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BROAD RIVER REHAB

SNF PPS FY 2024 Proposed Rule

The Facts Beyond the Headlines

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Agenda

FY 2024 SNF PPS Proposed Rule

- FY 2024 Updates to the SNF Payment Rates
- Wage Index Adjustments
- Methodology for Recalibrating the PDPM Parity Adjustment
- Administrative Level of Care Presumption of Coverage
- Changes in PDPM ICD-10 Code Mappings
- Skilled Nursing Facility Quality Reporting Program (SNF QRP) update
- Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program
- RFI's
- Financial Impact

FY 2024 Proposals to the SNF Payment Rates

- **Market Basket Update**
  - Every year CMS updates the PPS rate based on changes in the Market Basket (the overall cost of goods and services that contribute to expenditures required to run and maintain a nursing facility). This is then adjusted by a forecast error adjustment and multi-factor productivity adjustment as applicable.
  - For the FY 2024 market basket updates, CMS has proposed to use a factor that is based on the FY 2024 percentage increase in the 2018-based SNF market basket reflecting routine, ancillary, and capital-related expenses.
  - For FY 2024, CMS is proposing an update to the Market Basket of 2.7%.
  - This has been adjusted upward to 6.3% due to a 3.6% forecast error adjustment (>0.5% threshold).

TABLE 2: Difference Between the Actual and Forecasted Market Basket Increases for FY 2022

Index	Forecasted FY 2022 Increase*	Actual FY 2022 Increase**	FY 2022 Difference
SNF	2.7	6.3	3.6

*Published in **Federal Register**; based on second quarter 2021 IGI forecast (2018-based SNF market basket).
** Based on the fourth quarter 2022 IGI forecast (2018-based SNF market basket).

- Finally, CMS is proposing to reduce the FY 2024 Market Basket update to **6.1%** due to a 0.2% productivity adjustment (the 10-year moving average of changes in annual economy-wide private nonfarm business multi-factor productivity).

FY 2024 Proposals to the SNF Payment Rates

FY 2023 Base Rates

TABLE 3: FY 2023 Unadjusted Federal Rate Per Diem—URBAN

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	$66.06	$61.49	$24.66	$115.15	$86.88	$103.12

TABLE 4: FY 2023 Unadjusted Federal Rate Per Diem—RURAL

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	$75.30	$69.16	$31.07	$110.02	$83.00	$105.03

FY 2024 Base Rates

TABLE 3: FY 2024 Unadjusted Federal Rate Per Diem—URBAN

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	$70.08	$65.23	$26.16	$122.15	$92.16	$109.39

TABLE 4: FY 2024 Unadjusted Federal Rate Per Diem—RURAL

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	$79.88	$73.36	$32.96	$116.71	$88.05	$111.41

FY 2024 Updates to the SNF Payment Rates

- **Parity Adjustment**
  - In FY 2023 final rule, CMS finalized a 4.6% parity adjustment based on the difference in expected expenditures under PDPM vs. RUG IV, producing essentially a 4.6% reduction to the PDPM category CMI phased in over 2 Fiscal Years with a 2.3% reduction in both FY 2023 and FY 2024.
  - **This does not include** wage index adjustments, VBP incentive payments, QRP non-compliance APU adjustments or Sequestration.
- **Overall Impact**
  - As a result, CMS estimates that the aggregate impact of the provisions in the FY 2024 proposed rule will result in an estimated net increase in SNF payments of 3.7 percent, or approximately $1.2 billion in Part A payments to SNFs in FY 2024.
  - This reflects a $2 billion (6.1percent) increase from the proposed update to the payment rates and a $745 million (2.3 percent) decrease as a result of the second phase of the parity adjustment recalibration.

Methodology for Recalibrating the PDPM / Parity Adjustment

- **Parity Adjustment (Cont.)**
  - **It is also important to remember** that the parity adjustment recalibration would serve to remove an unintended increase in payments from moving to a new case mix classification system, rather than decreasing an otherwise appropriate payment amount. CMS does not believe that the recalibration should negatively affect facilities, beneficiaries, and quality of care, or create an undue hardship on providers.
  - CMS continues to believe that in implementing PDPM, it is essential to stabilize the baseline as quickly as possible without creating a significant adverse effect on the industry or to beneficiaries.

FY 2024 Updates to the SNF Payment Rates

Urban Case Mix Adjusted Rates and Associated indexes

TABLE 5: PDPM Case-Mix Adjusted Federal Rates and Associated Indexes—URBAN (Including the Parity Adjustment Recalibration)

PDPM Group	PT CMI	PT Rate	OT CMI	OT Rate	SLP CMI	SLP Rate	Nursing CMG	Nursing CMI	Nursing Rate	NTA CMI	NTA Rate
A	1.45	$101.62	1.41	$91.97	0.64	$16.74	ES3	3.84	$469.06	3.06	$282.01
B	1.61	$112.83	1.54	$100.45	1.72	$45.00	ES2	2.90	$354.24	2.39	$220.26
C	1.78	$124.74	1.60	$104.37	2.52	$65.92	ES1	2.77	$338.36	1.74	$160.36
D	1.81	$126.84	1.45	$94.58	1.38	$36.10	HDE2	2.27	$277.28	1.26	$116.12
E	1.34	$93.91	1.33	$86.76	2.21	$57.81	HDE1	1.88	$229.64	0.91	$83.87
F	1.52	$106.52	1.51	$98.50	2.82	$73.77	HBC2	2.12	$258.96	0.68	$62.67
G	1.58	$110.73	1.55	$101.11	1.93	$50.49	HBC1	1.76	$214.98	-	-
H	1.10	$77.09	1.09	$71.10	2.7	$70.63	LDE2	1.97	$240.64	-	-
I	1.07	$74.99	1.12	$73.06	3.34	$87.37	LDE1	1.64	$200.33	-	-
J	1.34	$93.91	1.37	$89.37	2.83	$74.03	LBC2	1.63	$199.10	-	-
K	1.44	$100.92	1.46	$95.24	3.5	$91.56	LBC1	1.35	$164.90	-	-
L	1.03	$72.18	1.05	$68.49	3.98	$104.12	CDE2	1.77	$216.21	-	-
M	1.20	$84.10	1.23	$80.23	-	-	CDE1	1.53	$186.89	-	-
N	1.40	$98.11	1.42	$92.63	-	-	CBC2	1.47	$179.56	-	-
O	1.47	$103.02	1.47	$95.89	-	-	CA2	1.03	$125.81	-	-
P	1.02	$71.48	1.03	$67.19	-	-	CBC1	1.27	$155.13	-	-
Q	-	-	-	-	-	-	CA1	0.89	$108.71	-	-
R	-	-	-	-	-	-	BAB2	0.98	$119.71	-	-
S	-	-	-	-	-	-	BAB1	0.94	$114.82	-	-
T	-	-	-	-	-	-	PDE2	1.48	$180.78	-	-
U	-	-	-	-	-	-	PDE1	1.39	$169.79	-	-
V	-	-	-	-	-	-	PBC2	1.15	$140.47	-	-
W	-	-	-	-	-	-	PA2	0.67	$81.84	-	-
X	-	-	-	-	-	-	PBC1	1.07	$130.70	-	-
Y	-	-	-	-	-	-	PA1	0.62	$75.73	-	-

FY 2024 Updates to the SNF Payment Rates

Rural Case Mix Adjusted Rates and Associated indexes

TABLE 6: PDPM Case-Mix Adjusted Federal Rates and Associated Indexes—RURAL
(Including the Parity Adjustment Recalibration)

PDPM Group	PT CMI	PT Rate	OT CMI	OT Rate	SLP CMI	SLP Rate	Nursing CMG	Nursing CMI	Nursing Rate	NTA CMI	NTA Rate
A	1.45	$115.83	1.41	$103.44	0.64	$21.09	ES3	3.84	$448.17	3.06	$269.43
B	1.61	$128.61	1.54	$112.97	1.72	$56.69	ES2	2.90	$338.46	2.39	$210.44
C	1.78	$142.19	1.60	$117.38	2.52	$83.06	ES1	2.77	$323.29	1.74	$153.21
D	1.81	$144.58	1.45	$106.37	1.38	$45.48	HDE2	2.27	$264.93	1.26	$110.94
E	1.34	$107.04	1.33	$97.57	2.21	$72.84	HDE1	1.88	$219.41	0.91	$80.13
F	1.52	$121.42	1.51	$110.77	2.82	$92.95	HBC2	2.12	$247.43	0.68	$59.87
G	1.58	$126.21	1.55	$113.71	1.93	$63.61	HBC1	1.76	$205.41	-	-
H	1.10	$87.87	1.09	$79.96	2.7	$88.99	LDE2	1.97	$229.92	-	-
I	1.07	$85.47	1.12	$82.16	3.34	$110.09	LDE1	1.64	$191.40	-	-
J	1.34	$107.04	1.37	$100.50	2.83	$93.28	LBC2	1.63	$190.24	-	-
K	1.44	$115.03	1.46	$107.11	3.5	$115.36	LBC1	1.35	$157.56	-	-
L	1.03	$82.28	1.05	$77.03	3.98	$131.18	CDE2	1.77	$206.58	-	-
M	1.20	$95.86	1.23	$90.23	-	-	CDE1	1.53	$178.57	-	-
N	1.40	$111.83	1.42	$104.17	-	-	CBC2	1.47	$171.56	-	-
O	1.47	$117.42	1.47	$107.84	-	-	CA2	1.03	$120.21	-	-
P	1.02	$81.48	1.03	$75.56	-	-	CBC1	1.27	$148.22	-	-
Q	-	-	-	-	-	-	CA1	0.89	$103.87	-	-
R	-	-	-	-	-	-	BAB2	0.98	$114.38	-	-
S	-	-	-	-	-	-	BAB1	0.94	$109.71	-	-
T	-	-	-	-	-	-	PDE2	1.48	$172.73	-	-
U	-	-	-	-	-	-	PDE1	1.39	$162.23	-	-
V	-	-	-	-	-	-	PBC2	1.15	$134.22	-	-
W	-	-	-	-	-	-	PA2	0.67	$78.20	-	-
X	-	-	-	-	-	-	PBC1	1.07	$124.88	-	-
Y	-	-	-	-	-	-	PA1	0.62	$72.36	-	-

FY 2024 Wage Index Adjustments

- **Wage Index**
  - CMS is required to adjust the Federal rates to account for differences in area wage levels, using a wage index that the Secretary determines appropriate.
  - Since the inception of the SNF PPS, CMS has used hospital inpatient wage data in developing a wage index to be applied to SNFs. CMS proposes to continue this practice for FY 2024,
  - CMS continues to believe that in the absence of SNF-specific wage data, using the hospital inpatient wage index data is appropriate and reasonable for the SNF PPS.
  - The proposed wage index data for FY 2024 can be found at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/WageIndex

FY 2024 Wage Index Adjustments

- **Wage Index (cont.)**
  - CMS recognizes that changes to the wage index have the potential to create instability and significant negative impacts on certain providers even when labor market areas do not change. In addition, year-to-year fluctuations in an area's wage index can occur due to external factors beyond a provider's control, such as the COVID–19 public health emergency (PHE).
  - In the FY 2023 final rule, CMS finalized a permanent 5 percent cap on any decreases to a provider's wage index from its wage index in the prior year, regardless of the circumstances causing the decline. **Subsequent year adjustments will be based on any applicable 5% cap from the prior year.**
  - Additionally, CMS finalized a policy that a new SNF 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.

