



News Flash – The revised Skilled Nursing Facility Prospective Payment System Fact Sheet (August 2009), which provides the elements of the Skilled Nursing Facility Prospective Payment System, is now available in downloadable format from the Centers for Medicare & Medicaid Services (CMS) Medicare Learning Network at <http://www.cms.hhs.gov/MLNProducts/downloads/snfprospaymfctshf.pdf> on the CMS website.

MLN Matters® Number: MM6568

Related Change Request (CR) #: 6568

Related CR Release Date: August 28, 2009

Effective Date: October 1, 2009

Related CR Transmittal #: R1807CP

Implementation Date: October 5, 2009

Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update FY 2010

Provider Types Affected

Skilled Nursing Facilities (SNFs) submitting claims to Medicare contractors (Fiscal Intermediaries (FIs) and/or A/B Medicare Administrative Contractors (A/B MACs)) for services paid under the SNF PPS.

Provider Action Needed

This article is a reminder that the Skilled Nursing Facility (SNF) Prospective Payment System (PPD) rates are updated annually. The article is based on Change Request (CR) 6568 which provides information on the updates to the payment rates used under the PPS for SNFs for Fiscal Year (FY) 2010, as required by statute. The SNF PPS rates will be effective for service dates beginning October 1, 2009 through September 30, 2010. The rates will be published in the Federal Register on August 11, 2009 (74 FR 40288).

Background

Annual updates to the Prospective Payment System (PPS) rates are required by the Social Security Act (Section 1888(e); see http://www.ssa.gov/OP_Home/ssact/title18/1888.htm on the Internet), relating to Medicare payments and consolidated billing for SNFs as amended by the:

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- Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) Balanced Budget Refinement Act of 1999 (the BBRA),
- Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (the BIPA), and
- Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the MMA).

The statute mandates an update to the Federal rates using the latest SNF full market basket. The update methodology is identical to that used in the previous year and will include the MMA reimbursement for beneficiaries with AIDS. This update includes new case-mix indexes using the recalculated case-mix adjustments based on actual data.

Additional Information

The official instruction, CR 6568, issued to your FI and A/B MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1807CP.pdf> on the CMS website.

If you have any questions, please contact your FI or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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