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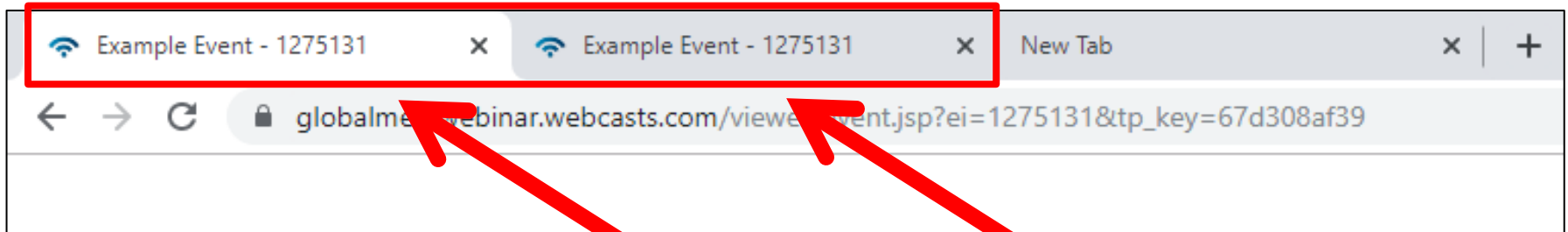
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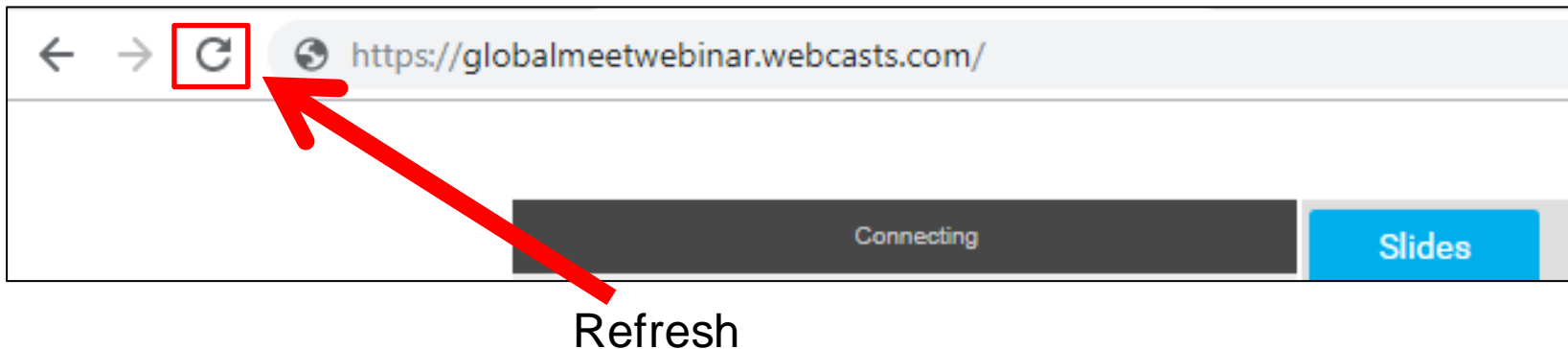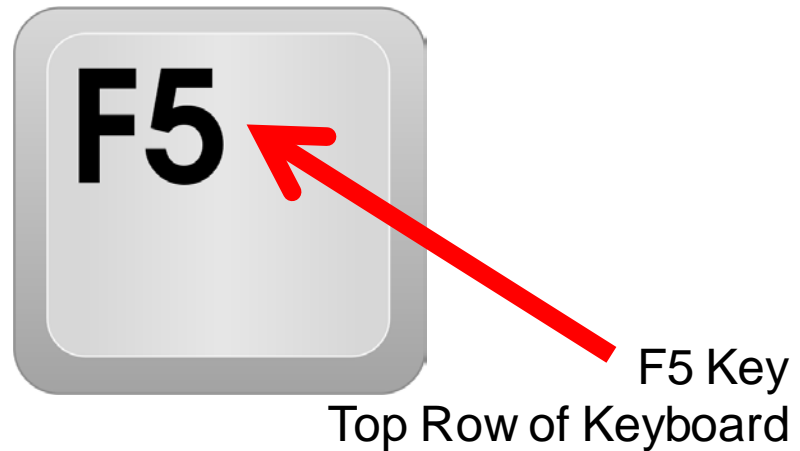
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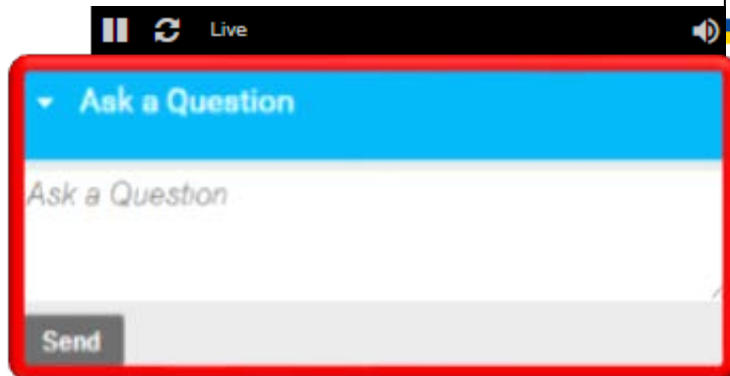- **Close all but one browser/tab and the echo will clear.**

