



## 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

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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

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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

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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.

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