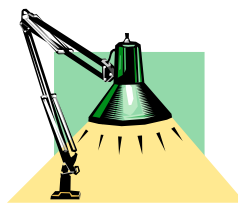


# RAI Spotlight



## Final Rule: Skilled Nursing Facility Prospective Payment System for Fiscal Year (FY) 2024

On July 31, 2023, the Centers for Medicare & Medicaid Services (CMS) issued a final rule that updates Medicare payment policies and rates for skilled nursing facilities under the Skilled Nursing Facility Prospective Payment System (SNF PPS) for fiscal year (FY) 2024. In addition, the final rule includes updates to the SNF Quality Reporting Program (QRP) and the SNF Value-Based Purchasing (VBP). Finally, the rule finalizes a constructive waiver process to ease administrative burdens for CMS related to processing Civil Monetary Penalty (CMP) appeals. Some highlights of this final rule are as follows:

### FY 2024 Updates to the SNF Payment Rates

CMS estimates that the aggregate impact of the payment policies in this rule would result in a net increase of 4.0%, or approximately \$1.4 billion, in Medicare Part A payments to SNFs in FY 2024.

CMS finalized a PDPM parity adjustment factor of 4.6% in the FY 2023 SNF PPS final rule with a two-year phase-in period, resulting in a 2.3% reduction in FY 2023 and a 2.3% reduction in FY 2024 to the SNF PPS payment rates.

### Changes in PDPM ICD-10 Code Mappings

The PDPM utilizes the International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10) codes in several ways, including using the person's primary diagnosis to assign patients to clinical categories. CMS is finalizing several changes to the PDPM ICD-10 code mappings. The ICD-10 code mappings and lists used under PDPM are available on the PDPM website at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPSP/PPDM>.

### Changes to the Skilled Nursing Facility Quality Reporting Program (SNF QRP)

The SNF QRP is a pay-for-reporting program. SNFs that do not meet reporting requirements are subject to a two-percentage-point reduction in their Annual Payment Update (APU). In the FY 2024 SNF PPS final rule, CMS is adopting two measures in the SNF QRP, removing three measures from the SNF QRP, and modifying one measure in the SNF QRP. In addition, this rule makes policy changes to the SNF QRP and begins public reporting of four measures.

CMS is adopting the **Discharge Function Score (DC Function) measure** beginning

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### Questions:

- **RAI, Manual including MDS coding?** [qa-mds@pa.gov](mailto:qa-mds@pa.gov)
- **State Medicaid**, including Section S, CMI reports and Field Office information? Myers and Stauffer Helpdesk at (717) 541-5809 or [pahelpdesk@mslc.com](mailto:pahelpdesk@mslc.com)
- **CMS SNF QRP Public Reporting?** [SNFORP-PRquestions@cms.hhs.gov](mailto:SNFORP-PRquestions@cms.hhs.gov)
- **Medicare Part A Billing and Eligibility questions** - Contact your MAC – Novitas at 1-877-235-8073

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## Next Teleconference: 10-1-23 MDS Changes/Updates

**Date:** October 12, 2023  
**Time:** 1:30 - 2:30 pm EDT (Dial-in 10 minutes earlier)  
**Topic:** 10-1-23 MDS Changes/Updates  
**Handouts:** Presentation materials will be emailed to all participants prior to the start of the training.

**Registration Link:** <https://mslc.webex.com/weblink/register/r0e62f0ac5a6dc68592d8b83356c1263c>

**Presenter:** Lynn Snider, BSN, RN, RAC-CT  
Myers and Stauffer  
A recording of this conference will be available following the presentation at: <https://nfrp.panfsubmit.com/>.



## Optional State Assessment (OSA) Teleconference Q & A:



On July 13, 2023 a training teleconference was provided on the Optional State Assessment (OSA). The following questions were received:

**Q. Where can a recording of the Pennsylvania OSA training be located?**

A. A recording of the July 13, 2023 OSA training can be found at the following link, under the "MDS Resources" tab: <https://nfrp.panfsubmit.com/>.

