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CMS Issues FY 2018 SNF PPS Final Rule

On July 31, 2017, the Centers for Medicare & Medicaid Services (CMS) issued a final rule outlining Fiscal Year (FY) 2018 Medicare payment rates and quality programs for skilled nursing facilities (SNFs).

CMS published a fact sheet that discusses major provisions of the final rule. Below is a summary of the major payment and policy changes for SNFs in the FY 2018 final rule.

Changes to Payment Rates under the SNF Prospective Payment System (PPS)

CMS projects aggregate payments to SNFs will increase in FY 2018 by \$370 million, or 1.0 percent, from payments in FY 2017. This estimated increase is attributable to a 1.0 percent market basket increase required by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).

SNF Quality Reporting Program (QRP)

Background: Under the SNF QRP, SNFs that fail to submit the required quality data to CMS will be subject to a 2-percentage point reduction to the otherwise applicable annual market basket percentage update with respect to that fiscal year.

Finalized Changes: In this FY 2018 final rule, CMS is finalizing its replacement of the current pressure ulcer measure with an updated version of that measure and adopting four new measures that address functional status beginning with the FY 2020 program year. The new quality measures being finalized are:

1. Changes in Skin Integrity Post-Acute Care: Pressure Ulcer/Injury
2. Four outcome-based functional measures on resident functional status:
 - Change in Self-Care Score for Medical Rehabilitation Patients (NQF #2633)
 - Change in Mobility Score for Medical Rehabilitation Patients (NQF #2634)
 - Discharge Self-Care Score for Medical Rehabilitation Patients (NQF #2635)
 - Discharge Mobility Score for Medical Rehabilitation Patients (NQF #2636)

CMS finalized that it will begin publically reporting six new measures for display by fall 2018.

CMS also finalized, that beginning with the FY 2019 SNF QRP, the data SNFs report on the measure Percent of Residents or Patients with Pressure Ulcers That Are New or Worsened (Short Stay) (NQF #0678) meet the definition of standardized resident assessment data and that beginning with the FY 2020 SNF QRP, the data SNFs report on the measures: Application of Percent of Long-Term Care Hospital Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function (NQF #2631); and Changes in Skin Integrity Post-Acute Care: Pressure Ulcer/Injury meet the definition of standardized resident assessment data. However, in response to the comments received for the FY 2020 program year, CMS is not finalizing the additional proposed standardized data elements

SNF Value-Based Purchasing Program (VBP)

Background: The SNF VBP Program has adopted scoring and operational policies for its first year (FY 2019) and has specified measures and program features as required by statute. The FY 2018 SNF PPS final rule includes additional Program proposals, including an exchange function approach to implement value-based incentive payment adjustments beginning October 1, 2018.

Scoring & Operational Updates: The SNF VBP Program's scoring and operational policies for its first year (FY 2019) include:

- The Program will include one readmission measure for each year.
- The Secretary will reduce the adjusted Federal per diem rate applicable to each SNF in a fiscal year by 2 percent to fund the value-based incentive payments for that fiscal year
- The total amount of value-based incentive payments that can be made to SNFs' in a fiscal year will be 60 percent of the total amount withheld from SNFs' Medicare payments for that fiscal year, as estimated by the Secretary. The Program will pay SNFs ranked in the lowest 40 percent less than the amount they



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would otherwise be paid in the absence of the SNF VBP.

- Both public and confidential facility performance reporting will be conducted.

In addition to the logistic exchange function CMS is finalizing in the final rule, the SNF VBP Program policies in the FY 2018 final rule include performance and baseline periods for the FY 2020 Program year, updated values for performance standards for FY 2020, additional details for the Review and Correction process for SNFs' performance information to be made public on Nursing Home Compare, and a revision to the previously-adopted rounding policy for SNF performance scores.

Survey Team Composition

CMS is finalizing the regulatory changes as proposed to clarify that only surveys conducted under sections 1819 (g)(2) and 1919(g)(2) of the Act are subject to the requirement at §488.314 that a survey team consist of an interdisciplinary team that must include a registered nurse. And that complaint surveys and surveys related to on-site monitoring, including revisit surveys, are subject to the requirements of §488.332, which allow the state survey agency to use a specialized investigative team that may include appropriate healthcare professionals but need not include a registered nurse. This clarification is also reflected in revisions to the definition of complaint survey in §488.30(a), the definition of abbreviated standard survey in §488.301, and the requirements for the investigation of complaints in §488.308.

To read the final rule: http://polaris-group.com/news_releases.asp



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