



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

Overview of SNF VBP Program Policies from the FY 2022 SNF PPS Final Rule

Presentation Transcript

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

Donna Bullock: Welcome to today's webinar, *Overview of SNF VBP Program Policies from the FY 2022 SNF PPS Final Rule*. My name is Donna Bullock, and I will be the moderator for today's event. Our speaker is Holly Neumann. Holly is a SNF VBP Program Analyst with the Division of Value, Incentives, and Quality Reporting Program Support.

Today's event will provide an overview of the major provisions in the FY 2022 SNF PPS Final Rule for the SNF VBP Program

At the conclusion of today's webinar, participants will be able to locate the published FY 2022 SNF PPS Final Rule in the *Federal Register* and identify changes for the SNF VBP Program within the FY 2022 SNF PPS Final Rule.

Here are some of the acronyms that are frequently used in the SNF VBP Program.

Now, I will turn the webinar over to Holly Neumann.

Holly Neumann: Overview of the SNF VBP Program: Section 215 of the Protecting Access to Medicare Act 2014, or PAMA, authorized the SNF VBP Program. The program awards incentive payments to SNFs for the quality of care they provide. The SNF VBP Program currently measures quality of care with a single, all-cause hospital readmission measure. CMS withholds 2 percent of SNF Medicare Fee For Service Part A payments to fund the program and 60 percent of these withheld funds are redistributed to SNFs as incentives. The SNF VBP Program began awarding incentive payments to SNFs on October 1, 2018.

Eligibility: All SNFs paid under the Medicare SNF PPS are included in the SNF VBP Program. The types of SNFs paid under the SNF PPS include freestanding SNFs associated with acute care facilities and all non-Critical Access Hospitals, or rural facilities.

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

SNF VBP Program Finalized Proposals: This is an overview of the major finalized proposals for the SNF VBP Program. On August 4, 2021, CMS published the FY 2022 SNF PPS Final Rule that will update policies for the SNF VBP Program. It's available in the *Federal Register*, starting on page 42502. The major finalized proposals for the SNF VBP Program are due to the impacts of the COVID-19 Public Health Emergency, or PHE: Suppress the SNF Readmission Measure for the FY 2022 program year; implement special scoring policies for FY 2022; reduce the risk adjustment look-back period to 90 days from 365 days for FY 2023 program year performance period; establish FY 2019 as the baseline period for the FY 2024 program year; and establish standard performance standards for the SNF Readmission Measure.

We also implement a Phase 1 review and correction claims snapshot policy. There was also a Request for Information to obtain feedback that CMS will take into consideration for future expansion of the VBP program measure set.

Overview of the Measure Suppression Policy for the FY 2022 Program Year: CMS finalized a measure suppression policy for the duration of the PHE for COVID-19 that enables CMS to suppress the use of SNF Readmission Measure data for purposes of scoring and payment adjustments in the FY 2022 program year. CMS determined that circumstances caused by the PHE for COVID-19 have affected the measure and the resulting performance scores significantly. CMS used one or more of the measure suppression factors finalized in the rule below to guide CMS determination of whether to propose to suppress a measure for the FY 2022 program year:

- 1) Significant deviation in national performance on the measure during the PHE for COVID-19 which is significantly better or significantly worse compared to historical performance during the immediately preceding program years
- 2) Clinical proximity of the measure's focus to the relevant disease pathogen or health impacts of PHEs for COVID-19s

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

3) Rapid or unprecedented changes in clinical guidelines care delivery or practice treatments or drugs or related protocols or equipment or diagnostic tools or materials or the generally accepted scientific understanding of the nature or biologic pathway of the disease or pathogen particularly for a novel disease or pathogen of unknown origin

4) Significant national shortages or rapid or unprecedented changes in healthcare personnel medical supplies, equipment, or diagnostic tools, or materials for patient case volumes or facility-level case mix.

Measure Suppression Policy for the SNF VBP Program: CMS suppressed the SNF Readmission Measure or the SNF VBP Program for the FY 2022 SNF VBP program year under the following measure suppression factor: significant rapid or unprecedented changes in patient case volumes or facility-level case mix.

