

FY 2024 Budget Signing-Governor Agrees to \$10/PPD SNF Medicaid Increase

Just a short time ago the Governor signed the state's FY24 budget giving final approval to many items and vetoing nearly \$400 million from approximately 150 different lines in the budget. Since the action taken by the Governor happened just minutes ago, we have not had enough time to analyze all the vetoes; however, we have good news to report, the Governor has approved the \$10/PPD increase to our SNF Medicaid rate!

We will have more details in the coming days and weeks; however, here is all we know at this time. Contained in the budget bills is a \$10/PPD increase plus a small increase to the value-based payment incentive to the SNF Medicaid Rate. MO HealthNet was able to timely post the required public notice today, June 30, therefore, the increase will be effective on July 1, 2023. However, please keep in mind, as with all increases or changes to our Medicaid rate, this increase must still be approved by CMS before the state can begin to pay the \$10 increase. We will keep you updated as that progresses.

Please understand, we realize that this increase doesn't cover the significant underfunding you continue to experience due to the significant increases in labor and other costs that have plagued our facilities since COVID. However, it is our hope as you work to increase your CMI's and we work toward another rebasing, that this increase will offer you some relief. We are currently working with MO HealthNet and requesting they, along with the Governor, consider recommending another rebase next legislative session. If the administration is in agreement, then this rebasing would capture post-COVID and other increased costs our facilities have incurred since 2019 which is the year the last rebase was based on. We know the cost of the next rebase will come with a significant price tag to the state, so we have tough work ahead of us. We are in the early stages of these conversations and will report as the conversations continue in the months ahead.