



Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update FY 2018

MLN Matters Number: MM10118

Related Change Request (CR) Number: CR10118

Related CR Release Date: June 16, 2017

Effective Date: October 1, 2017

Related CR Transmittal Number: R3796CP

Implementation Date: October 2, 2017

Note: This article was revised on August 29, 2017, to add a link to a related MLN Matters Article, [MM9944](#). That article reminds SNFs of payment reductions in Fiscal Year 2018, and each subsequent year, for SNFs that do not submit required quality data to Medicare. All other the information is unchanged.

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) 10118 informs MACs about the updates to the payment rates under the PPS for SNFs, for FY 2018, as required by statute. Make sure that your billing staffs are aware of these changes.

BACKGROUND

Annual updates to PPS rates are required by Section 1888(e) of the Social Security Act, as amended by the Medicare, Medicaid, and 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 (FY) (that is, October 1, 2017, through September 30, 2018) in the Federal Register, available online at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPFS/List-of-SNF-Federal-Regulations.html>. The 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. The statute mandates an update to the Federal rates using the latest SNF full market basket adjusted for productivity. However, for FY 2018, the SNF payment increase factor is 1.0 percent, as required by Section 411(a) of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). The payment rates will be effective October 1, 2017.

ADDITIONAL INFORMATION

The official instruction, CR10118, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3796CP.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
August 29, 2017	The article was revised to add a link to a related MLN Matters Article, MM9944 . That article reminds SNFs of payment reductions in Fiscal Year 2018, and each subsequent year, for SNFs that do not submit required quality data to Medicare.
June 19, 2017	Initial article released

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