

CMS APPROVES FY24 \$10 PPD and VBP Incentive Increases

CMS has approved the State Plan Amendment (SPA) for the \$10 PPD rate increase and the \$.87 increase to the VBP incentive effective July 1, 2023. The state is working to get its emergency regulation filed and will begin going through its internal processes in order to timely institute the increases.

Please note, upon CMS approval of a SPA, it typically takes the state between 4-6 weeks to process the increase. An emergency regulation must be filed and approved. Once the emergency regulation takes effect, which is approximately 10 days after it is filed, the state can begin working on rate letters and other processes it must follow before paying the new rates. We anticipate facilities will receive their rate letters and begin being paid their new rate around the first half of February.

Once facilities begin receiving their new rate, then state will begin to work on the retro payment back to July 1, 2023. We anticipate facilities will see the retro payment within 2 – 4 weeks after the new rate is paid. Please note, and as further explained below, the state will utilize the retro payment for the 7/1/23 \$10 PPD and VBP increase to offset any recoupments necessary as a result of decreases to rates for the semi-annual CMI/VBP adjustments on 1/1/23, 7/1/23 and 1/1/24.

We have cleared the biggest hurdle of this process now that CMS has finally approved the plan amendment. The state has assured us they will get the rate processed as quickly as possible. We will keep you updated when we learn anything new regarding timing; however, do not expect to learn anything new until after the first of the year.