

# FFY 2021 SKILLED NURSING FACILITY PPS PROPOSED RULE

## *CHA MEMBER FORUM*

May, 2020

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CALIFORNIA  
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# Objectives

- Review proposed changes to key payment and policy provisions in the FFY 2021 SNF PPS proposed rule
  - The full text of the proposed rule and the CHA summary are available on the [CHA Regulatory Tracker](#)
- Solicit CHA member feedback on proposed changes
  - All comments due on June 9 at 2:00 pm (PT)
  - Comments submitted online at [www.regulations.gov](http://www.regulations.gov)



# Member Discussion

- This on-demand learning video will provide an overview of the major provisions of the proposed rule.
- A provider forum for additional discussion and feedback will be held on

***Thursday , May 28***

***1:00 – 2:00 pm***

***1-800-882-3610 passcode 7495387#***

- Members are also invited to submit comments and questions on the website.



# Scope

- CMS recognizes that, due to the COVID-19 public health emergency, health care providers do not have capacity to review and comment on extensive proposals.
- CMS has limited the provisions of the FFY 2021 proposed rule to essential policies including payment updates and proposals that reduce provider burden.



# PAC Payment Reform

## POST-ACUTE CARE REFORMS TIMELINE

**OCT. 2014**

**IMPACT Act enacted:**

- Build new PAC PPS payment model
- Align PAC quality and patient assessment measures
- Consistent COPs for PAC

**OCT. 2015**

LTCH site-neutral payment phase-in began

**AUG. 2016**

Home Health pre-payment review demonstration launched in IL

**JAN. 2018**

New Home Health COPs effective

**OCT. 2018**

IMPACT Act 2-year quality data collection began

**OCT. 2018**

SNF Value-based Purchasing began

**NOV. 2018**

New nursing home COPs effective

**OCT. 2019**

Redesigned SNF PPS will be implemented

**OCT. 2019**

Major reforms to IRF PPS will be implemented

**JAN. 2020**

Redesigned Home Health PPS will be implemented

**SEPT. 2020**

LTCH site-neutral payment phase-in complete

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

**IMPACT ACT TIMELINE FOR PAC PPS CONSIDERATION BY CONGRESS**

**JUNE 2016**

Congress received MedPAC's PAC PPS prototype

**2022**

Congress to consider CMS/ASPE PAC PPS model

**2023**

Congress to consider MedPAC PAC PPS model

**IN PROGRESS:** New COPs for LTCH and IRFs; Re-launch of Home Health audit demonstration

Source: Adapted from the AHA PAC Infographic, February 2019

# FFY 2021 Payment Provisions

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# Payment Provisions

- Net Update - **+2.3%** resulting from 2.7% market basket update, offset by ACA-mandated productivity adjustment of 0.4%.
- Proposal updates rates for each of the components of the PDPM for urban and rural areas.
- The 6 rate components include 5 case-mix adjusted components (physical therapy, occupational therapy, speech/language pathology, nursing, and non-therapy ancillaries) and 1 non-case-mix adjusted component.



# Wage Index

- CMS is proposing to update the Core-Based Statistical Areas (CBSA) based on Office of Budget and Management (OMB) revisions to CBSA delineations and urban/rural classifications.
- CMS includes a 5% cap on the reduction of a provider's wage index for FFY 2021 as compared to FFY 2020.
- CMS proposes a 2-year transition period for providers subject to a change in wage index.





# Provider Impact

Ability to fully assess financial impact is limited secondary to recent transition of SNF PPS to PDPM and associated lack of historical case-mix data.

Group	#	Change
Total	15,078	2.3%
Hospital-based urban	380	2.7%
Freestanding Urban	10,571	2.2%
Hospital-based rural	245	2.5%
Freestanding rural	3882,	2.5%



# Updates to PDPM ICD-10 Mappings

The PDPM utilizes ICD-10 codes to assign patients to clinical categories and to assign certain co-morbidities.

In the FFY 2020 final rule, CMS finalized a policy that provides for non-substantive changes to ICD-10 codes to be applied via a subregulatory process and from substantive revisions to be proposed and finalized through rulemaking.

CMS now proposes several substantive changes. A complete list may be found beginning on Page 9 of the summary provided by CHA.



## Question for Members

Do CHA Member SNFs have suggestions or comments on CMS's proposed changes to ICD-10 Mapping?

# SNF QRP and MDS Updates

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# SNF-Level Swing Bed Services

CMS notes that with the implementation of PDPM, revisions were made to the assessment for swing bed SNF-level services.

The proposed rule includes a link to the latest changes in the MDS for swing-bed rural hospitals.



# SNF QRP: Interim Final Rule

An interim final rule with comments (IFC) issued by CMS on May 1, includes a delay in the compliance date for certain reporting requirements finalized in FFY 2020, including the transfer of health (TOH) measures and the SPADES.

Compliance will be required on October first of the year that is at least one full fiscal year after the end of the COVID-19 public health emergency.

Release of the revised MDS will be delayed.

# SNF Value-Based Purchasing Program

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CMS proposes no changes to the previously adopted numerical performance standards.

CMS proposes to codify several established provisions of the SNF VBP, including policies regarding corrections, public reporting, performance standards and baseline periods.





# Please give us your feedback!

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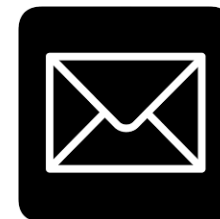
# THANK YOU!

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