

# FY 2022 SNF PPS Final Rule

August 10, 2021

On July 29, 2021, CMS issued the FY 2022 SNF PPS Final Rule. Below is a summary of the key sections of the rule.

## Payment Update

The rule finalized that the net market basket update would be 1.2%, effective October 1, 2021. This represents an increase in Medicare spending of an estimated \$411 million compared to FY 2021. CMS also highlighted an approximate \$1.2 million decrease in payments due to the proposed reduction in SNF PPS rates to account for the blood-clotting factors exclusion described below.

## PDPM

When CMS implemented the new case-mix classification payment model, PDPM, on October 1, 2019, they stated that the new model would be implemented in a budget neutral manner – meaning it would not result in an increase nor decrease in aggregate SNF spending. However, the proposed rule highlighted that currently available data suggested an unintended increase in payments of approximately 5% or \$1.7 billion in FY 2020.

The proposed rule also suggested that a recalculation of the parity adjustment for budget neutrality may be needed. CMS has sought feedback on its methodology for determining the overpayment as well as on how the parity adjustment should be implemented, specifically, whether it should be phased-in over multiple years and/or whether it should be delayed.

In the final rule, CMS discusses comments received on the potential methodology. CMS also acknowledged that the COVID-19 public health emergency could have affected the data used in their analysis and **will not** implement any PDPM payment model parity adjustment in FY 2022. CMS intends to utilize comments received to refine the data it has collected in developing a proposed methodology that will be included in the FY 2023 SNF PPS Proposed Rule.

## Blood Clotting Factor Exclusion from SNF Consolidated Billing

Language in the Consolidated Appropriations Act of 2021 requires that certain blood clotting factors, along with items and services related to the furnishing of such factors, be excluded from the consolidated billing requirements under SNF PPS. In the final rule, CMS finalized a proportional reduction in Medicare Part A rates to offset the increase in Part B spending that will occur due to these items and services being excluded from SNF consolidated billing.

## PDPM Code Mapping

PDPM uses ICD-10 codes in several ways to assign patients to clinical categories used for categorization under the PT, OT, SLP and NTA components. In response to stakeholder feedback, and to improve consistency between the ICD-10 code mappings and current ICD-10 guidelines, CMS made several changes to the PDPM ICD-10 code mappings.

## SNF Quality Reporting Program (SNF QRP)

The final rule finalizes that CMS intends to adopt two new measures to the SNF QRP:

- A new claims-based measure, **Skilled Nursing Facility Healthcare-Associated Infections (HAI) Requiring Hospitalization**, beginning with the FY2023 SNF QRP. The measure uses fee-for-service claims data to estimate the rate of HAIs that are acquired during SNF care and result in hospitalization.
- CMS adopted the **COVID-19 Vaccination Coverage among Healthcare Personnel (HCP)** measure beginning with the FY 2023 SNF QRP. If not already doing so, SNFs must report the vaccination data through the CDC's National Healthcare Safety Network beginning October 1, 2021.

## SNF Value-Based Purchasing Program (SNF VBP)

The SNF VBP rewards SNFs with incentive payments based on a the quality of care provided as measured on a single measure of hospital readmissions. However, because circumstances caused by the PHE for COVID-19 have significantly affected the measure and the ability to make fair national comparisons of SNF performance scores, CMS finalized their plan to suppress the Measure for the FY 2022 VBP program year. CMS will instead assign a performance score of zero to all SNFs, irrespective of how they perform. CMS will continue to adjust the base payment rates for all facilities by negative 2% according to the program parameters and will then award SNFs 60% (per prior rule making) of the total withheld dollars, resulting in a 1.2% payback percentage to all SNFs that qualify for the low-volume adjustment will continue to receive 100% of the 2% withheld.

CMS continues to explore adding additional measures to the SNF VBP beginning with the FY 2024 program year as currently allowed by statute. In the proposed rule, CMS outlined a number of measures under consideration. CMS sought stakeholder input on those measures and suggestions on others that they should consider, including measures to assess residents' views on their health care and measures assessing staff turnover, and will take the comments into account in developing an expanded SNF VBP measure set.

**For a Fact Sheet of the Final Rule, click here:** [www.cms.gov/newsroom/fact-sheets/fiscal-year-fy-2022-skilled-nursing-facility-snf-prospective-payment-system-pps-final-rule-cms-1746](https://www.cms.gov/newsroom/fact-sheets/fiscal-year-fy-2022-skilled-nursing-facility-snf-prospective-payment-system-pps-final-rule-cms-1746)

[AegisTherapies.com](https://www.AegisTherapies.com)

Aegis Therapies welcomes all persons in need of its services and does not discriminate on the basis of age, disability, race, color, national origin, ancestry, religion, gender identity, sexual orientation or source of payment. Interpreter Services are available at no cost. Please visit your local Aegis Therapies location for assistance. Servicios de interpretación están disponibles sin costo. Visite su sucursal local de Aegis Therapies para recibir asistencia. 我们提供免费传译服务。请探访您的本地Aegis Therapies地点以获得协助。ATS-01535-21 A103