

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2366	Date: October 3, 2019
	Change Request 11152

Transmittal 2299, dated May 3, 2019, is being rescinded and replaced by Transmittal 2366 dated, October 3, 2019, to add new business requirement 11152.11 and new HIPPS codes file attachment. All other information remains the same.

SUBJECT: Implementation of the Skilled Nursing Facility (SNF) Patient Driven Payment Model (PDPM)

I. SUMMARY OF CHANGES: This Change Request will implement the Skilled Nursing Facility (SNF) Patient Driven Payment Model (PDPM).

EFFECTIVE DATE: October 1, 2019

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: July 1, 2019 - CWF and FISS Coding and Testing in July 2019; July 1, 2019 - CWF Implementation in July; October 1, 2019 - Pricer Updates and Continue Testing

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 2366	Date: October 3, 2019	Change Request: 11152
-------------	-------------------	-----------------------	-----------------------

Transmittal 2299, dated May 3, 2019, is being rescinded and replaced by Transmittal 2366 dated, October 3, 2019, to add new business requirement 11152.11 and new HIPPS codes file attachment. All other information remains the same.

SUBJECT: Implementation of the Skilled Nursing Facility (SNF) Patient Driven Payment Model (PDPM)

EFFECTIVE DATE: October 1, 2019

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: July 1, 2019 - CWF Implementation in July; July 1, 2019 - CWF and FISS Coding and Testing in July 2019; October 1, 2019 - Pricer Updates and Continue Testing

I. GENERAL INFORMATION

A. Background: This Change Request (CR) is for implementation of the changes to the Skilled Nursing Facility (SNF) Prospective Payment System (PPS), specifically implementing changes required for the Patient Driven Payment Model (PDPM). These changes were finalized in the FY 2019 SNF PPS Final Rule (83 FR 39162) and are effective October 1, 2019. This Change Request (CR) is applicable to the Fiscal Intermediary Shared System (FISS) and the Common Working File (CWF). SNFs billing on Type of Bill (TOB) 21X and hospital swing bed providers billing on TOB 18X (subject to SNF PPS), will be subject to these requirements.

Currently, under the SNF PPS, revenue code 0022 indicates that this claim is being paid under the SNF PPS. This revenue code can appear on a claim as often as necessary to indicate different Health Insurance Prospective Payment System (HIPPS) Rate Code(s) and assessment periods. The HCPCS/Rates field must contain a 5-digit "HIPPS Code". Currently, the first three positions of the code contain the Resource Utilization Group (RUG) group, and the last two positions of the code contain a 2-digit assessment indicator (AI) code.

B. Policy: Under PDPM, the HIPPS code is structured differently, as a result of there being five case-mix adjusted rate components under the revised model. The first position represents the Physical and Occupational Therapy case-mix group. The second position represents the Speech-Language Pathology case-mix group. The third character represents the nursing case-mix group. The fourth character represents the Non-Therapy Ancillary case-mix group. The fifth character represents the AI code. CMS would note that this also affects the number of potentially valid HIPPS codes under PDPM, as compared to RUG-IV.

The PPS assessment schedule under PDPM is also significantly different from that used under the current case-mix classification system, the Resource Utilization Group, Version IV (RUG-IV) model. The only required assessments under PDPM that would produce a HIPPS code would be the 5-day PPS assessment, which follows the same schedule as under the current SNF PPS, and an Interim Payment Assessment (IPA), which may be completed at any point during a PPS stay.

Additionally, under PDPM, SNF PPS payments will be reduced according to a prescribed schedule, referred to as the variable per diem adjustment. Under the current SNF PPS, all days within any given RUG during a covered stay are paid at the same per diem rate. Under PDPM, however, the per diem rate for a given day of the SNF PPS stay may be different from the prior day, depending on an adjustment factor that may be applied against the SNF PPS rate connected with the HIPPS code. Moreover, the variable per diem schedule applies only to the PT, OT, and NTA components of the per diem rate, with different schedules for the PT/OT components than for the NTA component. More details on this may be found in Table 30 of the FY 2019 SNF PPS Final Rule (83 FR 39228). A similar adjustment exists under the Inpatient Psychiatric

