AHCA Summary of FY25 Skilled Nursing Facility Prospective Payment System Final Rule

On Wednesday, July 31, 2024, the Centers for Medicare and Medicaid Services (CMS) issued the final rule for the skilled nursing facility (SNF) prospective payment system (PPS) fiscal year (FY) 2025 update. Effective October 1, 2024, the final rule will increase SNF PPS rates by 4.2%, equating to approximately $1.4 billion, derived from a 3.0% market basket increase, a 1.7% market basket forecast error adjustment, and a negative 0.5% productivity adjustment. Notably, these figures exclude the SNF Value-Based Purchasing (VBP) reductions for certain facilities, with those adjustments estimated to total $187.7 million in FY 2025. Additionally, CMS has finalized several operational and administrative proposals for the SNF VBP program, alongside updates to the SNF Quality Reporting Program (QRP), SNF VBP program, SNF PPS Patient-Driven Payment Model (PDPM) ICD-10 Code Mappings, and the SNF PPS wage index. CMS has also finalized revisions to the regulation on enforcement authority related to Civil Monetary Penalties (CMP).

CMS has published a net FY25 market basket increase of 4.2 percent.

Market Basket and Adjustments	Figures
Unadjusted Market Basket Index	3.0%
Forecast Error Adjustment	+ 1.7%
Productivity Adjustment	- 0.5%
Net Market Basket Index in the Final Rule	**= 4.2%**

Negative parity adjustments were not included in this final rule, which were previously operationalized to preserve budget neutrality in the overall transition of Medicare reimbursements from RUGS to PDPM. Wage indices have been updated to reflect the Office of Management and Budget (OMB) definitions to Core-Based Statistical Areas (CBSAs) as noted in OMB Bulletin 23-01, and the 5 percent cap on annualized decreases (measured relative to the prior year's figures) for an individual provider's wage index continues in FY25.

The following pages provide highlights followed by a detailed summary of each section of the Final Rule. Final FY24 and FY25 base rates are presented in Tables 1-4, and the Forecast Error Adjustment is presented in Table 5.

Other Preliminary Highlights

Administrative Updates

- CMS updated the SNF market basket base year from the current 2018 base year to a new base year of 2022 and updated the payment rates used under the SNF PPS based on the FY 2025 SNF market basket increase factor, as adjusted by the productivity adjustment and forecast error correction.
- CMS also updated the SNF PPS wage index using the Core-Based Statistical Areas (CBSAs) defined within the new Office of Management and Budget (OMB) Bulletin 23-01 to improve the accuracy of wages and wage-related costs for the area in which the facility is located.
- CMS finalized several changes to the PDPM ICD-10 code mappings for reporting during a Part A SNF stay.
- CMS summarized comments submitted in response to a concept to update the PDPM Non-Therapy Ancillary (NTA) component in future rulemaking.

Nursing Home Enforcement

- CMS expanded the penalties that can be enforced allowing for more per instance and per day CMPs to be imposed, permitting both types of penalties to be imposed, not to exceed the statutory daily limits.
- CMS or the States will have authority to impose both PD and PI CMPs for noncompliance findings in the same survey, as well as ensure that the amount of a CMP does not depend solely on the date that the most recent standard survey is conducted or the date that a finding of noncompliance was identified by surveyors.
    a. CMS or the States can impose a PI CMP to address noncompliance that occurred in the past or prior to the survey, and a PD CMP that begins at the start of the survey and continues until the facility has corrected its noncompliance.
- CMS or the State could impose multiple PI CMPs when the same type of noncompliance is identified on more than one day
- CMS or the States can impose CMPs for the number of days of previously cited noncompliance since the last three standard surveys, for which a CMP has not yet been imposed.
- The enforcement updates go into effect October 5, 2025. However, CMS will operationalize these requirements beginning March 3, 2025.

