Your Speaker

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Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Original)

- **Overview of Value Based Purchasing**
    - The Centers for Medicare & Medicaid Services (CMS) awards incentive payments to skilled nursing facilities (SNFs) through the SNF VBP Program to encourage SNFs to improve the quality of care they provide to Medicare beneficiaries. Performance in the SNF VBP Program is currently based on a single measure of all-cause hospital readmissions.
    - In Section 215 of the Protecting Access to Medicare Act of 2014 (PAMA), Congress added sections 1888(g) and (h) to the Social Security Act, which required the Secretary of the Department of Health and Human Services (HHS) to establish a SNF VBP Program. The Program began affecting SNF payments on October 1, 2018.
    - PAMA specifies that under the SNF VBP Program, SNFs:
        - Are evaluated by their performance on a hospital readmission measure;
        - Are assessed on both improvement and achievement, and scored on the higher of the two;
        - Receive quarterly confidential feedback reports containing information about their performance; and
        - Earn incentive payments based on their performance.
        - All SNFs paid under Medicare's SNF Prospective Payment System (PPS) are included in the SNF VBP Program. Inclusion in the SNF VBP Program does not require any action on the part of SNFs.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Original)

- **Overview of Value Based Purchasing (cont.)**
  - As required by statute, CMS withholds 2% of SNFs' Medicare fee-for-service (FFS) Part A payments to fund the program. This 2% is referred to as the "withhold".
  - CMS is required to redistribute between 50% and 70% of this withhold to SNFs as incentive payments. CMS redistributes 60% of the withhold to SNFs as incentive payments, and the remaining 40% of the withhold is retained in the Medicare Trust Fund.
  - The original SNFRM estimates the risk-standardized rate of all-cause, unplanned hospital readmissions for SNF Medicare fee-for-service (FFS) beneficiaries within 30 days of discharge from a prior proximal acute hospitalization. The measure is risk-adjusted for patient demographics, principal diagnosis from the prior hospitalization, comorbidities, and other health status variables that affect the probability of a hospital readmission. The SNFRM includes Medicare FFS beneficiaries who were admitted to a SNF within 1 day of discharge from a hospital. The measure is calculated annually using a 12-month period.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Original)

- **Overview of Value Based Purchasing (Cont.)**
  - For the FY 2023 SNF VBP Program CMS will use the previously finalized performance period (FY 2021) and baseline period (FY 2019) to calculate each SNF's RSRR for the SNFRM. Then, they will suppress the use of SNF readmission measure data for purposes of scoring and payment adjustments.
  - CMS will assign all participating SNFs a performance score of zero in the FY 2023 SNF VBP Program Year. This assignment would result in all participating SNFs receiving an identical performance score, as well as an identical incentive payment multiplier.
  - CMS will then reduce each participating SNF's adjusted Federal per diem rate for FY 2023 by 2 percentage points and award each participating SNF 60 percent of that 2 percent withhold, **resulting in a 1.2 percent payback for the FY 2023 SNF VBP Program Year.**

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Original)

- **Overview of Value Based Purchasing (Cont.)**
    - Under this proposal, SNFs that do not report a minimum of 25 eligible stays for the SNFRM for the FY 2023 program year would not be included in the SNF VBP for that program year. As a result, the payback percentage for FY 2023 would remain at 60.00 percent.
    - Because this was not intended to be an indefinite application but a short-term, equitable approach during the unprecedented PHE, CMS intends to resume the use of the SNFRM for scoring and payment adjustment purposes beginning with the FY 2024 program year. In other words, for FY 2024, for each SNF, CMS will calculate measure scores in the SNF VBP Program and would then calculate a SNF performance score for each SNF and convert the SNF performance scores to value-based incentive payments.
    - CMS has finalized its decision to modify the technical specifications of the SNFRM such that beginning with the FY 2023 SNF VBP program year a risk-adjustment variable for both COVID-19 during the PPH and patients with a history of COVID-19 will be added. These cases will remain in the measure's cohort, but CMS will add a variable to the risk adjustment model that accounts for the clinical differences in outcomes for these patients.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Expanded)