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
	11152.2										
11152.3	The Medicare contractor shall no longer require therapy services to be present on SNF/Swing bed claims with statement covers thru dates greater than 10/01/19. Note: Claims with discharges on 10/1/19 are not included.					X					
11152.4	The Medicare contractor shall create a new edit (that may be over ridden) , for the SNF interrupted stay policy. Shall not allow an interrupted stay of more than 3 days, based on Date of Service (DOS) for a SNF.	X								X	
11152.4.1	The Medicare contractor shall return to the provider (RTP) claims assigned the edit created under BR 11152.4.	X				X					
11152.4.2	The Medicare contractor shall create a new IUR associated with the new edit created under BR 11152.4.									X	
11152.4.3	The Medicare contractor shall adjust the claim identified in the IUR created under 11152.4.2					X					
11152.5	The Medicare contractor shall create a new edit, (that may be over ridden) , not to allow discharge between same SNF if stay between two stays for same provider is less than 3 days, based on Date of Service (DOS).for a SNF.	X								X	
11152.5.1	The Medicare contractor shall return to the provider (RTP) claims assigned the edit created under BR 11152.5.	X				X					

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
11152.5.2	This business requirement has been deleted.								X	
11152.5.3	This business requirement has been deleted.					X				
11152.6	The Medicare contractor shall implement a new SNF PRICER effective for statement covers thru dates on or after 10/01/19.					X				
11152.6.1	The Medicare contractor shall revise the SNF PRICER record layout as shown in Attachment 1.					X			SNF Pricer	
11152.6.1 .1	The Medicare contractor shall calculate the prior days value to pass into the SNF PRICER when pricing the current claim as follows: Add the cost report days on all claims paid under the same admission as the claim being priced.					X				
11152.6.2	The PRICER shall count 10/01/19 as day one for its calculation on admissions prior 10/01/19.								SNF Pricer	
11152.6.3	The Medicare contractor shall assign a new edit to the claim if at least one of the previously processed claims is offline					X				
11152.6.4	The Medicare contractor shall manually retrieve the offline claims based on the edit assigned in BR 11152.6.3. Note: The volume is expected to be very low	X								
11152.7	The Medicare contractor shall install and test a version of the SNF PRICER.	X				X			STC	
11152.7.1	The Medicare contractor shall receive the BETA version of Pricer for October (with logic changes and FY 2019 rates) on or about June 1st.					X			STC	

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
11152.8	The Medicare contractor shall no longer calculate the total VBP for the line for claims with thru dates greater than 10/01/19. The Medicare contractor shall continue to use the current calculation for claims with thru dates on or before 10/01/19. Note: Claims with discharges on 10/01/19 will use the FY 19 PRICER and not price under PDPM.					X				
11152.8.1	The Medicare contractor shall no longer multiply the payment amount returned by the Pricer by the units on the line.					X				
11152.8.2	The Medicare contractor shall move the VBP amount returned from the SNF PRICER to the same VBP amount line item field on the FISS claim record.					X				
11152.8.3	The Medicare contractor shall continue to total the amounts in the VBP field on the claim record and move the total to the value code QV.					X				
11152.9	The Medicare contractor shall no longer calculate the total SNF PDPM for the line for claims with thru dates greater than October 1, 2019. The Medicare contractor shall continue to use the current calculation for claims with thru dates on or before October 1, 2019. Note: Claims with discharges on October 1, 2019 will use the FY 19 PRICER and not price under PDPM					X				
11152.10	The Medicare contractor shall no longer multiply the payment amount returned by the Pricer by the units on the line.					X				
11152.11	The Medicare contractor shall load the HIPPS code updates for the SNF PDPM in attachment 2 to the HCPCS file.					X			VDC	

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H	M A C	
11152.12	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the "MLN Matters" listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.	X				

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Valeri Ritter, 410-786-8652 or valeri.ritter@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 2

SNF PDPM FY 2020 Input/Output Record Layout

The SNF Pricer input/output file will remain 300 bytes in length. The required data and format are shown below.

The changes to the FY2020 SNF Input record layout are specified below in red.

File Position	Format	Title	Description
1-4	X(4)	MSA	Input item: The metropolitan statistical area (MSA) code. Medicare claims processing systems pull this code from field 13 of the provider specific file.
5-9	X(5)	CBSA	Input item: Core-Based Statistical Area
10	X	SPEC-WI-IND	Input item (if applicable) :Special Wage Index Indicator Valid Values: Y (yes) or N (no)
11-16	X(6)	SPEC-WI	Input item (if applicable): Special Wage Index
17-21	X(5)	HIPPS-CODE	Input Item: Health Insurance Prospective Payment System Code – Medicare claims processing systems must copy the HIPPS code reported by the provider on each 0022 revenue code line
22-29	9(8)	FROM-DATE	Input item: The statement covers period “from” date, copied from the claim form. Date format must be CCYMMDD.
30-37	9(8)	THRU-DATE	Input item: The statement covers period “through” date, copied from the claim form. Date format must be CCYMMDD.
38	X	SNF-FED-BLEND	Input Item: Effective October 1, 2017, MACs shall populate the FED PPS BLEND IND field in the PSF with a "1" to indicate the SNF did not meet the quality reporting requirements. Input item: Code for the blend ratio between federal and facility rates. For SNFs on PPS effective for cost reporting periods beginning on or after 7/1/98. Medicare claims processing systems pull this code from field 19 of the provider specific file.

