



FY 2020 SNF PPS Proposed Rule

On Friday, April 19, 2019, CMS released the FY 2020 SNF PPS Proposed Rule.

In this Rule, **CMS proposes a 2.5% payment update for FY 2020 (increase of \$887 million)**, and reiterates their decision to implement the Patient-Driven Payment Model (PDPM) on October 1, 2019.

FY 2020 PDPM Per Diem Rates

The proposed unadjusted federal rates for FY 2020 are listed below:

TABLE 3: FY 2020 Unadjusted Federal Rate – URBAN

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	\$61.16	\$56.93	\$22.83	\$106.64	\$80.45	\$95.48

TABLE 4: FY 2020 Unadjusted Federal Rate – RURAL

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	\$69.72	\$64.03	\$28.76	\$101.88	\$76.86	\$97.25

PDPM Health Insurance Prospective Payment System (HIPPS) code structure represents the 5 variable case mix groups (CMGs):

- the first character represents the PT and OT groups (e.g., CMG TA = A),
- the second character represents SLP (e.g., CMG SB = B),
- the third character represents Nursing,
- the fourth NTA, and
- the fifth the assessment used to generate the HIPPS code.

In the Tables 6 and 7 below (taken directly from the Proposed Rule), Column 1 represents the character in the HIPPS code associated with a given PDPM component, with the specific component case-mix index (CMI) and rates listed in each subsequent column. The rates in these tables do not reflect any adjustments related to the SNF Quality Reporting Program (QRP), SNF Value-based Purchasing (VBP) program, or the variable per diem (VPD) adjustment. In addition, the wage index adjustment (based on location/CBSA) is not included.

TABLE 6: PDPM Case-Mix Adjusted Federal Rate and Associated Indexes - URBAN

PDPM Group	PT CMI	PT (\$) Rate	OT CMI	OT (\$) Rate	SLP CMI	SLP (\$) Rate	Nursing CMG	Nursing CMI	Nursing (\$) Rate	NTA CMI	NTA (\$) Rate
A	1.53	93.57	1.49	84.93	0.68	15.52	ES3	4.06	432.96	3.24	260.66
B	1.70	103.97	1.63	92.80	1.82	41.55	ES2	3.07	327.38	2.53	203.54
C	1.88	114.98	1.69	96.21	2.67	60.96	ES1	2.93	312.46	1.84	148.03
D	1.92	117.43	1.53	87.10	1.46	33.33	HDE2	2.40	255.94	1.33	107.00
E	1.42	86.85	1.41	80.27	2.34	53.42	HDE1	1.99	212.21	0.96	77.23
F	1.61	98.47	1.60	91.09	2.98	68.03	HBC2	2.24	238.87	0.72	57.92
G	1.67	102.14	1.64	93.37	2.04	46.57	HBC1	1.86	198.35	-	-
H	1.16	70.95	1.15	65.47	2.86	65.29	LDE2	2.08	221.81	-	-

PDPM Group	PT CMI	PT (\$) Rate	OT CMI	OT (\$) Rate	SLP CMI	SLP (\$) Rate	Nursing CMG	Nursing CMI	Nursing (\$) Rate	NTA CMI	NTA (\$) Rate
I	1.13	69.11	1.18	67.18	3.53	80.59	LDE1	1.73	184.49	-	-
J	1.42	86.85	1.45	82.55	2.99	68.26	LBC2	1.72	183.42	-	-
K	1.52	92.96	1.54	87.67	3.70	84.47	LBC1	1.43	152.50	-	-
L	1.09	66.66	1.11	63.19	4.21	96.11	CDE2	1.87	199.42	-	-
M	1.27	77.67	1.30	74.01	-	-	CDE1	1.62	172.76	-	-
N	1.48	90.52	1.50	85.40	-	-	CBC2	1.55	165.29	-	-
O	1.55	94.80	1.55	88.24	-	-	CA2	1.09	116.24	-	-
P	1.08	66.05	1.09	62.05	-	-	CBC1	1.34	142.90	-	-
Q	-	-	-	-	-	-	CA1	0.94	100.24	-	-
R	-	-	-	-	-	-	BAB2	1.04	110.91	-	-
S	-	-	-	-	-	-	BAB1	0.99	105.57	-	-
T	-	-	-	-	-	-	PDE2	1.57	167.42	-	-
U	-	-	-	-	-	-	PDE1	1.47	156.76	-	-
V	-	-	-	-	-	-	PBC2	1.22	130.10	-	-
W	-	-	-	-	-	-	PA2	0.71	75.71	-	-
X	-	-	-	-	-	-	PBC1	1.13	120.50	-	-
Y	-	-	-	-	-	-	PA1	0.66	70.38	-	-

