



Tens of thousands of people with chronic conditions and disabilities may find it easier to qualify for Medicare coverage of potentially costly home health care, skilled nursing home stays and outpatient therapy under policy changes planned by the Obama administration.

In a proposed settlement of a nationwide class-action lawsuit, the administration has agreed to scrap a decades-old practice that required many beneficiaries to show a likelihood of medical or functional improvement before Medicare would pay for skilled nursing and therapy services.

Under the agreement, which amounts to a significant change in Medicare coverage rules, Medicare will pay for such services if they are needed to “maintain the patient’s current condition or prevent or slow further deterioration,” regardless of whether the patient’s condition is expected to improve.

Federal officials agreed to rewrite the Medicare manual to make clear that Medicare coverage of nursing and therapy services “does not turn on the presence or absence of an individual’s potential for improvement,” but is based on the beneficiary’s need for skilled care.

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