

## CMS RELEASES FY 2024 SNF FINAL RULE

On Monday, July 31, 2023, the Centers for Medicare and Medicaid Services (CMS) released the [public inspection version](#) of the Fiscal Year (FY) 2024 Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Final Rule. The final rule is scheduled to be published to the Federal Register on 08/07/2023.

Following is a summary of key provisions, expected to be effective on 10/01/2023, unless otherwise noted:

Topic Area	Key Provisions in the Final Rule																												
FY 2024 SNF Payment Rate	<p>The rule finalizes the FY 2024 payment rate as a 4.0% increase for SNF PPS, which is based on a 3.0% SNF market basket increase, a 3.6% market basket forecast error adjustment, and a -0.2% productivity adjustment, as well as a -2.3% rate adjustment attributable to the second phase of the Patient Driven Payment Model (PDPM) parity adjustment recalibration. (<u>Note</u>: This rate increase is slightly higher than the proposed 3.7% increase.)</p>																												
Updates to Urban and Rural Base Rates for the Components of the SNF Payment Driven Payment Model (PDPM)	<p>Tables 3 and 4 in the Final Rule reflect the updated unadjusted federal rates for FY 2024, prior to adjustment for case-mix:</p> <p><b>Table 3: FY 2024 Unadjusted Federal Rate Per Diem – URBAN</b></p> <table border="1"><thead><tr><th>Rate Component</th><th>PT</th><th>OT</th><th>SLP</th><th>Nursing</th><th>NTA</th><th>Non-Case-Mix</th></tr></thead><tbody><tr><td>Per Diem Amount</td><td>\$70.27</td><td>\$65.41</td><td>\$26.23</td><td>\$122.48</td><td>\$92.41</td><td>\$109.69</td></tr></tbody></table> <p><b>Table 4: FY 2024 Unadjusted Federal Rate Per Diem – RURAL</b></p> <table border="1"><thead><tr><th>Rate Component</th><th>PT</th><th>OT</th><th>SLP</th><th>Nursing</th><th>NTA</th><th>Non-Case-Mix</th></tr></thead><tbody><tr><td>Per Diem Amount</td><td>\$80.10</td><td>\$73.56</td><td>\$33.05</td><td>\$117.03</td><td>\$88.29</td><td>\$111.72</td></tr></tbody></table>	Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix	Per Diem Amount	\$70.27	\$65.41	\$26.23	\$122.48	\$92.41	\$109.69	Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix	Per Diem Amount	\$80.10	\$73.56	\$33.05	\$117.03	\$88.29	\$111.72
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FY 2024 SNF Wage Index	CMS continues use of the hospital inpatient wage data, exclusive of the occupational mix adjustments, in developing the SNF wage index. For the one urban area (CBSA 25980, Hinesville-Fort Stewart, GA) without wage index data, CMS continues to use the average wage indexes of all urban areas within the State.																												

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FY 2024 SNF Wage Index (continued)	<ul style="list-style-type: none"><li>The wage index information applicable to FY 2024 is provided in Tables A and B in a zip file that may be accessed on the CMS website at: <a href="http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/WageIndex.html">http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/WageIndex.html</a>.</li><li>Table 7 in the Final Rule shows the update of the labor-related share from 70.8 in FY 2023 to 71.1 in FY 2024.</li></ul>
PDPM ICD-10 Coding Updates	Several updates to PDPM ICD-10 Code mappings were finalized to improve consistency between code mappings and current ICD-10 coding guidelines. Links to ICD-10 code mappings zip files can be found in the PDPM Resources section on the <a href="#">CMS PDPM Webpage</a> .
SNF Quality Reporting Program (SNF QRP) Updates	<p>CMS is making the following changes to the SNF QRP. (<u>Note</u>: CMS did not adopt the proposed CoreQ: Short Stay Discharge (CoreQ: SS DC) measure.)</p> <p><u>Beginning with the FY 2025 SNF QRP:</u></p> <ul style="list-style-type: none"><li>Modification of the COVID-19 Vaccination Coverage among Healthcare Personnel (HCP COVID-19 Vaccine) measure.<ul style="list-style-type: none"><li>The current measure requires SNFs to report whether healthcare personnel (HCP) received the primary vaccination series for COVID-19. The modification will 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.</li></ul></li><li>Adoption of a Discharge Function Score (DC Function) measure</li><li>Removal of 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</li><li>Removal of the Application of the IRF Functional Outcome Measure: Change in Self-Care Score for Medical Rehabilitation Patients (Change in Self-Care Score) measure</li><li>Removal of the Application of IRF Functional Outcome Measure: Change in Mobility Score for Medical Rehabilitation Patients (Change in Mobility Score) measure</li></ul>

