

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 11541</b>	<b>Date: August 5, 2022</b>
	<b>Change Request 12808</b>

**SUBJECT: Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update Fiscal Year (FY) 2023**

**I. SUMMARY OF CHANGES:** The purpose of this change request is to provide information on the updates to the payment rates used under the PPS for SNFs, for FY 2023, as required by statute. The update can be found in chapter 6, section 30.5 of the Claims Processing Manual.

**EFFECTIVE DATE: October 1, 2022**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: October 3, 2022**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	N/A

**III. FUNDING:**

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**Recurring Update Notification**

# Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 11541	Date: August 5, 2022	Change Request: 12808
-------------	--------------------	----------------------	-----------------------

**SUBJECT: Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update Fiscal Year (FY) 2023**

**EFFECTIVE DATE: October 1, 2022**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: October 3, 2022**

## I. GENERAL INFORMATION

**A. Background:** Annual updates to the PPS rates are required by §1888(e) of the Social Security Act, as amended by the Medicare, Medicaid, and State Children’s Health Insurance Program (SCHIP) Balanced Budget Refinement Act of 1999 (the BBRA), the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (the BIPA), and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the MMA), relating to Medicare payments and consolidated billing for SNFs.

**B. Policy:** Each July, the CMS publishes the SNF payment rates for the upcoming FY (that is, October 1, 2022 through September 30, 2023) in the Federal Register, available online at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/List-of-SNF-Federal-Regulations.html>. The payment rates will be effective October 1, 2022.

### 1. Provider Specific File (PSF) Updates

Effective FY 2023, a permanent five percent cap will be adopted and applied to all SNF providers on any decrease to a provider’s final wage index from that provider’s final wage index of the prior fiscal year. To capture these policy changes, the following fields will be updated in the PSF:

1. Supplemental Wage Index - used for the prior fiscal year wage index value
2. Supplemental Wage Index Indicator - used to indicate the value in the “Supplemental Wage Index” field is the prior fiscal year wage index

## II. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

Number	Requirement	Responsibility									
		A/B MAC		D M E M A C	Shared- System Maintainers				Other		
		A	B		H H H	F I S S	M C S	V M S		C W F	
12808.1	Medicare systems shall apply the FY 2023 SNF PPS payment rates that are effective for service dates beginning October 1, 2022 through September 30, 2023.					X					

Number	Requirement	Responsibility							
		A/B MAC		D M E M A C	Shared- System Maintainers				Other
		A	B		H H H	F I S S	M C S	V M S	
12808.2	Contractors shall update the PRMODERN PARM's SNF Pricer date range to 2020 – 2023 to call the FY 2023 SNF PPS Pricer to pay SNF claims for discharges on or after October 1, 2022.  Note: CMS will provide further direction via email regarding the timing of the date range update for User Acceptance Testing (UAT) and production.	X				X			
12808.3	Medicare Contractors shall update the “Supplemental Wage Index” and “Supplemental Wage Index Indicator” for all the SNF providers who were active in FY 2022.	X							
12808.4	MACs shall follow the steps below to ensure the appropriate values are applied in the Supplemental Wage Index and Supplemental Wage Indicator fields:  <ol style="list-style-type: none"> <li>1. If the provider was not active for FY 2022, then skip all of the below steps and leave the “Supplemental Wage Index” and “Supplemental Wage Index Indicator” fields blank. If the provider was active for FY 2022, then follow the steps below.</li> <li>2. Update the value of “Supplemental Wage Index Indicator” to be “1”.</li> <li>3. Validate the accuracy of the provider’s FIPS state and county codes.</li> <li>4. Validate the accuracy of the provider’s FY 2022 Core Based Statistical Area (CBSA) based on the provider’s Federal Information Processing Standards (FIPS) state and county codes and the CBSA delineations defined in Office of Management and Budget (OMB) Bulletin No. 18–04.</li> <li>5. Using the Final FY2022 SNF Wage Index file CMS1746-F_wageindex (xlsx) available online at <a href="https://www.cms.gov/medicare/medicare-fee-service-payments/nfpplst-snf-federal-regulations/cms-1746-f">https://www.cms.gov/medicare/medicare-fee-service-payments/nfpplst-snf-federal-regulations/cms-1746-f</a>, identify the corresponding FY 2022 wage index value for the provider’s FY 2022 CBSA, and add this wage index value to “Supplemental Wage Index” field.</li> </ol>	X							

Number	Requirement	Responsibility							
		A/B MAC		D M E	Shared-System Maintainers				Other
		A	B		H H H	F M V C	I C M W	S S S F	

**III. PROVIDER EDUCATION TABLE**

Number	Requirement	Responsibility						
		A/B MAC			D M E	C E D I		
		A	B	H H H			M A C	
12808.5	Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN Connects newsletter. Subscribe to the “MLN Connects” listserv to get MLN content notifications. You don’t need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above.	X						

**IV. SUPPORTING INFORMATION**

**Section A: Recommendations and supporting information associated with listed requirements:**

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

**Section B: All other recommendations and supporting information: N/A**

**V. CONTACTS**

**Pre-Implementation Contact(s):** Valeri Ritter, 410-786-8652 or Valeri.Ritter@cms.hhs.gov , Anthony Hodge, Anthony.Hodge@cms.hhs.gov

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

**VI. FUNDING**

**Section A: For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**ATTACHMENTS: 0**