



**MLN Connects<sup>®</sup>**

*National Provider Call*

# **Skilled Nursing Facility Value-Based Purchasing Program**

Stephanie Frilling

September 28, 2016



# Disclaimer

---

This presentation was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

This presentation was prepared as a service to the public and is not intended to grant rights or impose obligations. This presentation may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

# Agenda

- **Origin and Intent of the SNF VBP Program**
  - CMS Quality Strategy
  - Objectives of the SNF VBP Program
  - Legislative Framework
- **Readmission measures**
  - SNF 30-Day All Cause Readmission Measure (SNFRM)
  - SNF Potentially Preventable Readmissions (SNFPPR)
  - Trends in readmission rates
- **SNF VBP Scoring Methodology and Performance Measures**
  - Calculating SNF Performance
  - Achievement vs. Improvement
  - Exchange Function
- **Quarterly Confidential Feedback Reports**
  - Review and Correction Process
  - Phase 1 and Phase 2 Corrections
- **Resources for additional information about the Program**

# CMS Quality Strategy 2016



# Three Aims of the CMS Quality Strategy

- **Better Care:** Improve the overall quality of care by making healthcare more person-centered, reliable, accessible, and safe.
- **Healthier People, Healthier Communities:** Improve the health of Americans by supporting proven interventions to address behavioral, social, and environmental determinants of health, and deliver higher quality care.
- **Smarter Spending:** Reduce the cost of quality healthcare for individuals, families, employers, government, and communities.

# Six Goals/Priorities of the CMS Quality Strategy

- Make care **safer** by reducing harm caused in the delivery of care
  - Improve support for a culture of safety
  - Reduce inappropriate and unnecessary care
  - Prevent or minimize harm in all settings
- Strengthen **person and family engagement** as partners in their care
- Promote effective **communication and coordination** of care
- Promote effective **prevention and treatment** of chronic disease
- Work with **communities** to promote best practices of healthy living
- Make care **affordable**

# CMS Objectives for SNF Value-Based Purchasing

*Transform Medicare from a passive payer of SNF claims to active purchaser of quality health care for beneficiaries*

- Linking payments to performance on identified quality measures
- Other Medicare VBP programs include:
  - Hospital VBP Program (HVBP)
  - End-Stage Renal Disease Quality Incentive Program (ESRD QIP)
  - Physician Value-Based Payment Modifier
  - Physician Quality Reporting System (PQRS)
  - Hospital Readmissions Reduction Program (HRRP)
  - Hospital-Acquired Conditions Reduction Program (HACRP)
  - Merit-based Incentive Payment System (MIPS)

# Delivery System Reform

## New Goals and Timeline for Moving Medicare from Rewarding Volume to Value

### January 2015 Announcement

- HHS Secretary Sylvia M. Burwell announced **measurable goals and a timeline** to move the Medicare program, and the health care system at large, toward **paying providers based on the quality, rather than the quantity of care**
- **First time in the history of the program** that explicit goals for alternative payment models and value-based payments set for Medicare
- Creation of national **Health Care Payment Learning & Action Network** to accelerate the transition and foster collaboration between private payers, employers, providers, consumers, and state/federal partners

### Goals

#### 1. **Alternative Payment Models:**

1. **30%** of Medicare payments are tied to quality or value through alternative payment models by the end of 2016
2. **50%** by the end of 2018

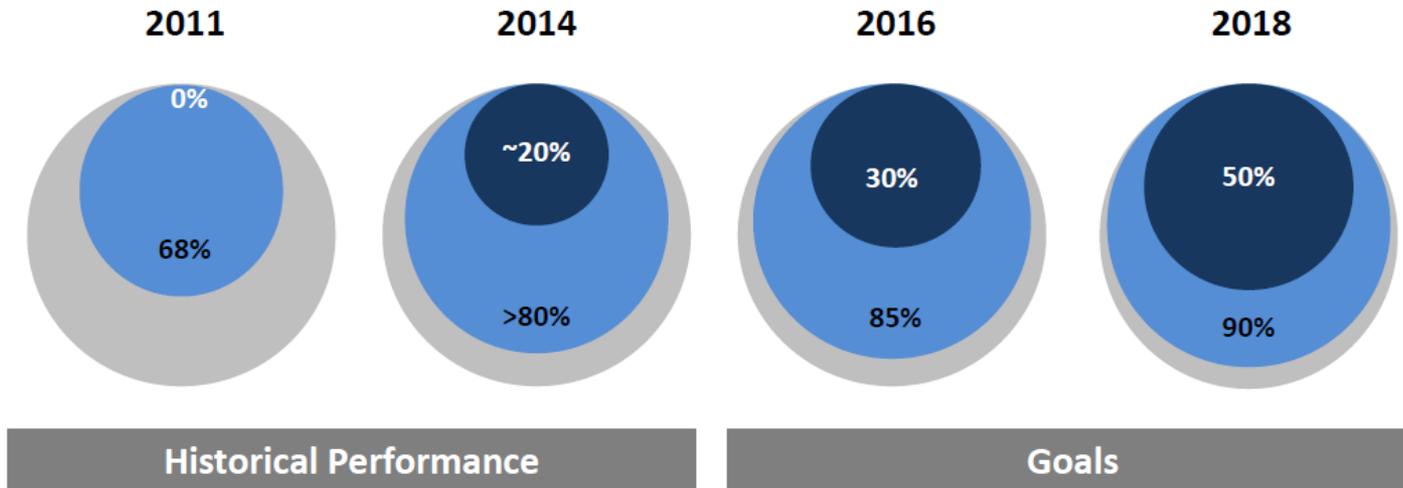
#### 2. **Linking FFS Payments to Quality/Value:**

1. **85%** of all Medicare fee-for-service payments are tied to quality or value by 2016
2. **90%** by the end of 2018

# Linking Quality to Payment

## Target percentage of payments in 'FFS linked to quality' and 'alternative payment models' by 2016 and 2018

- Alternative payment models (Categories 3-4)
- FFS linked to quality (Categories 2-4)
- All Medicare FFS (Categories 1-4)



# Legislative Basis for the SNF VBP Program

**Section 215 of the “Protecting Access to Medicare Act of 2014” (PAMA), enacted on April 1, 2014, added subsections (g) and (h) to Section 1888 of the Social Security Act.**

## Program requirements:

- Performance standards must include both achievement and improvement
- SNF Performance Scores must be ranked from low to high
- 2% of SNFs’ Medicare payments will be withheld to fund incentive payments
- Incentive payments must total 50-70% of amount withheld
- No exclusions in statute for SNFs based on volume

# Previously Finalized Measure

## SNF 30-Day All Cause Readmission Measure (SNFRM)

**SNFRM estimates risk-standardized rate of all-cause, unplanned hospital readmissions of Medicare SNF beneficiaries within 30 days of discharge from their prior proximal acute hospitalization.**