- **Expanded Value Based Purchasing**
    - In Section 111 of the Consolidated Appropriations Act, 2021, Congress amended Section 1888(h) of the Social Security Act to allow the HHS Secretary to apply up to nine additional measures to the SNF VBP Program for payments for services furnished on or after October 1, 2023 (fiscal year [FY] 2024).
    - In the FY 2023 SNF PPS final rule, CMS adopted three additional measures. In the FY 2024 SNF PPS proposed rule, CMS has proposed the adoption of four new quality measures, the replacement of one quality measure, and several policy changes in the SNF VBP Program.
    - By FY 2028, there will be 8 VBP measures.

Poll #1

How many total SNF VBP measures will there be by FY 2028?

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Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Expanded)

- **Value Based Purchasing Expansion with QRP Measures FY 2023**
  - Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (SNF HAI) measure (Patient Safety Domain – Meaningful Measures 2.0 Framework);
    - This measure estimates the risk-standardized rate of HAIs that are acquired during SNF care and result in hospitalization using 1 year of Medicare FFS claims data. A HAI is defined, for the purposes of this measure, as an infection that is likely to be acquired during SNF care and severe enough to require hospitalization, or an infection related to invasive (not implanted) medical devices (for example, catheters, insulin pumps, and central lines).
    - 1 year performance period: FY 2024 (October 1, 2023, through September 30, 2024)
    - 1 year baseline period: FY 2022 (October 1, 2021, through September 30, 2022)
    - Achievement Threshold: 0.92315, Benchmark: 0.95004
    - Program year impact: FY 2026
    - Case Minimums: SNFs must have a minimum of 25 eligible stays during the applicable 1-year performance period in order to be eligible to receive a score on the measure

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Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Expanded)

- **Value Based Purchasing Expansion with QRP Measures FY 2023**
  - [Total Nursing Hours per Resident Day Staffing (Total Nurse Staffing) measure](#) (Person Centered Care Domain – Meaningful Measures 2.0 Framework).
    - Case mix adjusted hours will be calculated the same as for 5-Star (Hours Adjusted = (Hours Reported/Hours Case Mix) * Hours National Average)
    - **Numerator**: Total nursing hours (RN + LPN + NA hours). RN hours include the RN director of nursing, RNs with administrative duties, and RNs.
    - **Denominator:** A count of daily resident census derived from MDS resident assessments.
    - 1 year performance period: FY 2024 (October 1, 2023, through September 30, 2024)
    - 1 year baseline period: FY 2022 (October 1, 2021, through September 30, 2022)
    - Achievement Threshold: 3.18523, Benchmark: 5.70680
    - Program year impact: FY 2026
    - Case Minimums: SNFs must have a minimum of 25 residents, on average, across all available quarters during the applicable 1-year performance period in order to be eligible to receive a score on the measure.

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Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Expanded)

- **Value Based Purchasing Expansion with QRP Measures FY 2023**
  - [Discharge to Community (DTC)](#) – Post-Acute Care (PAC) Measure for Skilled Nursing Facilities (NQF #3481).
    - This measure reports a SNF's risk-standardized rate of Medicare FFS residents who are discharged to the community following a SNF stay, do not have an unplanned readmission to an acute care hospital or LTCH in the 31 days following discharge to community, and remain alive during the 31 days following discharge to community. Community, for this measure, is defined as home or selfcare, with or without home health services.
    - 2 year performance period: FY 2024 and 2025 (October 1, 2023, through September 30, 2025)
    - 2 year baseline period: FY 2021 and 2022 (October 1, 2020, through September 30, 2022)
    - Achievement Threshold: 0.42946, Benchmark: 0.66370
    - Program year impact: FY 2027
    - Case Minimums: SNFs must have a minimum of 25 eligible stays during the applicable 2-year performance period in order to be eligible to receive a score on the measure.

