

3708 W. Brooks Place • Sioux Falls, SD 57106 • (605) 361-2281

May 28, 2024

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare and Medicaid Services
7500 Security Blvd.
Baltimore, MD 21244

RE: CMS-1802-P; Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities; Updates to the Quality Reporting Program and Value-Based Purchasing Program for Federal Fiscal Year 2025

Submitted electronically via regulations.gov.

Dear Administrator Brooks-LaSure,

On behalf of the South Dakota Association of Healthcare Organizations (SDAHO), we appreciate the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) Skilled Nursing Facility (SNF) proposed rule for fiscal year (FY) 2025. SDAHO serves as a voice for South Dakota's hospitals and healthcare organizations encompassing the full continuum of care. SDAHO members include hospitals, healthcare systems, nursing facilities, home health agencies, assisted living centers, and hospice organizations. SDAHO's mission includes advancing healthy communities across the healthcare continuum.

Since 2016, South Dakota has seen 17 nursing homes close, including 7 in 2022 and 2 in 2023. This has caused many hardships for both the facilities that are still open trying to take the patients, as well as the patient population waiting for care. Additionally, the lack of available staffed nursing facility beds has caused discharge delays for hospitals. SDAHO does a quarterly Transitions of Care survey to determine how many patients have been awaiting discharge from hospitals for seven days or longer, with anywhere from seventy-nine to one-hundred twenty-five patients statewide waiting one week or longer. These delays are costly and cause additional delays for patients awaiting procedures that require an inpatient bed.

Market Basket Update

SDAHO recognizes the 4.1% total increase for FY2025 utilizes the 2.8% market basket minus the productivity cut of 0.4%, as well as the FY2024 market basket forecast error adjustment of 1.7%. While we appreciate the 4.1% market basket increase, we are disappointed that it includes the productivity cut, especially because of the increased financial pressures providers in South Dakota are facing that are often much greater than that. Increased demand for travel staffing and increased operational costs over the last several years have far outpaced any increases in reimbursement methods our members have seen. Additionally, we appreciate the correction for missed forecasts but think the method could be updated. If it were possible to use more up to date data that would capture these increased costs and pressures our members have been facing in recent years, we would fully support moving towards an updated method.

Nursing Home Civil Money Penalties

Within the proposed changes, CMS is proposing to expand their authority to impose civil money penalties (CMPs) on nursing homes by allowing the authority to impose both per day and per instance penalties, instead of one or the other. SDAHO does not believe that this will lead to increased quality and will ultimately lead to decreased outcomes by penalizing facilities that are already operating with little to no margins. This also comes at a time when the new CMS Nursing Home Staffing Mandate has been finalized and will likely force many facilities to close due to unrealistic staffing demands and additional monetary penalties. While SDAHO appreciates the desire to support safe, high-quality care, we do not believe that utilizing additional monetary penalties will have the desired outcome for nursing homes or residents.

Thank you for your consideration of our comments. We appreciate CMS allowing us to provide comments and urge that you reconsider adding additional pressures on our members. Please feel free to reach out to me at Tim.Rave@sdaho.org with any questions.

Sincerely,



Tim Rave
President/CEO
South Dakota Association of Healthcare Organizations