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Inpatient Value, Incentives, and Quality Reporting (VIQR) Outreach and Education Support Contractor

Today's Presentation

Overview of Finalized SNF VBP Proposals from the FY 2023 SNF PPS Final Rule

Hosted by:
Outpatient Quality Program Systems and Stakeholder Support

September 28, 2022

Speakers and Subject-Matter Experts

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Purpose

This event will provide an overview of the major provisions in the Fiscal Year (FY) 2023 Skilled Nursing Facility Prospective Payment System (SNF PPS) Final Rule for the SNF VBP Program.

Objectives

Participants will be able to:

- Locate the FY 2023 SNF PPS Final Rule on the *Federal Register* website.

- Identify finalized updates for the SNF VBP Program within the FY 2023 SNF PPS Final Rule.

Acronyms

CAA	Consolidated Appropriations Act	**NQF**	National Quality Forum
CCSQ	Center for Clinical Standards and Quality	**PAC**	post-acute care
CMS	Centers for Medicare & Medicaid Services	**PAMA**	Protecting Access to Medicare Act of 2014
DCPAC	Division of Chronic and Post-Acute Care	**PBJ**	Payroll Based Journal
DTC	Discharge to Community	**PHE**	Public Health Emergency
DVIQR	Division of Value, Incentives & Quality Reporting	**PPH**	prior proximal hospitalization
FFS	fee-for-service	**PPS**	prospective payment system
FR	*Federal Register*	**QMVIG**	Quality Measurement and Value-Based Incentives Group
FY	fiscal year	**QRP**	Quality Reporting Program
HAI	healthcare-associated infection	**RSRR**	Risk-Standardized Readmission Rate
HHS	Health and Human Services	**SNF**	skilled nursing facility
LVA	Low-Volume Adjustment	**SNFRM**	Skilled-Nursing Facility 30-Day All-Cause Readmission Measure
NHSN	National Healthcare Safety Network	**VBP**	value-based purchasing

Obtaining Slides and Submitting Questions

- For today's slides, visit www.QualityReportingCenter.com. and click the SNF VBP button at the top.

- Submit questions to the SNF VBP Program Help Desk at SNFVBP@rti.org.

Alexandre Laberge, Policy Advisor
PAC VBP Programs, DCPAC, QMVIG, CCSQ, CMS

Overview of the SNF VBP Program

Program Origin

- Section 215 of the Protecting Access to Medicare Act of 2014 (PAMA) 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 awarded incentive payments to SNFs for quality of care provided to Medicare beneficiaries, measured by the SNF 30-Day All-Cause Readmission Measure (SNFRM).

- The SNF VBP Program began awarding incentive payments in FY 2019.

Program Framework

PAMA specifies that, under the SNF VBP Program, SNFs:

- Are evaluated by their performance on a hospital readmission measure.