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Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Expanded)

- **Value Based Purchasing Expansion with QRP Measures FY 2024**
  - [Nursing Staff Turnover Measure](#) (Care Coordination domain– Meaningful Measures 2.0 Framework)
    - This is a structural measure that has been collected and publicly reported on Care Compare and assesses the stability of the staffing within an SNF using nursing staff turnover.
    - 1 year performance period: FY 2024 (October 1, 2023, through September 30, 2024)
    - 1 year baseline period: FY 2022 (October 1, 2021, through September 30, 2022)
    - Achievement Threshold: 0.35912, Benchmark: 0.72343
    - Program year impact: FY 2026
    - Case Minimum: minimum of 1 eligible stay during the 1-year performance period and at least 5 eligible nursing staff (RNs, LPNs, and nurse aides) during the 3 quarters of PBJ data included in the measure denominator in order to be eligible to receive a score on the measure for the applicable fiscal program year.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Expanded)

- **Value Based Purchasing <u>Expansion with QRP Measures FY 2024</u>**
  - <u>Long Stay Hospitalization Measure per 1000 long-stay resident days</u> (Care Coordination domain– Meaningful Measures 2.0 Framework)
    - This measure assesses the hospitalization rate of long-stay residents
    - 1 year performance period: FY 2025 (October 1, 2024, through September 30, 2025)
    - 1 year baseline period: FY 2023 (October 1, 2022, through September 30, 2023)
    - Program Year Impact: FY 2027
    - Case Minimum: minimum of 20 eligible stays during the 1-year performance period in order to be eligible to receive a score on the measure for the applicable fiscal program year.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Expanded)

- **Value Based Purchasing Expansion with QRP Measures FY 2024**
  - Discharge Function Score measure
    - This measure assesses functional status by assessing the percentage of SNF residents who meet or exceed an expected discharge function score and use mobility and self-care items already collected on the MDS.
    - 1 year performance period: FY 2025 (October 1, 2024, through September 30, 2025)
    - 1 year baseline period: FY 2023 (October 1, 2022, through September 30, 2023)
    - Program Year Impact: FY 2027
    - Case Minimum: minimum of 20 eligible stays during the 1-year performance period in order to be eligible to receive a score on the measure for the applicable fiscal program year.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Expanded)

- **Value Based Purchasing <u>Expansion with QRP Measures FY 2024</u>**
  - <u>Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay)</u> (Patient Safety domain– Meaningful Measures 2.0 Framework);
    - This measure assesses the falls with major injury rates of long-stay residents.
    - 1 year performance period: FY 2025 (October 1, 2024, through September 30, 2025)
    - 1 year baseline period: FY 2023 (October 1, 2022, through September 30, 2023)
    - Program Year Impact: FY 2027
    - Case Minimum: minimum of 20 residents in the measure denominator during the 1-year performance period in order to be eligible to receive a score on the measure for the applicable fiscal program year.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Expanded)

- **Value Based Purchasing Expansion with QRP Measures FY 2024**
  - [Skilled Nursing Facility Within Stay Potentially Preventable Readmissions (SNF WS PPR)](#) proposed replacement of the SNFRM
    - This potentially preventable readmission (PPR) measure estimates the risk-standardized rate of unplanned, potentially preventable readmissions that occur during skilled nursing facility (SNF) stays among Medicare fee-for-service (FFS) beneficiaries.
    - 2 year performance period: FY 2025 and 2026 (Oct. 1, 2024, through Sept. 30, 2026)
    - 2 year baseline period: FY 2022 and FY 2023 (October 1, 2021, through September 30, 2023)
    - Program Year Impact: FY 2028
    - Case Minimum: minimum of 25 eligible stays during the 2-year performance period in order to be eligible to receive a score on the measure for the applicable fiscal program year.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Expanded)