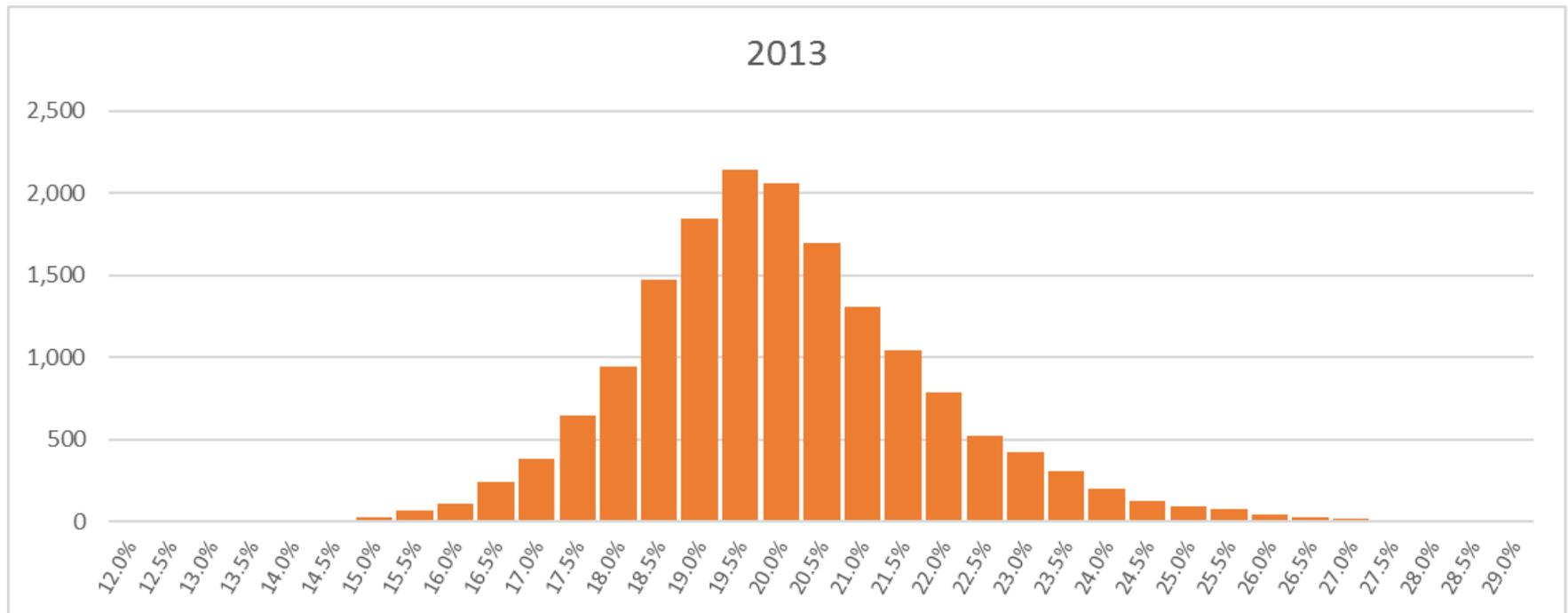
- Hospital readmissions are identified through Medicare claims
- Readmissions within 30-day window are counted regardless of whether the beneficiary is readmitted directly from SNF or had been discharged from SNF
- Risk-adjusted based on patient demographics, principal diagnosis in prior hospitalization, comorbidities, and other health status variables that affect probability of readmission
- Excludes planned readmissions since these are not indicative of poor quality
- The SNFRM will be in use for the first year of the program, FY 2019

# SNF Readmission Measure Exclusions

- Patients who were hospitalized for medical treatment of cancer
- Patients who do not have Medicare Part A coverage for the full 30 day window and those who do not have Part A coverage for the 12 months preceding the prior hospital discharge
- SNF stays with:
  - An intervening post-acute care admission within the 30-day window
  - More than 1 day between the hospital discharge and the SNF admission
  - Patient discharge from the SNF against medical advice
  - Principal diagnosis in prior hospitalization was for rehabilitation, fitting of prosthetics, adjustment of devices
  - Prior hospitalization for pregnancy

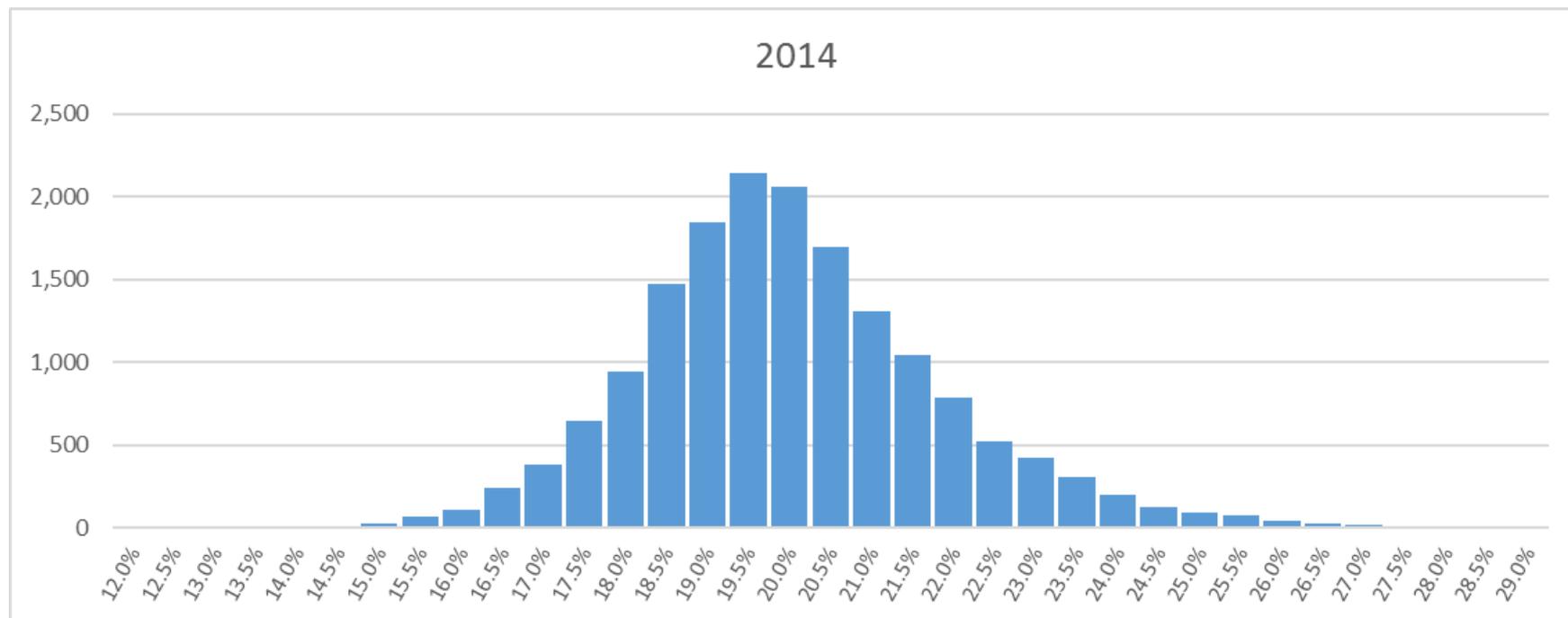
# SNF Readmission Rates (2013)

