
CMS Issues FY 2023 SNF Final Payment Rule

Today, the Centers for Medicare & Medicaid Services (CMS) issued the [final rule](#) for the skilled nursing facility (SNF) prospective payment system (PPS) fiscal year (FY) 2023 update. We are still analyzing the rule, but upon initial review, highlights are:

- In April 2022, CMS proposed a negative 0.7 net Market Basket. The final rule provides **a net market basket increase for SNFs of 2.7 percent beginning October 1, 2023**. The positive outcome in this final rule is a result of the hard work of AHCA members and staff who work on this issue year-round. Thousands of members submitted comments to CMS and our voices were heard.
 - The 2.7 percent market basket update, after rounding, reflects:
 - An unadjusted market basket increase of 3.9 percent increased by 1.5 percent associated with a forecast error adjustment;
 - A reduction of 0.3 percentage points in accordance with the multifactor productivity adjustment required by Section 3401(b) of the Affordable Care Act (ACA); and
 - A 2.3 percent negative adjustment accounting for year one of a two-year PDPM parity adjustment phase-in.
 - CMS net market basket update would increase Medicare SNF payments by approximately \$904 million in FY 2023.
 - CMS will apply the 4.6 percent parity adjustment amount as proposed but will phase-in the adjustment over two years (2.3 percent applied in FY 2023, and 2.3 percent in FY 2024). CMS applied the parity adjustment equally across all components.
 - For the FY 2023 SNF VBP Program Year, CMS finalized all the proposed changes to the SNF VBP program, some of which include:
 - Excluding SNFs with less than 25 admissions from the program in FY 2023.
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- Adding COVID-19 diagnosis in the rehospitalization risk adjustment model.
- CMS finalized changes to the SNF QRP program.
 - CMS finalized the proposed Revised Compliance Date for Certain Skilled Nursing Facility Quality Reporting Program Requirements Beginning with the FY 2024 SNF QRP without modifications.
- In the proposed rule, CMS included a Minimum Staffing Request for Information. CMS has received significant responses and anticipates using them to help inform future rulemaking within one year on minimum staffing requirements for long term care facilities.

AHCA/NCAL will conduct a more in-depth review and share further details and/or resources to assist members in the coming days. Until then, if you have any questions, please contact [Mike Cheek](#).

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