TABLE 7: PDPM Case-Mix Adjusted Federal Rate and Associated Indexes - RURAL

PDPM Group	PT CMI	PT (\$) Rate	OT CMI	OT (\$) Rate	SLP CMI	SLP (\$) Rate	Nursing CMG	Nursing CMI	Nursing (\$) Rate	NTA CMI	NTA (\$) Rate
A	1.53	106.67	1.49	95.40	0.68	19.56	ES3	4.06	413.63	3.24	249.03
B	1.70	118.52	1.63	104.37	1.82	52.34	ES2	3.07	312.77	2.53	194.46
C	1.88	131.07	1.69	108.21	2.67	76.79	ES1	2.93	298.51	1.84	141.42
D	1.92	133.86	1.53	97.97	1.46	41.99	HDE2	2.40	244.51	1.33	102.22
E	1.42	99.00	1.41	90.28	2.34	67.30	HDE1	1.99	202.74	0.96	73.79
F	1.61	112.25	1.60	102.45	2.98	85.70	HBC2	2.24	228.21	0.72	55.34
G	1.67	116.43	1.64	105.01	2.04	58.67	HBC1	1.86	189.50	-	-
H	1.16	80.88	1.15	73.63	2.86	82.25	LDE2	2.08	211.91	-	-
I	1.13	78.78	1.18	75.56	3.53	101.52	LDE1	1.73	176.25	-	-
J	1.42	99.00	1.45	92.84	2.99	85.99	LBC2	1.72	175.23	-	-
K	1.52	105.97	1.54	98.61	3.70	106.41	LBC1	1.43	145.69	-	-
L	1.09	75.99	1.11	71.07	4.21	121.08	CDE2	1.87	190.52	-	-
M	1.27	88.54	1.30	83.24	-	-	CDE1	1.62	165.05	-	-
N	1.48	103.19	1.50	96.05	-	-	CBC2	1.55	157.91	-	-
O	1.55	108.07	1.55	99.25	-	-	CA2	1.09	111.05	-	-
P	1.08	75.30	1.09	69.79	-	-	CBC1	1.34	136.52	-	-
Q	-	-	-	-	-	-	CA1	0.94	95.77	-	-
R	-	-	-	-	-	-	BAB2	1.04	105.96	-	-
S	-	-	-	-	-	-	BAB1	0.99	100.86	-	-
T	-	-	-	-	-	-	PDE2	1.57	159.95	-	-
U	-	-	-	-	-	-	PDE1	1.47	149.76	-	-
V	-	-	-	-	-	-	PBC2	1.22	124.29	-	-
W	-	-	-	-	-	-	PA2	0.71	72.33	-	-
X	-	-	-	-	-	-	PBC1	1.13	115.12	-	-
Y	-	-	-	-	-	-	PA1	0.66	67.24	-	-



Table 8 outlines the calculations used to determine the labor portion of the per diem rate in FY 2019 vs. FY 2020.