CMS implemented the following scoring policies for the FY 2022 SNF VBP Program: All SNFs received a performance score of 0 to mitigate the effect the COVID-19 PHE would otherwise have had on SNF performance scores and incentive payment multipliers. All SNFs received an identical performance score and incentive payment multiplier prior to applying the Low-Volume Adjustment policy. SNFs did not receive an achievement score, improvement score, or rank. CMS will publicly report the FY 2022 SNFRM rates with appropriate caveats noting the limitations of the data due to the PHE for COVID-19.

PAMA requires CMS to withhold 2 percent of SNF Medicare Fee For Service Part A payments to fund the program. CMS redistributes 60 percent of the withhold to SNFs as incentive payments. The remaining 40 percent of the withhold is retained in the Medicare trust fund. Under this finalized policy, each participating SNF will receive 60 percent of their 2 percent withhold, resulting in a 1.2 payback percentage for the FY 2022 program year except for those SNFs that are subject to the Low-Volume Adjustment policy per previously finalized policy.

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

SNFs subject to the Low-Volume Adjustment policy will continue to receive 100 percent of their 2-percent withhold, resulting in a 2 percentage payback percentage for the FY 2022 program year.

RFI for Future Expanded SNF VBP Program Measure Sets: Section 111a2 of the Consolidated Appropriations Act of 2021, or the CAA, authorizes the Secretary to apply up to nine additional measures as early as the FY 2024 program year. Possible measure types that could be applied include the following: functional status, patient safety, care coordination, and patient experience. CMS plans to report SNF employee turnover information in the near future, in addition to staffing measures that focus on nurse staffing hours per resident day currently reported on the Care Compare website. CMS thanks commenters for their responses to this Request for Information on potential future measures for the SNF VBP Program. CMS will take all feedback into consideration as they develop policies for future rulemaking.

This table includes the quality measures that were under consideration for an expanded SNF VBP Program.

They are continued on this slide.

Claim Snapshot Policy: CMS finalized a Phase 1 review and correction claims snapshot policy beginning with the baseline period and performance period quarterly reports issued on or after October 1, 2021. This policy will limit Phase 1 review and corrections to errors made by CMS or its contractors when calculating a SNF's readmission measure rate and will not allow corrections to the underlying administrative claims data used to calculate this rate. Under this policy, the administrative claims data used to calculate the SNF Readmission Measure rate for the purposes of a baseline period or performance period for a given VBP program year will be held constant, frozen in a snapshot from the time we extract it from measure calculations. This policy will align the review and correction policy for the SNF VBP Program with review and correction policies that we have adopted for other value-based purchasing programs.

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

This policy will not revise the current claims correction process for hospitals and SNFs established within the Medicare Claims Processing Manual.

CMS finalized a proposal to reduce the risk adjustment look-back period to 90 days from 365 days for the SNF Readmission Measure calculations for the FY 2023 program year performance period, which is FY 2021.

This avoids extending the risk adjustment look-back period into the COVID-19 ECE period, which is January 1, 2020, through June 30, 2020, while ensuring that all SNF stays in the performance period (FY 2021) are risk adjusted using the most recently available consecutive three months of data. This avoids excluding all stays without 365 consecutive days of risk adjustment data prior to discharge from the hospitals to the SNF as previously required. This policy instead requires 90 consecutive days.

FY 2024 Performance Standard: CMS finalized the proposal to use FY 2019 data for the baseline period of the FY 2024 SNF VBP Program.

Based on this updated baseline period and previously finalized methodology for calculating performance standards, the final numerical values for the FY 2024 program are below. In the table, the achievement threshold is 0.79271, and the benchmark is 0.83033.

Donna Bullock: Thank you, Holly. We have time to answer a few questions now. Our first question is, ‘How do I access the FY 2022 SNF PPS Final Rule to review policies related to the SNF VBP Program?’”

Holly Neumann: On August 4, 2021, CMS published the FY 2022 SNF PPS Final Rule that would update policies for the SNF VBP Program. It is available in the *Federal Register* starting on page 42502. A direct URL is included with the slide deck for today’s event.

Donna Bullock: Thank you, Holly. Our next question is, “How do I access my August 2021 performance score report for the FY 2022 SNF VBP program year?”

Holly Neumann: Quarterly reports are distributed to SNFs via the Internet Quality Improvement and Evaluation System, or IQIES, Certification and Survey Provider Enhanced Reports, or CASPER.