**Q. Is an OSA required in a Medicaid certified facility for all residents regardless of payer source?**

A. If a facility is Medicaid certified, the facility is required to submit an OSA with the same ARD as all federally required PPS and OBRA assessments submitted through the Internet Quality Improvement & Evaluation System (iQIES) regardless of payer source.

**Q. Are modifications required for an OSA if the Resource Utilization Group (RUG) score is not affected?**

A. Any MDS item that is modified on a federally required assessment that has a corresponding item on the OSA must have the MDS item modified on both assessments.

Section S does not have a corresponding section on the OSA; therefore, any modifications to Section S will be completed on the federally required assessment only.

**Q. Since IPAs are **OPTIONAL**, would an OSA be required with an IPA assessment?**

A. The OSA is completed with all federally required OBRA and PPS assessments. Since the IPA is an optional PPS assessment an OSA is not completed with this type of assessment.

**Q. What happens if an OSA is transmitted late?**

A. Late OSA assessments will be treated as any late federally required assessment.

OSA assessments submitted after established Medicaid reimbursement cut-off dates would not be considered in reimbursement calculations.

There is no change to the reimbursement process with the use of the OSA.

**Q. If a 5-day assessment is completed is an OSA required when the resident is admitted less than 14 days?**

A. The MDS assessment completion requirements do not change with the use of the OSA.

An OBRA assessment is not required to be completed for resident stays of less than 14 days (this requirement does not change as of October 1, 2023).

- If the facility chooses to complete the Admission assessment, a corresponding OSA is required.

- If the facility does not complete an Admission assessment, an OSA is not required.

- A stand-alone 5-day PPS assessment for a stay of less than 14 days would not require the completion of a corresponding OSA assessment.

## Reminder: PA Announces Requirement of Optional State Assessment

Beginning October 1, 2023, MDS items necessary for resident classification under a RUG-based acuity system (RUG-III and RUG-IV) will no longer be available on the standard MDS item sets. States wishing to maintain a RUG-based acuity system after October 1, 2023, need to implement and require submission of an OSA as of that date. CMS will support the use of an OSA by state Medicaid agencies wishing to maintain a RUG-based acuity system through September 30, 2025, at which time states must have any necessary regulatory changes in place to change from a RUG-based acuity system.

Pennsylvania will require the submission of OSA beginning on October 1, 2023. All Medicare/Medicaid certified nursing

facilities submitting MDS assessments in Pennsylvania will be required to submit the OSA assessment with all federally required MDS assessments.

**NOW AVAILABLE: Optional State Assessment (OSA) Item Set and OSA Manual**

The Optional State Assessment (OSA) Item Set, OSA Manual, and OSA Change History table are now available in the Downloads section on the Minimum Data Set (MDS) 3.0 Resident Assessment Instrument (RAI) Manual page. The OSA is not a federally required assessment; however, as noted above the OSA will be required to be completed with each federally required MDS submission for Medicare/Medicaid certified facilities in Pennsylvania.

## Manuals with Recent Updates:

1. Optional State Assessment (OSA) Item Set and OSA Manual for Oct. 1, 2023 Implementation Updated
2. iQIES Resources Site Updated
3. CDC Infection Control Assessment and Response (ICAR) Program Resources Updated
4. MDS 3.0 RAI Manual Appendix B Update - <https://www.cms.gov/files/document/appendix-bjuly-2023v2.pdf>
5. CMS iQIES Reports User Manual v2.4 - <https://qtso.cms.gov/providers/nursing-home-mdsswing-bed-providers/reference-manuals>



# MDS 3.0 RAI Manual - Effective October 1, 2023

On August 14, 2023, messaging was posted on several CMS pages announcing the "Final" version of the MDS 3.0 RAI User's Manual version 1.18.11. This messaging and the associated file was posted in error and is not the Final version of the MDS 3.0 RAI User's Manual version 1.18.11. **CMS expects to post the final version before the end of August.**

## October 1, 2023 MDS Updates

- The MDS item sets, effective October 1, 2023, have had significant changes, including the omission and addition of many MDS items. The target date of the MDS assessment identifies the required version of the MDS item set, and, because of the substantial changes in the MDS item sets, they are not interchangeable. Therefore, providers will not be able to change target dates on assessments that cross over October 1, 2023.
- Providers will not be able to submit a MDS modification to change a target date on a MDS assessment completed prior to October 1, 2023, to a target date on or after October 1, 2023, nor can they submit a MDS modification to change a target date on a MDS assessment completed on or after October 1, 2023, to a target date prior to October 1, 2023.