SNF Quality Reporting Program (QRP)

- CMS finalized adding four new social determinants of health (SDOH) items and modifying one SDOH assessment item for the SNF QRP with a minor change from the proposed rule to exclude long-stay SNF residents.
- CMS finalized a requirement that SNFs included in the SNF QRP participate in a process to validate data submitted under the SNF QRP through the Minimum Data

Set (MDS) beginning with the FY 2027 SNF QRP with modification of the reporting period, and to adopt a process for validating claims-based SNF QRP measures similar to existing SNF VBP claims-based measure data validation.
- CMS summarized feedback on a Request for Information (RFI) on quality measure concepts under consideration for future SNF QRP years.

SNF Value-Based Purchasing (VBP)

- CMS adopted a measure retention and removal policy to help ensure that the SNF VBP Program's measure set remains focused on the best and most appropriate metrics for assessing care quality in the SNF setting. The Final policy is similar to the one currently used in the SNF QRP program.
- CMS adopted a policy to incorporate technical VBP measure updates, such as changes to risk-adjustment, using sub-regulatory processes. This policy would allow CMS to account for the upcoming transition to PDPM-based case-mix adjusting of Total Nurse Staffing Hours per Resident Day (HPRD) in July 2024.
- CMS adopted administrative policy updates, including an update of the Review and Correction policy that it previously finalized for the program. This is to ensure that SNFs can review and correct Payroll-Based Journal (PBJ) data beginning with the FY 2026 program year and MDS data beginning with the FY 2027 program year.

Final Rule Detail Summary

A. Payment Provision Highlights

The final FY24 and FY25 base rates are shown below.

Table 1. FY 2024 Final Unadjusted Federal Rate Per Diem – Urban*

Component	PT	OT	SLP	Nursing	NTA	Non-case-mix
Per diem Amount	$ 70.27	$65.41	$26.23	$122.48	$92.41	$109.69

Table 2. FY 2024 Final Unadjusted Federal Rate Per Diem – Rural

Component	PT	OT	SLP	Nursing	NTA	Non-case-mix
Per diem Amount	$80.10	$73.56	$33.05	$117.03	$88.29	$111.72

***NOTE:** "Unadjusted" means the labor adjustments have not been applied to these rates.

TABLE 3: FY 2025 Unadjusted Federal Rate Per Diem—URBAN

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	$73.25	$68.18	$27.35	$127.68	$96.33	$114.34

TABLE 4: FY 2025 Unadjusted Federal Rate Per Diem—RURAL

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	$83.50	$76.69	$34.46	$121.99	$92.03	$116.46

B. Forecast Error

The forecast error statutory provision is only found in the SNF payment system. Under the forecast error statutory provision, CMS compares a projected market basket update with the actual market basket update using prior year data. Intended to account for inflation, the forecast increases the market basket when the projected market basket is 0.5% less than the actual market basket. Conversely, when the forecast decreases the market basket when the projected market basket is 0.5% more than the actual market basket. If the variance in either direction is less than 0.5%, no forecast error is incurred.

For this year, the forecast error had a positive impact on the net market basket figure as shown in Table 5:

Table 5. Forecast Error in FY 2025 Final Rule
(Difference - Actual vs Forecast Market Basket Increases for FY 2023)

Forecasted FY 2023 Increase*	Actual FY 2023 Increase**	Difference
3.9%	5.6%	1.7

For FY25, the1.7% difference between forecasted and actual for FY23 was added to the unadjusted market basket of 3.0%, resulting in 4.7%. This was reduced by the productivity adjustment of 0.5% to arrive at the Net Final MBI of 4.2%.

C. Base Year

CMS updated the SNF market basket base year from the 2018 base year to 2022 and updated the SNF PPS wage index using updated OMB Core-Based Statistical Areas (CBSAs).

D. Market Basket

CMS revised the Market Basket (MBI) calculation from the Proposed Rule. The forecast error remained the same, but changes to the base market basket and the productivity adjustment caused an increase of .2% from the original forecast from 4.0% to 4.2%.

