



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

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Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program: Frequently Asked Questions

Program Information

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

The SNF VBP Program is a Centers for Medicare & Medicaid Services (CMS) program that awards incentive payments to SNFs on the basis of their performance on a single hospital readmissions measure. 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 to establish a SNF VBP Program. The program began impacting SNF payments on October 1, 2018. SNF VBP incentive payments are applied prospectively to Medicare Part A fee-for-service claims paid under the SNF Prospective Payment System (PPS). CMS applies SNF VBP incentive payments to all SNF Medicare Part A fee-for-service (FFS) claims. SNF VBP Program performance is based on SNFs' performance on the SNF 30-Day All-Cause Readmission Measure (SNFRM)—a National Quality Forum (NQF)-endorsed quality measure (NQF #2510).

2. Which SNFs are required to participate in the SNF VBP Program?

The SNF VBP Program is not optional. All SNFs paid under the SNF Prospective Payment System (PPS) are required to participate in the SNF VBP Program. The types of SNFs that are paid under the SNF PPS include freestanding SNFs, SNFs associated with acute care facilities, and all non-critical access hospital (CAH) swing bed rural facilities. Participation in the SNF VBP Program does not require any action on the part of SNFs to enroll nor does it require any additional data collection burden. For more information on which SNFs qualify for low-volume adjustments, refer to question 15.

Measuring Readmissions

3. What measure is used in the SNF VBP Program?

The SNF 30-Day All-Cause Readmission Measure (SNFRM; NQF #2510) is the measure currently used in the SNF VBP Program. It evaluates the risk-standardized rate of unplanned, all-cause acute care hospital readmissions for fee-for-service Medicare beneficiaries. This measure assesses SNF residents' hospital readmissions within 30 days after discharge from a prior hospital stay to a SNF. For more-detailed information about the SNFRM, please see the [SNF VBP webpage](#).

4. What information is used to calculate the SNFRM?

Data extracted from SNF and hospital Medicare Part A FFS **claims** submitted to CMS for payment are used to calculate the SNFRM. The SNFRM does *not* use information from the Minimum Data Set (MDS) or patient medical records.

5. What is the difference between a planned readmission and an unplanned readmission?

The SNFRM evaluates the risk-standardized rate of *unplanned* acute care hospital readmissions. To determine if a hospital readmission is planned or unplanned, CMS uses the Planned Readmission Algorithm (PRA). If a readmission does not meet the established criteria for a planned readmission according to this algorithm, it will be considered an unplanned readmission.

For more detailed information about the approach to determine whether a readmission is planned or unplanned, see Appendix A of the 2019 SNFRM Technical Report Supplement Update: <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/SNF-VBP/Downloads/SNFRM-TechReportSupp-2019-.pdf>

6. What types of SNF stays are used to calculate the SNFRM?

The SNFRM is calculated using Medicare Part A FFS claims data. Several measure exclusions are applied. If a SNF stay meets any of the exclusion criteria, it will not be included in the measure calculation. For example, patients with post-acute care admissions occurring within the SNFRM risk window (see Question 7) are excluded, as are patients discharged from SNFs against medical advice. For the full list of exclusions, see pages 6-8 of the SNFRM Technical Report: <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Downloads/SNFRM-Technical-Report-3252015.pdf>

7. When does the SNFRM 30-day readmission risk window begin and end?

The 30-day period during which an unplanned hospital readmission may be counted in the SNFRM is referred to as the risk window. The risk window begins when a patient is discharged from an acute care hospitalization and subsequently admitted to a SNF within one day. The risk window ends either 30 days after its start or when a patient is readmitted to a hospital, **whichever occurs first**.

For example, if a patient was discharged from a hospital to a SNF on September 1, 2018, then readmitted to the hospital on September 10, 2018, the risk window started on September 1 and ended on September 10. If that same patient never experienced a readmission, the risk window would end 30 days after it started, on October 1, 2018.

8. Does the SNFRM count multiple hospital readmissions during a single 30-day readmission risk window?

No. The readmission risk window ends either 30 days after the discharge from an acute care hospitalization and subsequent admission to a SNF within one day, or when a patient is readmitted to a hospital, **whichever occurs first**. If a patient has multiple readmissions, the risk window ends after the first readmission. However, additional risk windows may begin if all measure inclusion criteria are met.

For example, if a patient was discharged from a hospital to a SNF on September 1, 2018, then readmitted to the hospital on September 10, 2018, the risk window started on September 1 and ended on September 10. If that patient was subsequently discharged from the readmitting hospital to a SNF on September 15, a new 30-day risk window would begin. This new risk window would end on October 15 if the patient was not readmitted to a hospital.

9. Is the SNFRM also used in the SNF Quality Reporting Program (SNF QRP) or when calculating star ratings on Nursing Home Compare?

No. The SNF VBP Program uses the SNFRM, which calculates the risk-standardized rate of unplanned, all-cause inpatient hospital readmissions within 30 days of a SNF patient's discharge from a prior hospital stay.

The SNF QRP uses the Potentially Preventable 30-Day Post-Discharge Readmission Measure, which is a different hospital readmission measure from the SNFRM. Measures used in the SNF QRP do not impact the SNF VBP Program in any way. For more information about SNF QRP measures, including the Potentially Preventable 30-Day Post-Discharge Readmission Measure, you may view the information on the [SNF QRP webpage](#).

