



Off-Cycle Update to the Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Fiscal Year (FY) 2018 Pricer

MLN Matters Number: MM10377

Related Change Request (CR) Number: 10377

Related CR Release Date: November 22,
2017

Effective Date: October 1, 2017

Related CR Transmittal Number: R3928CP

Implementation Date: January 2, 2018

PROVIDER TYPES AFFECTED

This MLN Matters® Article is intended for freestanding Skilled Nursing Facilities (SNFs), SNFs affiliated with acute care facilities, and all non-Critical Access Hospital (CAH) swing-bed rural hospitals submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

Change Request (CR) 10377 adds logic into the Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer to apply the Quality Reporting Program (QRP) payment reduction for Fiscal Year (FY) 2018 for those facilities that do submit require quality data. Please make sure your billing staffs are aware of this update.

BACKGROUND

Section 1888(e)(6)(B)(i)(II) of the Social Security Act (the Act) requires that each SNF submit, for FYs beginning on or after the specified application date (as defined in Section 1899B(a)(2)(E) of the Act), data on quality measures specified under Section 1899B(c)(1) of the Act and data on resource use and other measures specified under Section 1899B(d)(1) of the Act in a manner and within the time frames specified by the Secretary.

The SNF QRP applies to freestanding SNFs, SNFs affiliated with acute care facilities, and all non-Critical Access Hospital (CAH) swing-bed rural hospitals.

Beginning with FY 2018 and in each subsequent year, if an SNF does not submit required quality data; their payment rates for the year are reduced by 2 (two) percentage points for that FY. Application of the 2-percent reduction may result in an update that is less than 0.0 for an FY and in payment rates for an FY being less than such payment rates for the preceding FY. In

addition, reporting-based reductions to the market basket increase factor will not be cumulative; rather they will only apply for the FY involved.

ADDITIONAL INFORMATION

The official instruction, CR10377, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3928CP.pdf>.

For an overview of the Quality Payment Program, go to <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/MACRA-Quality-Payment-Program-webinar-slides-10-26-16.pdf>.

To review the SNF Billing Reference, go to <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/SNFSpellIllnesschrt.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

DOCUMENT HISTORY

Date of Change	Description
November 22, 2017	Initial article released

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