- Minimum: **12.3%**
- Maximum: **31.2%**
- Mean: **19.8%**



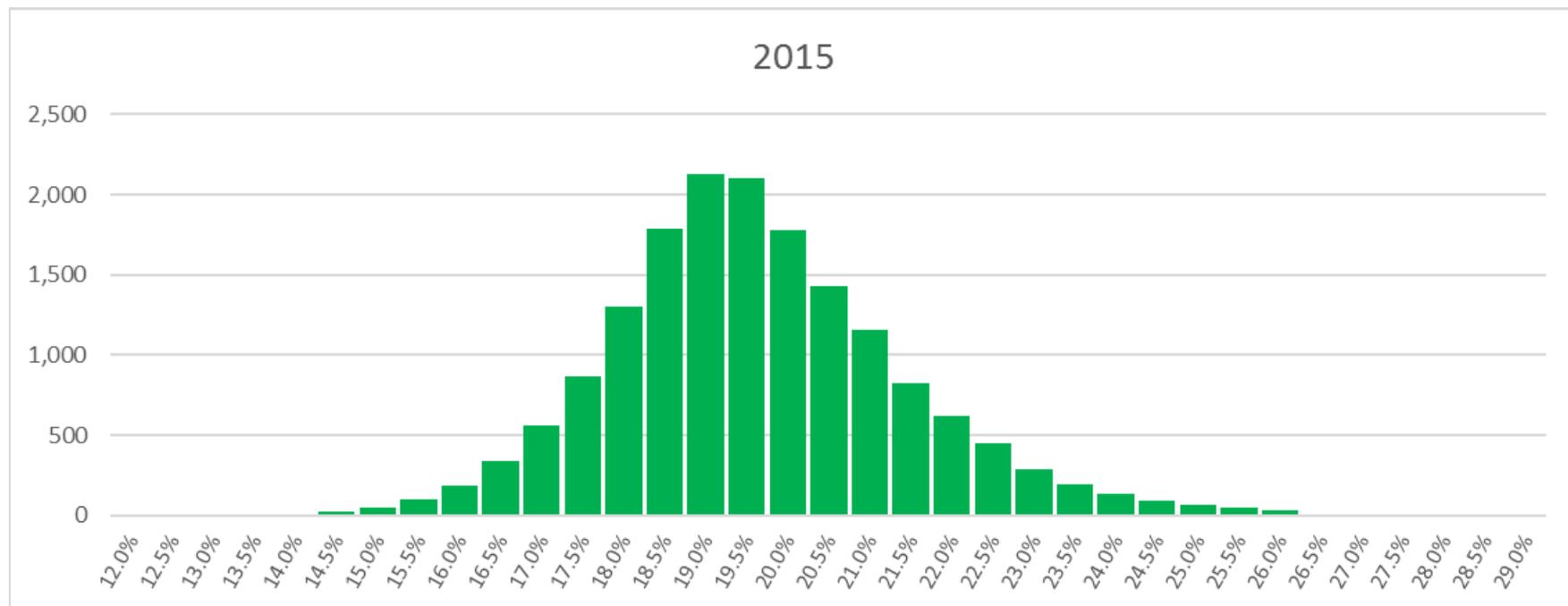
# SNF Readmission Rates (2014)

- Minimum: **12.2%**
- Maximum: **32.2%**
- Mean: **19.5%**



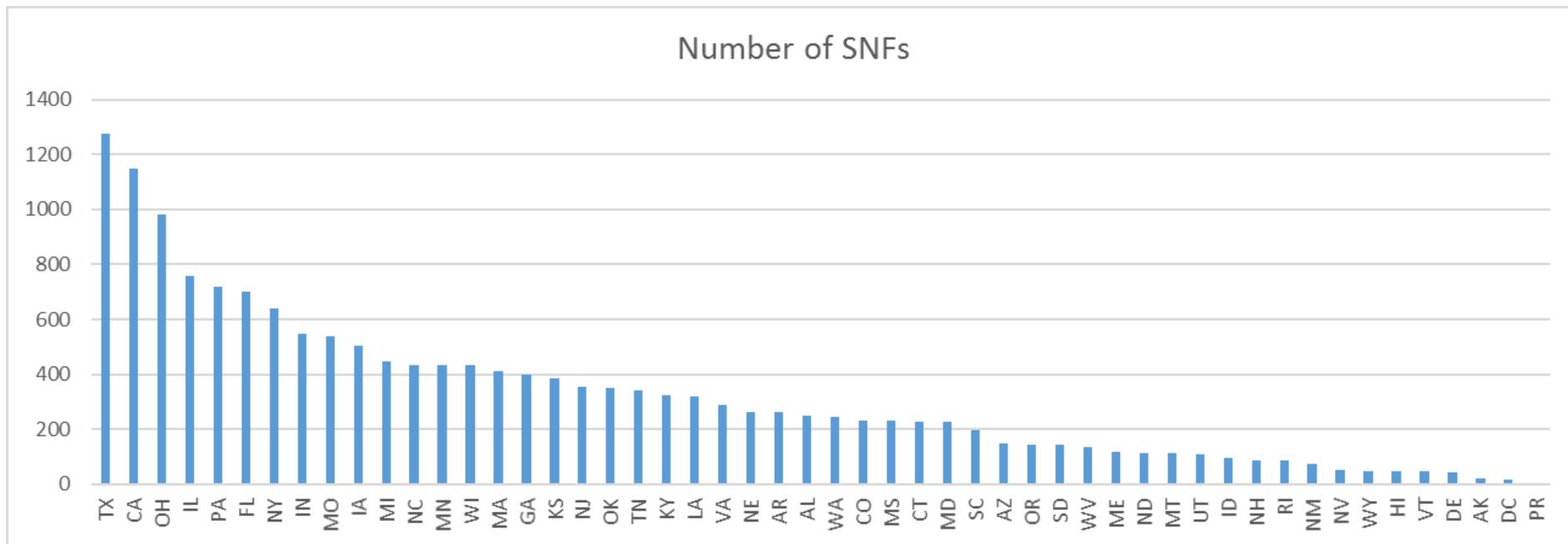
# SNF Readmission Rates (2015)

- Minimum: **12.2%**
- Maximum: **28.8%**
- Mean: **19.4%**



# Summary Statistics (2015 data)

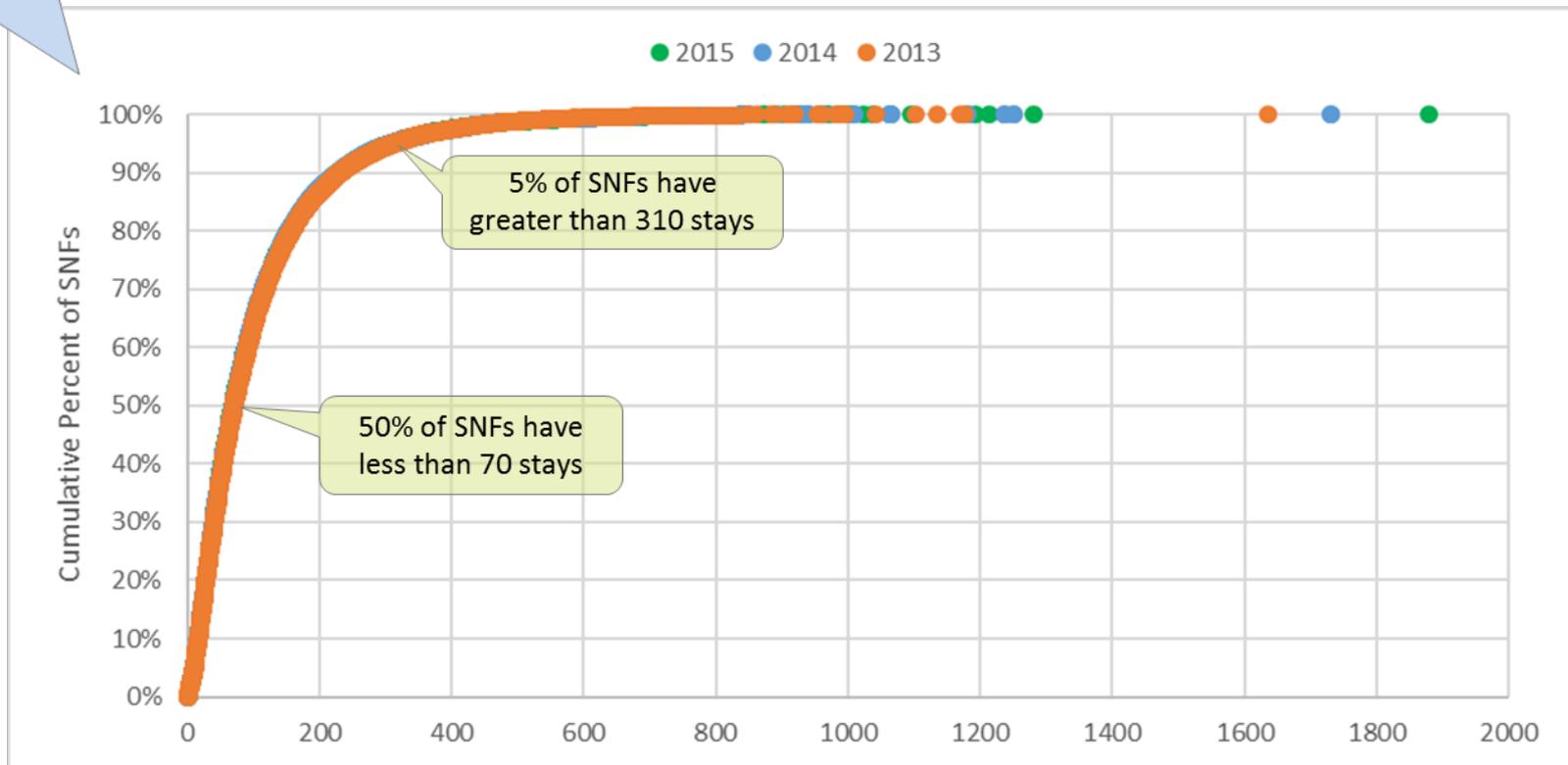
- 16,631 SNFs
- (330 “new” Provider IDs; 358 no longer around since 2013)



