

CAPITOL STREET

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SNF Rates 2025: +4.2%

Staffing Rules Unwound by CRA or Chevron?

Relevant Companies



The final rule can be found [here](#).

»» Our Take & Next Up

The final 2025 Medicare pay rule would provide +4.2% pay to skilled nursing facilities (SNFs). This is a slight improvement from the 4.1% proposal. Urban and rural facilities would experience pay +4.1% and +5.1%, respectively. For-profit facilities to see +4.1% as a whole. We anticipate staffing requirements finalized by CMS will either be (1) halted if a new Administration wins in the November election and/or (2) slowed/rescinded given Chevron Supreme Court ruling.

»» Key Points

The final 2025 SNF market basket percentage update is +4.2%, which includes a -0.4% productivity adjustment, and a +1.7% market basket forecast error adjustment.

CMS is finalizing changes to the PDPM ICD-10 code mappings to allow providers to provide more accurate diagnoses that meet the criteria for skilled intervention during a SNF stay. The changes to the ICD-10 code mappings and lists used under PDPM are available on the PDPM website [here](#) and also summarizes comments received on the Request for Information (RFI) that solicited comment on potential future updates to the Non-Therapy Ancillary (NTA) component of PDPM.

The Supreme Court Chevron ruling may unwind nursing home staffing rules. It opens the door for the American Health Care Association (AHCA) and other nursing homes or stakeholders to challenge the rule, among other possible challenges to CMS authority. Another possibility is a new Administration discarding the final rules under the Congressional Review Act (CRA).

As a reminder, on April 18, 2023, Biden signed an executive order to create higher standards for staffing ratios for nursing homes due to mass mortality during COVID. The implementation of the final rule is as follows. Note that the timelines for each phase differ between urban and rural facilities but the Administration largely finalized the staffing rules as proposed.

- Phase 1: Enhanced facility assessment requirements, which go into effect 90 days (updated from 60 in the proposed rule) after the publication date of the final rule for both urban and rural.
- Phase 2: RN must be onsite 24/7 AND facilities must meet the 3.48 HPRD total nurse staffing requirement two years after final rule release for urban facilities, three years for rural.
- Phase 3: Minimum staffing requirement of 0.55 and 2.45 HPRD for RNs and NAs, respectively, three years after publication for urban, five years for rural.

Some new requirements were included in the final staffing rules:

- The new rule requires nursing homes that participate in Medicare and Medicaid to have a registered nurse on site 24 hours a day, seven days a week. Facilities must also ensure registered nurses work a certain number of hours per day based on the number of residents (For instance, a home with 100 residents must have at least two or three registered nurses and at least 10 to 11 nurses' aides in addition to two nurse staff per shift, according to a fact sheet released Monday).
- The final rule estimates the total cost over 10 years will be \$43 B with an average annual cost of \$4.3 B, up from the \$40.6 B estimated in the proposed rule.

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