E. Wage Index

Since the start of SNF PPS, CMS has used hospital inpatient wage data, in the absence of SNF-specific wage data, in developing a wage index to be applied to SNFs. That practice is continued in the FY25 Final rule. Although AHCA commented on the need for a SNF Specific Wage Index and a geographical reclassification process similar to Hospitals, CMS did not make any changes from the Proposed Rule and continues to use hospital data as a surrogate for SNF data with no plans to use SNF data due to the resources required to collect and audit the information. This is a disappointment that AHCA will discuss with CMS again as we prepare for the FY26 rulemaking.

In FY23, CMS instituted a permanent 5% cap on decreases to a provider's wage index from its wage index in the prior year, regardless of the reason for the decline. This continues in FY25.

Also, in FY25, CMS updated SNF PPS wage indexes to use the CBSAs defined within OMB Bulletin 23-01 to “improve the accuracy of wages and wage-related costs” for the area in which the facility is located. This is the first update since FY21.

Included in these final changes are reclassifications of certain localities from rural to urban, and vice versa. While CMS stated that the changes are budget neutral, the estimate in the proposed rule was that:

- 43% of SNFs would experience decreases in their area wage index values.
- <1% of SNFs would experience a significant decrease (that is, greater than 5%) in their area wage index value.
- 57% would have higher area wage index values.

The wage index applicable to FY25 is set forth in Table A available on the CMS website at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/WageIndex.html

A crosswalk is provided between the wage index using the current OMB delineations in effect in FY24 and the FY25 wage index using the Final revised OMB delineations.

AHCA encourages providers to review their current CBSA and wage index to their Final CBSA and wage index to identify any changes brought on by the Final rule.

Consolidated Billing

AHCA requested CMS to consider excluding four drugs from consolidated billing that represent recent medical advances. CMS addressed these in their response, however, none were deemed to meet the criteria in any of the five service categories (chemotherapy items, chemotherapy administration services, radioisotope services, customized prosthetic devices, and blood clotting factors):

- Imatinib Mesylate: The average retail price of this medication is $8,999.98 for a 30-day supply of 400-mg tablets.
- Jakafi (ruxolitinib): The cost for a 60-day supply of oral 5-mg Jakafi tablets is about $18,068.
- Erleada (apalutamide): The cost for 120 tablets 60 mg is about $15,713.
- Tafinlar (dabrafenib): The cost for 120 tablets 50 mg is about $11,912.

CMS stated that excluding such items would require an act of Congress to modify the law.

F. Technical Updates to PDPM ICD-10 Mapping

CMS finalized several changes to the PDPM ICD-10 code mappings as described in the proposed rule to allow providers to provide more accurate, consistent, and appropriate primary diagnoses that meet the criteria for skilled intervention during a Part A SNF stay. CMS changed the clinical category assignment for the following four new codes that were effective on October 1, 2024:

- E88.10 Metabolic Syndrome
- E88.811 Insulin Resistance Syndrome Type a
- E88.818 Other Insulin Resistance
- E88.819 Insulin Resistance

All are currently mapped to Medical Management and will change to the category *Return to Provider* as CMS notes these conditions typically occur outside of a Part A stay. The Final changes to the ICD-10 code mappings and lists used under PDPM for FY 2025 and that are effective October 1, 2024, are available on the CMS PDPM website under the heading “PDPM Resources”.

G. Request for Information: Update to PDPM Non-Therapy Ancillary Component

CMS stated in the FY19 SNF PPS final rule that it would consider revisiting the list of included NTA comorbidities and the points assigned to each condition or extensive service, based on changes in the patient population and care practices over time (83 FR 39224). Thie request for information (RFI) solicited comments on the methodology CMS is currently considering for updating the NTA component that could be Final in future rulemaking.

