DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C2-21-16
Baltimore, Maryland   21244-1850

Center for Clinical Standards and Quality/Survey & Certification Group

DATE: **August 7, 2015**

TO: State Survey Agency Directors

FROM: Director
                Survey and Certification Group

SUBJECT: Final Rule: SNF Medicare FY 2016 Payments, Quality Reporting, Value-Based
                Purchasing and Staffing Data Collection Requirements – ***Informational Only***

Memorandum Summary

- **Publication of Medicare Program; Prospective Payment System (PPS) and Consolidated Billing for Skilled Nursing Facilities (SNF) for FY 2016, SNF Value-Based Purchasing Program, SNF Quality Reporting Program, and Staffing Data Collection:** The final rule published on August 4, 2015 implements the new requirements regarding the submission of staffing data to the Centers for Medicare & Medicaid Services (CMS) based on payroll and other verifiable and auditable data. The full text document can be found at https://www.federalregister.gov/articles/2015/08/04/2015-18950/medicare-program-prospective-payment-system-and-consolidated-billing-for-skilled-nursing-facilities.

- **Mandatory Electronic Submission of Staffing Data:** Effective July 1, 2016 long-term care facilities that participate in Medicare and Medicaid must electronically submit direct care staffing information (including information for agency and contract staff) based on payroll and other verifiable and auditable data in a uniform format to CMS.

- **Voluntary Electronic Submission of Staffing Data:** Registration began August 4, 2015 for facilities to register for the voluntarily submission period which begins October 1, 2015.

On August 4, 2015, CMS published a final rule [CMS-1622-F] outlining the FY 2016 Medicare payment rates for SNFs. In addition, the final rule outlines three measures CMS is adopting for FY 2018 that SNFs are required to report under the SNF Quality Reporting Program. With respect to the SNF Value-Based Purchasing Program, the rule adopts the Skilled Nursing Facility 30-Day All-Cause Readmission Measure, as the all-cause, all-condition readmission measure. The information detailed below in this memorandum pertains specifically to the information in the Staffing Data Collection section of the final rule.

Background

The Affordable Care Act of 2010 (Pub. L. 111-148, March 23, 2010) added a new section 1128I to the Act to promote greater accountability for LTC facilities (defined under section 1128I(a) of the Act as SNFs). As added by the Affordable Care Act, section 1128I(g) pertains to the submission of staffing data by LTC facilities, and specifies that the Secretary, after consulting with state long-term care ombudsman programs, consumer advocacy groups, provider stakeholder groups, employees and their representatives and other parties the Secretary deems appropriate, shall require a facility to electronically submit to the Secretary direct care staffing information, including information for agency and contract staff, based on payroll and other verifiable and auditable data in a uniform format according to specifications established by the Secretary in consultation with such programs, groups, and parties.

Final Rule and Voluntary Submission Registration

The final rule implements the new requirements regarding the submission of staffing data based on payroll and other verifiable and auditable data. Specifically, long-term care facilities are required to submit to CMS direct care staffing information including: the category of work for each individual that performs direct care (including, but not limited to, registered nurses, licensed practical nurses, licensed vocational nurses, certified nursing assistants, therapists, or other types of medical personnel specified by CMS); resident and census data; and information on staff turnover and tenure. Long-term care facilities are also required to specify whether the individual is an employee of the facility, or engaged by the facility under contract or through an agency. Direct care staffing data must be submitted electronically to CMS no less frequently than quarterly. Further instruction on the submission requirements will be made through subregulatory guidance. The draft Payroll Based Journal (PBJ) Manual and other useful information can be found at the following link: http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Staffing-Data-Submission-PBJ.html.

The requirement to submit staffing data for long-term care facilities that participate in Medicare and Medicaid is effective July 1, 2016. Long-term care facilities are required to electronically submit direct care staffing information (including information for agency and contract staff) based on payroll and other verifiable and auditable data in a uniform format. During the initial implementation of electronic submission, CMS will continue to require the use of CMS Forms 671 and 672. Facilities that want to test their electronic submission methods prior to the date of mandatory submission can voluntarily submit data beginning in October 2015. The data collected during the voluntary submission period will not be used in the calculation of quality measures. PBJ Training Modules for an introduction to the PBJ system and step by step registration instruction are available on QTSO e-University, select the PBJ option. (https://www.qtso.com/webex/qiesclasses.php) To register for this voluntary submission period, facilities will need to take the following steps:

- Obtain a CMSNet User ID for PBJ Individual, Corporate and Third Party users, if you don't already have one for other QIES applications. (https://www.qtso.com/cmsnet.html)

- Obtain a PBJ QIES Provider ID for PBJ system access. Registration began August 4, 2015 and is still open. (https://mds.qiesnet.org/mds_home.html)

The CASPER Reporting and PBJ systems will be available on October 1, 2015. A user will be able to submit XML files or manually enter staffing and census data for work performed on or after October 1, 2015. (https://mds.qiesnet.org/mds_home.html) PBJ Training Modules for the CASPER Reporting and PBJ systems will be available on September 25, 2015, on QTSO e-University, select the PBJ option. (https://www.qtso.com/webex/qiesclasses.php)

Final rule Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities for FY 2016, SNF Value-Based Purchasing Program, SNF Quality Reporting Program, and Staffing Data Collection published on August 4, 2015 can be viewed at the following link: https://www.federalregister.gov/articles/2015/08/04/2015-18950/medicare-program-prospective-payment-system-and-consolidated-billing-for-skilled-nursing-facilities.

Contact: Questions regarding this memorandum should be addressed to NHStaffing@cms.hhs.gov.

Effective Date: Effective July 1, 2016, long-term care facilities that participate in Medicare or Medicaid will be required to submit electronically direct care staffing information.

/s/
Thomas E. Hamilton

cc: Survey and Certification Regional Office Management