TABLE 15: Currently Adopted and Newly Proposed SNF VBP Measures

Measure Name	Measure Short Name	Measure Status	First Program Year	First Performance Period*
SNF 30-Day All-Cause Readmission Measure	SNFRM	Adopted, implemented	FY 2017**	FY 2015
SNF Healthcare-Associated Infections Requiring Hospitalization Measure	SNF HAI Measure	Adopted, not implemented	FY 2026	FY 2024
Total Nurse Staffing Hours per Resident Day Measure	Total Nurse Staffing Measure	Adopted, not implemented	FY 2026	FY 2024
Total Nursing Staff Turnover Measure	Nursing Staff Turnover Measure	Proposed	FY 2026+	FY 2024
Discharge to Community – Post-Acute Care Measure for SNFs	DTC PAC SNF Measure	Adopted, not implemented	FY 2027	FY 2024 and FY 2025
Percent of Residents Experiencing One or More Falls with Major Injury (Long-Stay) Measure	Falls with Major Injury (Long-Stay) Measure	Proposed	FY 2027+	FY 2025
Discharge Function Score for SNFs Measure	DC Function Measure	Proposed	FY 2027+	FY 2025
Number of Hospitalizations per 1,000 Long Stay Resident Days Measure	Long Stay Hospitalization Measure	Proposed	FY 2027+	FY 2025
SNF Within-Stay Potentially Preventable Readmissions Measure	SNF WS PPR Measure	Proposed	FY 2028+	FY 2025 and FY 2026

*For each measure, we have adopted a policy to automatically advance the beginning of the performance period by 1-year from the previous program year. We refer readers to section VIII.C.3 of this final rule for additional information.

** Will be replaced with the SNF WS PPR measure beginning with the FY 2028 program year.

+ First program year in which the measure would be included in the Program.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Scoring)

- **Value Based Purchasing Expanded Measure <u>Performance Scoring</u>**
  - CMS has proposed to adopt the previously finalized scoring and normalizing methodologies that were finalized in the FY 2023 Final Rule.
  - In order to be eligible to receive a score on the measure for the applicable fiscal program year, CMS has proposed that Case minimums must be met.
  - CMS has proposed to update administrative methodology policies, i.e., measure minimums.
    - **FY 2026 program year:** SNFs must report the minimum number of cases for two of the four measures during the performance period to be included in the FY 2026 program year.
    - **FY 2027 program year:** SNFs must report the minimum number of cases for four of the eight measures during the performance period to receive a SNF Performance Score and value-based incentive payment

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Scoring)

- **Value Based Purchasing Expanded Measure <u>Performance Scoring</u>**
  - In the FY 2023 Final Rule, CMS finalized updating the achievement and improvement scoring methodology, applicable to all expanded VBP measures, to allow a SNF to earn a maximum of 10 points on each measure for achievement, and a maximum of 9 points on each measure for improvement.
  - For purposes of determining these points, CMS also finalized the following definitions:
  - **Benchmark:** The mean of the top decile of SNF performance on the measure during the baseline period; and
  - **Achievement threshold:** The 25th percentile of national SNF performance on the measure during the baseline period.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Scoring)

- **Value Based Purchasing Expanded Measure <u>Performance Scoring (cont.)</u>**
  - CMS also finalized awarding **achievement points** to SNFs based on their performance period measure rate for each measure according to the following:
    - If a SNF's performance period measure rate is equal to or greater than the benchmark, the SNF would be awarded 10 points for achievement.
    - If a SNF's performance period measure rate is less than the achievement threshold, the SNF would receive 0 points for achievement.
    - If a SNF's performance period measure rate is equal to or greater than the achievement threshold, but less than the benchmark, we will award between 0 and 10 points.
  - CMS also finalized awarding **improvement points** to SNFs based on their performance period measure rate according to the following:
    - If a SNF's performance period measure rate is equal to or lower than its baseline period measure rate, the SNF would be awarded 0 points for improvement.
    - If a SNF's performance period measure rate was equal to or higher than the benchmark, the SNF would be awarded 9 points for improvement.
    - If a SNF's performance period measure rate was greater than its baseline period measure rate but less than the benchmark, we will award between 0 and 9 points

Poll #2

Value-based purchasing measures providers on which of the following in order to calculate an incentive multiplier?

