



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

MLN Matters Number: MM10825

Related Change Request (CR) Number: 10825

Related CR Release Date: July 6, 2018

Effective Date: October 1, 2018

Related CR Transmittal Number: R4084CP

Implementation Date: October 1, 2018

PROVIDER TYPE 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) 10825 informs MACs about updates to the payment rates under the PPS for SNFs, for Fiscal Year (FY) 2019, as required by statute. Make sure your billing staffs are aware of these changes. Also, be sure your billing staff are aware of the annual updates.

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 SCHIP Balanced Budget Refinement Act of 1999 (BBRA), the Medicare, Medicaid, and State Children's Health Insurance Plan (SCHIP) Benefits Improvement and Protection Act of 2000 (BIPA), and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (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 FY (that is, October 1, 2018, through September 30, 2019) in the Federal Register, available online at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPSP/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 2019, the SNF payment increase factor is 2.4 percent, as required by Section 53111 of the Bipartisan Budget Act of 2018. The payment rates will be effective October 1, 2018.

ADDITIONAL INFORMATION

The official instruction, CR10825, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2018Downloads/R4084CP.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 9, 2018	Initial article released.

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