TABLE 8: Labor-Related Relative Importance, FY 2019 and FY 2020

	Relative importance, labor-related, FY 2019 18:2 forecast	Relative importance, labor-related, FY 2020 19:1 forecast
Wages and salaries	50.2	50.6
Employee benefits	10.1	10.0
Professional Fees: Labor-Related	3.7	3.7
Administrative & facilities support services	0.5	0.5
Installation, Maintenance & Repair Services	0.6	0.6
All Other: Labor Related Services	2.5	2.5
Capital-related (0.391)	2.9	2.9
Total	70.5	70.8

In the Proposed Rule, CMS provides an example of the calculation of the adjusted per diem rate (prior to any adjustments related to the SNF QRP or VBP) for a hypothetical patient in a hypothetical SNF located in Frederick, MD (Urban CBSA 43524). This patient is classified into the various PDPM CMGs such that the patient’s PDPM HIPPS code is NHNC1 (PT/OT = TN, SLP = SH, Nursing CBC2, NTA = NC) on the 5-day MDS assessment.

TABLE 9: PDPM Case-Mix Adjusted Rate Computation Example

Per Diem Rate Calculation				
Component	Component Group	Component Rate	VBP Adj Factor	VPD Adj Rate
PT	TN	\$90.52	1.00	\$90.52
OT	TN	\$85.40	1.00	\$85.40
SLP	SH	\$65.29	-	\$65.29
Nursing	CBC2	\$165.29	-	\$165.29
NTA	NC	\$148.03	3.00	\$444.09
Non-Case-Mix	-	\$95.48	-	\$95.48
Total PDPM Case-Mix Adjusted Per Diem				\$946.07

TABLE 10: Wage Index Adjusted Rate Computation Example

PDPM Wage Index Adjustment Calculation						
HIPPS Code	PDPM Case-Mix Adj Per Diem	Labor Portion	Wage Index	Wage Index Adj Rate	Non-Labor Portion	Total Case Mix & Wage Index Adj Rate
NHNC1	\$946.07	\$669.82	0.9757	\$653.54	\$276.25	\$929.79

To obtain the Labor Portion of the rate, the Total PDPM Case-Mix Adjusted Per Diem rate is multiplied by the Labor Percentage (See Table 8 – 70.8% or 0.708) - \$669.82. The Labor Portion is then multiplied

by the Wage Index (specific to each location/CBSA) to obtain the Wage Index Adjusted Rate - \$653.54.
Wage Index Adj Rate + Non-Labor Portion = Total Case Mix and Wage Index Adj Rate - \$929.79.

This per diem rate applies for the first 3 days of the stay, when the NTA VPD adjustment is 3.00. Beginning day 4, the NTA VPD drops to 1.00, and the daily per diem becomes \$638.83 for days 4-20. Beginning day 21, the PT and OT VPD decreases 2% to 0.98, and the daily rate drops to \$635.37. Beginning day 28, the PT/OT VPD drops to 0.96, and so on. CMS completes these calculations for a 30-day length of stay. The total payment to the SNF for this patient (HIPPS NHNC1) for a 30-day stay is \$19,992.80.

Change to Definition of Group Therapy

CMS proposes to change the definition of **Group Therapy** to align with the definition in the Inpatient Rehab Facility (IRF) setting: **The treatment of 2-6 patients at the same time who are performing the same or similar activities.**

CMS reiterates the expectation that documentation must be present to support group (vs. individual or concurrent), such as outlining the benefits of group to the particular patient, how the prescribed type and amount of group will meet the patient's needs, and how it will assist the patient in reaching the documented goals.

Changes to ICD-10 Code Mapping and Update Process

To ensure ICD-10 code lists used under PDPM (for Clinical Grouping and Comorbidity Adjustments) are up-to-date, CMS proposes to update ICD-10 code mappings, lists, and the Grouper through a "subregulatory process," which would consist of CMS posting updated code mappings and lists on the CMS PDPM website beginning FY 2020 (i.e., 10/1/2019).

This new process would be applied for "non-substantive changes" to ICD-10 codes, which CMS goes on to describe as "changes necessary to maintain consistency with the most current ICD-10 code set," for example, code changes to provide greater detail. Substantive changes, defined as changes that "go beyond the intention of maintaining consistency," would be proposed and finalized through notice and comment rulemaking. (In effect, non-substantive changes are simply clarifications or further delineation/subdivisions of existing codes to give greater clarity or detail – like adding an "R" or "L" to indicate laterality.) Per the APTA's Proposed Rule summary, this subregulatory process would help ensure SNFs have the most up to date ICD-10 code information as soon as possible "in the clearest and most useful format."

