

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



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MLN Matters® Number: MM9222 **Revised**

Related Change Request (CR) #: CR 9222

Related CR Release Date: July 2, 2015

Effective Date: October 1, 2015

Related CR Transmittal #: R3289CP

Implementation Date: October 5, 2015

Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update FY 2016

Note: This article was revised on July 9, 2015, to reflect the revised CR9222 issued on July 2. In the article, the CR release date, transmittal number, and the Web address for accessing CR9222 are revised. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended 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

Change Request (CR) 9222 describes the updates to the payment rates used under the PPS for SNFs, for Fiscal Year (FY) 2016, as required by statute. Make sure that your billing staffs are aware of these changes.

Disclaimer

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Background

Annual updates to the SNF PPS rates are required by the Social Security Act (Section 1888(e); see http://www.ssa.gov/OP_Home/ssact/title18/1888.htm), as amended by the Medicare, Medicaid, and the State Children's Health Insurance Plan (SCHIP) Balanced Budget Refinement Act of 1999 (the BBRA), the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (the BIPA), and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the MMA), relating to Medicare payments and consolidated billing for SNFs.

Each July, the Centers for Medicare & Medicaid Services (CMS) publishes the SNF payment rates for the upcoming fiscal year (October 1, 2015 through September 30, 2016) in the Federal Register, available online at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/List-of-SNF-Federal-Regulations.html> on the CMS website.

The update methodology is identical 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 0.5 percentage point. The statute mandates an update to the Federal rates using the latest SNF full market basket adjusted for productivity. The payment rates will be effective October 1, 2015.

Additional Information

The official instruction, CR9222 issued to your MAC regarding this change is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3289CP.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Net/work-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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