- Are scored on both improvement and achievement.

- Receive quarterly confidential feedback reports containing information about their performance.

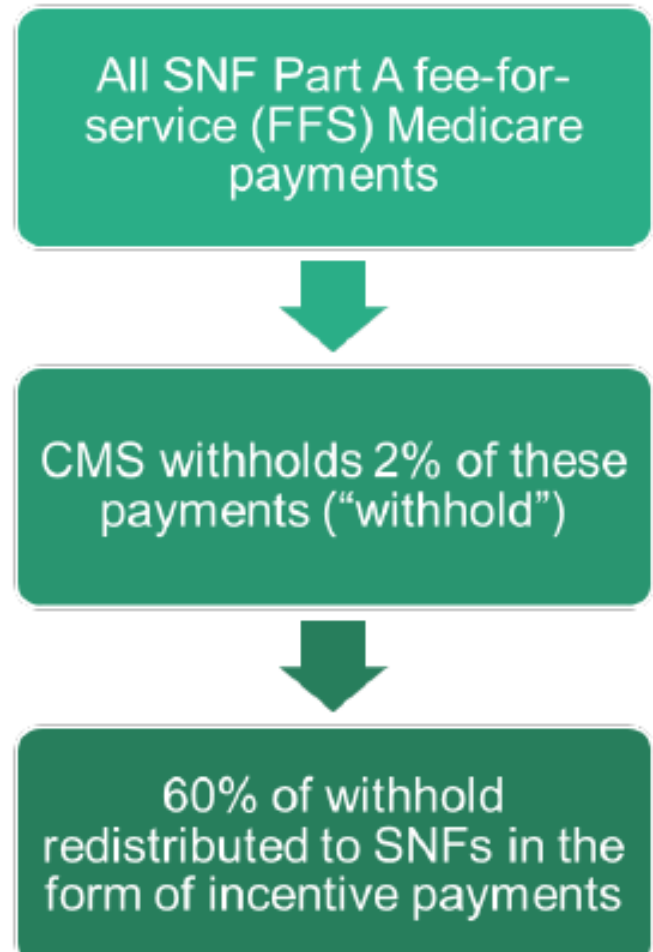- Earn incentive payments based on their performance.

Use of the SNFRM

- The SNFRM calculates the rate of all-cause, unplanned hospital readmissions for SNF patients within 30 days of discharge from a prior hospital stay.

- The SNFRM is calculated as a risk-standardized readmission rate (RSRR); risk adjustment accounts for patient-level risk factors, including clinical and demographic characteristics.

- Measure results are inverted, so higher rates indicate better results.
    - Inverted Rate = 1 − RSRR
    - Example Inverted Rate = 1 − 0.15
    - Example Inverted Rate = 0.85

Incentive Payment Multiplier

Each SNF's performance score is transformed into an incentive payment percentage using a logistic (or S-shaped) exchange function, which is used to calculate the SNF's incentive payment that is included on each Medicare claim.

Creating the Incentive Pool

All SNF Part A fee-for-service (FFS) Medicare payments

CMS withholds 2% of these payments ("withhold")

60% of withhold redistributed to SNFs in the form of incentive payments

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SNF VBP Program Finalized Proposals

Overview of Major Proposals for the SNF VBP Program

On August 3, 2022, CMS issued the FY 2023 SNF PPS Final Rule that updated policies for the SNF VBP Program. It is available on the *Federal Register,* pages 47559–47597:

https://www.federalregister.gov/documents/2022/08/03/2022-16457/medicare-program-prospective-payment-system-and-consolidated-billing-for-skilled-nursing-facilities

Suppression of the SNFRM for the FY 2023 Program Year

- CMS remains concerned about the effects of the Public Health Emergency (PHE) for COVID-19.

- The combination of fewer admissions to SNFs, regional differences in the prevalence of COVID-19 throughout the PHE, and changes in hospitalization patterns in FY 2021 has impacted CMS's ability to use the SNFRM to calculate payments for the FY 2023 Program.

