

Nursing Homes to See \$888 Million Payment Bump Under Proposal

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Ganny Belloni- Bloomberg Government

Reporter

A Trump administration proposal would boost payments to nursing homes by nearly \$900 million next year.

The proposed rule ([RIN 0938-AV75](#)), released Thursday by the Centers for Medicare & Medicaid Services, proposes increasing payments to these facilities for 2027 by 2.4%, or \$888 million.

The proposal also includes changes to the CMS's nursing home Value Based Purchasing program. If finalized, the adjustments would reduce payments to these facilities by roughly \$208.4 million in fiscal year 2027.

The nursing home VBP program is a pay-for-performance program. By statute, the CMS withholds 2% of nursing homes' traditional Medicare "Part A" hospital benefit payments to fund the VBP program.

Between 50% and 70% of this "withhold" is then redistributed to nursing homes as performance-based incentive payments.

The proposal rule also calls for changes to the nursing home Quality Reporting Program . If finalized, the rule will remove two quality measures related to Covid-19 vaccination coverage among patients and nursing staff.

To contact the reporter on this story: [Ganny Belloni](mailto:gbelloni@bloombergindustry.com) at gbelloni@bloombergindustry.com

To contact the editor responsible for this story: Brent Bierman at bbierman@bloomberglaw.com