# The Number of “Stays” are...“staying” the same

“Cumulative probabilities refer to the probability that a random variable is less than or equal to a specified value.”<sup>1</sup>

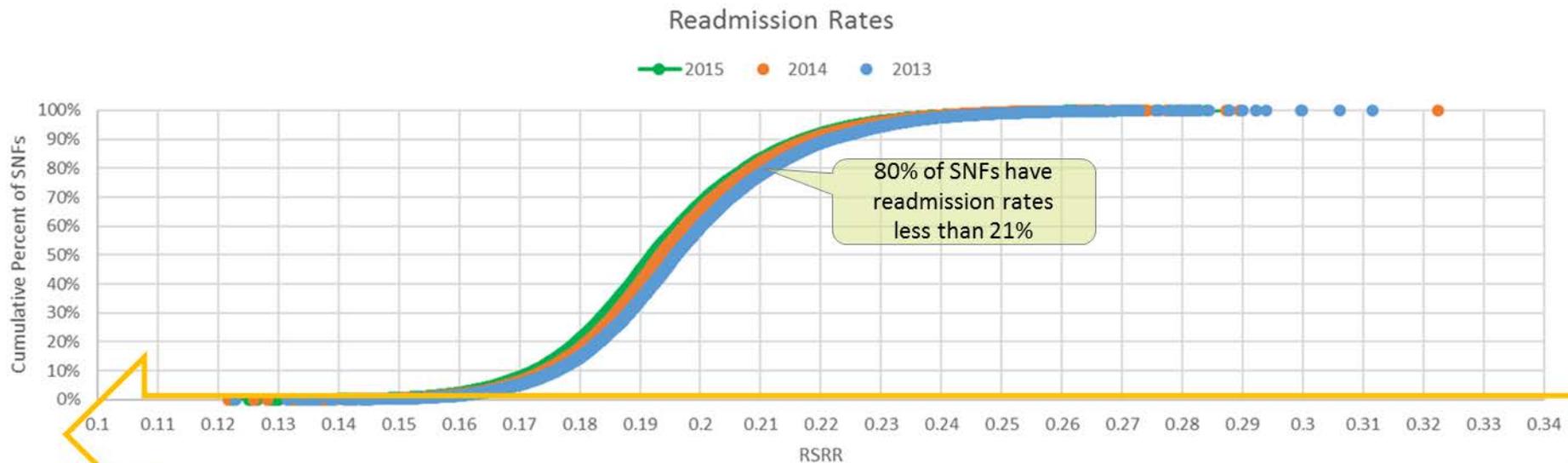
	2013	2014	2015	% change from '13
<b>Total:</b>	1,732,120	1,710,243	1,709,074	-1.3%
<b>Mean:</b>	104	103	103	-1.2%



1 [stattrek.com/statistics/dictionary.aspx?definition=cumulative\\_probability](http://stattrek.com/statistics/dictionary.aspx?definition=cumulative_probability)

# Readmissions are going down

Mean readmission rate has decreased from 19.8% to 19.5% to 19.4%



# Definitions for PY 2019 SNF VBP Program

Term	Proposed Definition
<b>Achievement Threshold</b>	The 25th percentile of national SNF performance on the quality measure during calendar year (CY) 2015
<b>Benchmark</b>	The mean of the best decile of national SNF performance on the quality measure during CY 2015
<b>Improvement Threshold</b>	The specific SNF's performance on the specified measure during CY 2015
<b>Performance Period</b>	CY 2017
<b>Baseline Period</b>	CY 2015

# Performance Standards

Like mortality rates, the lower the readmissions rate, the better.

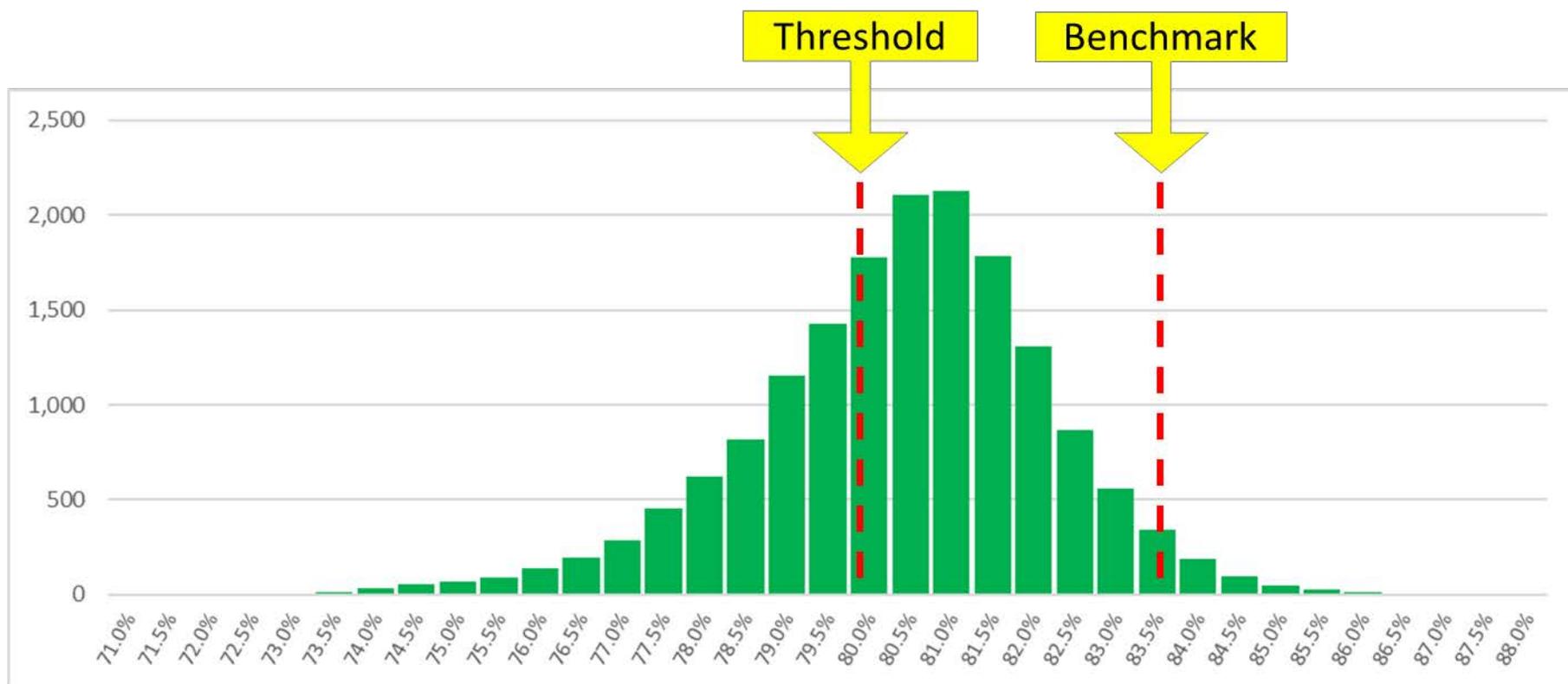
- As with the HVBP Program, mortality rates are inverted to a “survivability” rate so that *higher* is better (1 - mortality rate)

Since a lower readmissions rate is better, we have inverted every SNF’s readmissions rate using (1 – readmissions rate) for the purposes of the performance standards (i.e., benchmark and threshold) and performance scoring.

