

SNF Proposed Payment Update



Today, CMS published the FY 2020 Skilled Nursing Facility Proposed Payment System (SNF PPS) in the federal register. It contains the SNF PPS payment update is 2.5% for FY 2020, which is an increase in payments of \$887 million, compared to FY 2019. This estimated increase is attributable to a 3.0 percent market basket increase factor with a 0.5 percentage point reduction for multi-factor productivity adjustment.

Updated Base Rates for PDPM Components

For FY 2020, CMS proposes that the unadjusted federal rate per diem for urban and rural will be as follows, prior to adjustment for case-mix.

TABLE 3: FY 2020 Unadjusted Federal Rate Per Diem--URBAN

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	\$61.16	\$56.93	\$22.83	\$106.64	\$80.45	\$95.48

TABLE 4: FY 2020 Unadjusted Federal Rate Per Diem—RURAL

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	\$69.72	\$64.03	\$28.76	\$101.88	\$76.86	\$97.25

PDPM Changes

The proposed rule includes three proposed changes related to PDPM. First, CMS proposes changing the definition of group therapy in a SNF setting to match the definition in the IRF setting. Specifically, CMS proposes defining group therapy in the SNF Part A setting as **“a qualified rehabilitation therapy or therapy assistant treating two to six patients at the same time who are performing the same or similar activities.”** This can give some increased opportunity to smaller caseload sites to provide group. One consideration is still that combined total for group and concurrent by discipline is still 25% but could allow the shift from concurrent to group in some cases.

Second, CMS proposes using a subregulatory process to provide non-substantive updates to ICD-10 codes used in PDPM through the PDPM website, while substantive changes will still be made through the traditional notice and rulemaking process. **Non-substantive updates are those made to maintain consistency with the most recent ICD-10 code set and do not require rulemaking process for changes.** CMS is proposing that this take effect with the start of PDPM on October 1, 2019.

The third proposed change is to update the regulation text to reflect changes in the assessment schedule under PDPM which were already finalized in the FY2019 final rule. These changes are to reflect the policy taking effect under PDPM on October 1, 2019. For the initial patient assessment, the proposed regulation changes would state that **“the assessment schedule must include performance of an initial patient assessment no later than the 8th day of post-hospital SNF care.”** Additional proposed changes to regulation text would reflect the optional interim payment assessment. They also want to replace the term “5 day MDS” with “initial patient assessment”. Other nomenclature change is “primary” diagnosis to “principal” diagnosis.

Quality Reporting Program (QRP) Changes

Beginning with the FY 2022 SNF QRP, CMS is proposing to adopt two process measures for the SNF QRP – details to follow regarding implementation

- Transfer of Health Information to the Provider – Post-Acute Care (PAC); and
- Transfer of Health Information to the Patient – Post-Acute Care (PAC).
- In addition to the two measure proposals, CMS is also proposing to update the specifications to Discharge to Community – PAC SNF QRP measure to exclude baseline nursing facility (NF) residents from the measure.

Lastly, CMS is proposing to collect standardized patient assessment data and other data required to calculate quality measures using the MDS on all patients, regardless of payer source.

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