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Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Scoring)

- **Value Based Purchasing Expanded Measure <u>Performance Scoring (cont.)</u>**

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Scoring)

- **Value Based Purchasing Expanded Measure <u>Performance Scoring (cont.)</u>**
  - CMS will score SNFs' performance on achievement and improvement for each measure and award them the higher of the two scores for each measure to be included in the SNF performance score, except in the instance that the SNF does not meet the case minimum threshold for the measure during the applicable baseline period, in which case the SNF would only be scored on achievement.
  - CMS will then sum each SNFs' measure points and normalize them to arrive at a SNF performance score that ranges between 0 and 100 points.
  - This policy is intended to appropriately recognizes the best performers on each measure and reserves the maximum points for their performance levels while also recognizing that improvement over time is important and should also be rewarded.

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Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Scoring)

- **Value Based Purchasing Expanded Measure <u>Performance Scoring (cont.)</u>**
  - CMS finalized the adoption of a "normalization" policy for SNF performance scores under the expanded SNF VBP Program, effective with the FY 2026 program year.
  - This policy allows for the expansion of the VBP with additional measures while <u>maintaining a score range from 0 – 100 without further changes to the scoring methodology</u>.
  - Under this policy, CMS will calculate a raw point total for each SNF by adding up the SNF's score on each of the measures.
  - For example, a SNF that met the case minimum to receive a score on three quality measures would receive a score between 0 to 30 points, while a SNF that met the case minimum to receive a score on two quality measures would receive a score between 0 to 20 points. (<u>The maximum raw point total for the FY 2026 program year would be 40 points and 80 points for FY 2027</u>)
  - CMS would then normalize the raw point totals by converting them to a 100-point scale, with the normalized values being awarded as the SNF performance score.
  - For example, CMS would normalize a SNF's raw point total of 27 points out of 30 by converting that total to a 100-point scale, with the result that the SNF would receive a SNF performance score of 90. Example: (27/30) x 100 = 90

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Health Equity))

- **Value Based Purchasing Expanded Measure + health Equity**
  - To prioritize the achievement of **health equity** and the reduction of disparities in health outcomes in SNFs, CMS is adopting a Health Equity Adjustment in the SNF VBP Program that rewards SNFs that perform well and whose resident population during the applicable performance period includes at least 20% of residents with dual eligibility status.
  - This adjustment would begin with the FY 2027 program year based on the FY 2025 performance year.
  - CMS is adjusting the scoring methodology to provide bonus points to high-performing facilities (CMS is proposing to define a top tier performing SNF, as a SNF whose score on the measure for the program year falls in the top third of performance, or greater than or equal to the 66.67th percentile) that provide care to a higher proportion of dual eligible residents.

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Health Equity))

- **Value Based Purchasing Expanded Measure + health Equity**
  - In addition, CMS will increase the payback percentage policy under the SNF VBP program from current 60% to a level such that the bonuses provided to the high performing, high duals SNFs do not come at the expense of the other SNFs. The estimates for FY 2027 program year is 66.02%.
  - Bonus Scoring Methodology (if 20% DES):
    - **Measure Performance Scaler**: 2 bonus points for each VBP measure scoring in the top 66.67th percentile.
    - **Underserved Multiplier**: the number representing the SNF's proportion of residents with DES out of its total resident population in the applicable program year, translated using a logistic exchange function
    - **HEA bonus points** = measure performance scaler × underserved multiplier
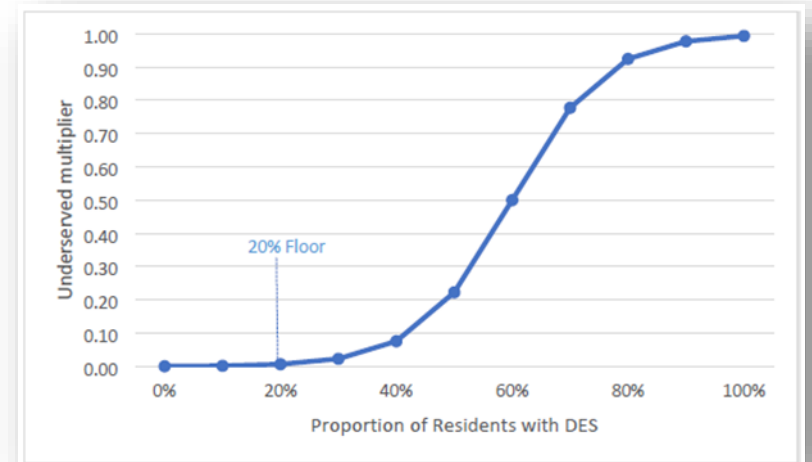
Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Health Equity))