Wage Index Adjustments

- **Labor Related Share of the Rate**
  - The wage index adjusts only the labor related portion of the case mix adjusted base rate.
  - CMS defines the labor-related share (LRS) as those expenses that are labor-intensive and vary with, or are influenced by, the local labor market. Each year, CMS calculates a revised labor related share based on the relative importance of labor-related cost categories in the input price index.
  - Effective for FY 2024, CMS has proposed to revise and update the labor-related share to reflect the relative importance of the 2018-based SNF market basket cost categories that they believe are labor-intensive and vary with, or are influenced by, the local labor market. These are:
    - (1) Wages and Salaries (including allocated contract labor costs as described above);
    - (2) Employee Benefits (including allocated contract labor costs as described above);
    - (3) Professional fees: Labor-related;
    - (4) Administrative and Facilities Support Services;
    - (5) Installation, Maintenance, and Repair Services;
    - (6) All Other: Labor-Related Services; and
    - (7) a proportion of capital-related expenses.

Labor Related Share of the Rate (cont.)

For this final rule, CMS is basing the labor-related share for FY 2024, based on IGI's fourth quarter 2022 forecast of the 2018-based SNF market basket

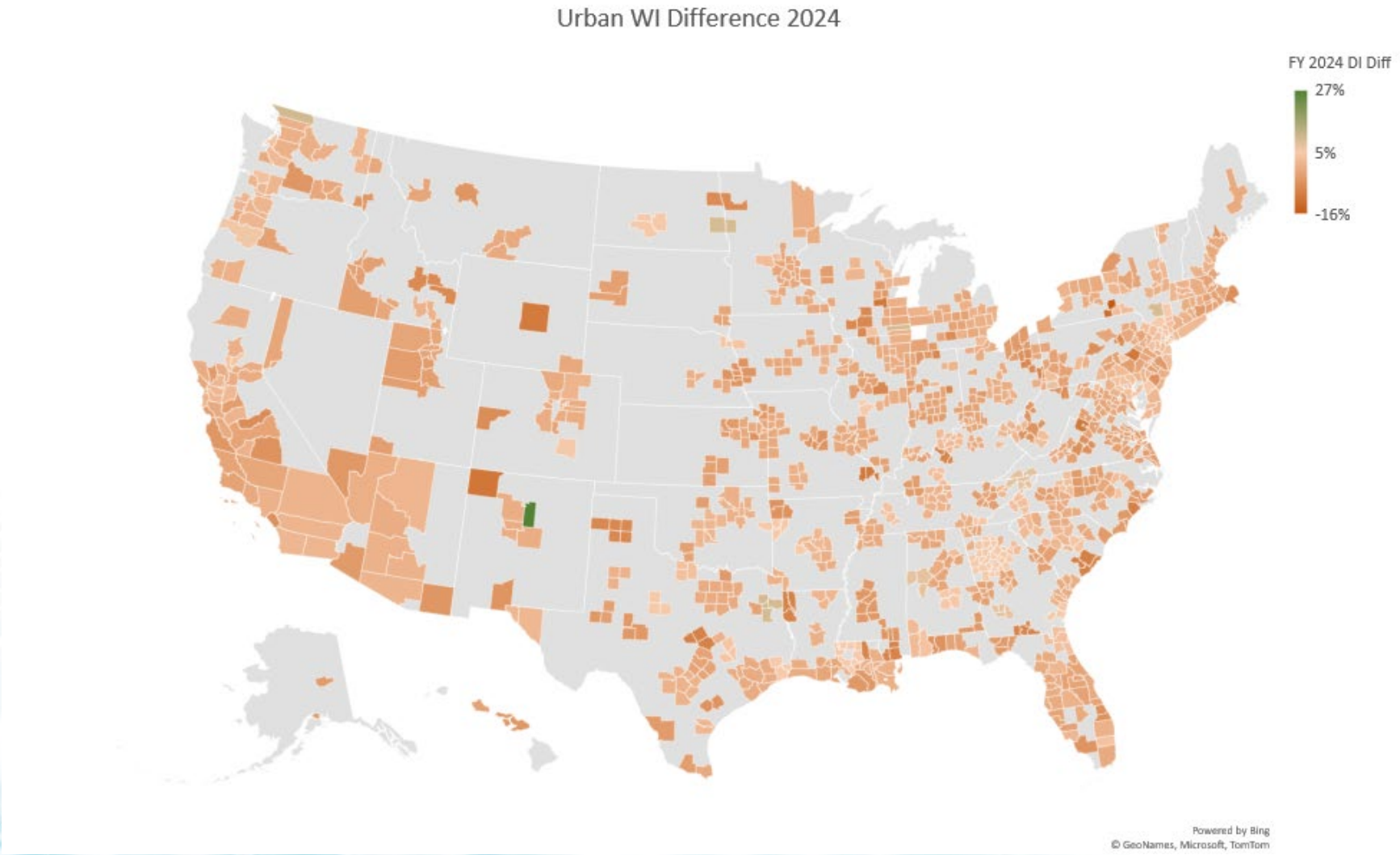
Wage Index Adjustments

TABLE 7: Labor-Related Share, FY 2023 and FY 2024

	Relative importance, labor-related share, FY 2023 22:2 forecast[1]	Proposed Relative importance, labor-related share, FY 2024 22:4 forecast[2]
Wages and salaries	51.9	52.2
Employee benefits	9.5	9.5
Professional fees: Labor-related	3.5	3.4
Administrative & facilities support services	0.6	0.6
Installation, maintenance & repair services	0.4	0.4
All other: Labor-related services	2.0	2.0
Capital-related (.391)	2.9	2.9
Total	70.8	71.0

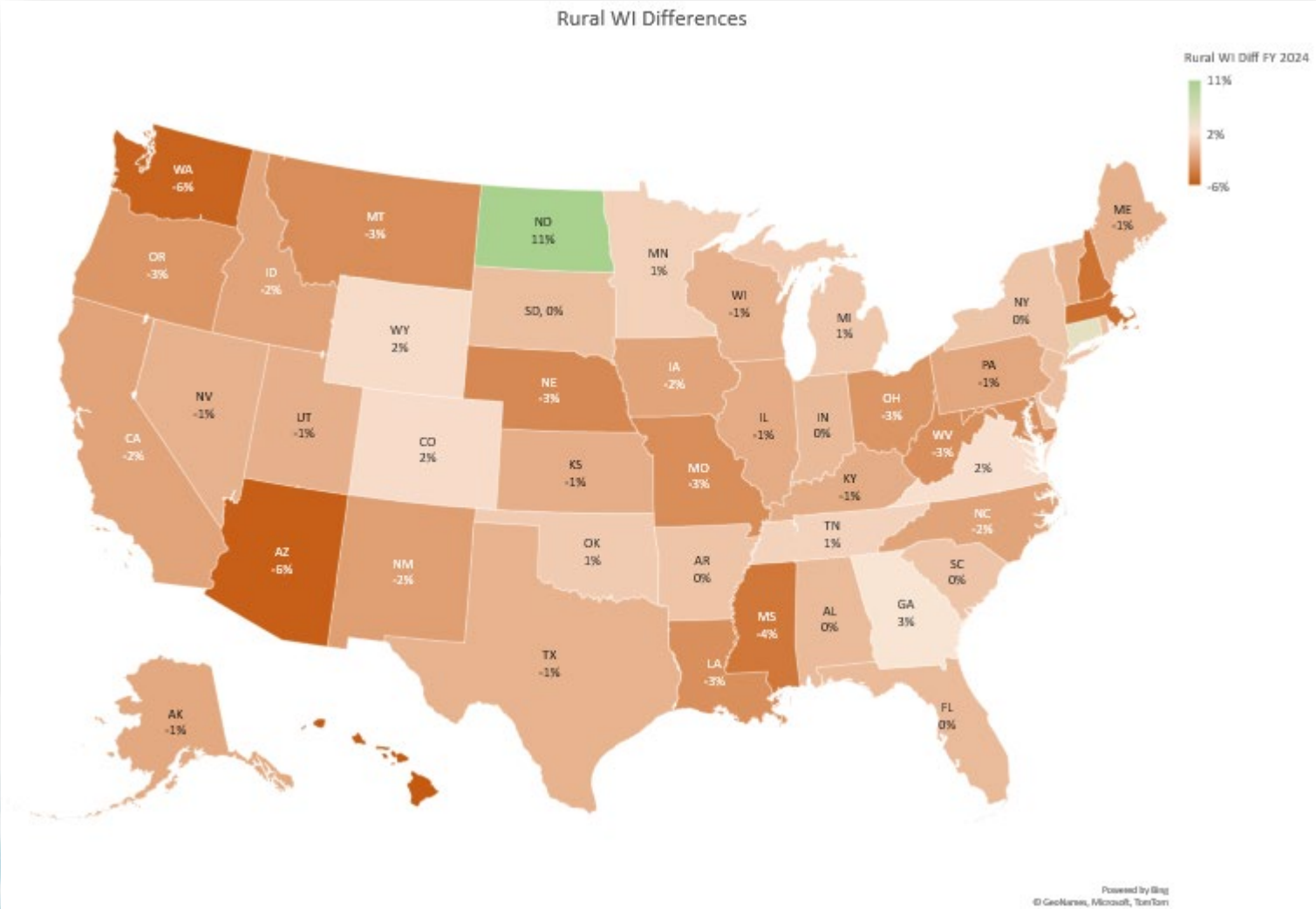
1. Published in the **Federal Register**; Based on the second quarter 2022 IHS Global Inc. forecast of the 2018-based SNF market basket.
2. Based on the fourth quarter 2022 IHS Global Inc. forecast of the 2018-based SNF market basket.

FY 2023 to 2024 WI Changes (Urban)



53% of counties will experience a reduction in their wage index. 6% of counties will be capped at 5%.

