



Long Term Care Update

December 21, 2009

Florida Unemployment Taxes Increase Sharply in 2010

With Florida's unemployment rate at the highest levels since 1975, the State's trust fund is depleted, which triggered an increase in the rates charged for those below the maximum statutory rate. As another example of the good actors subsidizing the bad, an employer with the best experience factor will see an increase from .12% to 1.18%, an increase of 883%!

The other factor is a statutory change last year that increased the taxable wage maximum from \$7,000 to \$8,500, which results in another 21.4% increase. The two factors taken together can increase an employer's liability from a minimum of \$8.40 per employee, to \$100.30, an increase of 1,100%! Fortunately, state unemployment taxes have, to this point, been a relatively minor expense.

While an employer with 100 employees could see an increase of almost \$10,000, if that employer "churns" an extra 100 employees, their increase can almost double because the tax only applies to the first \$8,000 in wages paid. The cost of losing an employee just got a little more painful, so perhaps "refocus on retention" should be among your resolutions.

Initial Medicare Part B Fee Schedule for 2010

Tony Marshall provided us with the schedules for all 50 states. Note that I'm calling the schedules "Initial" because they currently reflect the 10% cut that was postponed in 2008, along with the 11% cut that was scheduled, resulting in a cut of over 21%!

In recent years, last-minute Congressional action has averted the cuts; but this year, Health Care Reform has pushed this item to a back burner. Hopefully, they will get back to this issue early next year. Meanwhile, it's the beltway's version of "Happy Holidays!"

Medicare Co-Pays and Deductible Increases

On January 1, the Medicare Part A deductible for days 21 to 100 increases to \$137.50. For almost 75% of beneficiaries, Part B premiums are unchanged, but higher income beneficiaries could see substantial increases. The Part B deductible for 2010 is \$155.00.

Billing Crossover Claims for Diversion Recipients

For an enrolled recipient, nursing facilities are required to bill Nursing Home Diversion (NHD) program providers for Medicare crossover claims, and the NHD providers are responsible to pay them. Nursing facilities cannot bill Medicaid directly for these types of crossover claims. When there is a potential for payment of a

Medicare crossover claim, the NHD provider will prorate the monthly amount of patient responsibility, based on the number of days being billed, and pay the crossover claims less the amount of the prorated patient responsibility. Just as with regular Medicaid, the amount of patient responsibility that can be charged to the resident is limited by the amount of the possible crossover claim.

We're here to help, so if you have any questions or need assistance, contact your MSL representative or Steve Jones in Clearwater at (727) 531-4477 or sjones@mslcpa.com.

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