Specifically, CMS is considering several changes to the NTA study population as a foundation upon which to update the NTA component, including:

- Updating the years used for data corresponding to Medicare Part A SNF stays, including claims, assessments, and cost reports from FY14 – FY17 to FY19 – FY22.
- Using the same subset population used for the PDPM parity adjustment recalibration by excluding stays with either a COVID-19 diagnosis or stays using a COVID-19 PHE-related modification under section 1812(f) of the Act.
- Updating the methodology to only utilize SNF Part A claims and the MDS, and not claim types from other Medicare settings (that were used as a proxy to develop PDPM).
- Modifying the overlap methodology to rely more upon the MDS items that use a checkbox to record the presence of conditions and extensive services whenever possible, while allowing for potentially more severe or specific diagnoses to be indicated on MDS item I8000 when it would be useful for more accurate patient classification under PDPM.
- Prioritizing the reporting of conditions on the MDS by raising the cost threshold for selecting the overlapping CC or Rx CC definitions from any additional cost to five dollars in average NTA cost per day, which is the amount generally associated with a one-point NTA increase.

To facilitate discussion and comment a table was presented in the proposed rule and replicated as Table 27 in the Final rule contains an example of a revised Conditions and Extensive Services Used for NTA Classification that would be adopted should the changes in this RFI be adopted in future rulemaking. The table includes the specific comorbidity, percent of SNF stays observed from FY19 – FY22, the average NTA costs, and reassigned NTA point values for each NTA comorbidity. In this Final rule, CMS shared a summary of the submitted comments to this RFI.

H. Nursing Home Enforcement

The Final rule includes updated regulations on CMS's enforcement authority, related to issuance of Civil Monetary Penalties (CMP). Under current regulations, CMS can only issue a Per Diem (PD) or Per Instance (PI) CMP for each survey. Under the Final rule, CMS will be able to impose more types of CMPs to better align the enforcement with the noncompliance identified. CMS also states in the Final rule that the updated regulation will provide a more equitable enforcement of CMPs across states.

Under the Final rule, State Survey Agencies and CMS will have the authority to impose a PI CMP to address the noncompliance that occurred in the past or prior to the survey, and a PD CMP beginning at the start of the survey and continuing until the facility has corrected its noncompliance. Additionally, this expands CMS' ability to impose more than one PI CMP when multiple occurrences or "instances" of a specific noncompliance are identified during a survey, regardless of whether they are cited at the same regulatory deficiency tag number in the statement of deficiencies. The total facility CMP liability cannot exceed the statutory and regulatory maximum amount on any given day. In the Final rule, CMS states, "It is important for CMS and the State to be able to impose a CMP (per day, per instance, or both), as warranted to help ensure that the facility's compliance is permanent."

The enforcement updates go into effect October 5, 2025. However, CMS will operationalize these requirements beginning March 3, 2025. CMS states the later date to operationalize the requirements is to allow CMS to make corresponding changes in their system while transitioning to a new tech platform (iQIES) and to provide necessary training to implement the changes.

I. Skilled Nursing Facility (SNF) Quality Reporting Program (QRP)

The SNF QRP applied to post-acute patients and is part of the IMPACT act requires standardized measures across post-acute providers and levies a two-percentage point reduction in their annual update for SNFs that do not meet reporting requirements.

CMS finalized the following changes to the SNF QRP program:

- **Proposal to Collect Four New Items as Standardized Patient Assessment Data Elements Beginning with the FY27 SNF QRP**

  CMS finalized a proposal to require SNFs to report the following four new items as standardized patient assessment data elements on the MDS under the social determinants of health (SDOH) category:

  - one item for Living Situation (with modifications)
  - two items for Food
  - one item for Utilities

  CMS also finalized a proposal to modify one of the current items collected as a standardized patient assessment data element under the SDOH category (the Transportation item).

  Living Situation
  The Final Living Situation item asks: *What is your living situation today?*
  The Final response options are: (0) I have a steady place to live; (1) I have a place to live today, but I am worried about losing it in the future; (2) I do not have a steady place to live; (7) Resident declines to respond; and (8) Resident unable to respond.