FY 2023 to 2024 WI Changes (Rural)



60% of states will have a negative WI adjustment. 6% of states will be capped at 5%

Proposed FY 2024 PDPM
Variable Perdiem Adjustment Rate Table

HIPPS: NHNC1

County		State		2024 WI			2023 WI			2223/2024 WI % Change			
Urban	MD, Frederick C	Rural		0.9648			0.9577			0.74%			
Non-CM	Labor	N-Labor	U Rate	WI Rate	ADR	Total $$	WI Rate	ADR	Total $$	2023-2022 WI Daily Rate Diff:	2023-2022 Avg. DR Diff:	2023-2022 Daily Tot. $$ Diff:	2023-2022 % Rate Change
$ 109.39	$ 732.29	$ 299.11	$ 1,031.40	$ 1,005.62	$ 1,005.62	$ 1,005.62	$ 967.16	$ 967.16	$ 967.16	$ 38.46	$ 38.46	$ 38.46	3.98%
$ 109.39	$ 732.29	$ 299.11	$ 1,031.40	$ 1,005.62	$ 1,005.62	$ 2,011.24	$ 967.16	$ 967.16	$ 1,934.32	$ 38.46	$ 38.46	$ 76.92	3.98%
$ 109.39	$ 732.29	$ 299.11	$ 1,031.40	$ 1,005.62	$ 1,005.62	$ 3,016.86	$ 967.16	$ 967.16	$ 2,901.48	$ 38.46	$ 38.46	$ 115.38	3.98%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 927.45	$ 3,709.78	$ 665.44	$ 891.73	$ 3,566.92	$ 27.48	$ 35.72	$ 142.86	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 880.54	$ 4,402.70	$ 665.44	$ 846.47	$ 4,232.36	$ 27.48	$ 34.07	$ 170.34	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 849.27	$ 5,095.62	$ 665.44	$ 816.30	$ 4,897.80	$ 27.48	$ 32.97	$ 197.82	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 826.93	$ 5,788.54	$ 665.44	$ 794.75	$ 5,563.24	$ 27.48	$ 32.19	$ 225.30	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 810.18	$ 6,481.46	$ 665.44	$ 778.59	$ 6,228.68	$ 27.48	$ 31.60	$ 252.78	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 797.15	$ 7,174.38	$ 665.44	$ 766.01	$ 6,894.12	$ 27.48	$ 31.14	$ 280.26	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 786.73	$ 7,867.30	$ 665.44	$ 755.96	$ 7,559.56	$ 27.48	$ 30.77	$ 307.74	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 778.20	$ 8,560.22	$ 665.44	$ 747.73	$ 8,225.00	$ 27.48	$ 30.47	$ 335.22	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 771.10	$ 9,253.14	$ 665.44	$ 740.87	$ 8,890.44	$ 27.48	$ 30.22	$ 362.70	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 765.08	$ 9,946.06	$ 665.44	$ 735.07	$ 9,555.88	$ 27.48	$ 30.01	$ 390.18	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 759.93	$ 10,638.98	$ 665.44	$ 730.09	$ 10,221.32	$ 27.48	$ 29.83	$ 417.66	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 755.46	$ 11,331.90	$ 665.44	$ 725.78	$ 10,886.76	$ 27.48	$ 29.68	$ 445.14	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 751.55	$ 12,024.82	$ 665.44	$ 722.01	$ 11,552.20	$ 27.48	$ 29.54	$ 472.62	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 748.10	$ 12,717.74	$ 665.44	$ 718.68	$ 12,217.64	$ 27.48	$ 29.42	$ 500.10	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 745.04	$ 13,410.66	$ 665.44	$ 715.73	$ 12,883.08	$ 27.48	$ 29.31	$ 527.58	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 742.29	$ 14,103.58	$ 665.44	$ 713.08	$ 13,548.52	$ 27.48	$ 29.21	$ 555.06	4.13%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 692.92	$ 739.83	$ 14,796.50	$ 665.44	$ 710.70	$ 14,213.96	$ 27.48	$ 29.13	$ 582.54	4.13%

Proposed FY 2024 PDPM
Variable Perdiem Adjustment Rate Table

HIPPS: NHNC1

County		State		2023 WI Capped -5%			2023 WI			2223/2024 WI % Change			
Urban		Rural	Arizona	0.8164			0.8594			-5.99%			
Non-CM	Labor	N-Labor	U Rate	WI Rate	ADR	Total $$	WI Rate	ADR	Total $$	2023-2022 WI Daily Rate Diff:	2023-2022 Avg. DR Diff:	2023-2022 Daily Tot. $$ Diff:	2023-2022 % Rate Change
$ 111.41	$ 743.79	$ 303.80	$ 1,047.59	$ 911.05	$ 911.05	$ 911.05	$ 911.84	$ 911.84	$ 911.84	$ (0.79)	$ (0.79)	$ (0.79)	-0.09%
$ 111.41	$ 743.79	$ 303.80	$ 1,047.59	$ 911.05	$ 911.05	$ 1,822.10	$ 911.84	$ 911.84	$ 1,823.68	$ (0.79)	$ (0.79)	$ (1.58)	-0.09%
$ 111.41	$ 743.79	$ 303.80	$ 1,047.59	$ 911.05	$ 911.05	$ 2,733.15	$ 911.84	$ 911.84	$ 2,735.52	$ (0.79)	$ (0.79)	$ (2.37)	-0.09%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 844.43	$ 3,377.72	$ 644.28	$ 844.95	$ 3,379.80	$ 0.29	$ (0.52)	$ (2.08)	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 804.46	$ 4,022.29	$ 644.28	$ 804.82	$ 4,024.08	$ 0.29	$ (0.36)	$ (1.79)	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 777.81	$ 4,666.86	$ 644.28	$ 778.06	$ 4,668.36	$ 0.29	$ (0.25)	$ (1.50)	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 758.78	$ 5,311.43	$ 644.28	$ 758.95	$ 5,312.64	$ 0.29	$ (0.17)	$ (1.21)	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 744.50	$ 5,956.00	$ 644.28	$ 744.62	$ 5,956.92	$ 0.29	$ (0.12)	$ (0.92)	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 733.40	$ 6,600.57	$ 644.28	$ 733.47	$ 6,601.20	$ 0.29	$ (0.07)	$ (0.63)	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 724.51	$ 7,245.14	$ 644.28	$ 724.55	$ 7,245.48	$ 0.29	$ (0.03)	$ (0.34)	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 717.25	$ 7,889.71	$ 644.28	$ 717.25	$ 7,889.76	$ 0.29	$ (0.00)	$ (0.05)	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 711.19	$ 8,534.28	$ 644.28	$ 711.17	$ 8,534.04	$ 0.29	$ 0.02	$ 0.24	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 706.07	$ 9,178.85	$ 644.28	$ 706.02	$ 9,178.32	$ 0.29	$ 0.04	$ 0.53	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 701.67	$ 9,823.42	$ 644.28	$ 701.61	$ 9,822.60	$ 0.29	$ 0.06	$ 0.82	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 697.87	$ 10,467.99	$ 644.28	$ 697.79	$ 10,466.88	$ 0.29	$ 0.07	$ 1.11	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 694.54	$ 11,112.56	$ 644.28	$ 694.45	$ 11,111.16	$ 0.29	$ 0.09	$ 1.40	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 691.60	$ 11,757.13	$ 644.28	$ 691.50	$ 11,755.44	$ 0.29	$ 0.10	$ 1.69	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 688.98	$ 12,401.70	$ 644.28	$ 688.87	$ 12,399.72	$ 0.29	$ 0.11	$ 1.98	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 686.65	$ 13,046.27	$ 644.28	$ 686.53	$ 13,044.00	$ 0.29	$ 0.12	$ 2.27	0.05%
$ 111.41	$ 526.23	$ 214.94	$ 741.17	$ 644.57	$ 684.54	$ 13,690.84	$ 644.28	$ 684.41	$ 13,688.28	$ 0.29	$ 0.13	$ 2.56	0.05%

Proposed FY 2024 PDPM
Variable Perdiem Adjustment Rate Table

HIPPS: NHNC1

County		State		2024 WI			2023 WI Capped -5%			2223/2024 WI % Change			
Urban	AL, Calhoun Cou	Rural		0.6551			0.6647			-1.45%			
Non-CM	Labor	N-Labor	U Rate	WI Rate	ADR	Total $$	WI Rate	ADR	Total $$	2023-2022 WI Daily Rate Diff:	2023-2022 Avg. DR Diff:	2023-2022 Daily Tot. $$ Diff:	2023-2022 % Rate Change
$ 109.39	$ 732.29	$ 299.11	$ 1,031.40	$ 778.83	$ 778.83	$ 778.83	$ 760.35	$ 760.35	$ 760.35	$ 18.48	$ 18.48	$ 18.48	2.43%
$ 109.39	$ 732.29	$ 299.11	$ 1,031.40	$ 778.83	$ 778.83	$ 1,557.66	$ 760.35	$ 760.35	$ 1,520.70	$ 18.48	$ 18.48	$ 36.96	2.43%
$ 109.39	$ 732.29	$ 299.11	$ 1,031.40	$ 778.83	$ 778.83	$ 2,336.49	$ 760.35	$ 760.35	$ 2,281.05	$ 18.48	$ 18.48	$ 55.44	2.43%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 718.29	$ 2,873.14	$ 523.14	$ 701.05	$ 2,804.19	$ 13.51	$ 17.24	$ 68.95	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 681.96	$ 3,409.79	$ 523.14	$ 665.47	$ 3,327.33	$ 13.51	$ 16.49	$ 82.46	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 657.74	$ 3,946.44	$ 523.14	$ 641.75	$ 3,850.47	$ 13.51	$ 16.00	$ 95.97	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 640.44	$ 4,483.09	$ 523.14	$ 624.80	$ 4,373.61	$ 13.51	$ 15.64	$ 109.48	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 627.47	$ 5,019.74	$ 523.14	$ 612.09	$ 4,896.75	$ 13.51	$ 15.37	$ 122.99	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 617.38	$ 5,556.39	$ 523.14	$ 602.21	$ 5,419.89	$ 13.51	$ 15.17	$ 136.50	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 609.30	$ 6,093.04	$ 523.14	$ 594.30	$ 5,943.03	$ 13.51	$ 15.00	$ 150.01	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 602.70	$ 6,629.69	$ 523.14	$ 587.83	$ 6,466.17	$ 13.51	$ 14.87	$ 163.52	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 597.20	$ 7,166.34	$ 523.14	$ 582.44	$ 6,989.31	$ 13.51	$ 14.75	$ 177.03	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 592.54	$ 7,702.99	$ 523.14	$ 577.88	$ 7,512.45	$ 13.51	$ 14.66	$ 190.54	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 588.55	$ 8,239.64	$ 523.14	$ 573.97	$ 8,035.59	$ 13.51	$ 14.57	$ 204.05	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 585.09	$ 8,776.29	$ 523.14	$ 570.58	$ 8,558.73	$ 13.51	$ 14.50	$ 217.56	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 582.06	$ 9,312.94	$ 523.14	$ 567.62	$ 9,081.87	$ 13.51	$ 14.44	$ 231.07	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 579.39	$ 9,849.59	$ 523.14	$ 565.00	$ 9,605.01	$ 13.51	$ 14.39	$ 244.58	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 577.01	$ 10,386.24	$ 523.14	$ 562.68	$ 10,128.15	$ 13.51	$ 14.34	$ 258.09	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 574.89	$ 10,922.89	$ 523.14	$ 560.59	$ 10,651.29	$ 13.51	$ 14.29	$ 271.60	2.58%
$ 109.39	$ 504.58	$ 206.10	$ 710.68	$ 536.65	$ 572.98	$ 11,459.54	$ 523.14	$ 558.72	$ 11,174.43	$ 13.51	$ 14.26	$ 285.11	2.58%

Administrative Level of Care Presumption of Coverage

- **Presumption of Coverage**
  - Annually CMS designates those specific classifiers under the case-mix classification system that represent the required SNF level of care. This designation reflects an administrative presumption that those beneficiaries who are correctly assigned one of the designated case-mix classifiers on the initial Medicare assessment are automatically classified as meeting the SNF level of care definition up to and including the assessment reference date (ARD) for that assessment.
  - This presumption recognizes the strong likelihood that those beneficiaries who are assigned one of the designated case-mix classifiers during the immediate post-hospital period would require a covered level of care, which would be less likely for other beneficiaries.
  - This administrative presumption policy does not supersede the SNF's responsibility to ensure that its decisions relating to level of care are appropriate and timely, including a review to confirm that any services prompting the assignment of one of the designated case-mix classifiers (which, in turn, serves to trigger the administrative presumption) are themselves medically necessary.
  - See CMS Pub 100-2 Ch. 8 for detailed explanation of the Administrative level of Care Presumption of Coverage.
  - See the CMS PDPM website for a detailed Administrative Level of Care Presumption of Coverage FAQ.

