## Medicare Part A PPS FY 2019 Tool Kit

CAHF acknowledges the efforts of **Axiom Healthcare Group** and Michael Lesnick for providing these important tools for use by the CAHF membership.  Questions concerning the use of these tools and related information should be directed to Cathy Storr 310-707-1945 or CathyS@AxiomHC.com, Eddie Uppal 818-456-0940 or EddieU@AxiomHC.com, or Michael Lesnick at 714-594-5720 or 714-323-5968 or MikeL@AxiomHC.com.

Starting October 1, 2018, the new “FY 2019 Rates” go into effect. You will be paid under the 66 category RUG IV system. Please Note –The sequestration process enacted by the Congress is still in place. When Providers are paid, the rates in this tool kit will be reduced by the sequestration amount.

***Also starting October 1, 2018, the Value Based Purchasing Program (VBP) goes into effect. Under VBP, all SNF Medicare Part A rates will be cut by 2 percent (Sequestration) to fund an incentive payment pool.  At that time, CMS will adjust payments and return some amount to providers based on how well they did in managing hospital readmissions in calendar year (CY) 2017 or improved their rate between Calendar Year (CY) 2015 and 2017. The aggregate incentive pool will include only 60 percent of the assessed Medicare cuts to be used for incentive payments to providers. An all cause***[***measure***](https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Downloads/SNFRM-Technical-Report-3252015.pdf) ***known as the Skilled Nursing Facility Readmission Measure (SNFRM) will be utilized to identify re-hospitalizations within 30 days of admission to a SNF.***

The FY19 PPS Final Rule updates the payment rates for Skilled Nursing Facilities for FY 2019.There are a variety of important changes identified in the Final Rule for FY 2019 published in the August 8th, 2018 Federal Register. You should study these carefully. CMS projects that the final rule will increase nationwide overall payments to SNFs by $820 million. With the Axiom tool kit you can determine what your FY 19 PPS rates will be. PLEASE NOTE - The wage index figures have changed for all areas (CBSAs) and the change in your wage index will determine if your rates will go up or down. Call us to discuss the impact of the wage index figures on your PPS rates.

PLEASE NOTE – We expect CMS to issue a ***corrected*** Federal Register which could impact the rates in the tool kit. We don’t anticipate significant changes to the rates. However, it is possible that there might be some changes made due to minor calculation and rounding errors.

**Specific Instructions For Use of the PPS Tool Kit**

**Step 1** – Determine whether you are an “Urban” provider or a “Rural” provider according to Medicare. To do this, look at page S-2 of your Medicare cost report. Page S-2 near the top should indicate the county you are located in, your CBSA # and whether you are designated as URBAN or RURAL. You must select the proper tool kit, either Urban or Rural.

**Step 2** – Based on Step 1, select the version of the PPS Rate spreadsheet you want to look at:

* RUG IV Urban or RUG IV Rural

Clicking on the links above will open the selected spreadsheet

**Step 3 – CRITICAL STEP** – You must select the county your SNF is located in. To do this, place your cursor on the box next to the word County and click on the drop down arrow. Now, select your county. The rates for your CBSA (your county) will then populate the spreadsheet.

**Step 4** – Optional – if you have your facility specific VBP multiplier you can input that in cell “T16” and the model will give you your facility specific RUG rate.

**Step 5** – Optional – if you want to type in your facility name and provider number there are places to do that. Also, if you want to input the number of days you will have in each category and estimate your total revenue, you may do that as well.

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