

MDS Alert

Industry News You Can Use: CMS Posts Final Rule

Look for major implications for your facility, despite little change since April's proposed rule.

The Centers for Medicare and Medicaid Services (CMS) announced on July 31, 2018, a new final rule that will have major implications for skilled nursing facilities.

"This final rule updates the payment rates used under the prospective payment system (PPS) for skilled nursing facilities (SNFs) for fiscal year (FY) 2019. This final rule also replaces the existing case-mix classification methodology, the Resource Utilization Groups, Version IV (RUG-IV) model, with a revised case-mix methodology called the Patient-Driven Payment Model (PDPM) beginning on October 1, 2019. The rule finalizes revisions to the regulation text that describes a beneficiary's SNF 'resident' status under the consolidated billing provision and the required content of the SNF level of care certification. The rule also finalizes updates to the SNF Quality Reporting Program (QRP) and the Skilled Nursing Facility Value-Based Purchasing (VBP) Program," CMS says in the final rule summary.

The final rule goes into effect Oct. 1, 2018, but the biggest changes - "revised case-mix methodology, PDPM, and associated policies" - won't be implemented until Oct. 1, 2019.

The Bipartisan Budget Act passed in 2018 allocated an 2.4 percent increase in payments to SNFs in fiscal year 2019 (relative to the payment amounts in 2018). This comes out to approximately \$820 million.

The PDPM will have major implications for skilled nursing facilities, hopefully reducing administrative and paperwork burdens on facilities over time. In the meantime, however, facilities will have many adjustments to make.

Note: See story about PDPM in MDS Alert Volume 16 Number 5: "Reimbursement: CMS Releases FY 2019 Prospective Payment System Update" for more information on how PDPM may affect your facility.