



**COMMONWEALTH of VIRGINIA**  
*Department for the Aging*

[Click here to go to the Virginia Department for the Aging Home Page](#)

**TABLE OF CONTENTS**  
**AAA TUESDAY E-MAILING**  
**August 9, 2011**

| <b>SUBJECT</b>   | <b>VDA ID NUMBER</b> |
|--|----------------------|
| <a href="#"><u>Nursing Home Reimbursement Changes</u></a><br>(Kathy Miller)  | <b>11-187</b>        |
| <a href="#"><u>Job Vacancy – Virginia Department for the Aging</u></a><br>(Janet James)  | <b>11-188</b>        |
| <a href="#"><u>HHS Announces Prescription Drug Premiums Will Not Increase, More Seniors Receiving Free Preventive Care and Discounts in the Donut Hole</u></a><br>(Kathy Miller) | <b>11-189</b>        |

-  
Note: The web addresses (links) in this document may change over time. The Department for the Aging does not attempt to refresh the links once the week has passed. However, this document is maintained on the web for a period of time as a reference. Some links may require registration.



*COMMONWEALTH of VIRGINIA*  
*Department for the Aging*

**MEMORANDUM**

**TO:** Executive Directors  
Area Agencies on Aging

**FROM:** Kathy Miller, Director of Programs

**DATE:** August 9, 2011

**SUBJECT:** Nursing Home Reimbursement Changes

On July 29, the Centers for Medicare & Medicaid Services (CMS) announced a final rule reducing Medicare skilled nursing facility (SNF) Prospective Payment System (PPS) payments in FY 2012 by \$3.87 billion, or 11.1 percent lower than payments for FY 2011. CMS' actions are intended to "correct for an unintended spike in payment levels and better align Medicare payments with costs." On August 2, CMS also released a final rule indicating that Medicare payments to Long Term Care Hospitals (LTCHs) in FY 2012 are projected to increase by \$126 million or 2.5 percent. Both final rules are available at [www.ofr.gov/inspection.aspx](http://www.ofr.gov/inspection.aspx). At the same time, driven by budget crises, many states have frozen or reduced Medicaid payments to SNFs and LTCHs.

Of interest to state aging and disability agencies is that historically SNFs have relied upon Medicare payments to offset any possible shortfalls in Medicaid lines of business. While nursing home providers were bracing for a Medicare reduction, trade association officials indicated that most were not anticipating a reduction on the scale of 11 percent. One trade association indicated that CMS' SNF rule "makes reductions beyond what is necessary for budget neutrality. This will threaten our ability to provide quality care to America's seniors. Coupled with changes in group therapy definitions, this drastic reduction will be especially challenging for skilled nursing facilities to manage."

Such possible impacts on nursing facility quality of care could have implications for State Long-Term Care Ombudsman and State Aging and Disabilities Agencies with other nursing home roles and responsibilities.



11-188

**COMMONWEALTH of VIRGINIA**  
*Department for the Aging*

**MEMORANDUM**

**TO:** Executive Directors  
Area Agencies on Aging

**FROM:** Janet James, Esq. – State Legal Services Developer, Public Guardian  
Program Coordinator

**DATE:** August 9, 2011

**SUBJECT: Job Vacancy – Virginia Department for the Aging**

Please feel free to share this job vacancy notice to all who may be interested.

Agency: Virginia Department for the Aging  
Job Title: Public Guardian Program Specialist  
Location: Henrico  
Position #: 00025  
Closing Date: 8/12/2011

The above listed position may be accessed directly in the Virginia Jobs Recruitment Management System (RMS) by clicking on the *Quicklink* below for persons already registered in RMS. For others, please visit

<https://jobs.agencies.virginia.gov/> for additional information on RMS registration and an opportunity to apply for this position.

Please be aware that ONLY fully completed RMS online applications are accepted for advertised vacancies. Thank you.

*Quicklink:*

[https://jobs.agencies.virginia.gov/applicants/jsp/shared/position/JobDetails\\_css.jsp](https://jobs.agencies.virginia.gov/applicants/jsp/shared/position/JobDetails_css.jsp)



11-189

*COMMONWEALTH of VIRGINIA*  
*Department for the Aging*

**MEMORANDUM**

**TO:** Executive Directors  
Area Agencies on Aging

**FROM:** Kathy Miller, Director of Programs

**DATE:** August 9, 2011

**SUBJECT:** HHS Announces Prescription Drug Premiums Will Not Increase, More Seniors Receiving Free Preventive Care and Discounts in the Donut Hole

On August 4, the U.S. Department of Health and Human Services (HHS) announced that Medicare average prescription drug premiums will not increase in 2012. In addition, more Medicare beneficiaries are receiving discounts on prescription drug costs and no-cost preventive services.

Under the Affordable Care Act, people with Original Medicare can receive recommended preventive benefits and a new Annual Wellness Visit without cost-sharing. The Affordable Care Act is also closing the prescription drug “donut hole” by providing increasing discounts on covered drugs in the coverage gap. New data show beneficiaries benefiting from these provisions in the following ways:

- From January 1, 2011 through mid-July, over 17 million people with Original Medicare (51.5 percent) received one or more free preventive services. During the same time period, over 1 million people with Original Medicare obtained an Annual Wellness Visit – a new benefit created by the Affordable Care Act – up from 780,000 who had received this service by mid-June.
- From January 1, 2011 through the end of June, 899,000 Medicare beneficiaries received a 50 percent discount on covered brand name drugs in the Medicare Part D donut hole - an increase of over 420,000 people in the month of June alone. This represents \$461 million saved by beneficiaries through June – including over \$200 million in the month of June alone.

SUBJECT:HHS Announces Prescription Drug Premiums Will Not Increase, More Seniors Receiving Free Preventive Care and Discounts in the Donut Hole  
Page 2 of 2

HHS also announced that the average Medicare prescription drug plan premium will be about \$30 in 2012. The average premium in 2011 is \$30.76. This announcement is based on bids submitted by Part D plans for the 2012 plan year.

More information related to these announcements is available at the following websites:

- National and regional Part D premium data:  
<http://www.cms.gov/MedicareAdvtgSpecRateStats/RSD/list.asp>.
- State-by-state information on the number of beneficiaries with lower out-of-pocket costs in the donut hole: [http://www.cms.gov/newmedia/03\\_partd.asp](http://www.cms.gov/newmedia/03_partd.asp).
- State-by-state information on utilization of free preventive services and the Annual Wellness Visit: [http://www.cms.gov/newmedia/02\\_preventive.asp](http://www.cms.gov/newmedia/02_preventive.asp).
- Information on Medicare's *Share the News. Share the Health* prevention campaign: <http://www.medicare.gov/share-the-health/>. CMS launched this campaign in June to raise awareness about the importance of prevention for people with Medicare and their health care providers.