- In the FY 2022 SNF PPS Final Rule (86 FR 42503– 42505), CMS adopted a quality measure suppression policy for the duration of the PHE for COVID-19 that enable the suppression of the SNFRM for the purposes of scoring and payment adjustments in the SNF VBP Program.

- CMS also adopted a series of four Measure Suppression Factors to guide the determination of whether to propose to suppress the SNFRM for one or more program years that overlap with the PHE for COVID-19.

Suppression of the SNFRM for the FY 2023 Program Year

- CMS finalized the proposal to suppress the SNFRM for the FY 2023 SNF VBP Program year, under Measure Suppression Factor 4: Significant national shortages or rapid or unprecedented changes in patient case volumes or facility-level case mix.

- CMS will provide quarterly confidential feedback reports to SNFs and to publicly report the SNFRM rates for the FY 2023 SNF VBP Program year. However, CMS will make clear in the public presentation of those data that the measure has been suppressed for purposes of scoring and payment adjustments because of the effects of the PHE for COVID-19 on the data.

- CMS's measure suppression policy focuses on a short-term, equitable approach during this unprecedented PHE, and it was not intended for indefinite application.

- 2022 presents a more promising outlook in the fight against COVID-19. CMS intends to resume the use of the SNFRM for scoring and payment adjustment purposes beginning with the FY 2024 program year.

Technical Updates to the SNFRM to Risk Adjust for COVID-19 Patients

- CMS will modify the SNFRM beginning with the FY 2023 SNF VBP Program year by adding a risk-adjustment variable for both COVID-19 during the prior proximal hospitalization (PPH) and patients with a history of COVID-19.

- This maintains the integrity of the measure model and allows the measure to appropriately adjust for SNF patients with COVID-19.

Adoption of Quality Measures for SNF VBP Expansion Beginning With FY 2026 Program Year

- The Consolidated Appropriations Act (CAA) of 2021 allows the Secretary to add up to nine new measures to the SNF VBP Program with respect to payments for services furnished on or after October 1, 2023. These measures may include measures of functional status, patient safety, care coordination, or patient experience.

- In considering which measures might be appropriate to add, CMS requested public comment on potential future measures in the FY 2022 SNF PPS Proposed Rule (86 FR 20009–20011). CMS considered this input as they developed the quality measure proposals.

Adoption of Quality Measures for SNF VBP Expansion Beginning With FY 2026 Program Year

Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (SNF HAI Measure)

- HAIs are most often the result of poor processes and structures of care.
- The Department of HHS, Office of Inspector General estimated that one in four adverse events among SNF residents is due to HAIs, with approximately half of all HAIs being potentially preventable.
- This is likely to result in poor health care outcomes and are associated with longer lengths of stay, use of higher-intensity care, increased mortality and higher health care costs.
- Given the effects, preventing and reducing their occurrence in SNFs is critical to delivering safe and high-quality care.
- The goal of this measure is to identify SNFs that have notably higher rates of HAIs acquired during SNF care, when compared to their peers and to the national average HAI rate.

Adoption of Quality Measures for SNF VBP Expansion Beginning With FY 2026 Program Year

- Because a "lower is better" rate could cause confusion among SNFs and the public, CMS will invert SNF HAI measure rates, like the approach used for the SNFRM, for scoring.

- Specifically, CMS will invert SNF HAI measure rates using the following calculation:
  SNF HAI Inverted Rate = 1 − Facility's SNF HAI rate

- The SNF HAI Measure is currently included in the SNF Quality Reporting Program (QRP). The claims-based measure is calculated entirely using administrative data. Therefore, it would not impose any additional data collection or submission burden for SNFs.

- CMS finalized the proposal to adopt FY 2022 as the baseline period and FY 2024 as the performance period for the SNF HAI measure for the FY 2026 SNF VBP Program.

Adoption of Quality Measures for SNF VBP Expansion Beginning With FY 2026 Program Year

Total Nursing Hours Per Resident Day Staffing (Total Nurse Staffing Measure)

- Staffing is a crucial component of quality care for nursing home residents.

