

Skilled Nursing Facility Value-Based Purchasing Program

FY 2023 Program Year Fact Sheet



What is the Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program?

The **SNF VBP Program** is a Centers for Medicare & Medicaid Services (CMS) program that awards incentive payments to skilled nursing facilities (SNFs) based on their performance on a measure of all-cause hospital readmissions.

The **SNF VBP Program** encourages SNFs to improve the quality of care they provide to Medicare beneficiaries by reducing unplanned hospital readmissions.



What measure is used?

The **SNF VBP Program** currently uses the **SNF 30-Day All-Cause Readmission Measure (SNFRM; National Quality Forum [NQF] #2510)**, which evaluates the risk-standardized readmission rate (RSRR) of unplanned, all-cause hospital readmissions.

Each SNF receives a SNFRM result for a baseline period and a performance period.

How is the measure calculated?

What data are used?

The SNFRM is calculated using data extracted from SNF and hospital Medicare fee-for-service (FFS) Part A claims submitted to CMS for payment. The fiscal year (FY) 2023 Program year uses data from both the baseline period **FY 2019 (10/1/2018–9/30/2019)** and the performance period **FY 2021 (10/1/2020–9/30/2021)**.

The SNFRM does not use information from the Minimum Data Set or patient medical records.



Which patients are included?

SNF patients:

- ✓ Enrolled in Medicare FFS Part A for 12 months prior to the SNF admission
- ✓ With a qualifying SNF admission within one day after discharge from a hospitalization
- ✓ Enrolled in Medicare FFS Part A for 30 days following a qualifying SNF admission

Does the measure account for differences in patient characteristics?

Yes, the SNFRM is risk adjusted for patient demographics, comorbidities, and other health status variables that affect the probability of a hospital readmission, including diagnoses of COVID-19.



What is the outcome?

The SNFRM counts any hospital readmission if it:

- ✓ Occurs within 30 days of discharge from a prior hospitalization to a SNF
- ✓ Is unplanned

For more detailed information about the SNFRM, please see the [SNF VBP Program webpage](#) and the [SNFRM Technical Report](#).

How does the SNF VBP Program affect my SNF's FY 2023 payments?



CMS withholds 2% of SNFs' Medicare FFS Part A payments to fund the Program. 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.



Under the measure suppression policy for the FY 2023 Program year, each included SNF receives an incentive payment multiplier equal to 60% of its 2% withhold, resulting in a 1.2% payback percentage for the FY 2023 Program year. SNFs that did not meet the SNFRM's case minimum (25 or more eligible stays) in the performance period (FY 2021) are excluded from the SNF VBP Program for FY 2023; payments to these SNFs in FY 2023 are not affected by the SNF VBP Program and instead these SNFs will receive their full federal per diem rate.



This incentive payment multiplier is applied to your SNF's adjusted federal per diem rate for services provided during the applicable SNF VBP Program year.

How does CMS determine my incentive payment multiplier for the FY 2023 Program year?



Step 1

CMS calculates each SNF's RSRR for both the baseline and performance period.^a

$$\left(\frac{\text{Predicted \# of readmissions}}{\text{Expected \# of readmissions}} \right) \times \text{National unadjusted readmission rate} = \text{RSRR}$$

CMS calculates the achievement threshold^b and benchmark^c for the Program year.

The performance standards for the FY 2023 Program year were published in the [FY 2021 SNF Prospective Payment System \(PPS\) final rule](#) (page 47625).

^a An RSRR is calculated using both the predicted and expected number of readmissions. The predicted number of readmissions is the number of unplanned readmissions predicted based on a SNF's performance, given its unique case mix. The expected number of readmissions is the number of unplanned readmissions that would be expected if the residents at a given SNF were treated at the average SNF.

^b The achievement threshold for a SNF VBP Program year is the 25th percentile of all SNFs' performance on the SNFRM during the baseline period.

^c The benchmark for a SNF VBP Program year is the mean of the top decile of all SNFs' performance on the SNFRM during the baseline period.

Step 2

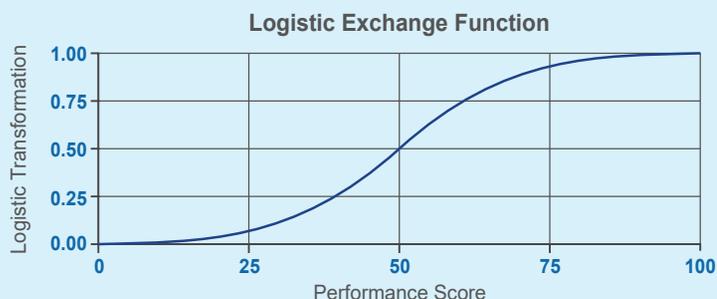
Per the suppression policy finalized in the [FY 2023 SNF PPS final rule](#), CMS assigns each SNF a performance score of zero.^d

^d CMS suppressed the use of SNF readmission measure data for purposes of FY 2023 scoring and payment adjustments in the FY 2023 SNF VBP Program year because of the continuing effects of the COVID-19 public health emergency on the data used to calculate the SNFRM inhibited CMS's ability to make fair national comparisons of SNFs' performance. Under the suppression policy, CMS calculated an 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 zero to mitigate the effect that the COVID-19 public health emergency would otherwise have had on SNFs' performance scores and incentive payment multipliers. CMS adopted the suppression policy in the [FY 2023 SNF PPS final rule](#).

Step 3

CMS transforms performance scores for all SNFs using the logistic exchange function.

CMS then calculates each SNF's incentive payment adjustment and incentive payment multiplier.



This multiplier is applied to each SNF's adjusted federal per diem rate.

When payments are made for SNF claims, the adjusted federal per diem rate is multiplied by the incentive payment multiplier.

For more information on how performance scores and incentive payment multipliers are determined in a standard Program year, in the absence of a suppression policy, see the [SNF VBP Program: FY 2021 Incentive Payment Multiplier Calculation Infographic](#), the [SNF VBP Program Exchange Function Methodology Report](#), and pages 36616 through 36621 of the [FY 2018 SNF PPS final rule](#).

How can SNFs review their results?



CMS provides confidential feedback reports to SNFs on a quarterly basis through the Quality Improvement and Evaluation System (QIES)/Certification and Survey Provider Enhanced Reports (CASPER) reporting system.

- CMS distributes four quarterly reports each year: an Interim (Partial-Year) Workbook, two Full-Year Workbooks (one each for the baseline period and performance period), and a Performance Score Report.
- SNFs that have problems accessing their reports can email the QIES Technical Support Office Help Desk at iqies@cms.hhs.gov.

The SNF VBP Program's Review and Correction (R&C) process has two phases. Phase 1 and 2 requests are accepted for up to 30 calendar days after dissemination of the applicable report.

- Phase 1: review and submit corrections to readmission measure rates for the baseline and performance periods (applies to Full-Year Workbooks only)
- Phase 2: review and submit corrections to the performance score (applies to Performance Score Reports only)

Where does CMS publicly report SNF VBP Program results?



Provider Data Catalog

CMS publicly reports [facility-level](#) and [aggregate-level](#) results generally in the fall following distribution of the Performance Score Reports.

Historical SNF VBP Program data are publicly available in the [Provider Data Catalog \(PDC\) archives](#).

Where can I go for more information?



For more information about the SNF VBP Program, visit the [SNF VBP Program webpage](#) on CMS.gov.

For questions about the SNF VBP Program, email the SNF VBP Program Help Desk at SNFVBP@rti.org.

For help obtaining access to quarterly reports in CASPER, contact the QIES Technical Support Office Help Desk at iqies@cms.hhs.gov.