Food
The first Final Food item states: *Within the past 12 months, you worried that your food would run out before you got money to buy more.*

The second Final Food item states: *Within the past 12 months, the food you bought just didn't last and you didn't have money to get more.*
CMS proposes the same response options for both items: (0) Often true; (1) Sometimes true; (2) Never True; (7) Resident to declines to respond; and (8) Resident unable to respond.

Utilities
The Final Utilities item asks: *In the past 12 months, has the electric, gas, oil, or water company threatened to shut off services in your home?*
The Final response options are: (0) Yes; (1) No; (2) Already shut off; (7) Resident declines to respond; and (8) Resident unable to respond.

A draft of the four MDS items Final to be adopted as standardized patient assessment data elements under the SDOH category can be found in the *Downloads* section of the SNF QRP Measures and Technical Information webpage.

- **Proposal to Modify the Transportation Item Beginning with the FY27 SNF QRP**

CMS finalized a proposal to modify the A1250 Transportation item currently collected in the SNF MDS in two ways: (1) revise the look-back period for when the resident experienced lack of reliable transportation; and (2) simplify the response options.

First, the Final modification of the Transportation item would use a defined 12-month look back period, while the current Transportation item uses a look back period of six to 12 months.

Second, the Final modified Transportation item would collect information on whether a lack of reliable transportation has kept the resident from medical appointments, meetings, work or from getting things needed for daily living, rather than collecting the information separately.

The Final Transportation item asks: *In the past 12 months, has a lack of reliable transportation kept you from medical appointments, meetings, work or from getting things needed for daily living?*
The Final response options are: (0) Yes; (1) No; (7) Resident declines to respond; and (8) Resident unable to respond.

A draft of transportation MDS items Final to be modified as a standardized patient assessment data element under the SDOH category can be found in the Downloads section of the SNF QRP Measures and Technical Information webpage.

Modification to Exclude Reporting for SNF Long-Stay Residents
After considering concerns raised by AHCA and other commenters that the SDOH items may not be applicable for SNF long-stay residents CMS modified the reporting requirements from what was proposed as follows: *"...we are finalizing a modification to the data specifications of the new and modified SDOH items so that they exclude any SNF residents who, immediately prior to their hospitalization that preceded a new SNF stay, resided in a NF for at least 366 continuous days."*

Provider Education
CMS states that the Agency plans to provide training resources in advance of the initial collection of the proposed new/revised items (for SNF Part A stays only) to ensure that SNFs have the tools necessary to administer the items and reduce the burden to SNFs in creating their own training resources. These training resources may include online learning modules, tip sheets, questions and answers documents, and/or recorded webinars and videos, and would be available to providers in mid-2025, allowing SNFs several months to ensure their staff take advantage of the learning opportunities.

- **Form, Manner, and Timing of Data Submission under the SNF QRP**

CMS is proposing that SNFs would be required to report these new items and the modified Transportation item only upon admission using the MDS, beginning with residents admitted on October 1, 2025, through December 31, 2025, for purposes of the FY27 SNF QRP. Starting in CY26, SNFs would be required to submit data for the entire CY for each program year.

- **Proposal to Participate in a Validation Process Beginning with the FY27 SNF QRP**

CMS finalized a proposal to amend the regulation text at 42 CFR § 413.360 to require SNFs to participate in a validation process similar to the existing SNF VBP validation process that would apply to data submitted using the MDS and SNF Medicare fee-for-service claims as a SNF QRP requirement beginning with the FY27 SNF QRP.

  - A validation contractor will select, on an annual basis, up to 1,500 SNFs that submit at least one MDS record in the fiscal year (FY) 2 years prior to the applicable FY SNF QRP.
    - This is a modification from the following schedule described in the proposed rule. *"A validation contractor would select, on an annual basis, up to 1,500 SNFs that submit at least one MDS record in the CY three years prior to the applicable FY SNF QRP."*
    - This modification to use a FY period from which to identify MDS for validation rather than a CY data collection period will only impact the new data validation process requirement. CMS acknowledges that this will result in SNFs having different data collection periods within the SNF QRP.