Standard	2013	2014	2015
25th Percentile	20.80%	20.54%	<b>20.41%</b>
Threshold	79.20%	79.46%	<b>79.59%</b>
Mean of the Best Decile	16.76%	16.60%	<b>16.40%</b>
Benchmark	83.24%	83.40%	<b>83.60%</b>

# Performance Standards (2015)

This graph shows the inverted Risk Standardized Readmission Rates (RSRR) from Slide 15



# Calculating SNFs' Performance on the SNFRM

Performance scores will be calculated under the SNF VBP Program by first inverting SNFRM rates using the following calculation:

$$\textit{SNFRM Inverted Rate} = 1 - \text{Facility's SNFRM Rate}$$

Example: SNF readmissions rate of 20.449%

$$\textit{SNFRM Inverted Rate} = 1 - 0.20449$$

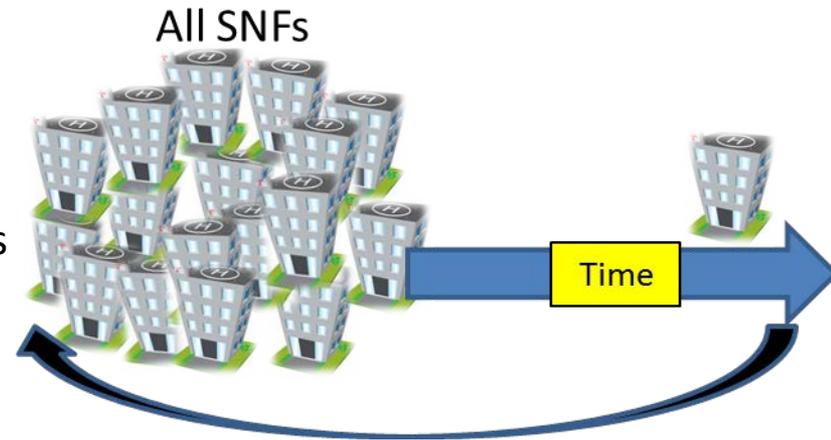
$$\textit{SNFRM Inverted Rate} = 0.79551$$

# SNF VBP Scoring Methodology

## Achievement and Improvement Scoring

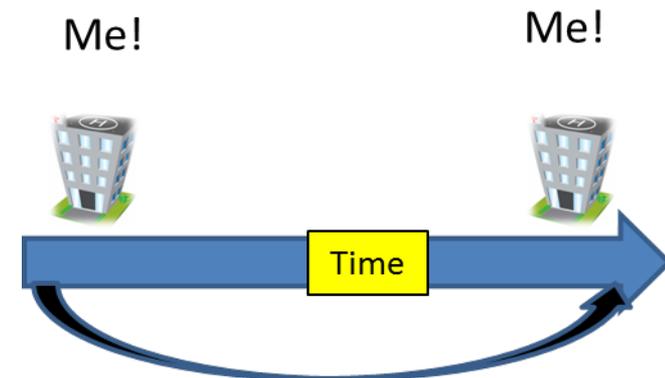
**Achievement Score:** Points awarded by comparing the facility's rate during the performance period (CY 2017) with the performance of **all facilities nationally** during the baseline period (CY 2015)

- Rate better than or equal to benchmark: 100 points
- Rate worse than achievement threshold: 0 points
- Rate between the two: 1 – 99 points, awarded according to the formula described in the final rule.

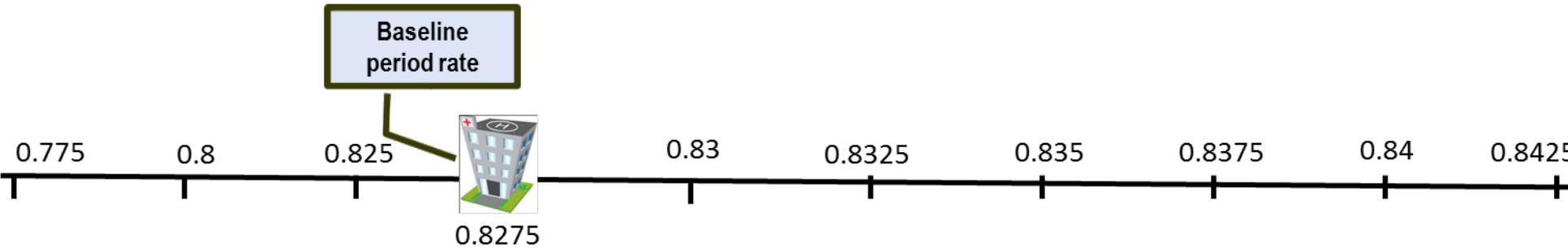


**Improvement Score:** Points awarded by comparing the facility's rate during the performance period (CY 2017) with **its previous performance** during the baseline period (CY 2015)

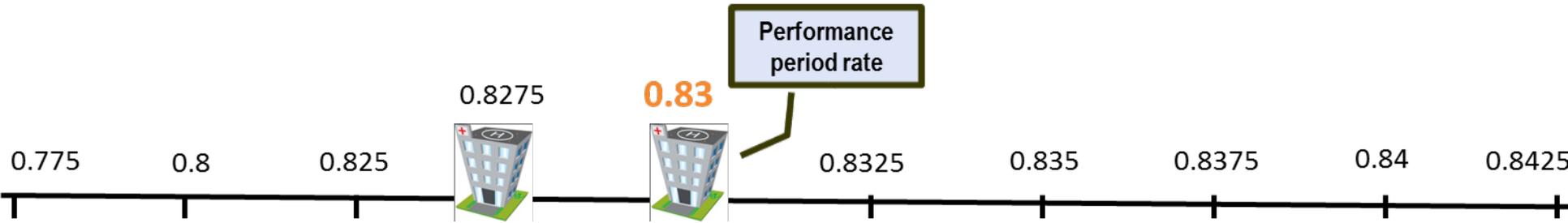
- Rate better than or equal to benchmark: 90 points
- Rate worse than improvement threshold: 0 points
- Rate between the two: 1 – 89 points, awarded according to the formula described in the final rule.



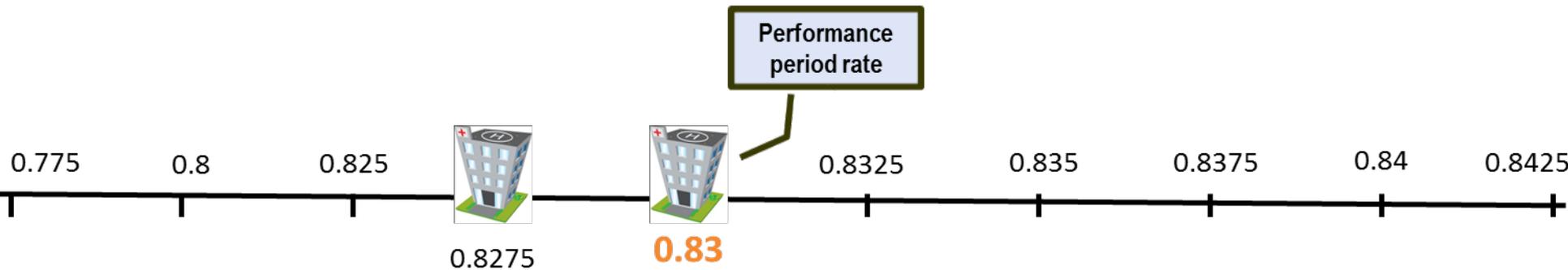
# Example of SNF VBP Scoring Methodology