Administrative Level of Care Presumption of Coverage

- **Presumption of Coverage (Cont.)**
  - For services furnished on or after October 1, 2019, the following are the designated case-mix classifiers under the Patient Driven Payment Model (PDPM) relative to the administrative presumption of coverage:
    - **Nursing** groups encompassed by the Extensive Services, Special Care High, Special Care Low, and Clinically Complex nursing categories;
    - **PT and OT** groups TA, TB, TC, TD, TE, TF, TG, TJ, TK, TN, and TO;
    - **SLP** groups SC, SE, SF, SH, SI, SJ, SK, and SL; and
    - **NTA** component's uppermost (12+) comorbidity group.

Change to Consolidated Billing

- Effective with services furnished on or after January 1, 2024, section 4121(a)(4) of the Consolidated Appropriations Act, 2023 (CAA 2023) added marriage and family therapists and mental health counselors to the list of practitioners at section 1888(e)(2)(A)(ii) of the Act whose services are excluded from the consolidated billing provision.

FY 2024 Proposed Clinical Category Changes for New ICD-10 Codes

- Each year, CMS reviews the clinical category assigned to new ICD-10 diagnosis codes and proposes changing the assignment to another clinical category if warranted.
- This year, CMS is proposing changing the clinical category assignment for the five new ICD-10 codes that were effective on October 1, 2022:

D75.84 Other platelet-activating anti-platelet factor 4 (PF4) disorders

Change from "Return to Provider " to "Medical Management"

- **D75.84** Other platelet-activating anti-platelet factor 4 (PF4) disorders is mapped to the clinical category of Return to Provider.
- Patients with anti-PF4 disorders have blood clotting disorders.
- Examples of disorders to be classified with **D75.84** are spontaneous heparin-induced thrombocytopenia (without heparin exposure), thrombosis with thrombocytopenia syndrome, and vaccine-induced thrombotic thrombocytopenia.
- Due to the similarity of this code to other anti-PF4 disorders, CMS is proposing to change the assignment to Medical Management.

K76.82 Hepatic encephalopathy”

Change from “Return to Provider ” to “Medical Management”

- **K76.82** Hepatic encephalopathy is mapped to the clinical category of Return to Provider.
- Hepatic encephalopathy is a condition resulting from severe liver disease, where toxins build up in the blood that can affect brain function and lead to a change in medical status.
- Prior to the development of this code, multiple codes were used to characterize this condition such as **K76.6** Portal hypertension, **K76.7** Hepatorenal syndrome, and **K76.89** Other unspecified diseases of liver, which are mapped to the Medical Management category.
- Since these codes describe similar liver conditions, we propose to change the assignment to Medical Management.

F43.81 Prolonged grief disorder and F43.89 Other reactions to severe stress

Change from "Medical Management" to "Return to Provider

- **F43.81** Prolonged grief disorder and **F43.89** Other reactions to severe stress are mapped to the clinical category of Medical Management.
- However, while CMS believes that SNFs serve an important role in providing services to those beneficiaries suffering from mental illness, the SNF setting is not the setting that would be most beneficial to treat a patient for whom these diagnoses are coded as the patient's primary diagnosis.
- For this reason, CMS is proposing changing the clinical category of both codes to Return to Provider.

G90.A Postural orthostatic tachycardia syndrome (POTS)

Change from "Acute Neurologic" to "Medical Management"

- **G90.A** Postural orthostatic tachycardia syndrome (POTS) is mapped to the clinical category of Acute Neurologic.
- POTS is a type of orthostatic intolerance that causes the heart to beat faster than normal when transitioning from sitting or lying down to standing up, causing changes in blood pressure, increase in heart rate, and lightheadedness.
- The treatment for POTS involves hydration, physical therapy, and vasoconstrictor medications, which are also treatments for codes such as **E86.0** Dehydration and **E86.1**Hypovolemia that are mapped to the Medical Management category.
- Since the medical interventions are similar, we propose changing the assignment for POTS to Medical Management.

Proposed Clinical Category Changes for Unspecified Substance Use Disorder Codes effective with stays beginning on and after October 1, 2022, ICD-10 diagnosis codes

Change from "Medical Management" To "Return to Provider"

- **F10.90** Alcohol use, unspecified, uncomplicated, **F10.91** Alcohol use, unspecified, in remission, **F11.91** Opioid use, unspecified, in remission, **F12.91** Cannabis use, unspecified, in remission, **F13.91** Sedative, hypnotic or anxiolytic use, unspecified, in remission, and **F14.91** Cocaine use, unspecified, in remission went into effect and were mapped to the clinical category of Medical Management.
- CMS reviewed these 6 unspecified substance use disorder (SUD) codes and propose changing the assignment from Medical Management to Return to Provider because the codes are not specific as to if they refer to abuse or dependence, and there are other specific codes available for each of these conditions that would be more appropriate as a primary diagnosis for a SNF stay.
- CMS reviewed all 458 ICD-10 SUD codes from code categories **F10 to F19** and proposes reassigning 162 additional unspecified SUD codes to Return to Provider from Medical Management because the codes are not specific as to if they refer to abuse or dependence. (See Table 1)

Adding Surgical option to Primary Category Map

Proposed Clinical Category Changes for Certain Subcategory Fracture Codes

- In the FY 2023 final rule (87 FR 47524), CMS described how one commenter recommended that CMS consider revising the PDPM ICD-10 code mapping to reclassify certain subcategory **S42.2** - humeral fracture codes.
- The commenter highlighted that certain encounter codes for humeral fractures, such as those ending in the 7th character of A for an initial encounter for fracture, are permitted the option to be mapped to a surgical clinical category, denoted on the PDPM ICD-10 code mapping as May be Eligible for One of the Two Orthopedic Surgery Categories (that is, major joint replacement or spinal surgery, or orthopedic surgery) if the resident had a major procedure during the prior inpatient stay that impacts the SNF care plan.
- However, the commenter noted that other encounter codes within the same code family, such as those ending in the 7th character of D for subsequent encounter for fracture with routine healing, are mapped to the Non-Surgical Orthopedic/ Musculoskeletal without the surgical option.

Adding Surgical option to Primary Category Map

Proposed Clinical Category Changes for Certain Subcategory Fracture Codes (cont.)

- The commenter requested that we review all subcategory S42.2 - fracture codes to ensure that the appropriate surgical clinical category could be selected for joint aftercare.
- Since then, the commenter has also contacted CMS with a similar suggestion for **M84.552D** Pathological fracture in neoplastic disease, left femur, subsequent encounter for fracture with routine healing.
- CMS has since reviewed the suggested code subcategories to determine the most efficient manner for addressing this discrepancy.
- CMS is proposing adding the surgical option that allows 45 subcategory **S42.2** - codes for displaced fractures to be eligible for one of two orthopedic surgery categories.
- However, CMS notes that this proposal does not extend to subcategory **S42.2** - codes for nondisplaced fractures, which typically do not require surgery.
- CMS is also proposing adding the surgical option to subcategory 46 **M84.5** - codes for pathological fractures to certain major weight-bearing bones to be eligible for one of two orthopedic surgery categories. (See Table 2)

Proposed Clinical Category Changes for Unacceptable Principal Diagnosis Codes

Unacceptable Principal Diagnosis Codes moved to Return to Provider"

- In the FY 2023 final rule, commenters recommended that CMS seek to align the PDPM ICD-10 code mapping with the Hospital Inpatient Prospective Payment System (IPPS) Medicare Code Editor (MCE) in treating diagnoses that are Return to Provider, specifically referring to the Unacceptable Principal Diagnosis edit code list in the Definition of Medicare Code Edits.
- The Unacceptable Principal Diagnosis edit code list contains selected codes that describe a circumstance that influences an individual's health status but not a current illness or injury, or codes that are not specific manifestations but may be due to an underlying cause, and which are considered unacceptable as a principal diagnosis.
- After clinical review, we concur that these 95 codes listed in Table 3 on the CMS website should be assigned to Return to Provider.
- For the diagnosis codes listed in Table 3 on the CMS website that are from the category B95 to B97 range and contain the suffix "as the cause of diseases classified elsewhere", the ICD-10 coding convention for such etiology and manifestation codes, where certain conditions have both an underlying etiology and multiple body system manifestations due to the underlying etiology, dictates that the underlying condition should be sequenced first, followed by the manifestation.

Proposed Clinical Category Changes for Unacceptable Principal Diagnosis Codes (cont.)

Unacceptable Principal Diagnosis Codes moved to Return to Provider"

- The ICD-10 coding guidelines also state that codes from subcategory G92.0 - Immune effector cell-associated neurotoxicity syndrome, subcategory R40.2 - Coma scale, and subcategory S06.A - Traumatic brain injury should only be reported as secondary diagnoses, as there are more specific codes that should be sequenced first.
- Additionally, the ICD-10 coding guidelines state that diagnosis codes in categories Z90 and Z98 are status codes, indicating that a patient is either a carrier of a disease or has the sequelae or residual of a past disease or condition, and are not reasons for a patient to be admitted to a SNF.
- Lastly, CMS clinicians determined that diagnosis code Z43.9 Encounter for attention to unspecified artificial opening should be assigned to the clinical category Return to Provider because there are more specific codes that identify the site for the artificial opening.
- Therefore, CMS is proposing to reassign the 95 codes listed in Table 3 on the CMS website from the current default clinical category on the PDPM ICD-10 code mapping to Return to Provider.

Proposed Clinical Category Changes for Unacceptable Principal Diagnosis Codes (cont.)

Unacceptable Principal Diagnosis Codes moved to Return to Provider”

- CMS is also proposing to make future updates to align the PDPM ICD-10 code mapping with the MCE Unacceptable Principal Diagnosis edit code list on a subregulatory basis going forward.
- CMS is also proposing to make future updates to align the PDPM ICD-10 code mapping with the MCE Manifestation codes not allowed as principal diagnosis edit code list and the Questionable admission codes edit code list on a subregulatory basis going forward.

Skilled Nursing Facility Quality Reporting Program (SNF QRP) update

- **SNF QRP Resources:**
  - SNF QRP
  - Reporting tables for FY 2024
  - Reporting tables for FY 2025
  - SNF QRP Technical Specifications and Addendum
  - HAI Draft Specifications
  - COVID-19 Vaccination Among HCP Specifications
  - Influenza Vaccination Coverage Among HCP
  - TOH Measures and SPADEs
  - Claims Based Measures DTC and PPR
  - MSPB
  - Unified PAC Report to Congress
  - MDS 3.0 v1.18.11

IMPACT Act

- On October 6, 2014, the Improving Medicare Post-Acute Care Transformation Act of 2014 (the IMPACT Act) was signed into law.
- The Act requires the submission of standardized data by Long-Term Care Hospitals (LTCHs), **Skilled Nursing Facilities (SNFs)**, Home Health Agencies (HHAs) and Inpatient Rehabilitation Facilities (IRFs).
- Standardized data are to be collected by the commonly used assessment instruments: The Long-Term Care Hospital CARE Data Set (LCDS) for LTCHs, **the Minimum Data Set (MDS) for SNFs**, the Outcome and Assessment Information Set (OASIS) for HHAs, and the Inpatient Rehabilitation Facility Patient Assessment Instrument (IRF PAI) for IRFs.
- The IMPACT Act requires the reporting of standardized patient assessment data with regard to quality measures and standardized patient assessment data elements (SPADEs).
- The Act also requires the submission of data pertaining to measure domains pertaining to resource use, and other domains.
- In addition, the IMPACT Act requires assessment data to be standardized and interoperable to allow for exchange of the data among post-acute providers and other providers.
- The Act intends for standardized post-acute care data to improve Medicare beneficiary outcomes through shared-decision making, care coordination, and enhanced discharge planning.