## iQIES - How to View and Download Final Validation Reports for MDS Users Video Available

The iQIES team announced a new video for Minimum Data Set (MDS) record submissions and reports users: How to View and Download Final Validation Reports for MDS Users.

### Video Tutorials

All MDS video tutorials can be found on the QIES Technical Support Office (QTSO) and are *not mandatory*: <https://qtso.cms.gov/training-materials/iqies-training-videos>

### Provider User Manuals and FAQs

As a reminder, resources such as the iQIES Assessment Management Manual and Frequently Asked Questions (FAQs) are available on QTSO for user reference and download.

- Upload an Assessment User Manual: <https://qtso.cms.gov/providers/nursing-home-mdsswing-bed-providers/reference-manuals>

### [providers/reference-manuals](https://qtso.cms.gov/providers/nursing-home-mdsswing-bed-providers/reference-manuals)

- iQIES Reports User Manual: <https://qtso.cms.gov/providers/nursing-home-mdsswing-bed-providers/reference-manuals>
- MDS Error Message User Guide: <https://qtso.cms.gov/providers/nursing-home-mdsswing-bed-providers/reference-manuals> and <https://qtso.cms.gov/vendors/minimum-data-set-mds-vendors/reference-manuals>
- iQIES MDS FAQs for Providers v1.0: <https://qtso.cms.gov/providers/nursing-home-mdsswing-bed-providers/reference-manuals>

### iQIES Service Center

If you have questions or require assistance, please contact the QIES/iQIES Service Center by phone at (800) 339-9313 or send an [email](#).

## iQIES - NH Providers Login Credentials Maintenance

Nursing Home Providers should ensure maintenance of accurate contact information and login credentials in the QIES system even though all Minimum Data Set (MDS) information is now being submitted via the Internet Quality Improvement and Evaluation System (iQIES) system. Providers will continue to receive important information regarding any findings of noncompliance with the requirement to report COVID-19 data to the Centers for Disease Control and Prevention (CDC) through the National Healthcare Safety Network (NHSN) in the **CASPER Shared Folder**. This means that facilities will need to continue to maintain two sets of login credentials, one set to access the CASPER Reporting application [CMS Network (CMSNet) and QIES Login credentials] and the HARP login credentials to continue submission of MDS records and accessing reports in iQIES.

Below is the link for the CASPER login. Please be sure that you are successfully logged into the CMS Network (CMSNet) prior to trying to access the CASPER link below:

[https://web.qiesnet.org/qiesmds/mds\\_home.html](https://web.qiesnet.org/qiesmds/mds_home.html)

# Final Rule: Skilled Nursing Facility Prospective Payment System for Fiscal Year (FY) 2024, cont.

with the FY 2025 SNF QRP. This measure assesses functional status by assessing the percentage of SNF residents who meet or exceed an expected discharge function score and uses mobility and self-care items already collected on the Minimum Data Set (MDS).

CMS is adopting the COVID-19 Vaccine: **Percent of Patients/Residents Who Are Up to Date (Patient/Resident COVID-19 Vaccine)** measure beginning with the FY 2026 SNF QRP. This measure reports the percentage of stays in which residents in an SNF are up to date with recommended COVID-19 vaccinations in accordance with the Centers for Disease Control and Prevention's (CDC's) most recent guidance. Data will be collected using a new standardized item on the MDS.

CMS is modifying the **COVID-19 Vaccination Coverage among Healthcare Personnel (HCP COVID-19 Vaccine) measure** beginning with the FY 2025 SNF QRP. This measure tracks the percentage of healthcare personnel (HCP) working in SNFs who are considered up to date with recommended COVID-19 vaccination in accordance with the CDC's most recent guidance.