- The SNFs that are selected to participate in the SNF QRP validation for a program year would be the same SNFs that are randomly selected to participate in the SNF VBP validation process for the corresponding SNF VBP program year.
- Each SNF selected would only be required to submit records once in a FY, for a maximum of 10 records for each SNF selected.
- The selected SNFs would have the option to submit digital or paper copies of the requested medical records to the validation contractor and would be required to submit the medical records within 45 days of the date of the request.
- If a SNF does not submit the requested number of medical records within 45 days of the initial request, CMS would reduce the SNF's otherwise applicable annual market basket percentage update by two percent. The reduction would be applied to the payment update two FYs after the FY for which the validation contractor requested records.
- CMS intends to propose, in future rulemaking, the process by which the agency would evaluate the submitted medical records against the MDS to determine the accuracy of the MDS data that the SNF reported, and that CMS used to calculate the measured results.

CMS also summarized comments submitted regarding additional validation methods that may be appropriate to include in the future for the current measures submitted through the National Healthcare Safety Network (NHSN), as well as for other new measures it may consider for the program to be addressed through separate and future notice-and-comment rulemaking, as necessary.

- **Proposal to Apply the Existing Validation Process for Claims-Based Measures Reported in the SNF QRP**

Beginning with FY27 SNF QRP, CMS finalized a proposal to apply the process the agency currently uses to ensure the accuracy of the Medicare fee-for-service claims to validate claims-based measures under the SNF VBP. Unlike the assessment-based QRP validation process discussed above, this process does not appear to add to SNF provider burden.

- **Policies Regarding Public Display of Measure Data for the SNF QRP**

CMS did not propose or change any policies regarding the public display of measure data at this time.

- **SNF QRP Quality Measure Concepts under Consideration for Future Years – Request for Information (RFI)**

CMS summarized feedback on a Request for Information (RFI) on quality measure concepts under consideration for future SNF QRP year on the importance, relevance, appropriateness, and applicability of each of the concepts under consideration listed in Table 29 of the earlier proposed rule for future years in the SNF QRP.

TABLE 29: Future Measure Concepts Under Consideration for the SNF QRP

Quality Measure Concepts
Vaccination Composite
Pain Management
Depression
Patient Experience of Care/Patient Satisfaction

For any questions pertaining to the information above, please contact Dan Ciolek at dciolek@ahca.org.

J. Skilled Nursing Facility Value-Based Purchasing Program

For the FY25 program year, VBP payment adjustments will be based only on 30-day short stay readmission rates using the measure SNF RM. The baseline period is FY19, and the performance period is FY23.

No new measures were added to SNF VBP. Table 31 in the Final rule and copied below provides a summary of the previously finalized measures and when they take effect.

TABLE 31: SNF VBP Program Measures and Timeline for Inclusion in the Program

Measure	FY 2025 Program Year	FY 2026 Program Year	FY 2027 Program Year	FY 2028 Program Year
Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM)	Included	Included	Included	
Skilled Nursing Facility Healthcare Associated Infections Requiring Hospitalization (SNF HAI) measure		Included	Included	Included
Total Nursing Hours per Resident Day (Total Nurse Staffing) measure		Included	Included	Included
Total Nursing Staff Turnover (Nursing Staff Turnover) measure		Included	Included	Included
Discharge to Community – Post-Acute Care Measure for Skilled Nursing Facilities (DTC PAC SNF) measure			Included	Included
Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay) (Falls with Major Injury (Long Stay)) measure			Included	Included
Discharge Function Score for SNFs (DC Function) measure			Included	Included
Number of Hospitalizations per 1,000 Long Stay Resident Days (Long Stay Hospitalization) measure			Included	Included
Skilled Nursing Facility Within-Stay Potentially Preventable Readmissions (SNF WS PPR) measure				Included

CMS adopted some technical changes to the wording of the program regulation to account for the previously finalized adoption of new measures in FY26 and switch to the SNF Within-Stay Potentially Preventable Readmissions (WS PPR) measure in FY28.