(NOTE: CMS does not describe this "subregulatory process" in the Proposed Rule other than to say the updated code mappings and lists will be posted on the PDPM website. CMS goes on to say that this process is already in place in the Inpatient Rehab Facility (IRF) PPS, as ICD-10 codes are very important in case-mix group assignment in that setting, and in the SNF with respect to CPT/HCPCS codes and consolidated billing.)

MDS Assessments Under PDPM

CMS clarifies that the "deadline" for completing the initial 5-day MDS, which they propose will now be called an **initial patient assessment**, is "no later than the 8th day of the post-hospital SNF stay."

And, the optional Interim Payment Assessment (IPA) will serve as the “instrument for conducting assessments under the PDPM that the SNF determines are necessary” to address clinical changes throughout the SNF stay. CMS states they expect SNFs to “continually monitor and document patient status,” and therefore, it is the SNF’s responsibility to recognize those situations that would warrant an IPA to account for a change in status.

SNF Quality Reporting Program (QRP)

SNF QRP applies to all freestanding SNFs, SNFs affiliated with acute care hospitals, and all non-critical access hospital (CAH) swing bed rural hospitals. SNFs that fail to submit quality data to CMS will be subject to a 2% reduction in the annual market basket update.

CMS proposes 2 new process measures for FY 2022 (i.e., impacts payment in FY 2022, based on data collected beginning 10/1/2020):

1. **Transfer of Health Information to the Provider – Post-Acute Care:** Assesses whether or not a current reconciled medication list is given to the subsequent provider when a patient is discharged from the current post-acute setting. Calculated as the proportion of resident stays with a DC assessment indicating a current reconciled medication list was provided to the subsequent provider at the time of discharge.

Subsequent provider is defined as indicated in the DC Destination item on the MDS:

- Acute hospital
- Another SNF
- Intermediate care (developmental or intellectual disabilities providers)
- Home under the care of an organized home health service organization or hospice
- IRF
- Long-term acute care hospital (LTCH)
- Inpatient psychiatric facility
- CAH
- Medicaid NF

2. **Transfer of Health Information to the Patient – Post-Acute Care:** Assesses whether or not a current reconciled medication list was provided to the patient, family, or caregiver when the patient is discharged to a private home/apartment, board and care home, assisted living facility (ALF), group home, transitional living, or home under the care of a home health agency or hospice. Calculated as the proportion of resident stays with a DC assessment indicating a current reconciled medication list was provided to the patient, family, or caregiver at the time of discharge.

CMS proposes to update the specifications of the Discharge to Community measure to exclude baseline nursing facility (NF) residents. “Baseline NF resident” is defined as a resident having had a long-term NF stay in the 180 days preceding the qualifying hospital and SNF stay without an intervening community discharge between the NF stay and the hospitalization.

Proposed Standardized Patient Assessment Data Elements (SPADEs) for the FY 2022 SNF QRP:

CMS proposes to collect multiple new SPADEs as part of the QRP in its continued effort to obtain meaningful data that is assessed, collected, and measured in the same way across all PAC venues. In this Proposed Rule, CMS clarifies that data collection of the new SPADEs for FY 2022 SNF QRP will be 10/1/2020 – 12/31/2020; for FY 2023 – data collection will be CY 2021; for FY 2024 – CY 2022.

CMS proposes SPADEs in 5 categories:

1. Cognitive Function and Mental Status:
 - BIMS
 - Confusion Assessment Method (CAM) to assess delirium: This is already used in the MDS and assesses acute changes in mental status, inattention, disorganized thinking, and altered level of consciousness.
 - PHQ-2 to 9 (Patient Health Questionnaire) to assess depression: PHQ-2 has 2 items and will serve as a gateway item (embedded skip pattern) to the PHQ-9. If positive responses to PHQ-2, then go on to complete PHQ-9. The PHQ-9 is already incorporated in the MDS.