# Example of SNF VBP Scoring Methodology



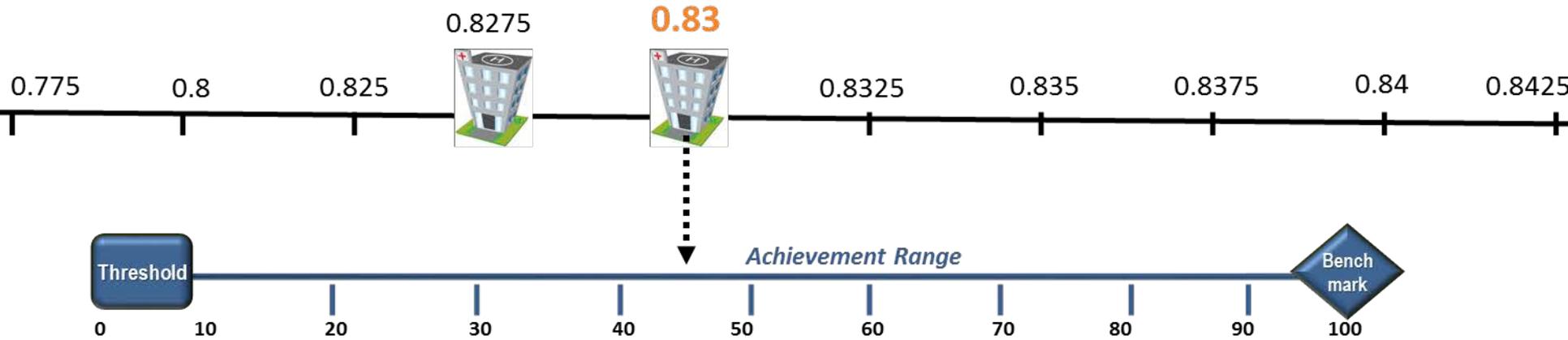
# Example of SNF VBP Scoring Methodology



## PY 2019 Achievement Threshold and Benchmark

Measure ID	Measure Description	Achievement Threshold	Improvement Threshold	Benchmark
SNFRM	SNF 30-Day All-Cause Readmission Measure (NQF #2510)	0.79590 (SNFRM of 20.410%)	Individual SNF's performance on the measure during CY 2015	0.83601 (SNFRM of 16.399%)

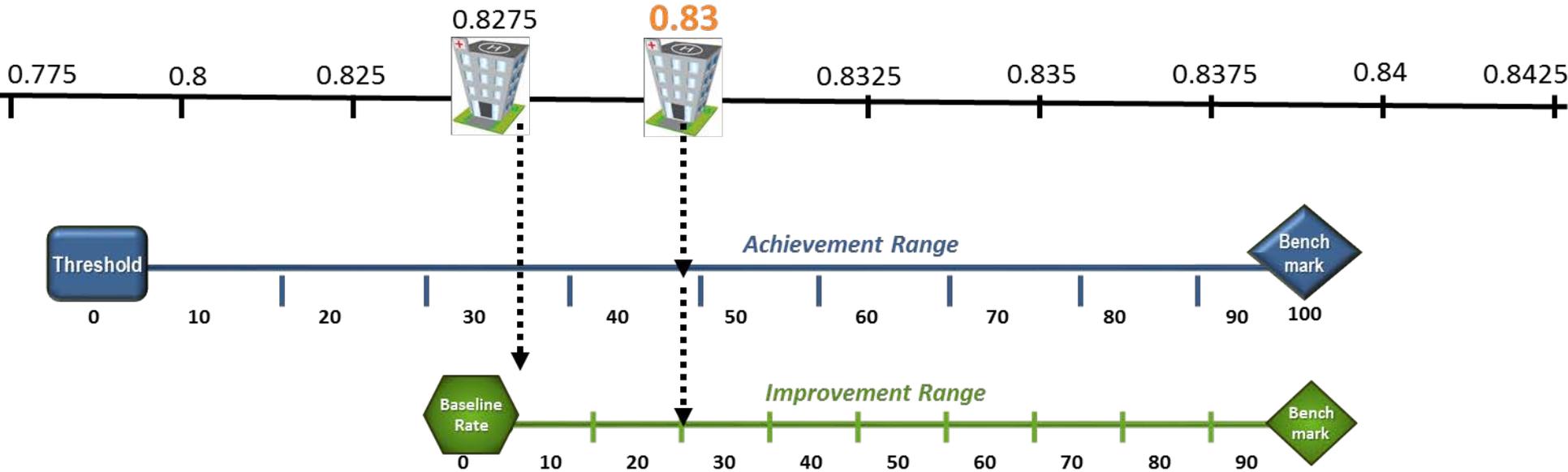
# Example of SNF VBP Scoring Methodology



## PY 2019 Achievement Threshold and Benchmark

Measure ID	Measure Description	Achievement Threshold	Improvement Threshold	Benchmark
SNFRM	SNF 30-Day All-Cause Readmission Measure (NQF #2510)	0.79590 (SNFRM of 20.410%)	Individual SNF's performance on the measure during CY 2015	0.83601 (SNFRM of 16.399%)

# Example of SNF VBP Scoring Methodology



**PY 2019 Achievement Threshold and Benchmark**

Measure ID	Measure Description	Achievement Threshold	Improvement Threshold	Benchmark
SNFRM	SNF 30-Day All-Cause Readmission Measure (NQF #2510)	0.79590 (SNFRM of 20.410%)	Individual SNF's performance on the measure during CY 2015	0.83601 (SNFRM of 16.399%)

# Example of SNF VBP Scoring Methodology

The higher of the achievement and improvement scores are used, so in this example, the SNF would receive 41 points.



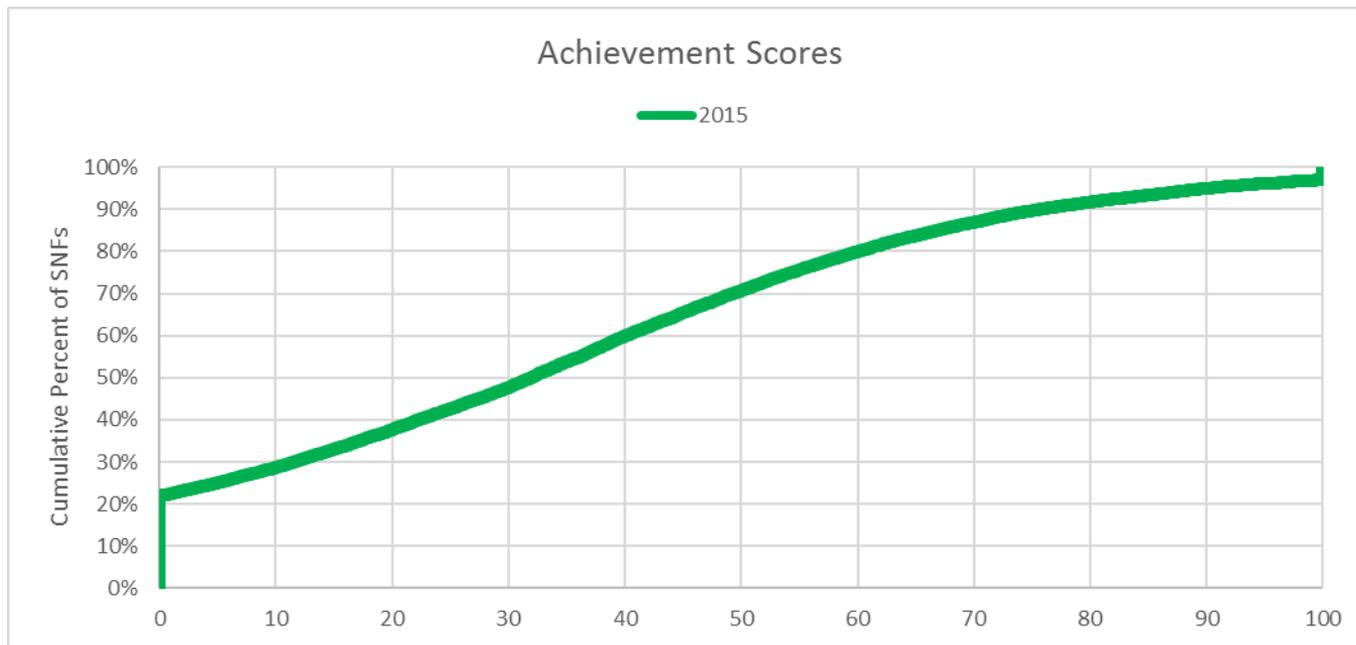
**PY 2019 Achievement Threshold and Benchmark**