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

For assistance obtaining access to quality reports in CASPER, contact the its help desk at IQIES@CMS.hhs.gov.

Donna Bullock: Great! Thanks, Holly. The next question is, “Why does my facility not have an achievement score, improvement score, or a program rank on our August 2021 performance score report? Is this an error?”

Holly Neumann: Good question. The results presented in the August 2021 performance score reports that were distributed to SNFs reflect the suppression policy applied to the FY 2022 SNF VBP program year as described and finalized in the FY 2022 SNF VBP Final Rule. Under this policy, CMS suppressed the use of SNF Readmission Measure data for purposes of scoring and payment adjustments in the FY 2022 SNF VBP program year because the effects of the COVID-19 PHE on the data used to calculate the SNFRM inhibited CMS’s ability to make fair national comparisons of SNF performance under the suppression policy. CMS calculated a Risk-Standardized Readmission Rate, or RSRR, for both the baseline and performance period and then suppressed the use of SNF Readmission Measure data for purposes of scoring. CMS instead assigned each SNF a performance score of 0 to mitigate the effect that the COVID-19 PHE would otherwise have had on SNF performance scores and incentive payment multipliers. For this policy, each SNF received an identical incentive payment multiplier and SNFs did not receive an achievement score, improvement score, or rank. CMS then applied the Low-Volume Adjustment policy that was previously finalized in the FY 2019 SNF PPS Final Rule and, if subject to the Low-Volume Adjustment policy, they were assigned a net neutral incentive payment multiplier.

Donna Bullock: Thank you. Here is our next question: I have been collecting the August 2021 performance score reports for the SNF VBP Program from multiple facilities and noticed they are all reporting the same incentive payment multiplier of 0.9. Is this an error?

Holly Neumann: Thanks for your question. This is not an error. The observed incentive payment multipliers are also the results of the suppression policy applied to the FY 2022 SNF VBP program year.

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

Per this policy, we would expect all the facilities in question to have the same incentive payment multiplier unless the facility has fewer than 25 eligible stays and is subject to the Low-Volume Adjustment policy. Then, it would be assigned a net neutral incentive payment multiplier.

Donna Bullock: Thank you. That leads nicely into our next question: Under the suppression policy applied to the FY 2022 SNF VBP program year, will the Low-Volume Adjustment policy still be in effect?

Holly Neumann: Yes. SNFs subject to the Low-Volume Adjustment policy will continue to receive 100 percent of their 2-percent withhold resulting in a 2-percent payback percentage for the FY 2022 program year.

Donna Bullock: Great. Thanks, Holly. Our next question: Why did CMS finalize a suppression policy for the FY 2022 SNF VBP program year?

Holly Neumann: CMS determined that the effects of the COVID-19 Public Health Emergency on the use of data that are used to calculate the SNFRM inhibited CMS's ability to make fair national comparisons of SNF performance. CMS suppressed the SNFRM for the FY 2022 program year, which overlapped with the COVID-19 Public Health Emergency, using the following measure suppression factor: a significant rapid or unprecedented change to patient case volume or facility-level case mix.

Donna Bullock: Thank you. We have time for just a few more questions. Next one: When will the FY 2022 program performance information become publicly available?

Holly Neumann: We anticipate making the FY 2022 program year performance information, including incentive payment multipliers, publicly available in late fall 2021 on the Provider Data Catalog website. CMS will present this data with appropriate caveats noting the limitations of the data due to the Public Health Emergency for COVID-19.

Donna Bullock: Thanks, Holly. Here's the last question that we have time to include: When can I expect the next SNF VBP Program quarterly report to be released?

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

Holly Neumann: We anticipate releasing baseline period performance information for the FY 2023 SNF VBP program year in December of 2021.

Donna Bullock: Thanks so much, Holly. That is all the time we have for questions.

On this slide are some SNF VBP resources and the links you can use to access them.

That concludes today's presentation. Remember a copy of the slides and the webinar recording will be available in the near future on our website [QualityReportingCenter.com](https://www.qualityreportingcenter.com). That's [QualityReportingCenter.com](https://www.qualityreportingcenter.com). Click on the SNF VBP tab at the top of the page.

Thank you very much for attending our webinar today.