

Example Of Computation of Adjusted Prospective Payment System (PPS) Rates And Skilled Nursing Facility (SNF) Payment - FY 2019 For Services Received Prior To October 1, 2019

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 \$48,779.14. The Labor and Non-Labor columns are derived from Addendum F (FY 2019). Wage index is derived from Addendum G (FY 2019).

**SNF XYZ: LOCATED IN FREDERICK, MD (URBAN CBSA 43524) WAGE INDEX: 0.9880**

| RUG-IV GROUP | LABOR    | WAGE INDEX | ADJ. LABOR | NON-LABOR | ADJ. RATE | PERCENT ADJ. | SNF DAYS | PAYMENT     |
|--------------|----------|------------|------------|-----------|-----------|--------------|----------|-------------|
| RVX          | \$522.48 | 0.9880     | \$516.21   | \$218.62  | \$734.83  | \$734.83     | 14       | \$10,287.62 |
| ES2          | \$419.50 | 0.9880     | \$414.47   | \$175.54  | \$590.01  | \$590.01     | 30       | \$17,700.30 |
| RHA          | \$263.59 | 0.9880     | \$260.43   | \$110.29  | \$370.72  | \$370.72     | 16       | \$5,931.52  |
| CC2*         | \$242.99 | 0.9880     | \$240.07   | \$101.67  | \$341.74  | \$779.17     | 10       | \$7,791.70  |
| BA2          | \$167.52 | 0.9880     | \$165.51   | \$70.09   | \$235.60  | \$235.60     | 30       | \$7,068.00  |
|              |          |            |            |           |           |              | 100      | \$48,779.14 |

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

Source: 83 FR 39178; Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities For FY 2019.

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