

FY 2027 Skilled Nursing Facilities Prospective Payment System Proposed Rule

The Centers for Medicare & Medicaid Services (CMS) recently issued its fiscal year (FY) 2027 Skilled Nursing Facilities (SNF) Prospective Payment System (PPS) [proposed rule](#). Please find CMS' fact sheet [here](#).

Comments are **due June 1, 2026**, via [regulations.gov](#). If you have any questions or comments that you would like included in NRHA's response, please contact Alexa McKinley Abel (amckinley@ruralhealth.us) by May 18th.

Key highlights:

- Payment updates:
 - CMS proposes to **update the SNF payment rate by 2.4%** for FY 2027, reflecting a 3.2% market basket increase reduced by a 0.8% productivity adjustment. This would be an increase of approximately \$888 million in aggregate payments to SNFs for FY 2027.
 - CMS is not proposing major changes to the Patient-Driven Payment Model (PDPM) case-mix methodology or ICD-10 mappings for FY 2027.
 - However, CMS signals potential future changes through a Request for Information (RFI) on “case-mix creep,” referring to increases in reported patient complexity that may not reflect true changes in patient acuity.

- Reporting:
 - Beginning in FY 2028, CMS proposes to remove the prior SNF requirement to collect and submit the COVID-19 Vaccination Coverage Among Healthcare Personnel measure and the COVID-19 Vaccine: Percent of Patients/Residents Who Are Up to Date measure.
 - **CMS proposes to require submission of Minimum Data Set (MDS) data on all residents receiving skilled care, regardless of payer, beginning with residents admitted on October 1, 2029** (for the FY 2031 SNF QRP). Currently, reporting requirements are tied to Medicare fee-for-service-covered stays. **This would apply to all freestanding SNFs, SNFs affiliated with acute care facilities, and all non-critical access hospital swing bed rural hospitals.**
 - CMS notes that other post-acute care settings already submit data on all patients regardless of payer (Inpatient Rehabilitation Facilities, Long-Term Care Hospitals, Home Health, and Hospice Quality Reporting Programs).
 - Non-Medicare fee-for-service resident data would not be used to update SNF PPS payment rates.
 - SNFs would submit MDS data on all residents regardless of payer when the following are met:
 - When the resident is admitted to the SNF for covered skilled nursing services or skilled rehabilitation services;
 - The resident requires these skilled services on a daily basis;
 - The daily skilled services can be provided only on an inpatient basis in a SNF; and
 - The services delivered are reasonable and necessary for the treatment of a resident's illness or injury.

- MDS data submission would be limited to residents admitted or readmitted to the SNF, not long-term residents whose care changed from non-skilled to skilled without a hospitalization (that is, a resident who becomes “skilled in place” or requires skilled services without leaving the facility).
 - CMS is also soliciting public comments via RFI on a potential advanced care planning measure for the SNF QRP. CMS defines advanced care planning as a continuous process that supports people in understanding and communicating their goals, values, and preferences regarding future medical decisions.
 - Beginning in FY 2029, CMS also proposes to shorten SNF Quality Reporting Program (QRP) reporting timelines, requiring data submission by the 15th day of the second month after each quarter, rather than the current 4.5-month window. This change is intended to improve the timeliness and usability of quality data. Below is CMS’ proposed data collection timeframe and submission deadlines for the FY 2029 payment determination:

Calendar Year (CY) Quarter	Data Collection Timeframe	Final Data Submission Deadlines for FY 2029 Payment Determination*
CY 2027 Quarter 1	January 1–March 31, 2027	May 17, 2027
CY 2027 Quarter 2	April 1–June 30, 2027	August 16, 2027
CY 2027 Quarter 3	July 1–September 30, 2027	November 15, 2027
CY 2027 Quarter 4	October 1–December 31, 2027	February 15, 2028

* Data submission deadlines will follow a similar quarterly schedule for subsequent CYs.