IMPACT Act QMs

IMPACT Act Domain	IMPACT Act Measure	Source	PAC Setting Adopted
Skin Integrity and Changes in Skin Integrity	Percent of Residents or Patients with Pressure Ulcers that are New or Worsened (Short Stay) replaced with Changes in Skin Integrity Post-Acute Care: Pressure Ulcer/Injury.	Assessment	IRF, LTCH, SNF, HH
Functional Status, Cognitive Function, and Changes in Function and Cognitive Functiony	Application of Percent of LTCH Hospital Patients with an Admission and Discharge Functional Assessment and a Care Plan that Addresses Function	Assessment	IRF, LTCH, SNF, HH
	Change in Self-Care Score for Medical Rehabilitation Patients	Assessment	IRF, SNF
	Change in Mobility Score for Medical Rehabilitation Patients	Assessment	IRF, SNF
	Change in Discharge Self-Care Score for Medical Rehabilitation Patients	Assessment	IRF, SNF
	Change in Discharge Mobility Score for Medical Rehabilitation Patients	Assessment	IRF, SNF
Medication Reconciliation	Drug Regimen Review	Assessment	IRF, LTCH, SNF, HH
Incidence of Major Falls	Application of the Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay)	Assessment	IRF, LTCH, SNF, HH
Transfer of Health Information and Care Preferences when an Individual Transitions	Transfet of Health Information to Provider Transfer of health Information to Patient	Assessment Assessment	IRF, LTCH, SNF, HH
Resource Use Measures, including Total Estimated Medicare Spending Per Beneficiary	Medicare Spending Per Beneficiary	Claims	IRF, LTCH, SNF, HH
Discharge to Community	Discharge to Community	Claims	IRF, LTCH, SNF, HH
All-Condition Risk-Adjusted Potentially Preventable Hospital Readmissions Rates	Potentially Preventable 30-Day Post-Discharge Readmission	Claims	IRF, LTCH, SNF, HH
Meaningful Measure Domain	**IMPACT Act Measure**		**PAC Setting Adopted**
Patient Safety (Meaningful Measures 2.0)	SNF Healthcare Associated infections	Claims	SNF
Patient Safety (Meaningful Measures 2.0)	Influenza vaccination HCP	NHSN	IRF, LTCH, SNF
Patient Safety (Meaningful Measures 2.0)	COVID-19 Vaccination HCP	NHSN	IRF, LTCH, SNF

IMPACT Act

- The Improving Post-Acute Care Transformation (IMPACT) Act of 2014 also requires a report to Congress on unified payment for Medicare post-acute care (PAC).
- Medicare PAC services are provided to beneficiaries by PAC providers defined as skilled nursing facilities (SNFs), inpatient rehabilitation facilities (IRFs), long-term care hospitals (LTCHs), and home health agencies (HHAs).
- Each PAC provider setting has a separate Medicare fee-for-service (FFS) prospective payment system (PPS).
- A goal of unified PAC payment is to base the payment on patient characteristics instead of the PAC setting.
- This framework applies a uniform approach to case-mix adjustment across Medicare beneficiaries receiving PAC services for different types of PAC providers while accounting for factors independent of patient need that are important drivers of cost across PAC providers.
- The unified approach to case-mix adjustment includes **standardized patient assessment data** collected by the four PAC providers.

SNF Quality Reporting Program (QRP)

- The Improving Medicare Post-Acute Care Transformation Act of 2014 (IMPACT Act) requires CMS to develop, implement, and maintain standardized patient assessment data elements (SPADEs) for PAC settings (SNF, HH, LTCH, IRF).
- The goals of implementing cross-setting SPADEs are to facilitate care coordination and interoperability and to improve Medicare beneficiary outcomes.
- The IMPACT Act further requires that the assessment instruments for each PAC setting (MDS, OASIS, LCDS, IRF PAI) be modified to include core data elements on health assessment categories and that such data be standardized and interoperable. HH, IFF and LTCH tools have already been modified to report these SPADEs. **MDS 3.0 v1.18.11 contains the data elements necessary to comply with this mandate.**
- CMS has adopted SPADEs for five categories specified in the IMPACT Act:
  - **Cognitive function** (e.g., able to express ideas and to understand normal speech) and mental status (e.g., depression and dementia)
  - **Special services, treatments, and interventions** (e.g., need for ventilator, dialysis, chemotherapy, and total parenteral nutrition)
  - **Medical conditions and comorbidities** (e.g., diabetes, heart failure, and pressure ulcers)
  - **Impairments** (e.g., incontinence; impaired ability to hear, see, or swallow)
  - **Other categories** as deemed necessary by the Secretary (Social Determents of Health)

SNF Quality Reporting Program (QRP)

- **New Category: Social Determinants of Health (cont.)**
- MDS items have been added and or revised to assess for SDOH:
  - **Ethnicity – MDS item A1005**
  - **Race – MDS item A1010**
  - **Preferred Language – MDS item A1110**
  - **Interpreter Services – MDS item A1110**
  - **Transportation – MDS item A1250**
  - **Health Literacy – MDS item B1300**
  - **Social Isolation – MDS item D0700**

SNF Quality Reporting Program (QRP)

- **Health Equity Update (SNF PPS FY 2024 proposed Rule)**
- CMS is working to advance health equity by designing, implementing, and operationalizing policies and programs that support health for all the people served by CMS' programs and models, eliminating avoidable differences in health outcomes experienced by people who are disadvantaged or underserved, and providing the care and support that beneficiaries need to thrive.
- This initiative is guided by 5 priorities
- **Priority 1:** Expand the Collection, Reporting and Analysis of **Standardized Data**
- **Priority 2:** Assess **Causes of Disparities** Within CMS Programs, and **Address Inequities in Policies and Operations to Close Gaps**
- **Priority 3:** Build Capacity of Health Care Organizations and the Workforce to **Reduce Health and Health Care Disparities**
- **Priority 4: Advance Language Access, Health Literacy** and the Provision of Culturally Tailored Services
- **Priority 5:** Increase All Forms of Accessibility to Health Care Services and Coverage

SNF VBP/QRP Connection: Health Equity

- The CDC defines health equity as, "…the state in which everyone has a fair and just opportunity to attain their highest level of health." "Achieving this requires focused and ongoing societal efforts to address historical and contemporary injustices; overcome economic, social, and other obstacles to health and healthcare; and eliminate preventable **health disparities**."
- The CDC also indicated that, "Achieving health equity requires valuing everyone equally with focused and ongoing societal efforts to address avoidable inequalities, historical and contemporary injustices, and the elimination of health and healthcare disparities." "Achieving health equity also requires addressing social determinants of health and health disparities."

SNF VBP/QRP Connection: Health Equity

CMS Framework for Health Equity 2022–2032

MDS 3.0v1.18.11 and S.P.A.D.Es

- **New Category: Social Determinants of Health**
  - CMS has identified data elements for cross-setting standardization of assessment for seven social determinants of health (SDOH).
  - **Healthy People 2020 defines SDOH** as, *"…the conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks."*
  - **World Health Organization** – *"Social determinants of health (SDH) are the non-medical factors that influence health outcomes. They are the conditions in which people are born, grow, work, live, and age, and the wider set of forces and systems shaping the conditions of daily life. These forces and systems include economic policies and systems, development agendas, social norms, social policies and political systems. The SDH have an important influence on Health Inequities - the unfair and avoidable differences in health status seen within and between countries. In countries at all levels of income, health and illness follow a social gradient: the lower the socioeconomic position, the worse the health."*
  - *Examples of the social determinants of health, which can influence health equity in positive and negative ways: - Income and social protection – Education - Unemployment and job insecurity – Working life conditions - Food insecurity – Housing, basic amenities and the environment - Early childhood development - Social inclusion and non-discrimination - Structural conflict - Access to affordable health services of decent quality.*

SNF Quality Reporting Program (QRP)

- **Health Equity Update (SNF PPS FY 2024 proposed Rule cont.)**
  - CMS' National Quality Strategy identifies a wide range of potential quality levers that can support CMS' advancement of equity, including:
    - (1) establishing a standardized approach for resident-reported data and stratification;
    - (2) employing quality and value-based programs to address closing equity gaps; and
    - (3) developing equity-focused data collections, analysis, regulations, oversight strategies, and quality improvement initiatives.

SNF Quality Reporting Program (QRP)

- **Health Equity Update (SNF PPS FY 2024 proposed Rule cont.)**
- CMS is committed to developing approaches to meaningfully incorporate the advancement of health equity into the SNF QRP. One option we are considering is including **social determinants of health (SDOH) as part of new quality measures**.
- CMS is considering whether health equity measures we have adopted for other settings, such as hospitals, could be adopted in post-acute care settings.
- CMS is exploring ways to incorporate SDOH elements into the measure specifications. For example, CMS is considering a future health equity measure like screening for social needs and interventions.
- With 30 percent to 55 percent of health outcomes attributed to SDOH,189 a measure capturing and addressing SDOH could encourage SNFs to identify residents' specific needs and connect them with the community resources necessary to overcome social barriers to their wellness.

SNF Quality Reporting Program (QRP)

- **Health Equity Update (SNF PPS FY 2024 proposed Rule cont.)**
- CMS could specify a health equity measure using the same SDOH data items that we currently collect as standardized patient assessment data elements under the SNF.
- These SDOH data items assess health literacy, social isolation, transportation problems, and preferred language (including need or want of an interpreter).
- CMS also sees value in aligning SDOH data items across all care settings as we develop future health equity quality measures under our SNF QRP statutory authority.
- This would further the NQS to align quality measures across our programs as part of the **Universal Foundation**.

SNF Quality Reporting Program (QRP)

- **FY 2024 Proposed Changes to the Skilled Nursing Facility Quality Reporting Program (SNF QRP)**
  - CMS is proposing the adoption of three measures in the SNF QRP,
  - the removal of three measures from the SNF QRP, and
  - the modification of one measure in the SNF QRP. In addition,
  - the proposed rule would also make policy changes to the SNF QRP, and
  - begin public reporting of four measures.

Proposed New QRP Measures

FY 2024 Skilled Nursing Facility Quality Reporting Program (SNF QRP) Proposals

- CMS is proposing the adoption of the **Discharge Function Score (DC Function) measure** beginning with the FY 2025 SNF QRP.
- This measure assesses functional status by assessing the percentage of SNF residents who meet or exceed an expected discharge function score and uses mobility and self-care items already collected on the Minimum Data Set (MDS).
- This measure would replace the topped-out process measure – the Application of Percent of Long-Term Care Hospital Patients with an Admission and Discharge Functional Assessment/a Care Plan That Addresses Function (Application of Functional Assessment/Care Plan) measure.

