

CMS ISSUES FY 2024 SNF FINAL PAYMENT RULE

This week, CMS issued the [final rule](#) for the skilled nursing facility (SNF) prospective payment system (PPS) fiscal year (FY) 2024 update. AHCA has provided a [summary](#) of the final rule. Please note that a member log-in is required to view the summary. Please contact the relevant subject matter expert listed in the summary with any questions. The highlights include:

- The final rule provides for a **net market basket increase for SNFs of 4.0 percent** (approximately \$1.4 billion) beginning October 1, 2023. This is 0.3 percent more than was originally proposed in April. This positive outcome is a result of the hard work of AHCA members and staff who worked on this issue year-round.
- This 4.0 percent market basket update, after rounding, reflects:
 - A \$2.2 billion increase resulting from the 6.4% net market basket update to the payment rates, which is based on a 3.0% SNF market basket increase plus a 3.6% market basket forecast error adjustment and less a 0.2% productivity adjustment; and
 - A negative 2.3%, or approximately \$789 million, decrease in the FY 2024 SNF PPS rates as a result of the second phase of the Patient Driven Payment Model (PDPM) parity adjustment recalibration.
- **Consolidated Billing:** CMS finalized, as proposed, the addition of marriage and family therapists and mental health counselors to the list of practitioners whose services are excluded from the consolidated billing provision, effective January 1, 2024.
- **SNF Quality Reporting Program (QRP):**
 - CMS is adopting two measures, removing three measures, and modifying one measure.
 - This rule makes policy changes to the SNF QRP and begins public reporting of four measures.
 - CMS is not adopting the CoreQ short-stay discharge measure that was proposed in April 2023.
- **SNF Value-Based Purchasing (VBP):**
 - CMS is adopting four new quality measures, replacing one quality measure, and finalizing several policy changes in the SNF VBP Program.
 - CMS is increasing the payback percentage policy under the SNF VBP program from the current 60% to 66% to increase bonuses provided to the high-performing, high duals SNFs beginning in the FY 2027 program year.
- **Civil Monetary Penalties:** The final rule eliminated the requirements for facilities to actively waive their right to a hearing in writing in order to receive the 35% penalty reduction and created in its place a constructive waiver process that would operate automatically when CMS has not received a timely request for a hearing.

Please contact [Martin Allen](#) with any questions.