Measure ID	Measure Description	Achievement Threshold	Improvement Threshold	Benchmark
SNFRM	SNF 30-Day All-Cause Readmission Measure (NQF #2510)	0.79590 (SNFRM of 20.410%)	Individual SNF's performance on the measure during CY 2015	0.83601 (SNFRM of 16.399%)

# Achievement Scores – Illustrative Example

- Hypothetical scores based on historical data (2013 and 2015)
- 3,910 unique scores
- Out of a possible score of 100:
  - 12,986 (78%) would receive points
  - 504 SNFs receive a score of “100”

This graph shows the achievement scores from the analysis of 2015 vs. 2013 data

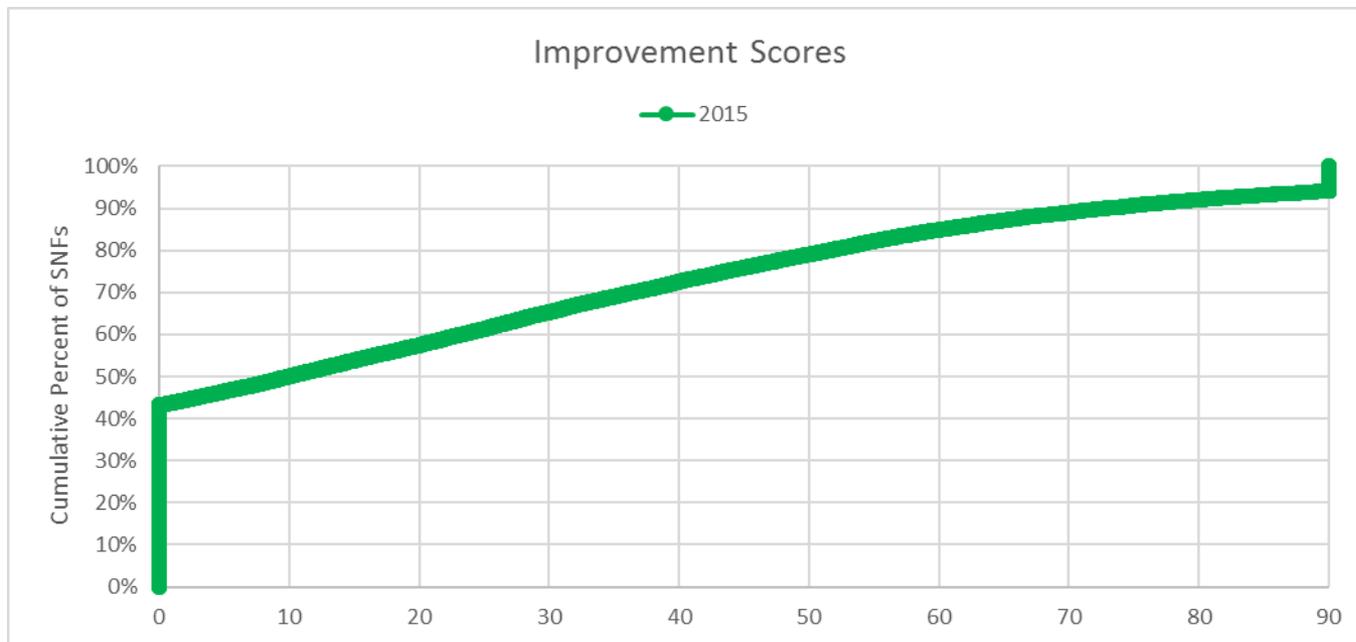


# Improvement Scores – Illustrative Example

8,281 unique scores

- 9,249 (56%) would receive points
- 968 SNFs receive a score “90”

