



Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update FY 2020

MLN Matters Number: MM11347

Related Change Request (CR) Number: 11347

Related CR Release Date: June 28, 2019

Effective Date: October 1, 2019

Related CR Transmittal Number: R4325CP

Implementation Date: October 7, 2019

PROVIDER TYPE AFFECTED

This MLN Matters Article is for Skilled Nursing Facilities (SNFs) submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries paid under the Skilled Nursing Facility (SNF) Prospective Payment System (PPS).

PROVIDER ACTION NEEDED

CR 11347 provides information on the Fiscal Year (FY) 2020 updates to the SNF PPS payment rates, as required by statute. Make sure your billing staffs are aware of these updates.

BACKGROUND

Section 1888(e) of the Social Security Act (as amended by: 1) the Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP), the Balanced Budget Refinement Act of 1999 (the BBRA), 2) the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (the BIPA), and 3) the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the MMA)), requires annual updates to the SNF PPS rates, relating to Medicare payments and consolidated billing for SNFs.

Each July, the Centers for Medicare & Medicaid Services (CMS) publishes, in the Federal Register, the SNF payment rates for the upcoming Fiscal Year (FY) (in this case, October 1, 2019 through September 30, 2020). This information is available online at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPSP/List-of-SNF-Federal-Regulations.html>.

The current update methodology is similar to that used in the previous year, which includes a forecast error adjustment whenever the difference between the forecasted and actual change in the SNF market basket exceeds a 0.5 percentage point threshold. The payment rates will be

effective for service dates of October 1, 2019 through September 30, 2020.

ADDITIONAL INFORMATION

The official instruction, CR 11347, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4325CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
July 2, 2019	Initial article released.

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