



## Updates to Skilled Nursing Facility (SNF) Patient Driven Payment Model (PDPM) to Correct the Adjustment Process

MLN Matters Number: MM11727

Related Change Request (CR) Number: 11727

Related CR Release Date: May 8, 2020

Effective Date: October 1, 2019

Related CR Transmittal Number: R10109OTN

Implementation Date: October 5, 2020

### PROVIDER TYPES AFFECTED

---

This MLN Matters Article is for Skilled Nursing Facilities (SNFs) and hospital swing bed facilities billing Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

### PROVIDER ACTION NEEDED

---

CR 11727 contains updates to Medicare's claims processing systems to make corrections to processing of adjustments and other billing issues for SNF Patient Driven Payment Model (PDPM) claims. Make sure your billing staffs are aware of these updates.

### BACKGROUND

---

CR 11727 will implement changes to the SNF Prospective Payment System (PPS), specifically implementing requirements for PDPM. SNFs billing on Type of Bill (TOB) 21X and hospital swing bed providers billing on TOB 18X (subject to SNF PPS), will be subject to these requirements.

A prior CR (CR 11152) (see the related MLN Matters article at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM11152.pdf>) omitted requirements for adjustment claims and the need to enforce sequential billing in order for the variable per diem to pay correctly. CR 11727 will implement requirements for those types of transactions.

As part of these corrections, your MAC will calculate the prior days value to pass into the SNF PRICER for claims subject to SNF PPS after October 1, 2019, as follows:

- Add the cost report days for claims with the same date of admission with dates of service prior to the from date of the currently being priced claim. This count will exclude

cancel claims, MA claims with condition code 04 and claims (with the same admission date) with dates of service after the from date of this claim.

Note that your MAC will adjust any Medicare Advantage (MA) claims brought to their attention, that processed prior to October 1, 2020, so that the prior days count is corrected to exclude the MA days.

There is no new policy CR 11727.

## ADDITIONAL INFORMATION

The official instruction, CR 11727, issued to your MAC regarding this change is available at <https://www.cms.gov/files/document/r10109otn.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

## DOCUMENT HISTORY

| Date of Change | Description               |
|----------------|---------------------------|
| May 8, 2020    | Initial article released. |

**Disclaimer:** Paid for by the Department of Health & Human Services. This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2019 American Medical Association. All rights reserved.

Copyright © 2013-2020, the American Hospital Association, Chicago, Illinois. Reproduced by CMS with permission. No portion of the AHA copyrighted materials contained within this publication may be copied without the express written consent of the AHA. AHA copyrighted materials including the UB-04 codes and descriptions may not be removed, copied, or utilized within any software, product, service, solution or derivative work without the written consent of the AHA. If an entity wishes to utilize any AHA materials, please contact the AHA at 312-893-6816. Making copies or utilizing the content of the UB-04 Manual, including the codes and/or descriptions, for internal purposes, resale and/or to be used in any product or publication; creating any modified or derivative work of the UB-04 Manual and/or codes and descriptions; and/or making any commercial use of UB-04 Manual or any portion thereof, including the codes and/or descriptions, is only authorized with an express license from the American Hospital Association. To license the electronic data file of UB-04 Data Specifications, contact Tim Carlson at (312) 893-6816. You may also contact us at [ub04@healthforum.com](mailto:ub04@healthforum.com)

The American Hospital Association (the "AHA") has not reviewed, and is not responsible for, the completeness or accuracy of any information contained in this material, nor was the AHA or any of its affiliates, involved in the preparation of this material, or the analysis of information provided in the material. The views and/or positions presented in the material do not necessarily represent the views of the AHA. CMS and its products and services are not endorsed by the AHA or any of its affiliates.