

MDS Alert

Industry News to Use: Don't Miss 3 Other Important Changes In The SNF PPS Final Rule

Expect a boost in your payment rate for FY 2016.

The three new standardized post-acute care (PAC) quality measures aren't the only big revelations coming from the newly issued final rule. Here's what else you need to know about.

On July 30, the **Centers for Medicare & Medicaid Services** (CMS) issued the final rule for the skilled nursing facility (SNF) Medicare payment and policy changes for fiscal year (FY) 2016, effective Oct. 1, 2015. In addition to finalizing the three standardized post-acute care (PAC) quality measures, the final rule also finalizes SNF PPS payment rate changes, establishes the new SNF Value-Based Purchasing (VBP) Program, and finalizes the requirement for staffing data collection.

1. Payment Rate: Aggregate payments to SNFs will increase by 1.2 percent (\$430 million) in FY 2016, CMS estimates. CMS calculated this increase using the estimated market basket increase (2.3 percent), reduced by the forecast error adjustment (0.6 percentage point) and the multifactor productivity adjustment (0.5 percentage point).

2. SNF VBP Program: The Protecting Access to Medicare Act of 2014 authorized the establishment of a SNF VBP Program beginning with FY 2019. The program would make value-based incentive payments to SNFs based on their performance on a hospital readmission measure. The SNF PPS Final Rule adopts the SNF 30-Day All-Cause Readmission Measure (NQF #2510) for use in the SNF VBP Program.

The hospital readmission measure estimates the risk-standardized rate of all-case, unplanned hospital readmissions for SNF Medicare beneficiaries within 30 days of their prior short-stay acute hospital discharge. In future rulemaking, CMS will replace this measure with an all-condition, risk-adjusted "potentially preventable" hospital readmission rate.

3. Staffing Data: The Affordable Care Act of 2010 sparked the new requirement under this SNF PPS final rule that all long-term care facilities submit staffing data electronically to CMS. The data must include direct care staffing information, including agency and contract staff information, based on payroll and other verifiable and auditable data sources.

To read the SNF PPS Final Rule, which was published in the Aug. 4 Federal Register, go to www.federalregister.gov/articles/2015/08/04/2015-18950/medicare-program-prospective-payment-system-and-consolidated-billing-for-skilled-nursing-facilities.