



## Skilled Nursing Facility Value-Based Purchasing Program Updated

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### PROVIDER TYPE AFFECTED

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This MLN Matters Article is intended for physicians, clinical staff, and administrators of Skilled Nursing Facilities (SNFs) submitting claims under the SNF Prospective Payment System (PPS) to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries during an SNF stay.

### PROVIDER ACTION NEEDED

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Special Edition article SE18003 informs providers about the SNF Value-Based Purchasing (VBP) Program. The VBP Program is one of many VBP programs that aim to reward quality and improve health care. Beginning October 1, 2018, SNFs will have an opportunity to receive incentive payments based on their performance in the program.

### BACKGROUND

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On August 4, 2017, the Centers for Medicare & Medicaid Services (CMS) issued a final rule (CMS-1679-F) outlining Fiscal Year (FY) 2018 Medicare payment rates for SNFs. This final rule finalized SNF VBP Program scoring and operational policies, including an exchange function approach to implement incentive payment adjustments beginning October 1, 2018.

#### Scoring and Operational Updates

The SNF VBP Program's scoring and operational policies affecting payment determination in FY 2019 include:

- The adjusted Federal per diem rate applicable to each SNF in an FY will be reduced by 2 percent to fund incentive payments for that FY.
- The total amount of incentive payments distributed to SNFs will be 60 percent of the total amount withheld from SNFs' Medicare payments for that FY. Facilities with SNF VBP

performance scores ranked in the lowest 40 percent nationally will receive a payment rate lower than they would otherwise receive without the SNF VBP Program.

- SNF 30-Day All-Cause Readmission Measure (SNFRM) rates from the baseline year (Calendar Year 2015) affecting FY 2019 payment determinations are now publicly available on the Nursing Home Compare and SNF VBP Program websites.

### **Payment Exchange Function**

CMS finalized a logistic exchange function to translate SNF performance scores into value-based incentive payments beginning in the FY 2019 SNF VBP Program. The logistic function maximizes the number of SNF with positive payment adjustment at a 60-percent payback percentage, while balancing Medicare's long-term sustainability. For more information about the logistic exchange function, refer to the FY 2018 SNF PPS Final Rule at <https://www.gpo.gov/fdsys/pkg/FR-2017-08-04/pdf/2017-16256.pdf>.

### **Review and Corrections Process**

CMS clarified the Review and Corrections process for SNFs' performance data that will be made publicly available on [Nursing Home Compare](#). During the annual Review and Corrections 30-day period, the review scope is limited to correction requests regarding SNFs' performance score and ranking information.

### **FY 2020 Performance and Baseline Periods**

CMS adopted FY 2018 as the performance period and FY 2016 as the baseline period for the FY 2020 SNF VBP Program. The transition from measuring SNFs' performance during a CY period to a Federal FY period allows for a 12-month performance period and baseline period for both program years.

Table 1 provides details on the performance periods and baseline periods for the FY 2019 and FY 2020 program years.

**Table 1: Performance and Baseline Periods for FY 2019 & 2020 Program Years**

<b>Period</b>	<b>FY 2019 Program Year</b>	<b>FY 2020 Program Year</b>
Performance Period	CY 2017 (Jan. 1, 2017-Dec. 31, 2017)	FY 2018 (Oct. 1, 2017-Sept. 30, 2018)
Baseline Period	CY 2015 (Jan. 1, 2015-Dec. 31, 2015)	FY 2016 (Oct. 1, 2015-Sept. 30, 2016)

### **Public Reporting**

CMS will rank SNFs for the FY 2019 program year and publish the rankings after the Review and Corrections process has completed. The published file will include, but may not be limited to, the following data elements to provide consumers and other stakeholders the necessary information to evaluate SNFs' performance in the Program:

- Rank
- Provider ID
- Facility name
- Address
- Each SNF's baseline period (CY 2015) and performance period (CY 2017) Risk Standardized Readmission Rate (RSRR)
- National average baseline period (CY 2015) and performance period (CY 2017) RSRR
- Achievement score
- Improvement score
- Performance score
- The range of performance scores
- The number of SNFs receiving value-based payments
- The range and total amount of value-based payments

## ADDITIONAL INFORMATION

For more information about the SNF VBP Program, go to <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/Other-VBPs/SNF-VBP.html> and refer to FY 2018 SNF PPS Final Rule at <https://www.gpo.gov/fdsys/pkg/FR-2017-08-04/pdf/2017-16256.pdf>.

If you have additional questions, please email them to: [SNFVBPinquiries@cms.hhs.gov](mailto:SNFVBPinquiries@cms.hhs.gov).

You may also direct questions to your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

## DOCUMENT HISTORY

Date of Change	Description
March 28, 2018	Initial article released.

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