

# CMS Issues FY 2025 SNF Final Payment Rule

## AHCA Continues Push Back Against Excessive CMP Enforcement Changes

July 31, 2024 — Today, the Centers for Medicare & Medicaid Services (CMS) issued the [final rule](#) for the skilled nursing facility (SNF) prospective payment system (PPS) fiscal year (FY) 2025 update. While we are pleased to see Medicare rates increasing by more than four percent this coming fiscal year, we are extremely disappointed that CMS enhanced its enforcement provisions surrounding civil monetary penalties.

### Highlights include:

- The final rule **increases SNF PPS rates by 4.2%**, or approximately \$1.4 billion, beginning October 1, 2024. This is based on the SNF market basket increase of 3.0%, plus a 1.7% market basket forecast error adjustment, and a negative 0.5% productivity adjustment.
- The above impact figures do not incorporate the SNF Value-Based Purchasing (VBP) reductions for certain SNFs subject to the net reduction in payments under the SNF VBP program; those adjustments are estimated to total \$187.7 million in FY 2025. CMS finalized several operational and administrative proposals for the SNF VBP program.
- CMS also finalized updates to the SNF Quality Reporting Program (QRP), SNF VBP program, SNF PPS Patient-Driven Payment Model ICD-10 Code Mappings, and the [SNF PPS wage index](#).

### Civil Monetary Penalties Policy

Unfortunately, the rule finalizes revisions to regulation surrounding enforcement authority related to Civil Monetary Penalties (CMP) that were outlined in the proposed rule. Under this new policy, State Survey Agencies, along with CMS would have the authority to issue Per Diem and Per Instance CMPs on the same survey, as well as the authority to issue multiple Per Instance CMPs when the same type of noncompliance is identified on more than one day. CMS or the States would also be able to 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.

These enforcement updates go into effect October 5, 2025 (60-days after it is published in the Federal Register, scheduled to be published on August 6, 2024). However, CMS will operationalize these requirements beginning March 3, 2025.

In late June, AHCA and 11 other national organizations sent a [letter](#) to CMS Administrator Chiquita Brooks-LaSure urging the agency to withdraw its proposal to

increase enforcement through excessive CMPs. We are extremely disappointed the proposed CMP changes were finalized and troubled by CMS' claim that it is expanding its own authority. AHCA will continue to aggressively push back against this dangerous policy that does nothing to improve care and will only divert precious resources away from making improvements.

AHCA is currently reviewing the final rule in greater detail and will share a more in-depth summary in the coming days. Please contact [Martin Allen](#) with any questions regarding Medicare rates and [regulatory@ahca.org](mailto:regulatory@ahca.org) for any questions regarding the CMP enforcement provisions.

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