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Highlights from the FY2018 SNF PPS Rule

by Sharon Parsley, JD, MBA, CHC, CHRC

Sharon Parsley (sparsley@youcompli.com) is Director of Content Development for youCompli in Ocala, FL.

CMS made considerable changes to both the Skilled Nursing Facility Value-Based Payment Program (SNF VBP) and the SNF Quality Reporting Program (SNF QRP) in its final FY 2018 Prospective Payment System (PPS) Rule.

SNF VBP

The SNF VBP will be effective in FY 2019 and beyond, and will result in a 2% withholding from SNF Part A Fee-For-Service (FFS) payments. For FY 2019, each SNF will be scored on the higher of: (1) its "30-Day All-Cause Hospital Readmission" performance during the 2017 calendar year (the Performance Period); and (2) their Performance Period improvement over the baseline period of calendar year 2015.

The 2% withholding from FFS payments will be used in two ways. 60% of the aggregate amount withheld will be distributed as a Value-Based Incentive Payment (VBIP) pool to the top 60% of performers. The remaining 40% of aggregate FFS withheld monies will be returned to the Medicare Trust Fund. Highest achievers on the readmission measure should ultimately receive more than the 2% FFS withholding.

For FY 2020, CMS plans to transition the SNF VBP from a calendar year claims data approach to a fiscal year basis. This is significant in that the transition will result in data from the fourth quarter of 2017 being relied upon during both FY2019 and FY2020 readmission calculations.

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