- Studies have found a strong, positive relationship between staffing and quality outcomes, including hospitalizations, pressure ulcers, weight loss and functional status.

- This is a structural measure that uses auditable electronic data reported to CMS's Payroll Based Journal (PBJ) system.

- Because the measure is currently used in the Nursing Home Five-Star Quality Rating System, inclusion of this measure in the Program does not add reporting or administrative burden to SNFs.

Adoption of Quality Measures for SNF VBP Expansion Beginning With FY 2027 Program Year

Discharge to Community (DTC)-Post-Acute Care (PAC) Measure for Skilled Nursing Facilities
National Quality Forum #3481 (NQF #3481)

- Residents discharged to community settings, on average, incur lower costs over the recovery episode compared with those discharged to institutional settings.

- This is an important outcome from a resident and family perspective.

- This measure is calculated using Medicare FFS claims data, which does not require SNFs to report any additional data.

Finalized Measure-Related Proposals for the FY 2026 and FY 2027 Program

Short Name	Measure Name	SNF VBP Fiscal Year (FY)				
		2023	2024	2025	2026	2027
Claims-Based Outcome Measures						
SNFRM	Skilled Nursing Facility 30-Day All-Cause Readmission	√	√	√	√	√
SNF HAI	Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization	N/A	N/A	N/A	√	√
DTC	Discharge to Community-Post Acute Care Measure for Skilled Nursing Facilities	N/A	N/A	N/A	N/A	√
Payroll Based Journal Structural Measure						
PBJ	Total Nursing Hours per Resident Day	N/A	N/A	N/A	√	√

Revised Baseline Period for the FY 2025 SNF VBP Program

- CMS is concerned about using data impacted by COVID-19 for the FY 2025 baseline period for scoring and payment purposes.

- Therefore, CMS finalized their proposal to use a baseline period of FY 2019 for the FY 2025 program year.

- This period will provide sufficiently valid and reliable data for evaluating SNF performance, and it captures a full year of data, including any seasonal effects.

SNF HAI Measure Performance and Baseline Periods for FY 2026 and Subsequent Years

- For the Performance Period, CMS finalized the following:
  - A 1-year performance period
  - Adoption of FY 2024 (October 1, 2023, through September 30, 2024) as the FY 2026 performance period
  - To automatically adopt the performance period for a SNF VBP program year by advancing the beginning of the performance period by 1 year from the previous program year's performance period
- For the Baseline Period, CMS finalized the following
  - A 1-year baseline period
  - Adoption of FY 2022 (October 1, 2021, through September 30, 2022) as the FY 2026 baseline period
  - To automatically adopt the baseline period for a SNF VBP Program year by advancing the beginning the baseline period by 1 year from the previous program year's baseline period

Total Nurse Staffing Measure Performance and Baseline Period for FY 2026 and Subsequent Years

- For the Performance Period, CMS finalized the following:
  - A 1-year performance period
  - Adoption of FY 2024 (October 1, 2023, through September 30, 2024) as the FY 2026 program performance period
  - To automatically adopt the performance period for a SNF VBP program year by advancing the beginning of the performance period by 1 year from the previous program year's performance period
- For the Baseline Period, CMS finalized the following:
  - A 1-year baseline program period
  - Adoption of FY 2022 (October 1, 2021, through September 30, 2022) as the FY 2026 baseline period
  - To automatically adopt the performance period for a SNF VBP program year by advancing the beginning of the performance period by 1 year from the previous program year's baseline period

DTC PAC Measure Performance and Baseline Period for FY 2027 and Subsequent Years

- For the Performance Period, CMS finalized the following:
  - A 2-year performance period
  - Adoption of FY 2024 through FY 2025 (October 1, 2023–September 30, 2025) as the FY 2027 program performance period
  - To automatically adopt the performance period for a SNF VBP program year by advancing the beginning of the performance period by 1 year from the previous program year' performance period
- For the Baseline Period, CMS finalized the following:
  - A 2-year baseline period
  - Adoption of FY 2021 through FY 2022 (October 1, 2020–September 30, 2022) as the FY 2027 program baseline period
  - To automatically adopt the baseline period for a SNF VBP program year by advancing the beginning of the baseline period by 1 year from the previous program year's baseline period