CMS is removing the **Application of Percent of Long-Term Care Hospital (LTCH) Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function (Application of Functional Assessment/Care Plan)** measure beginning with the FY 2025 SNF QRP.

CMS is removing the **Application of the IRF Functional Outcome Measures: Change in Self-Care Score for Medical Rehabilitation Patients (Change in Self-Care Score) measure**; and the **Application of the IRF Functional Outcome Measures: Change in Mobility Score for Medical Rehabilitation Patients (Change in Mobility Score) measure** beginning with the FY 2025 SNF QRP.

CMS is increasing the **SNF QRP Data Completion thresholds for the Minimum Data Set (MDS) Data Items** beginning with the FY 2026 SNF QRP. SNFs must report 100% of the required quality measure data and standardized resident assessment data collected using the MDS on at least 90% of the assessments they submit to CMS. Any SNF that does not meet the requirement will be subject to a reduction of 2 percentage points to the applicable FY annual payment update beginning with FY 2026. We are codifying this requirement at § 413.360(f)(1)(ii).

CMS is beginning the **public reporting** of the Transfer of Health Information to the Provider-PAC Measure and the Transfer of Health Information to the Patient-PAC Measure with the October 2025 Care Compare refresh or as soon as technically feasible. These measures report the percentage of patient stays with a discharge assessment indicating that a current reconciled medication list was provided to the subsequent provider or the patient/family/caregiver at discharge or transfer.

## Changes to the Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

CMS is adopting four new quality measures, replacing one quality measure, and finalizing several policy changes in the SNF VBP Program. The new quality measures are as follows:

CMS is adopting the **Nursing Staff Turnover Measure for the SNF VBP program** beginning with the FY 2026 program year. This is a structural measure that has been collected and publicly reported on Care Compare and assesses the stability of the staffing within an SNF using nursing staff turnover. Facilities would begin reporting for this measure in FY 2024, with payment effects beginning in FY 2026.

CMS is adopting the **Discharge Function Score Measure** beginning with the FY 2027 program year. This measure is also being adopted for the SNF QRP and assesses functional status by assessing the percentage of SNF residents who meet or exceed an expected discharge function score and use mobility and self-care items already collected on the MDS.

CMS is adopting the **Long Stay Hospitalization Measure per 1,000 Resident Days** beginning with the FY 2027 program year. This measure assesses the hospitalization rate of long-stay residents.

CMS is adopting the **Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay)** beginning with the FY 2027 program year. This measure assesses the falls with major injury rates of long-stay residents.

CMS is replacing the **Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM)** with the **Skilled Nursing Facility Within Stay Potentially Preventable Readmissions (SNF WS PPR) measure** beginning with the FY 2028 program year.

CMS is adopting a **Health Equity Adjustment in the SNF VBP Program**. This adjustment rewards SNFs that perform well and whose resident population during the applicable performance period include at least 20% of residents with dual eligibility status. This adjustment will begin with the FY 2027 program year. CMS is adjusting the scoring methodology to provide bonus points to high-performing facilities that provide care to a higher proportion of duals.

In addition, CMS is increasing the payback percentage policy under the SNF VBP program from the current 60% to a level such that the bonuses provided to the high-performing, high duals SNFs do not come at the expense of the other SNFs. The estimated payback percentage for the FY 2027 program year is 66%.

## Changes to Civil Money Penalties (CMP): Waiver of Hearing, Reduction of Penalty Amount (§ 488.436)

CMS is streamlining an administrative procedure by adopting a constructive waiver process that will consider a facility to have waived its hearing when CMS does not receive a request for a hearing within the requisite timeframe. The accompanying 35% penalty reduction would remain unchanged, though CMS is committing to review the appropriateness of this policy and the reduction amount in the future.

The complete final rule can be downloaded from the Federal Register at: <https://www.federalregister.gov/public-inspection/2023-16249/medicare-program-prospective-payment-system-and-consolidated-billing-for-skilled-nursing-facilities>.