CMS adopted a selection, retention, and removal policy. Under this policy, once a measure is adopted into the SNF VBP program it will automatically remain for subsequent years, unless there is a plan to remove it within rulemaking.

The following will be considered as reasons to remove or replace a measure from SNF VBP:

- SNF performance on the measure is so high and unvarying that meaningful distinctions and improvements in performance can no longer be made;
- Performance and improvement on a measure do not result in better resident outcomes;
- A measure no longer aligns with current clinical guidelines or practices;
- A more broadly applicable measure for the particular topic is available;
- A measure that is more proximal in time to the desired resident outcomes for the particular topic is available;
- A measure that is more strongly associated with the desired resident outcomes for the particular topic is available;
- The collection or public reporting of a measure leads to negative unintended consequences other than resident harm; and
- The costs associated with a measure outweigh the benefit of its continued use in the program.

CMS adopted the following performance thresholds for FY27 and FY28. The achievement and benchmark thresholds for the Discharge to Community (DTC) measure for FY27 were previously finalized as 0.42946 and 0.66370, respectively.

TABLE 32: FY 2027 SNF VBP Program Performance Standards

Measure Short Name	Achievement Threshold	Benchmark
SNFRM	0.78709	0.82702
SNF HAI Measure	0.92219	0.94693
Total Nurse Staffing Measure	3.21488	5.81159
Nursing Staff Turnover Measure	0.38000	0.72959
Falls with Major Injury (Long Stay) Measure	0.95349	0.99950
Long Stay Hospitalization Measure	0.99758	0.99959
DC Function Measure	0.40000	0.78800
DTC PAC SNF Measure	0.42946	0.66370

TABLE 33: FY 2028 SNF VBP Program Performance Standards

Measure Short Name	Achievement Threshold	Benchmark
DTC PAC SNF Measure	0.42612	0.67309
SNF WS PPR Measure	0.86372	0.92363

CMS adopted a policy to incorporate technical measure updates. This policy allows them to update previously finalized SNF VBP measure specifications using sub-regulatory processes to incorporate technical measure updates, such as a change to a measure's risk-adjustment methodology, which impacts the achievement or benchmark thresholds.

This policy should theoretically allow CMS to adjust the achievement and benchmark thresholds for total nurse staffing HPRD in the FY26 program year to account for the transition to PDPM-based case-mix adjustment of HPRD measures in July 2024.

CMS would incorporate these technical measure updates in a sub-regulatory manner. This includes informing SNFs of any technical measure updates for any measure through postings on CMS' SNF VBP website, listservs, and through other educational outreach efforts to SNFs.

CMS adopted a phase one review and correction process for errors made by CMS or its contractors when calculating a measure rate for all program measures. Essentially, expanding the current process used for the SNF readmission measures (RM) to all measures.

CMS also expanded the reasons for submitting an extraordinary circumstance exemption. They now allow SNFs to submit a request if the SNF can demonstrate that as a result of an extraordinary circumstance, it cannot report SNF VBP data on one or more measures by the specified deadline. Request submissions would need to be made within 90 days of the date that the extraordinary circumstance occurred. If granted, CMS would calculate a SNF performance score that does not include the SNF's performance on the measure or measures during the months the SNF was affected by the extraordinary circumstance.

For any questions pertaining to the information above, please contact Kiran Sreenivas at ksreenivas@ahca.org.

Conclusion

If you have any questions pertaining to the information above, please contact Martin Allen at mallen@ahca.org.

AHCA will support its members as they submit comments on the FY25 NPRM and will submit its own comment letter by the May deadline.