Performance Period and Baseline Periods

Short Name	Measure Name	First Applicable PY Impacting Payments	First Baseline Period	First Performance Period
SNF HAI	Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization	FY 2026	**FY 2022** October 1, 2021– September 30, 2022	**FY 2024** October 1, 2023– September 30, 2024
PBJ	Total Nursing Hours per Resident Day	FY 2026	**FY 2022** October 1, 2021– September 30, 2022	**FY 2024** October 1, 2023– September 30, 2024
DTC	Discharge to Community-Post Acute Care Measure for Skilled Nursing Facilities	FY 2027	**FY 2021 & FY 2022** October 1, 2020– September 30, 2022	**FY 2024 & FY 2025** October 1, 2023– September 30, 2025

Performance Standards
of the FY 2025 Program Year

TABLE 17: Final FY 2025 SNF VBP Program Performance Standards

Measure ID	Measure Description	Achievement Threshold	Benchmark
SNFRM	SNF 30-Day All-Cause Readmission Measure (NQF #2510)	0.79139	0.82912

FY 2023 SNF VBP Program Finalized Special Scoring Policy Due to PHE Impact

- CMS will:
  - Use data from the previously finalized performance period (FY 2021) and baseline period (FY 2019) to calculate each SNF's RSRR for the SNFRM.
  - Assign all SNFs a performance score of 0.
- This will result in all participating SNFs receiving an identical performance score, as well as an identical incentive payment multiplier.
- SNFs will not be ranked for FY 2023 SNF VBP Program.
- SNFs that do not meet the case minimum for the SNFRM for FY 2023 will be excluded from the program for FY 2023.

Case Minimum and Measure Minimum Policies

- CMS finalized the establishment of case and measure minimums that SNFs must meet to be included in the Program for a given program year.

- SNFs that meet the minimum requirements would be included in the SNF VBP Program, receive a SNF performance score, and be eligible to receive a value-based incentive payment.

- SNFs that do not meet the minimum requirements would be excluded from the SNF VBP Program and would not be subject to a payment reduction.

SNFRM Case Minimum

- CMS has finalized that, beginning with the FY 2023 program year, SNFs must have a minimum of 25 eligible stays during the applicable 1-year performance period.

- Beginning with FY 2023 program, SNFs that do not meet this case minimum requirement during the performance period would be excluded from the affected program year, provided there are no other measures specified for the affected program year.

SNF HAI, Total Nurse Staffing, and DTC PAC SNF Measure Case Minimums

CMS finalized the following case minimums:

- **SNF HAI Measure:** A minimum of 25 eligible stays during the applicable 1-year performance period beginning with FY 2026

- **Total Nurse Staffing Measure:** A minimum of 25 residents, on average, across all available quarters during the applicable 1-year performance period beginning with FY 2026

- **DTC PAC SNF Measure:** A minimum of 25 eligible stays during the applicable 2-year performance period beginning in FY 2027

Measure Minimums for the FY 2026 and FY 2027 Program Years

- As finalized, the SNF VBP Program will consist of three quality measures in FY 2026.

- For FY 2026, SNFs must have the minimum number of cases for two of the three measures during the performance period to receive a performance score and value-based incentive payment.

- As finalized, the SNF VBP Program will consist of four measures in FY 2027.

- For FY 2027, SNFs must have the minimum number of cases for three of the four measures during the performance period to receive a performance score and value-based incentive payment.

Update to Scoring Policy for SNFs Without Sufficient Baseline Period Data

- CMS finalized the update to the scoring policy for SNFs without sufficient baseline period data beginning with the FY 2026 program year.

- CMS would not award improvement points to a SNF on a measure for a program year if the SNF has not met the case minimum for that measure during the baseline period.

- For example, for the SNF HAI measure, if a SNF has fewer than the minimum of 25 eligible stays during the baseline period, the SNF would not be scored on improvement. However, if they meet the case minimum for that measure during the performance period, they could be scored on achievement.

