

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



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## Fiscal Year 2018 and After Payments to Skilled Nursing Facilities That Do Not Submit Required Quality Data

**Note:** This article was revised on August 29, 2017, to add a reference to MLN Matters Article, [MM10018](#). MM10018 informs MACs about the updates to the SNF payment rates under the PPS for FY 2018, as required statute. 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.

### What You Need to Know

Change Request (CR) 9944 reminds SNFs of payment reductions in Fiscal Year 2018, and each subsequent year, for SNFs that do not submit required quality data to Medicare.

### Background

The Improving Medicare Post-Acute Care Transformation Act of 2014 ([IMPACT Act](#)) added Section 1899B to the Social Security Act that:

- Imposed new data reporting requirements for certain Post-Acute Care (PAC) providers, including Skilled Nursing Facilities (SNFs)
- Required that the Centers for Medicare & Medicaid Services (CMS) implement a SNF Quality Reporting Program (QRP).

As defined in the Social Security Act (Section 1899B(a)(2)(E)), for Fiscal Years (FYs) beginning on or after the specified application date, the Social Security Act (Section 1888(e)(6)(B)(i)(II)) requires that each SNF submit (in a manner and within the time frames specified by CMS):

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- Data on quality measures specified under the Social Security Act (Section 1899B(c)(1))
- Data on resource use and other measures specified under the Social Security Act (Section 1899B(d)(1)).

Note that the SNF QRP applies to freestanding SNFs, SNFs affiliated with acute care facilities, and all non-Critical Access Hospital swing-bed rural hospitals.

Beginning with FY 2018, and each subsequent year, if a SNF does not submit required quality data, their payment rates for the year are reduced by 2 percentage points for that fiscal year. Application of the 2 percentage reduction may result in an update that is less than 0.0 for a fiscal year and in payment rates for a fiscal year being less than such payment rates for the preceding fiscal year. In addition, reporting-based reductions to the market basket increase factor will not be cumulative; they will only apply for the FY involved.

CR9944 revises Chapter 3, Section 80 of the “Medicare Quality Reporting Incentive Programs Manual” to reflect changes to the payment reduction reconsideration process. The revised manual section is included with CR9944.

Your MAC will notify you by letter if your SNF was non-compliant with the QRP requirements and are, therefore, subject to the payment reduction.

### Additional Information

The official instruction, CR9944, issued to your MAC regarding this change is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R67QRI.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	Description
August 29, 2017	This article was revised to add a reference to MLN Matters Article <a href="#">MM10018</a> , which informs MACs about the updates to the payment rates under the PPS for SNFs, for FY 2018, as required by statute.
July 17, 2017	Initial article released.

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