2. Special Services, Treatments, and Interventions: Some items are already present on the MDS, others will be further sub-categorized as indicated by items in parentheses or sub-bullets.
 - 1) Cancer treatment: Chemotherapy (IV, Oral, Other)
 - 2) Cancer treatment: Radiation
 - 3) Respiratory Treatment: Oxygen Therapy (Intermittent, Continuous, High Concentration Oxygen Delivery Systems)
 - 4) Respiratory Treatment: Suctioning (Scheduled, As Needed)
 - 5) Respiratory Treatment: Tracheostomy Care
 - 6) Respiratory Treatment: Non-invasive Mechanical Ventilation (BiPAP, CPAP)
 - 7) Respiratory Treatment: Invasive Mechanical Ventilator
 - 8) IV Medications: (Antibiotics, Anticoagulants, Vasoactive Medications, Other)
 - 9) Transfusions
 - 10) Dialysis (Hemodialysis, Peritoneal Dialysis)
 - 11) IV Access (Peripheral IV, Midline, Central Line)
 - 12) Nutritional Approach: Parenteral/IV Feeding
 - 13) Nutritional Approach: Feeding Tube
 - 14) Nutritional Approach: Mechanically Altered Diet
 - 15) Nutritional Approach: Therapeutic Diet
 - 16) High Risk Drug Classes: Use and Indications - Assess whether or not a resident is taking any medications in these 6 classes, and if so, are there indications for this medication in the medical record.
 - Anticoagulants
 - Antiplatelets
 - Hypoglycemics (including insulin)
 - Opioids
 - Antipsychotics
 - Antibiotics

3. Medical Condition and Comorbidity Data: Pain Interference (vs. pain intensity or frequency)
 - Pain Effect on Sleep (current MDS has a similar item to this)
 - Pain Interference with Therapy Activities
 - Pain Interference with Day-to-Day Activities

4. Impairment Data
 - Hearing (Current MDS Item B0200)
 - Vision (Current MDS Item B1000)

5. Social Determinants of Health (SDOH) – all elements are in use in the current MDS
 - 1) Race
 - 2) Ethnicity
 - 3) Preferred Language
 - 4) Interpreter Services
 - 5) Health Literacy
 - 6) Transportation
 - 7) Social Isolation

CMS also proposes to begin collection SNF QRP MDS data on all patients *regardless of payer* beginning FY 2022 (data collection begins 10/1/2020).

SNF Value-based Purchasing Program (VBP)

To avoid confusion with the current SNF QRP readmission measure, CMS proposes to change the name of the SNFPPR (SNF VBP Potentially Preventable Readmissions) measure to the Skilled Nursing Facility Potentially Preventable Readmissions After Hospital Discharge measure. (**NOTE:** This measure is not in use in the SNF VBP yet, and no date has been suggested to change from the current All Cause Readmission measure to the Potentially Preventable Readmissions measures in this program.)

TO CLARIFY:

- The SNF QRP readmission measure is consistent with the readmission measures in the IRF QRP and the HH QRP and measures potentially preventable hospital readmissions *within 30 days of discharge from the SNF*.
- The SNF VBP readmission measure measures potentially preventable hospital readmissions *within 30 days of discharge from the hospital*.

The performance period for the SNF VBP in FY 2022 is FY 2020 (beginning 10/1/19); the baseline period is FY 2018.

Table 14: SNF VBP FY 2022 Performance Standards

Measure ID	Description	Achievement Threshold	Benchmark
SNFRM	SNF 30-day All Cause Readmission Measure	0.79476	0.83212



The Achievement Threshold corresponds to a readmission rate of 20.52%; the Benchmark to a readmission rate of 16.79%.

(REMINDER: Scoring in the SNF VBP is based on 2 parameters: Improvement and Achievement. SNFs who improve their own score from the baseline year to the performance year receive “improvement points.” SNFs who meet and exceed the Achievement Threshold receive “achievement points.” The highest score of the 2 determines the SNF’s performance score, and therefore its rank and incentive payment.)

For more information, visit:

[FY 2020 SNF PPS Proposed Rule](#)

[PT in Motion: Proposed Rule Relaxes Group Therapy Requirements, Increases Payment by 2.5%](#)