

Example Of Computation of Adjusted Prospective Payment System (PPS) Rates And Skilled Nursing Facility (SNF) Payment - FY 2016

Using the SNF XYZ, the following shows the adjustments made to the Federal per diem rate to compute the provider's actual per diem PPS payment. SNF XYZ's total PPS payment would equal \$45,256.24. The Labor and Non-Labor columns are derived from [Addendum D \(FY 2016\)](#). Wage index is derived from [Addendum E \(FY 2016\)](#).

SNF XYZ: LOCATED IN FREDERICK, MD (URBAN CBSA 43524) WAGE INDEX: 0.9640

RUG-IV GROUP	LABOR	WAGE INDEX	ADJ. LABOR	NON-LABOR	ADJ. RATE	PERCENT ADJ.	SNF DAYS	PAYMENT
RVX	\$483.11	0.9640	\$465.72	\$216.04	\$681.76	\$681.76	14	\$9,544.64
ES2	\$387.90	0.9640	\$373.94	\$173.46	\$547.40	\$547.40	30	\$16,422.00
RHA	\$243.73	0.9640	\$234.96	\$108.99	\$343.95	\$343.95	16	\$5,503.20
CC2*	\$224.68	0.9640	\$216.59	\$100.47	\$317.06	\$722.90	10	\$7,229.00
BA2	\$154.89	0.9640	\$149.31	\$69.24	\$218.58	\$218.58	30	\$6,557.40
							100	\$45,256.24

* Reflects a 128% adjustment from section 511 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

Source: 80 FR 46405; Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities For FY 2016.

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