This graph shows the improvement scores from the analysis of 2015 vs. 2013 data

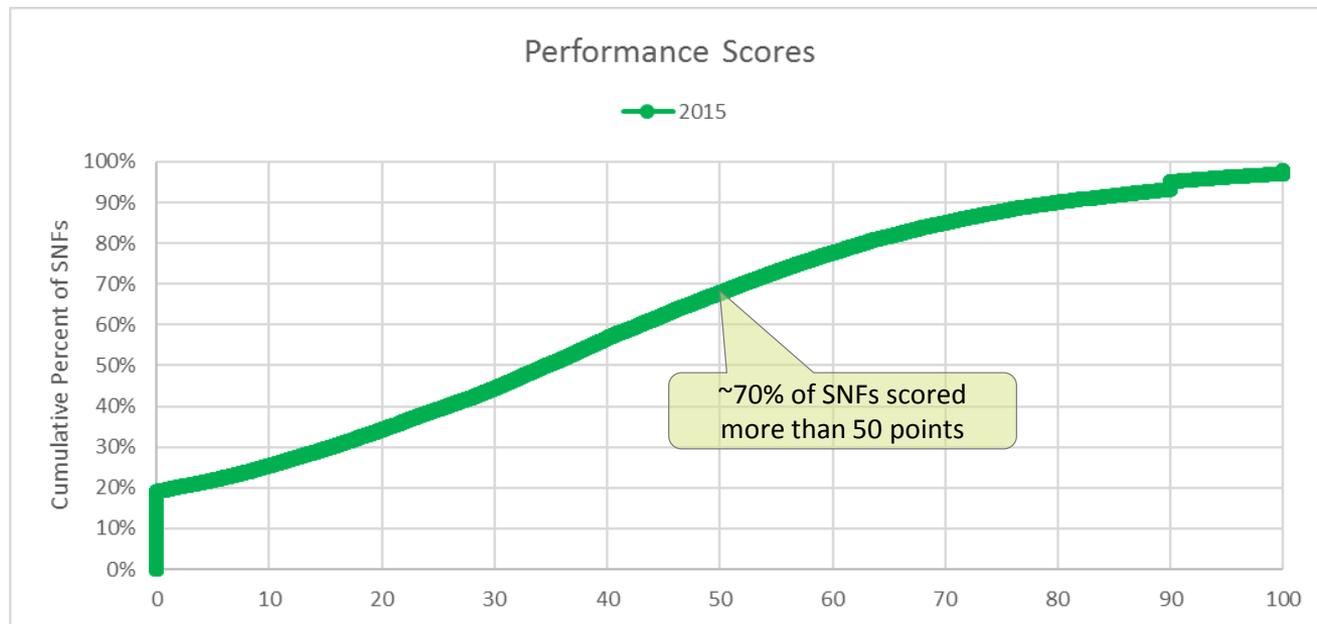


# Performance Scores

6,888 unique scores

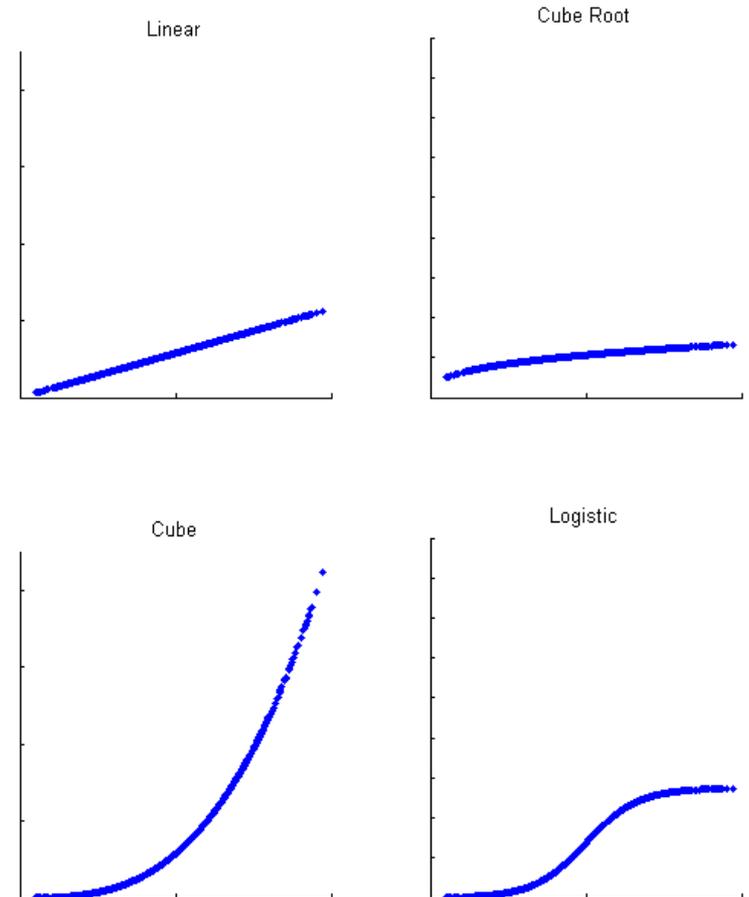
- 13,766 (83%) would receive points
- 317 SNFs receive a score of “90”
- 504 SNFs receive a score of “100”

This graph shows the performance scores from the analysis of 2015 vs. 2013 data



# Exchange Function

- The *exchange function* is the relationship between a SNF's performance score and the amount of money the SNF will receive as a value-based incentive payment.
- Our intent is to propose to use an exchange function to translate SNF performance scores into multipliers applied to Medicare claims.
- We have sought comment on the appropriate form of the exchange function, possibly including one of these examples, and will address this topic further in the future.



# Quarterly Confidential Feedback Reports

- Section 1888(g)(5) of the Social Security Act requires CMS to provide quarterly confidential feedback reports to SNFs on their performance on the measures specified for the Program.
- CMS is developing feedback reports, operational systems, and implementation guidance related to these reports.
- CMS intends to provide them via the QIES system CASPER files currently used by SNFs to report quality performance.

# Quarterly Confidential Feedback Reports

- Reports will include, among other information, the following:

Facility-Specific SNFRM Data calculated during YYYY

National Average rates calculated from claims paid during YYYY

## Your SNF's Performance in the SNF Value-Based Purchasing Program

Measure	Number of Eligible Stays	Number of Readmissions *	National Average Readmission Rate **	Risk-Standardized Readmission Rate ***
SNFRM	.	.	. %	. %

### Contact Information

If you have questions about your data, please contact CMS by emailing: [SNFVBPinquiries@cms.hhs.gov](mailto:SNFVBPinquiries@cms.hhs.gov).

\* The number of stays at your SNF that were followed by an unplanned readmission within 30 days of discharge from the prior proximal hospitalization.

\*\* Unadjusted average readmission rate for all eligible SNF patients nationally.

\*\*\* The risk standardized readmission rate is your SNF's risk-adjusted rate of unplanned readmissions.

# Review and Correction Process: Quarterly Reports

- SNFs will have an opportunity to review and provide corrections to their performance information that will be made public.
- CMS adopted a process by which one of the quarterly reports would be used to provide SNFs with:
  - A count of readmissions
  - The number of eligible stays at the SNF,
  - The SNF's risk-standardized readmissions ratio, and
  - The national SNF measure performance rate.

# Review and Correction Process

- CMS adopted a two-phase process for SNFs to submit corrections if they believe the contents of the report to be in error.
- SNFs must submit correction requests to [SNFVBPinquiries@cms.hhs.gov](mailto:SNFVBPinquiries@cms.hhs.gov) and provide the following:
  - SNF's CMS Certification Number,
  - the SNF's name,
  - the correction requested and basis for the correction,
  - appropriate documentation or other evidence supporting the request

# Review and Correction Process: Phase One and Phase Two

---

- **Phase One** corrections are limited to review and correction of SNFs' quality measure information.
- **Phase Two** corrections are limited to SNFs' performance scores and ranking
- CMS will propose more specific requirements for Phase Two corrections in the future.
- Corrections to the contents of any quarterly report will be accepted until the following March 31.

# SNF Potentially Preventable Readmissions (SNFPPR)

In the FY 2017 SNF PPS final rule, CMS adopted the SNFRM methodology and assesses the risk-standardized rate of unplanned, potentially preventable readmissions (PPRs) for Medicare fee-for-service (FFS) Skilled Nursing Facility (SNF) patients within 30 days of discharge from a prior proximal hospitalization.

- The 30-day risk window for the SNFPPR measure includes PPRs before a beneficiary is discharged from a SNF (Within-PAC Stay) and PPRs after a beneficiary is discharged from a SNF. The Within-PAC Stay list of potentially preventable conditions is applied before SNF discharge, and the Post-Discharge list is applied for the remainder of the 30 days after SNF discharge, if any.
- Risk-adjusted based on patient demographics, principal diagnosis in prior hospitalization, comorbidities, and other health status variables that affect probability of readmission
- Excludes planned readmissions because these are not indicative of poor quality
- Pursuant to statute, we will propose to replace the SNFRM with the SNFPPR in future rulemaking

# Questions & Answers

---

# Acronyms in this Presentation

<b>CASPER</b>	Certification and Survey Provider Enhanced Reporting
<b>ESRD QIP</b>	End-Stage Renal Disease Quality Incentive Program
<b>HACRP</b>	Hospital-Acquired Conditions Reduction Program
<b>HRRP</b>	Hospital Readmissions Reduction Program
<b>HVBP</b>	Hospital Value-Based Purchasing
<b>MIPS</b>	Merit-based Incentive Payment System
<b>PQRS</b>	Physician Quality Reporting System
<b>RSRR</b>	Risk Standardized Readmission Rate
<b>SNFPPR</b>	Skilled Nursing Facility 30-Day Potentially Preventable Readmissions
<b>SNFRM</b>	Skilled Nursing Facility Readmission Measure
<b>SNF VBP</b>	Skilled Nursing Facility Value-Based Purchasing

# Additional Resources

For more information about the SNFVBP Program, visit:

<https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/Other-VBPs/SNF-VBP.html>

If you have additional questions, email them to:

[SNFVBPinquiries@cms.hhs.gov](mailto:SNFVBPinquiries@cms.hhs.gov)

To download a copy of the FY 2017 SNF PPS rule, visit the Government Printing Office website at:

<https://www.gpo.gov/fdsys/pkg/FR-2016-08-05/pdf/2016-18113.pdf>

# Evaluate Your Experience

---

- Please help us continue to improve the MLN Connects® National Provider Call Program by providing your feedback about today's call.
- To complete the evaluation, visit <http://npc.blhtech.com> and select the title for today's call.

# Thank You

- For more information about the MLN Connects® National Provider Call Program, please visit <http://cms.gov/Outreach-and-Education/Outreach/NPC/index.html>.
- For more information about the Medicare Learning Network®, please visit <http://cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNGenInfo/index.html>.

The Medicare Learning Network® and MLN Connects® are registered trademarks of the U.S. Department of Health and Human Services (HHS).