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| CMS Manual System | Department of Health & Human Services (DHHS) |
| Pub 100-04 Medicare Claims Processing | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 12174 | Date: August 3, 2023 |
| | Change Request 13270 |

SUBJECT: Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update Fiscal Year (FY) 2024

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to provide information on the updates to the payment rates used under the PPS for SNFs, for FY 2024, as required by statute. The update can be found in chapter 6, section 30.5 of the Claims Processing Manual.

EFFECTIVE DATE: October 1, 2023

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

IMPLEMENTATION DATE: October 2, 2023

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:

Recurring Update Notification

Attachment - Recurring Update Notification

| | | | |
|-------------|--------------------|----------------------|-----------------------|
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I. GENERAL INFORMATION

A. Background: Annual updates to the PPS rates are required by §1888(e) of the Social Security Act, as amended by the Medicare, Medicaid, and State Children’s 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.

B. Policy: Each July, the CMS publishes the SNF payment rates for the upcoming FY (that is, October 1, 2023 through September 30, 2024) 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 payment rates will be effective October 1, 2023.

Provider Specific File (PSF) Updates

Effective FY 2023, a permanent five percent cap was adopted and applied to all SNF providers on any decrease to a provider’s final wage index from that provider’s final wage index of the prior fiscal year. Under the five (5) percent cap policy, a new SNF that opens during FY 2024 would be paid the wage index for the area in which it is geographically located for its first full or partial FY with no cap applied because a new SNF would not have a wage index in the prior FY. To implement this policy for FY 2024, the following fields will be updated in the PSF:

1. Supplemental Wage Index - used for the prior fiscal year wage index value
2. Supplemental Wage Index Indicator - used to indicate the value in the “Supplemental Wage Index” field is the prior fiscal year wage index

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

| 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 | |
| | add this wage index value to the “Supplemental Wage Index” field. | | | | | | | | | |

III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility | | | | |
|---------|---|----------------|---|-------------|----------------------------|------------------|
| | | A/B MAC | | | D M E M A C | C E D I |
| | | A | B | H H H | | |
| 13270.5 | Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN Connects newsletter. Subscribe to the “MLN Connects” listserv to get MLN content notifications. You don’t need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above. | X | | | | |

IV. SUPPORTING INFORMATION

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

"Should" denotes a recommendation.

| X-Ref Requirement Number | Recommendations or other supporting information: |
|--------------------------|--|
| | N/A |

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

V. CONTACTS

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

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0