Proposed New QRP Measures

FY 2024 Skilled Nursing Facility Quality Reporting Program (SNF QRP) Proposals

- CMS is proposing the adoption of the **CoreQ: Short Stay Discharge (CoreQ: SS DC) measure** beginning with the FY 2026 SNF QRP.
- This measure calculates the percentage of individuals discharged from an SNF, within 100 days of admission, who are satisfied with their SNF stay.
- The questionnaire that would be administered under the CoreQ: SS DC measure asks individuals to rate their overall satisfaction with their care using a 5-point Likert scale.
- The areas of care include: staff, the care received, recommending the facility to friends and family, and how well their discharge needs were met.

Proposed New QRP Measures

FY 2024 Skilled Nursing Facility Quality Reporting Program (SNF QRP) Proposals

- CMS is proposing that each SNF must contract with an independent CMS-approved CoreQ survey vendor to administer the CoreQ: SS DC measure questionnaire, and report the results to CMS, on behalf of the SNF (plus 2 help provided questions, did? and how?).

TABLE 13: CoreQ: Short Stay Discharge Primary Questions

Primary questions used in the CoreQ: Short Stay Discharge Questionnaire	Response options for the four CoreQ primary questions
1. In recommending this facility to your friends and family, how would you rate it overall?	Poor (1) Average (2) Good (3) Very Good (4) Excellent (5)
2. Overall, how would you rate the staff?	
3. How would you rate the care you received?	
4. How would you rate how well your discharge needs were met?	

Proposed New QRP Measures

FY 2024 Skilled Nursing Facility Quality Reporting Program (SNF QRP) Proposals

- **Core Q Compliance Thresholds**
  - For the CoreQ: SS DC measure, CMS is proposing that SNFs would be required to meet or exceed two separate data completeness thresholds:
  - (1) one threshold, set at 75 percent, for submission of weekly resident information files to the CMS-approved CoreQ survey vendor for the full reporting year; and
  - (2) a second threshold, set at 90 percent, for completeness of the resident information files.
  - In other words, SNFs would need to submit resident information files on a weekly basis that include at least 90 percent of the required data fields to their CMS approved CoreQ survey vendors for at least 75 percent of the weeks in a reporting year.

Proposed New QRP Measures

FY 2024 Skilled Nursing Facility Quality Reporting Program (SNF QRP) Proposals

- **CoreQ Short Stay Discharge Survey Protocols and Guidelines Manual Draft Version 1.0 April 2023**
- https://www.cms.gov/files/document/draft-coreq-ss-dc-manual508compliant.pdf

TABLE 14: Data Elements in the CoreQ: SS DC Measure Resident Information File

SNF name
SNF CMS Certification Number (CCN)
National Provider Identifier (NPI)
Reporting week
Reporting year
Number of eligible residents
Resident First Name
Resident Middle Initial
Resident Last Name
Resident Date of Birth
Resident Mailing Address 1
Resident Mailing Address 2
Resident address, City
Resident address, State
Resident address, Zip Code
Telephone number, including area code
Resident email address
Gender
Payer
HMO indicator
Dual eligibility indicator
End stage renal disease
Resident date of admission
Resident date of discharge
Brief Interview of Mental Status (BIMS) score
Discharge status
Left against medical advice
Court appointed guardian
Are you of Hispanic, Latino/a, or Spanish origin?
What is your race?
What is your preferred language?

Proposed New QRP Measures

FY 2024 Skilled Nursing Facility Quality Reporting Program (SNF QRP) Proposals

- CMS is proposing the adoption of the **COVID-19 Vaccine: Percent of Patients/Residents Who Are Up to Date (Patient/Resident COVID-19 Vaccine) measure** beginning with the FY 2026 SNF QRP.
- This measure reports the percentage of stays in which residents in an SNF are up to date with recommended COVID-19 vaccinations in accordance with the Centers for Disease Control and Prevention's (CDC's) most recent guidance.
- Data would be collected using a new standardized item on the MDS.

Proposed Modified QRP Measures

FY 2024 Skilled Nursing Facility Quality Reporting Program (SNF QRP) Proposals

- CMS is proposing to modify the **COVID-19 Vaccination Coverage among Healthcare Personnel (HCP COVID-19 Vaccine) measure** beginning with the FY 2025 SNF QRP.
- This measure tracks the percentage of healthcare personnel (HCP) working in SNFs who are considered up to date with recommended COVID-19 vaccination in accordance with the CDC's most recent guidance.
- The prior version of this measure reported only on whether HCP had received the primary vaccination series for COVID-19.
- The proposed modification would require SNFs to report the **cumulative number of HCP who are up to date with recommended COVID-19 vaccinations** in accordance with the CDC's most recent guidance.

Proposed Removed QRP Measures

FY 2024 Skilled Nursing Facility Quality Reporting Program (SNF QRP) Proposals

- CMS is proposing to remove the **Application of Percent of Long-Term Care Hospital (LTCH) Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function (Application of Functional Assessment/Care Plan) measure** beginning with the FY 2025 SNF QRP.
- CMS is proposing this measure removal for two reasons.
  - **First**, the Application of Functional Assessment/Care Plan measure meets the conditions for measure removal factor one: measure performance among SNFs is so high and unvarying that meaningful distinctions in improvements in performance can no longer be made.
  - **Second**, this measure meets the conditions for measure removal factor six: there is an available measure (the proposed DC Function measure, discussed above) that is more strongly associated with desired resident functional outcomes.

Proposed Removed QRP Measures

FY 2024 Skilled Nursing Facility Quality Reporting Program (SNF QRP) Proposals

- CMS is proposing to remove the **Application of the IRF Functional Outcome Measures: Change in Self-Care Score for Medical Rehabilitation Patients (Change in Self-Care Score) measure; and the Change in Mobility Score for Medical Rehabilitation Patients (Change in Mobility Score)** measure beginning with the FY 2025 SNF QRP.
- CMS proposes to remove these two measures because these measures meet the condition for measure removal factor eight: the costs associated with a measure outweigh the benefits of its use in the program.
- Additionally, these measures are similar or duplicative of other measures within the SNF QRP.

SNF Quality Reporting Program (QRP)

- **Proposed Changes to the Skilled Nursing Facility Quality Reporting Program (SNF QRP) Reporting Requirements**
  - CMS is proposing to increase the SNF QRP Data Completion thresholds for the Minimum Data Set (MDS) Data Items beginning with the FY 2026 SNF QRP.
  - CMS proposes SNFs must report 100% of the required quality measure data and standardized resident assessment data collected using the MDS on at least 90% of the assessments they submit to CMS.
  - Any SNF that does not meet the proposed requirement that 90% of all MDS assessments submitted contain 100% of required data items, will be subject to a reduction of 2 percentage points to the applicable FY annual payment update beginning with FY 2026.

SNF Quality Reporting Program (QRP)

- **FY 2024 Proposed Changes to the Skilled Nursing Facility Quality Reporting Program (SNF QRP)**
  - CMS is proposing to begin the public reporting of the Transfer of Health Information to the Provider—PAC Measure and the Transfer of Health Information to the Patient—PAC Measure beginning with the October 2025 Care Compare refresh or as soon as technically feasible.
  - The measures report the percentage of patient stays with a discharge assessment indicating that a current reconciled medication list was provided to the subsequent provider and/or to the patient/family/caregiver at discharge or transfer.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing FY 2024 SNF PPS proposed Rule**
  - In FY 2024 SNF PPS proposed rule, CMS is proposing the adoption of four new quality measures, the replacement of one quality measure, and several policy changes in the SNF VBP Program.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing FY 2024 SNF PPS proposed Rule**
  - **1**. CMS is proposing the adoption of the **Nursing Staff Turnover Measure** for the SNF VBP program beginning with the FY 2026 program year.
    - This is a structural measure that has been collected and publicly reported on Care Compare and assesses the stability of the staffing within an SNF using nursing staff turnover.
    - This is part of the Administration's focus to ensure adequate staffing in long-term care settings. Facilities would begin reporting for this measure in FY 2024, with payment effects beginning in FY 2026.
    - 1 year **performance period**: FY 2024
    - 1 year **baseline period**: FY 2022 (October 1, 2021, through September 30, 2022)
    - **Achievement Threshold**: 0.37500 **Benchmark:** 0.72925
    - **Case Minimum**: minimum of 1 eligible stay during the 1-year performance period and at least 5 eligible nursing staff (RNs, LPNs, and nurse aides) during the 3 quarters of PBJ data included in the measure denominator in order to be eligible to receive a score on the measure for the applicable fiscal program year.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing FY 2024 SNF PPS proposed Rule**
  - **2**. CMS is proposing the adoption of the **Long Stay Hospitalization Measure per 1000 long-stay resident days** beginning with the FY 2027 program year.
  - This measure assesses the hospitalization rate of long-stay residents.
  - 1 year **performance period**: FY 2025
  - 1 Year **baseline period**: FY 2023 (October 1, 2022, through September 30, 2023)
  - **Case Minimum**: minimum of 20 eligible stays during the 1-year performance period in order to be eligible to receive a score on the measure for the applicable fiscal program year.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing FY 2024 SNF PPS proposed Rule**
  - **3**. CMS is proposing the adoption of the **Discharge Function Score measure** beginning with the FY 2027 program year.
    - This measure is also being proposed for SNF QRP and assesses functional status by assessing the percentage of SNF residents who meet or exceed an expected discharge function score and use mobility and self-care items already collected on the MDS.
    - 1 year **performance period**: FY 2025
    - 1 Year **baseline period**: FY 2023 (October 1, 2022, through September 30, 2023)
    - **Case Minimum**: minimum of 20 eligible stays during the 1-year performance period in order to be eligible to receive a score on the measure for the applicable fiscal program year.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing FY 2024 SNF PPS proposed Rule**
  - **4**. CMS is proposing the adoption of the **Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay)** beginning with the FY 2027 program year.
    - This measure assesses the falls with major injury rates of long-stay residents.
    - 1 year **performance period**: FY 2025
    - 1 year **baseline period**: FY 2023 (October 1, 2022, through September 30, 2023)
    - **Case Minimum:** minimum of 20 residents in the measure denominator during the 1-year performance period in order to be eligible to receive a score on the measure for the applicable fiscal program year.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