SNF PDPM FY 2020 Input/Output Record Layout

File Position	Format	Title	Description																				
			<p>Transition Codes:</p> <table style="margin-left: 20px;"> <tr> <td></td> <td>Facility %</td> <td>Federal %</td> <td></td> </tr> <tr> <td>1</td> <td>75</td> <td>25</td> <td>(1st year)</td> </tr> <tr> <td>2</td> <td>50</td> <td>50</td> <td>(2nd year)</td> </tr> <tr> <td>3</td> <td>25</td> <td>75</td> <td>(3rd year)</td> </tr> <tr> <td>4</td> <td>0</td> <td>100</td> <td>(full fed rate)</td> </tr> </table> <p>NOTE: All facilities have been paid at the full federal rate since FY 2002.</p>		Facility %	Federal %		1	75	25	(1 st year)	2	50	50	(2 nd year)	3	25	75	(3 rd year)	4	0	100	(full fed rate)
	Facility %	Federal %																					
1	75	25	(1 st year)																				
2	50	50	(2 nd year)																				
3	25	75	(3 rd year)																				
4	0	100	(full fed rate)																				
39-45	9(05)V9(02)	SNF-FACILITY RATE	<p>Input item: Rate based on each SNF's historical costs (from (from A/B MAC (A) audited cost reports) including exception payments.</p> <p>NOTE: All facilities have been paid at the full federal rate since FY 2002.</p>																				
46-52	X(7)	SNF-PRIN-DIAG-CODE	<p>Input item: The principle diagnosis code, copied from the claim form. Must be three to seven positions left justified with no decimal points.</p>																				
53-59	X(7)	SNF-OTHER-DIAG-CODE2	<p>Input item: Additional Diagnosis Code, copied from the claim form, if present, must be three to seven positions left justified with no decimal points.</p>																				
60-220	Defined above	Additional Diagnosis data	<p>Input item: Up to twenty-three additional diagnosis codes accepted from claim. Copied from the claim form. Must be three to seven positions left justified with no decimal points.</p>																				
221-228	9(06)V9(02)	SNF-PAYMENT RATE	<p><i>Output Item: The Calculated TOTAL amount received by the SNF based on the days received.</i></p> <p><i>Effective FY 2018, this amount reflects VBP adjustment.</i></p> <p>NOTE: <i>Effective October 1, 2019, the previously calculated RUG per diem rate will be replaced by the PDPM Calculated TOTAL amount received by the SNF.</i></p>																				
229-230	9(2)	SNF-RTC	<p>Output item: A return code set by Pricer to define the payment circumstances of the claim or an error in input data.</p> <p>Payment return code:</p> <p style="margin-left: 20px;">00 RUG III group rate returned</p>																				

SNF PDPM FY 2020 Input/Output Record Layout

File Position	Format	Title	Description
			<p>Error return codes:</p> <ul style="list-style-type: none"> 20 Bad RUG code 30 Bad MSA code 40 Thru date < July 1,1998 or Invalid 50 Invalid federal blend for that Year 60 Invalid federal blend 61 Federal blend = 0 and SNF Thru date < January 1, 2000 70 Invalid VBP Multiplier
231-242	S9V9(11)	VBP-MULTIPLIER	Input item: Medicare systems move this information from field 52 of the provider specific file.
243-250	S9(06)V9(02)	VBP-PAY-DIFF	<p>Output item: The <i>total</i> SNF VBP adjustment amount, determined by subtracting the SNF VBP adjustment total payment from the SNF PPS payment that would otherwise apply to the <i>line</i>. Added to the claim as a value code QV amount.</p> <p>NOTE: <i>Effective October 1, 2019, the previously calculated VBP difference per day will be replaced by the TOTAL VBP difference amount.</i></p>
251-252	9(02)	SNF-PDPM-UNITS	<i>Input item: The number of service units reported by the SNF on the revenue code 0022 line that is being priced.</i>
253-255	9(03)	SNF-PDPM-PRIOR-DAYS	<i>Input item: When pricing the first revenue code 0022 line on a claim, this is the number of prior SNF days identified by FISS from claims history. On later dated revenue code 0022 lines, this is the days from claims history plus any units from any earlier dated 0022 lines.</i>
256-300	X(45)	FILLER	<i>Blank</i>