



Do you have your NPI? National Provider Identifiers (NPIs) will be required on claims sent on or after May 23, 2007. Every health care provider needs to get an NPI. Learn more about the NPI and how to apply for an NPI by visiting <http://www.cms.gov/Regulations-and-Guidance/HIPAA-Administrative-Simplification/NationalProvIdentStand/> on the CMS website.

MLN Matters Number: MM5209

Related Change Request (CR) #: 5209

Related CR Release Date: July 28, 2006

Effective Date: October 1, 2006

Related CR Transmittal #: R1008CP

Implementation Date: October 2, 2006

Note: This article was updated on November 8, 2012, to reflect current Web addresses. All other information remains unchanged.

Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update for FY 2007

Provider Types Affected

Skilled nursing facilities (SNFs) billing Medicare fiscal intermediaries (FIs)

Background

Annual updates to the PPS rates are required by the Social Security Act, as amended by the Medicare, Medicaid, and State Child Health Insurance Program (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.

The Centers for Medicare & Medicaid Services (CMS) published the SNF payment rates for FY 2006 (October 1, 2005 through September 30, 2006) in the Federal Register on August 5, 2005 (70 FR 40526).

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Correction Notice to SNF Payment Rates for FY 2006

CMS published a Correction Notice to the SNF payment rates for FY 2006 on September 30, 2005 (70 FR 57164). The update methodology is identical to that used in the previous year and will include the MMA reimbursement for beneficiaries with AIDS.

The statute mandates an update to the Federal rates using the latest SNF full market basket.

Note: A market basket is a group of products or services in a specific market. Classic market-basket analysis treats the purchase of a number of items (for example, the contents of a shopping basket) as a single transaction. Input prices are the pure prices of inputs used by an SNF in providing services, and these include labor, capital, and materials (such as drugs). By definition, an input price reflects prices faced by the SNF in purchasing these inputs, whereas an output price reflects the prices faced by buyers of SNF services. CMS currently can measure input prices using the SNF input price index, or "market basket."

CR5209 - Key Points

- The Fiscal Year (FY) 2007 SNF payment rates will be effective October 1, 2006, through September 30, 2007.
- The update methodology is identical to that used in the previous year and will include the MMA reimbursement for beneficiaries with AIDS.

Additional Information

Market Basket Definitions and General Information can be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareProgramRatesStats/downloads/info.pdf> on the CMS website.

The official instruction, CR5209, issued to your Medicare FI regarding this change can be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1008CP.pdf> on the CMS website.

If you have questions, please contact your Medicare FI at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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