is important as dementia is the condition around which the management of other chronic conditions is organized. At the same time, the model will reduce how often a resident is assessed from five times over

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the course of a 90-day stay to a single assessment; as noted above, the needs of a person with dementia can change frequently.

Finally, we are troubled by CMS’s failure to consider the implications of *Jimmo v. Sebelius*, No. 11-CV-17 (D. Vt.), on this model. CMS states that the model is based only on existing therapy provision data. Plaintiffs filed *Jimmo* because of the inaccurate belief by some contractors, providers, and adjudicators that Medicare only paid for skilled therapy when beneficiaries were expected to improve. The Alzheimer’s Association was a party to that suit, as dementia is degenerative and we believed that beneficiaries with dementia were being improperly denied services. Because CMS is still working to comply with the settlement terms, we believe that many beneficiaries entitled to skilled therapy still are not receiving services. Therefore, that data is not reflected in this model, rendering it incomplete and inaccurate. If the underlying intent of this model is to “ensure that payments under the SNF PPS accurately reflect both resident needs and resource utilization,” then we discourage CMS from proceeding until it has more data that captures beneficiaries who are not currently receiving services to which they are entitled.

Thank you for the opportunity to comment. The Alzheimer’s Association would be glad to serve as a resource to CMS as it considers these important issues and how they relate to individuals living with Alzheimer’s and related dementias. Please contact Laura Thornhill, Manager of Regulatory Affairs, at 202-638-7042 or lthornhill@alz.org if you have questions or if we can be of additional assistance.

Sincerely,

Robert Egge
Executive Vice President, Government Affairs