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SNF Quality Reporting Program (SNF QRP) Updates (continued)	<p><u>Beginning with the FY 2026 SNF QRP :</u></p> <ul style="list-style-type: none"><li>Adoption of the COVID-19 Vaccine: Percent of Patients/Residents Who Are Up to Date (Patient/Resident COVID-19 Vaccine) measure</li><li>Increased SNF QRP Data Completion thresholds for the Minimum Data Set (MDS) Data Items.<ul style="list-style-type: none"><li>SNFs will be required to 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 beginning in CY 2024. Noncompliance would result in a 2% reduction to the applicable fiscal year annual payment update beginning with FY 2026 SNF QRP.</li></ul></li></ul> <p><u>Beginning with the October 2025 Care Compare refresh or as soon as technically feasible, CMS will begin the public reporting of Post-Acute Care (PAC) measures:</u></p> <ul style="list-style-type: none"><li>Transfer of Health Information to the Provider—PAC Measure</li><li>Transfer of Health Information to the Patient—PAC Measure</li></ul> <p>Data collection will begin on these measures with patients discharged on or after October 1, 2023.</p>
SNF Value-Based Purchasing (SNF VBP) Program	<p>CMS is making the following changes to the SNF VBP Program. (Note: The performance year, i.e., data-collection year, is standardly year two years prior to the program year.)</p> <p><u>Beginning with the FY 2026 program year:</u></p> <ul style="list-style-type: none"><li>Adoption of a Nursing Staff Turnover Measure <u>(Note:</u> In the Comment and Response section for this topic, it is noted that <i>“there are ongoing efforts at CMS to address staffing, including discussions around nurse staffing minimum standards.”</i>)</li></ul> <p><u>Beginning with the FY 2027 program year:</u></p> <ul style="list-style-type: none"><li>Adoption of a Discharge Function Score Measure</li><li>Adoption of a Long Stay Hospitalization Measure per 1,000 Resident Days measure</li><li>Adoption of a Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay) measure</li></ul>

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SNF Value-Based Purchasing (SNF VBP) Program (continued)	<p><u>Beginning with the FY 2027 program year</u> (continued):</p> <ul style="list-style-type: none"><li>Adoption of a Health Equity Adjustment for SNFs that perform well and whose resident population during the applicable performance period include at least 20% of residents with dual eligibility status</li><li>Adoption of the audit portion of the validation process for MDS-based measures</li><li>Increase in the payback percentage from 60% to an estimated 66%, with the intention of the bonuses provided to the high-performing, high duals SNFs not coming at the expense of the other SNFs</li></ul> <p><u>Beginning with the FY 2028 program year</u>:</p> <ul style="list-style-type: none"><li>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</li></ul>
Civil Monetary Penalties (CMP)	CMS affirmed the plan to streamline the current express written waiver process to one that seamlessly flows to a constructive waiver that considers a facility to have waived its hearing when CMS does not receive a hearing request within the requisite timeframe. The accompanying penalty reduction (which is currently set at 35%) would remain unchanged.
SNF Consolidated Billing (CB) Update	Effective 01/01/2024, as mandated by the Consolidated Appropriations Act of 2023, marriage and family therapist (MFT) services and mental health counselor services will be excluded from SNF CB, thus allowing separate billing by the performing clinician rather than being included in the Medicare Part A SNF payment.
Health Information Exchange	CMS provides updates on continued efforts to promote advancement of health information exchange and encourages providers to learn more about these efforts and how they are likely to affect SNFs.

**Additional Resources:**

- Federal Register webpage for the final rule: [Medicare Program: Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities; Updates to the Quality Reporting Program and Value-Based Purchasing Program for Federal Fiscal Year 2024](#)
- [CMS FY 2024 SNF Final Rule Fact Sheet](#)

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