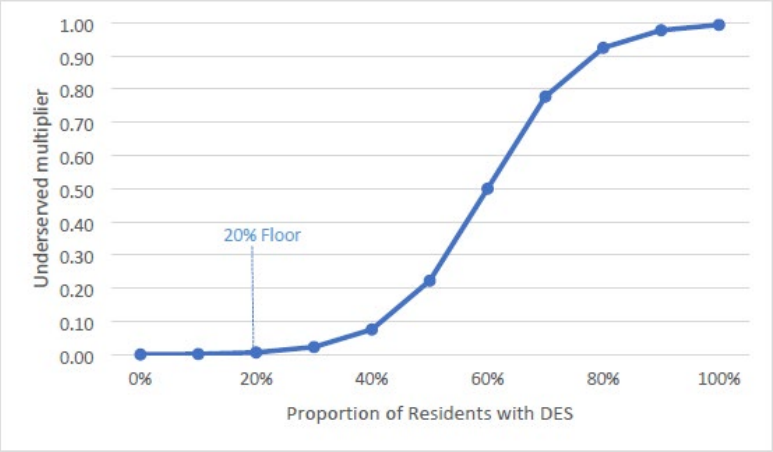
- **Value Based Purchasing FY 2024 SNF PPS proposed Rule**
  - CMS is proposing the **replacement** of the Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM) with the Skilled Nursing Facility Within Stay Potentially Preventable Readmissions (SNF WS PPR) measure beginning with the FY 2028 program year.
  - 2-year **performance period**: FY 2025 and 2026 (Oct. 1, 2024 – Sept. 30, 2026)
  - 2-year **baseline period:** FY 2022 and FY 2023 (October 1, 2021, through September 30, 2023)
  - **Case Minimum**: minimum of 25 eligible stays during the 2-year performance period in order to be eligible to receive a score on the measure for the applicable fiscal program year.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing FY 2024 SNF PPS proposed Rule**
  - To prioritize the achievement of **health equity** and the reduction of disparities in health outcomes in SNFs, CMS is proposing the adoption of a Health Equity Adjustment in the SNF VBP Program that rewards SNF that perform well and whose resident population during the applicable performance period includes at least 20% of residents with dual eligibility status.
  - This adjustment would begin with the FY 2027 program year and FY 2025 performance year.
  - CMS is adjusting the scoring methodology to provide bonus points to high-performing facilities (CMS is proposing to define a top tier performing SNF, as a SNF whose score on the measure for the program year falls in the top third of performance, or greater than or equal to the 66.67th percentile) that provide care to a higher proportion of duals.
  - In the FY 2024 SNF PPS rule, CMS is requesting comments about possible future methodologies for selecting and prioritizing quality measures to focus on underserved populations.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing FY 2024 SNF PPS proposed Rule**
  - In addition, CMS is proposing to increase the payback percentage policy under the SNF VBP program from current 60% to a level such that the bonuses provided to the high performing, high duals SNFs do not come at the expense of the other SNFs. The estimates for FY 2027 program year is 66%.
  - Bonus Scoring Methodology (if 20% DES):
    - **Measure Performance Scaler**: 2 bonus points for each VBP measure scoring in the top 66.67th percentile.
    - **Underserved Multiplier**: the number representing the SNF's proportion of residents with DES out of its total resident population in the applicable program year, translated using a logistic exchange function
    - **HEA bonus points** = measure performance scaler × underserved multiplier



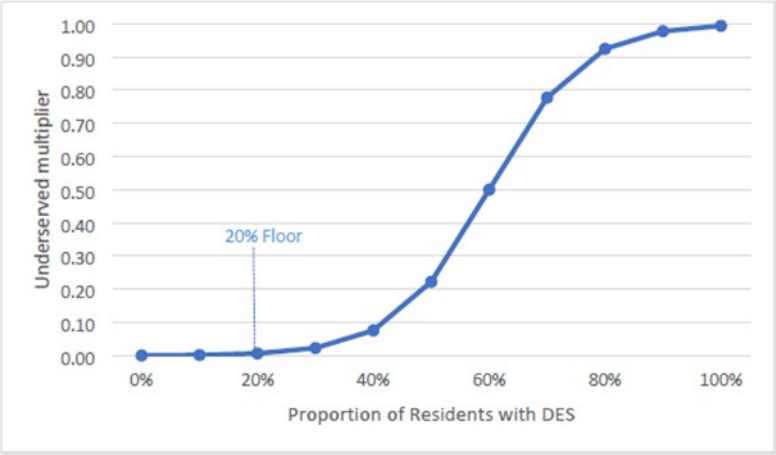
Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

TABLE 22: Example of the HEA Bonus Points Calculation

Example SNF	Measure Performance Scaler [A]	Proportion of Residents with DES (%) [B]	Underserved Multiplier [C]	HEA bonus points [D] ([A]*[C])
SNF 1	16	50	0.22	3.52
SNF 2	14	70	0.78	10.92
SNF 3	10	10	0	0
SNF 4	2	80	0.92	1.84

TABLE 23: Example of the HEA Bonus Points Calculation

Example SNF	Normalized Sum of all Points Awarded for each Measure [A]	HEA Bonus Points (Step 3, Column [D]) [B]	SNF Performance Score ([A] + [B])
SNF 1	80	3.52	83.52
SNF 2	65	10.92	75.92
SNF 3	42	0	42.00
SNF 4	10	1.84	11.84



Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing FY 2024 SNF PPS proposed Rule**
  - CMS is also proposing to update administrative methodology policies that are required to address the changes needed to accommodate the proposed addition of quality measures into the SNF VBP Program's scoring methodology, i.e., measure minimums.
    - **FY 2026 program year:** SNFs must report the minimum number of cases for two of the four measures during the performance period to be included in the FY 2026 program year.
    - **FY 2027 program year:** SNFs must report the minimum number of cases for four of the eight measures during the performance period to receive a SNF Performance Score and value-based incentive payment

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing FY 2024 SNF PPS proposed Rule**
  - In addition, the proposed rule provides additional updates on the **validation process being established for the quality measures and standardized assessment data for SNFs**. CMS is proposing the addition of the audit portion of the validation process for MDS-based measures beginning with the FY 2027 program year and FY 2025 performance year as required by Section 1888(h)(12) of the Act.
  - PBJ: No change
  - Claims data: No Change
  - **MDS Based Measures**: 1500 SNFs randomly selected for 10 chart audits. Possible penalty for nonresponse or not achieving a validation threshold.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

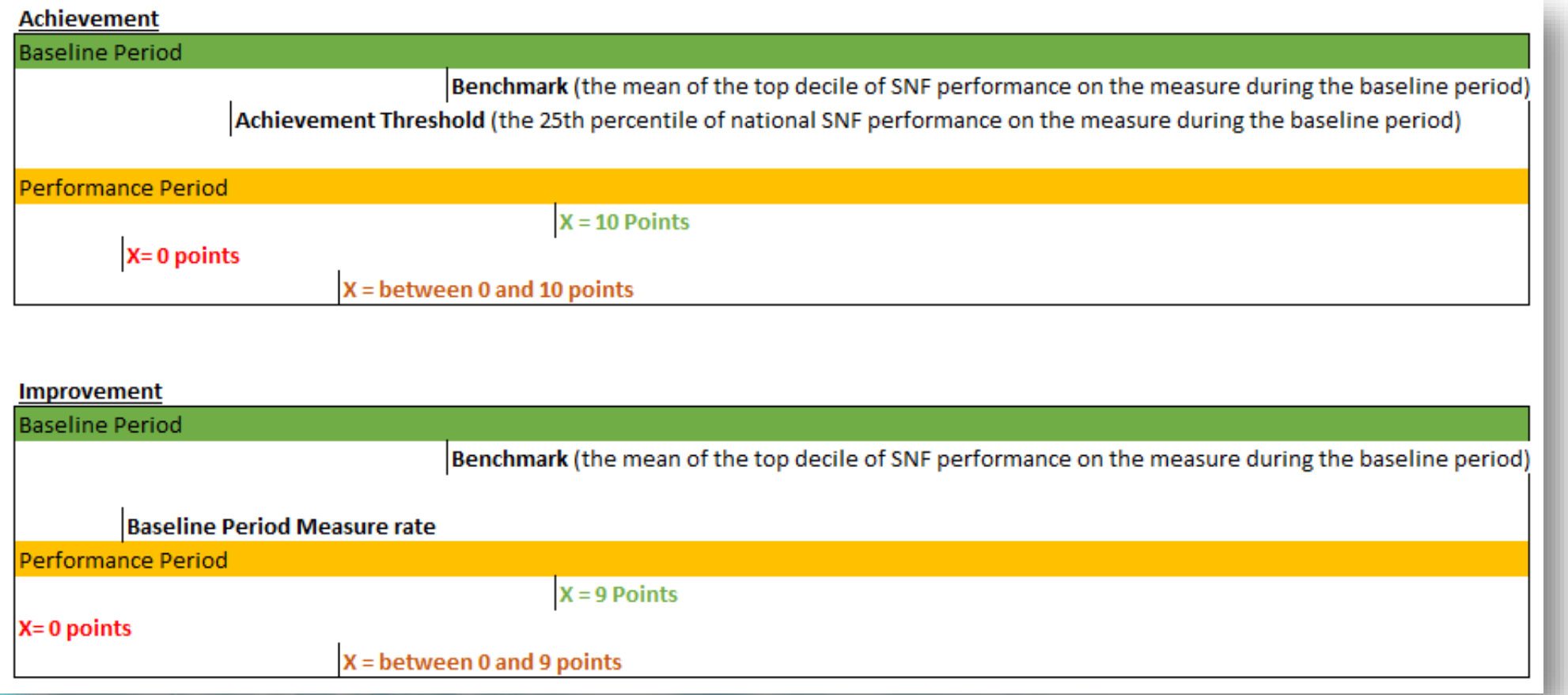
- **Value Based Purchasing Expanded Measure <u>Performance Scoring</u>**
  - CMS is proposing to adopt the previously finalized scoring and normalizing methodologies that were finalized in the FY 2023 Final Rule.
  - In order to be eligible to receive a score on the measure for the applicable fiscal program year, CMS has proposed that Case minimums must be met.
  - In the FY 2023 Final Rule, CMS finalized updating the achievement and improvement scoring methodology, applicable to all expanded VBP measures, to allow a SNF to earn a maximum of 10 points on each measure for achievement, and a maximum of 9 points on each measure for improvement.
  - For purposes of determining these points, CMS also finalized the following definitions:
  - **Benchmark:** The mean of the top decile of SNF performance on the measure during the baseline period; and
  - **Achievement threshold:** The 25th percentile of national SNF performance on the measure during the baseline period.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expanded Measure <u>Performance Scoring</u>**
  - CMS also finalized awarding **achievement points** to SNFs based on their performance period measure rate for each measure according to the following:
    - If a SNF's performance period measure rate is equal to or greater than the benchmark, the SNF would be awarded 10 points for achievement.
    - If a SNF's performance period measure rate is less than the achievement threshold, the SNF would receive 0 points for achievement.
    - If a SNF's performance period measure rate is equal to or greater than the achievement threshold, but less than the benchmark, we will award between 0 and 10 points.
  - CMS also finalized awarding **improvement points** to SNFs based on their performance period measure rate according to the following:
    - If a SNF's performance period measure rate is equal to or lower than its baseline period measure rate, the SNF would be awarded 0 points for improvement.
    - If a SNF's performance period measure rate was equal to or higher than the benchmark, the SNF would be awarded 9 points for improvement.
    - If a SNF's performance period measure rate was greater than its baseline period measure rate but less than the benchmark, we will award between 0 and 9 points

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expanded Measure <u>Performance Scoring</u>**



Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expanded Measure <u>Performance Scoring</u>**
  - CMS will score SNFs' performance on achievement and improvement for each measure and award them the higher of the two scores for each measure to be included in the SNF performance score, except in the instance that the SNF does not meet the case minimum threshold for the measure during the applicable baseline period, in which case the SNF would only be scored on achievement.
  - CMS will then sum each SNFs' measure points and normalize them to arrive at a SNF performance score that ranges between 0 and 100 points.
  - This policy is intended to appropriately recognizes the best performers on each measure and reserves the maximum points for their performance levels while also recognizing that improvement over time is important and should also be rewarded.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expanded Measure Performance Scoring**
  - CMS finalized the adoption of a "normalization" policy for SNF performance scores under the expanded SNF VBP Program, effective with the FY 2026 program year.
  - This policy allows for the expansion of the VBP with additional measures while maintaining a score range from 0 – 100 without further changes to the scoring methodology.
  - Under this policy, CMS will calculate a raw point total for each SNF by adding up the SNF's score on each of the measures.
  - For example, a SNF that met the case minimum to receive a score on three quality measures would receive a score between 0 to 30 points, while a SNF that met the case minimum to receive a score on two quality measures would receive a score between 0 to 20 points. (The maximum raw point total for the FY 2026 program year would be 40 points and 80 points for FY 2027)
  - CMS would then normalize the raw point totals by converting them to a 100-point scale, with the normalized values being awarded as the SNF performance score.
  - For example, CMS would normalize a SNF's raw point total of 27 points out of 30 by converting that total to a 100-point scale, with the result that the SNF would receive a SNF performance score of 90. Example: (27/30) x 100 = 90

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Civil Money Penalties: Waiver of Hearing, Automatic Reduction of Penalty Amount**
  - Section 488.436 provides a facility the option to waive its right to a hearing in writing and receive a 35 percent reduction in the amount of civil money penalties (CMPs) owed in lieu of contesting the enforcement action.
  - This regulation was first adopted in a 1994 final rule (59 FR 56116, 56243), with minor corrections made to the regulation text in 1997 (62 FR 44221) and in 2011 (76 FR 15127) to implement section 6111 of the Affordable Care Act of 2010.
  - Over the years, CMS has observed that most facilities who have been imposed CMPs do not request a hearing to appeal the survey findings of noncompliance on which their CMPs are based.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Civil Money Penalties: Waiver of Hearing, Automatic Reduction of Penalty Amount (cont.)**
  - In CY 2016, 81 percent of LTC facilities submitted a written waiver of a hearing and an additional 15 percent of facilities failed to submit a waiver although they did not contest the penalty and its basis. Only 4 percent of facilities availed themselves of the full hearing process.
  - The data from CY 2018 and CY 2019 stayed fairly consistent with 80 percent of facilities submitting a written waiver of a hearing and 14 percent of facilities failing to submit the waiver nor contest the penalty and its basis. Only 6 percent of facilities availed themselves of the full hearing process.
  - In CY 2020, 81 percent of facilities submitted a written waiver of the hearing, 15 percent of facilities did not submit a waiver nor contest the penalty and its basis, and only 4 percent of facilities availed themselves of the full hearing process.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Civil Money Penalties: Waiver of Hearing, Automatic Reduction of Penalty Amount (cont.)**
  - In CY 2021, 91 percent of facilities submitted a written waiver of the hearing, 7 percent of facilities did not submit the waiver nor contest the penalty and its basis, and only 2 percent of facilities utilized the full hearing process.
  - Data from CY 2022 continues this trend showing that 81 percent of LTC facilities submitted a written waiver of their hearing rights and 17 percent of facilities did not submit a waiver of appeal rights but did not contest the penalty nor its basis. Again, only 2 percent of facilities availed themselves of the full hearing process in CY2022.
  - Therefore, CMS is proposing to revise the current express written waiver process to one that seamlessly flows to a constructive waiver and retains the accompanying 35 percent penalty reduction. Removal of the facility's requirement to submit a written request to avail itself of this widely used option would result in lower costs for most LTC facilities facing CMPs and would streamline and reduce the administrative burden for all interested parties.
  - CMS is proposing to amend the language at § 488.436(a), by eliminating the requirement to submit a written waiver and create in its place a constructive waiver process that would operate by default when a timely request for a hearing has not been received.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Civil Money Penalties: Waiver of Hearing, Automatic Reduction of Penalty Amount (cont.)**
  - Facilities that wish to request a hearing to contest the noncompliance leading to the imposition of the CMP would continue to follow all applicable appeals process requirements, including those at § 498.40, as currently referenced at § 488.431(d).
  - Specifically, CMS is proposing to revise § 488.436(a) to state that a facility is deemed to have waived its rights to a hearing if the time period for requesting a hearing has expired and timely request for a hearing has not been received.
  - CMS has observed that many facilities submitting a request for a waiver of hearing wait until close to the end of the 60-day timeframe within which a waiver must be submitted, thus delaying the ultimate due date of the CMP amount. Under this proposed process, the 35 percent reduction would be applied after the 60-day timeframe.
  - CMS is proposing to make conforming changes that establish that a facility is deemed to have waived its rights to a hearing if the time period for requesting a hearing has expired, in lieu of a written waiver of appeal rights.

Financial Impact

SNF PPS

FY 2024

TABLE 35: Impact to the SNF PPS for FY 2024

Impact Categories	Number of Facilities	Parity Adjustment Recalibration	Update Wage Data	Total Change
Group	-	-	-	
Total	15,435	-2.3%	0.0%	3.7%
Urban	11,206	-2.3%	0.1%	3.8%
Rural	4,229	-2.2%	-0.7%	3.0%
Hospital-based urban	359	-2.3%	0.1%	3.7%
Freestanding urban	10,847	-2.3%	0.1%	3.8%
Hospital-based rural	375	-2.2%	-0.4%	3.3%
Freestanding rural	3,854	-2.2%	-0.7%	3.0%
Urban by region	-	-	-	
New England	734	-2.3%	-0.7%	2.9%
Middle Atlantic	1,468	-2.4%	1.4%	5.1%
South Atlantic	1,935	-2.3%	0.0%	3.7%
East North Central	2,176	-2.3%	-0.7%	3.0%
East South Central	555	-2.2%	0.0%	3.7%
West North Central	957	-2.3%	-0.7%	3.0%
West South Central	1,432	-2.3%	0.0%	3.7%
Mountain	545	-2.3%	-0.8%	2.9%
Pacific	1,398	-2.4%	0.2%	3.7%
Outlying	6	-2.0%	-2.5%	1.4%
Rural by region	-	-	-	
New England	114	-2.3%	-1.0%	2.6%
Middle Atlantic	205	-2.2%	-0.4%	3.3%
South Atlantic	484	-2.2%	-0.1%	3.7%
East North Central	906	-2.2%	-0.8%	2.9%
East South Central	490	-2.2%	-1.0%	2.8%
West North Central	1,009	-2.2%	-0.9%	2.8%
West South Central	732	-2.2%	-0.5%	3.3%
Mountain	197	-2.3%	-0.6%	3.1%
Pacific	91	-2.3%	-2.0%	1.5%
Outlying	1	-2.3%	0.0%	3.6%
Ownership	-	-	-	
For profit	10,884	-2.3%	0.0%	3.7%
Non-profit	3,550	-2.3%	0.0%	3.6%
Government	1,001	-2.3%	-0.4%	3.3%

Note: The Total column includes the FY 2024 6.1 percent market basket update factor. The values presented in Table 35 may not sum due to rounding.

SNF QRP Financial Impact

2025 –2027

TABLE 36: Estimated SNF QRP Program Impacts for FY 2025 through FY 2027

Total benefit for the FY2025 SNF QRP	Per SNF		All SNFs	
	Change in annual burden hours	Change in annual cost	Change in annual burden hours	Change in annual cost
Decrease in burden from the removal of the Functional Assessment/Care Plan measure	(0.78)	($67)	(12,032)	($1,037,261)
Total burden for the FY2026 SNF QRP				
Total burden for SNFs exempt from the proposed CoreQ: SS DC measure reporting AND Increase in burden from the addition of the Patient/Resident COVID-19 Vaccine measure	1.36	$77	13,941	$866,772
Total burden for SNFs participating in the proposed CoreQ: SS DC measure reporting AND Increase in burden from the addition of the Patient/Resident COVID-19 Vaccine measure	18.28	$5,049	224,885	$61,580,090
Total burden for the FY 2027 SNF QRP				
Total for SNFs exempt from the proposed CoreQ: SS DC measure reporting	0.58	$26.95	1,898	$88,181
Total for SNFs participating in the proposed CoreQ: SS DC measure reporting	26	$1,208	316,238	$63,344,417

SNF VBP Financial Impact

VBP 2024

TABLE 37: Estimated SNF VBP Program Impacts for FY 2024

Characteristic	Number of facilities	Mean Risk-Standardized Readmission Rate (SNFRM) (%)	Mean performance score	Mean incentive payment multiplier	Percent of total payment
Group					
Total*	11,176	20.47	28.3029	0.99140	100.00
Urban	8,710	20.58	27.1026	0.99084	87.12
Rural	2,436	20.07	32.7202	0.99346	12.88
Hospital-based urban**	196	19.92	36.8240	0.99531	1.72
Freestanding urban**	8,501	20.60	26.8949	0.99074	85.38
Hospital-based rural**	87	19.58	39.2697	0.99636	0.36
Freestanding rural**	2,275	20.08	32.6780	0.99347	12.38
Urban by region					
New England	627	20.62	27.4602	0.99121	5.45
Middle Atlantic	1,287	20.35	30.2740	0.99220	18.03
South Atlantic	1,691	20.83	25.4855	0.99011	17.75
East North Central	1,593	20.88	22.3914	0.98856	12.69
East South Central	468	20.83	24.1778	0.98938	3.55
West North Central	620	20.24	29.7294	0.99207	3.87
West South Central	912	21.11	18.7872	0.98700	6.75
Mountain	384	19.95	34.9771	0.99429	3.79
Pacific	1,125	19.93	36.2085	0.99528	15.24
Outlying	3	20.46	23.6945	0.98431	0.00
Rural by region					
New England	75	19.51	40.6317	0.99752	0.55
Middle Atlantic	164	19.56	39.1621	0.99692	0.91
South Atlantic	340	20.37	29.6459	0.99162	2.06
East North Central	602	19.94	33.4406	0.99376	3.07
East South Central	383	20.48	28.5196	0.99167	2.14
West North Central	364	19.81	34.7097	0.99451	1.29
West South Central	345	20.74	24.3765	0.98937	1.68
Mountain	92	19.34	42.4305	0.99792	0.53
Pacific	71	18.48	58.5164	1.00597	0.64
Outlying	0	-	-	-	-
Ownership					
Government	464	19.98	34.5948	0.99435	2.86
Profit	8,101	20.60	26.4146	0.99049	75.05
Non-Profit	2,581	20.16	33.2172	0.99378	22.08

* The total group category excludes 3,721 SNFs that failed to meet the finalized measure minimum policy. The total group category includes 30 SNFs that did not have facility characteristics in the CMS Provider of Services (POS) file or historical payment data used for this analysis.

** The group category which includes hospital-based/freestanding by urban/rural excludes 87 swing bed SNFs that satisfied the current measure minimum policy.

Cumulative Financial Impact

2024

Consider Cumulative Financial Impact (revised for FY 2024)

Sequestration: 2% rate adjustment
Value Based Purchasing: -2% rate adjustment
Quality Reporting: 2% adjustment to the APU for reporting non-compliance **plus** the additional cost of reporting new data **plus** non-compliance enforcement actions related to reporting as well as staff vaccination mandate revision.
Parity Adjustment: 2.3% CMI adjustment for FY 2024
Wage Index Adjustments: Location Specific FY 2024 ranges
Rural: 60% of states will have a negative WI adjustment. 6% of states will be capped at 5%
Urban: 53% of counties will experience a reduction in their wage index. 6% of counties will be capped at 5%.

QUESTIONS?

Find Out More

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