

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



MLN Matters® Number: MM9712

Related Change Request (CR) #: CR 9712

Related CR Release Date: July 1, 2016

Effective Date: October 1, 2016

Related CR Transmittal #: R3555CP

Implementation Date: October 3, 2016

Medicare Part A Skilled Nursing Facility Prospective Payment System Pricer Update FY 2017

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) 9712 announces the availability of the payment rates used under the PPS for SNFs for Fiscal Year (FY) 2017, as required by statute. Make sure that your billing staffs are aware of these changes.

Background

Annual updates to the PPS rates are required by [Section 1888\(e\)](#) of the Social Security Act 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 (that is, October 1, 2016, through September 30, 2017) in the Federal Register.

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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, 2016.

Additional Information

The official instruction, CR9712 issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3555CP.pdf>.

The CNF payment rates for FY2017 are available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/List-of-SNF-Federal-Regulations.html>.

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-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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