- **Value Based Purchasing Expanded Measure + health Equity**

TABLE 20: Example of the HEA Bonus Points Calculation

Example SNF	Measure Performance Scaler [A]	Proportion of Residents with DES (%) [B]	Underserved Multiplier [C]	HEA bonus points [D] ([A]*[C])
SNF 1	16	50	0.22	3.52
SNF 2	14	70	0.78	10.92
SNF 3	10	10	0	0
SNF 4	2	80	0.92	1.84

TABLE 21: Example of the HEA Bonus Points Calculation

Example SNF	Normalized Sum of all Points Awarded for each Measure [A]	HEA Bonus Points (Step 3, Column [D]) [B]	SNF Performance Score ([A] + [B])
SNF 1	80	3.52	83.52
SNF 2	65	10.92	75.92
SNF 3	42	0	42.00
SNF 4	10	1.84	11.84
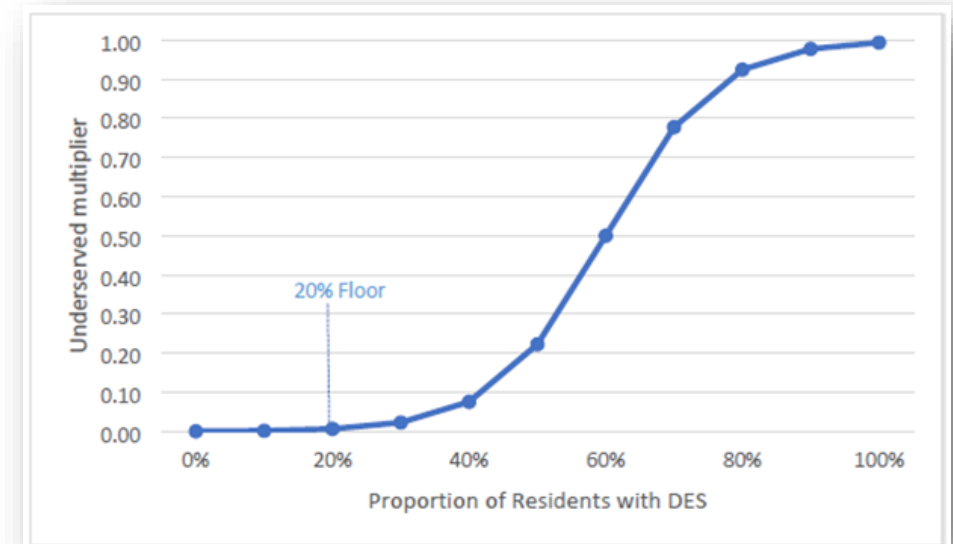
Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program (Validation)

- **Value Based Purchasing Expanded Measure <u>Validation</u>**
  - Finally, CMS has finalized additional updates on the validation process being established for the quality measures and standardized assessment data for SNFs.
  - PBJ: No change to current audit process.
  - Claims data: No change to current audit process.
  - CMS is proposing the addition of the audit portion of the validation process for MDS-based measures beginning with the FY 2027 program year based on FY 2025 performance.
    - <u>**MDS Based Measures**</u>: 1500 SNFs *(that submit at least one MDS record in the calendar year 3 years prior to the fiscal year of the relevant program year or were included in the SNF VBP Program in the year prior to the relevant program year)* randomly selected for 10 chart audits. Possible penalty for nonresponse or not achieving a validation threshold.