Removal of the LVA Policy from SNF VBP Program

- CMS is required to have case and measure minimum policies for the SNF VBP Program. Those policies will achieve the same payment objective as the Low-Volume Adjustment (LVA) policy.

- CMS finalized the proposal to remove the LVA policy from the SNF VBP Program's scoring methodology beginning with the FY 2023 program year.

SNF VBP Scoring Methodology Update Beginning in FY 2026 Program Year

- CMS finalized updates to the achievement and improvement scoring methodology.

- A SNF may earn a maximum of 10 points on each measure for achievement, and 9 points for improvement.

- For the purposes of determining these points, CMS finalized the following definitions:

  o The benchmark is the mean of the top decile of SNF performance on the measure during the baseline period.

  o The achievement threshold is the 25th percentile of national SNF performance on the measure during the baseline period.

SNF VBP Scoring Methodology Update Beginning in FY 2026 Program Year

Achievement Score

CMS finalized the proposal to award achievement points to SNFs based on their performance period measure rate for each measure according the following formula:

$$\textit{Achievement Score} = \left(\left[9 \times \left(\frac{\textit{Performance Period Rate} - \textit{Achievement Threshold}}{\textit{Benchmark} - \textit{Achievement Threshold}} \right) \right] + 0.5 \right)$$

- If the rate is equal to or greater to the Benchmark: 10 points for achievement

- If the rate is less than the Achievement Threshold: 0 points for achievement

- If the rate is equal to or greater than the achievement threshold, but less than the benchmark: Between 0 and 10 points

SNF VBP Scoring Methodology Update Beginning in FY 2026 Program Year

Improvement Score

CMS also finalized the proposal to award improvement points to SNFs based on their performance period measure rate according to the following formula:

$$Improvement\ Score = \left(\left[10 \times \left(\frac{Performance\ Period\ Rate - Baseline\ Period\ Rate}{Benchmark - Baseline\ Period\ Rate}\right)\right] - 0.5\right)$$

- If the rate is equal to or lower than its baseline period measure rate: 0 points for improvement

- If the rate is equal to or equal to or higher than the benchmark: 9 points for improvement

- If the rate is greater than its baseline period rate but less than the benchmark: 0–9 points

SNF VBP Scoring Methodology Update Beginning in FY 2026 Program Year

- Beginning in FY 2026, CMS will score SNF performance on achievement and improvement for each measure, and award them the higher of the two scores to be included the SNF performance score.

- CMS will then sum each SNF's measure points and normalize them to arrive at a SNF performance score that ranges between 0 and 100 points.

- All measures in the expanded SNF VBP Program would be weighted equally.

- CMS intends to consider whether they should group the measures into domains and weight them, like the Hospital VBP Program.

CMS Received Feedback on Potential Future Proposals

CMS requested comment on the following:

- Staffing turnover measures in a future program year

- The National Healthcare Safety Network (NHSN) COVID-19 Vaccination Coverage Among Healthcare Personnel measure in a future program year

- Updating the SNF VBP Program Exchange Function

- Validating SNF measures and assessment data

- Measuring and improving health equity with a SNF VBP Program approach

CMS thanks all contributors for their comments. We will take them into consideration as future proposals are developed.

Resources

- Find and compare nursing homes on Care Compare: https://www.medicare.gov/care-compare/

- General program information: https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/SNF-VBP/SNF-VBP-Page.html

- Frequently Asked Questions: https://www.cms.gov/files/document/snfvbpfaqsmarch2022.pdf-1

- SNF VBP Program Help Desk: SNFVBP@rti.org

Skilled Nursing Facility Value-Based Purchasing Program: Frequently Asked Questions

Updated March 2022

Thank You

- Thank you for attending the *Overview of SNF VBP Program Finalized Proposals from the FY 2023 SNF PPS Final Rule* webinar.

- A copy of the slides and recording will be available on our website, QualityReportingCenter.com.

- Please click here to complete a short survey: https://www.surveymonkey.com/r/SNFVBP092822

- Please submit your questions to the SNF VBP Program Help Desk: SNFVBP@rti.org

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