Conclusion

- Value Based Purchasing is here to stay
- Three programs, SNF VBP, SNF QRP and the 5-star rating work hand in hand to create incentives to improve quality for maximum payment
- Become familiar with the VBP measures, timelines and scoring methodology
- Review your reports in IQIES
- Don't be passive, be proactive
- Use your data to realize successes
- Stay up to date

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Broad River Rehab Reflections On Tuesday August 8th, we will detail the Final Rule for FY 2024. Use the following link to register: https://us02web.zoom.us/webinar/register/WN_-L4bjuqZR5mHlO3opwAzwg
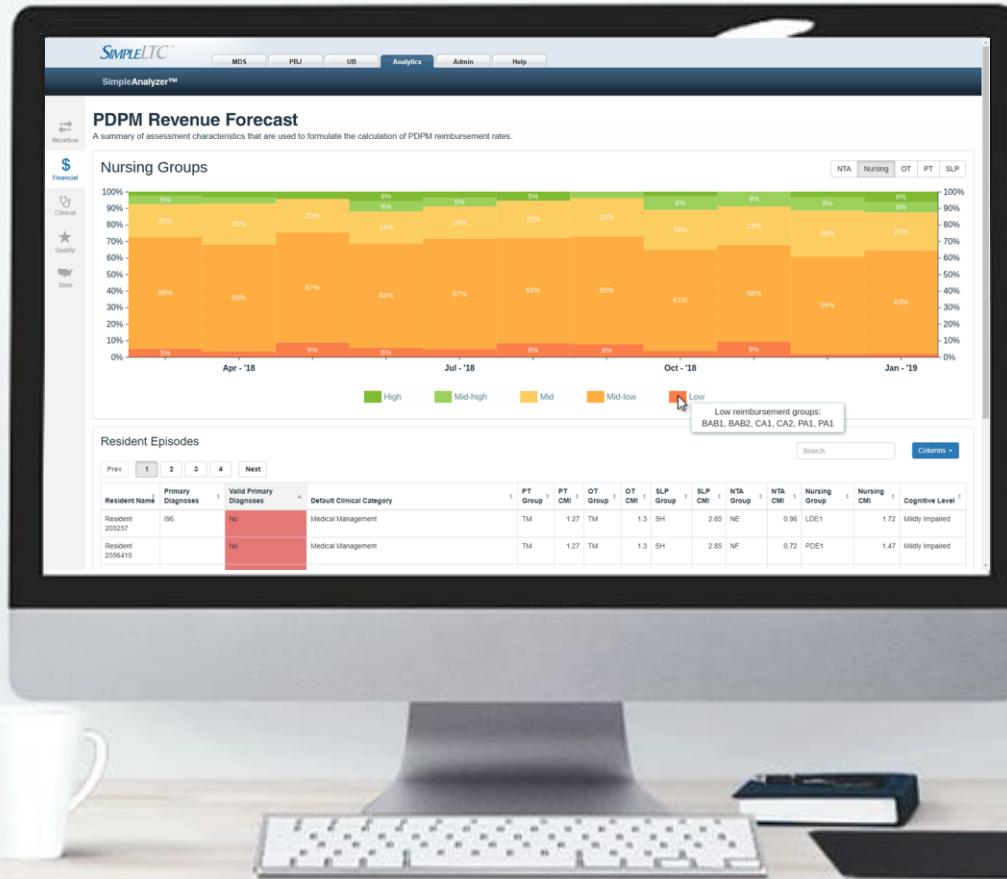
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Thanks for joining us!

Webinar recording and slides are available here