The SNFRM is not used to calculate star ratings on Nursing Home Compare. For more information about rehospitalization measures used to calculate star ratings on Nursing Home Compare, visit the [Nursing Home Compare website](#).

Performance Scores, Rank, and Incentive Payments

10. How are performance scores determined?

SNFs' risk-standardized readmission rates (RSRRs) in the performance period are compared to two metrics to determine the performance score:

- Their own past performance during the baseline period, used to calculate an improvement score (scores range from 0 to 90)
- National SNF performance during the baseline period, used to calculate an achievement score (scores range from 0 to 100)

A SNF's achievement and improvement scores are compared; whichever score is higher becomes that SNF's performance score.

For complete information on how achievement and improvement scores are calculated, including formulas, see Question 11 and the [FY 2017 SNF PPS final rule](#) (pages 51987 through 51996).

11. Can SNFs calculate their own achievement and improvement scores?

Yes. A SNF can calculate its achievement and improvement scores using the following data:

- The SNF's performance period RSRR
- The SNF's baseline period RSRR

- The applicable achievement threshold and benchmark for the Program year

Note: Inverted rates are calculated by subtracting the RSRR from 1 (1 – RSRR = Inverted Rate).

To calculate achievement and improvement scores SNFs may use the formulas below.

SNF VBP Improvement Score:

$$= \left(\left[10 \times \left(\frac{(\text{SNF Perf. Period Inverted Rate} - \text{SNF Baseline Period Inverted Rate})}{(\text{Benchmark} - \text{SNF Baseline Period Inverted Rate})} \right) \right] - .5 \right) \times 10$$

SNF VBP Achievement Score:

$$= \left(\left[9 \times \left(\frac{(\text{SNF's Perf. Period Inverted Rate} - \text{Achievement Threshold})}{(\text{Benchmark} - \text{Achievement Threshold})} \right) \right] + .5 \right) \times 10$$

The higher of the achievement and improvement scores constitutes a SNF’s performance score.

12. How are SNFs ranked in the SNF VBP Program?

SNFs are ranked by their performance scores each year, as required by statute. SNFs with the same performance score receive the same rank. For example, if 200 SNFs receive a perfect performance score of 100, these 200 SNFs will each hold a rank of 1. In this example, the SNF with the next-highest performance score would receive a rank of 201.

13. How are incentive payments determined?

To fund the Program, each year CMS withholds 2 percent of SNF Medicare FFS payments, and each year 60 percent of these withheld funds are redistributed to SNFs in the form of incentive payments. CMS is required to redistribute between 50 and 70 percent of this withhold to SNFs as incentive payments. This policy was finalized on pages 36619 through 36621 of the [FY 2018 SNF PPS Final Rule](#).

To calculate incentive payments, CMS first estimates the dollar amount of SNF FFS Medicare payments to be redistributed across SNFs in the applicable payment year, and then assigns payment incentive multipliers based on each SNF’s performance score using the logistic payment exchange function. To apply these incentive payment multipliers, the SNFs’ adjusted federal per diem rates are multiplied by the incentive payment multiplier. For more information on how incentive payments are determined, see the [SNF VBP Program Exchange Function Methodology Report](#) and pages 36616 through 36621 of the [FY 2018 SNF PPS final rule](#).

14. How do I interpret my SNF VBP Program incentive payment multiplier?

The incentive payment multiplier accounts for both the 2 percent payment withhold used to fund the Program *and* any incentive payments earned through performance. This multiplier will be applied to your SNF’s adjusted federal per diem rate. When payments are made to SNF claims, the adjusted federal per diem rate will be multiplied by the incentive payment

multiplier. Multipliers are applied to payments for services furnished during the applicable SNF VBP Program year. For example, incentive payment multipliers for the FY 2021 SNF VBP Program are applied to payments for services furnished during FY 2021 (October 1, 2020 through September 30, 2021).

The net percentage point increase or decrease to the adjusted federal per diem rate can be determined from the following formula: $(\text{Multiplier} - 1) \times 100$

For example, an incentive payment multiplier of 0.99 would reflect a net payment reduction of 1 percent. An incentive payment multiplier of 1.01 would reflect a net payment increase of 1 percent.

- Multipliers greater than one indicate net-positive incentive payments (the SNF earns more than it would have without the SNF VBP Program)
- Multipliers equal to one indicate net-neutral incentive payments (the SNF's payment is not changed by the SNF VBP Program)
- Multipliers less than one indicate net-negative incentive payments (the SNF receives less than it would have without the SNF VBP Program)

15. Is there a scoring adjustment for SNFs without sufficient baseline period and/or performance period data?

Yes. A low-volume adjustment policy was implemented beginning with SNF VBP Program year FY 2020 data. Following is a summary of this policy:

- SNFs with fewer than 25 stays in the performance period of a given Program year, *regardless* of the number of stays in the baseline period, will automatically receive a net-neutral incentive payment multiplier of 1.0 for that Program year. This means that payment will not be impacted by the SNF VBP Program. These SNFs are also assigned a neutral performance score and rank.
- SNFs with 25 stays or more in the performance period of a given Program year *and* fewer than 25 stays in the baseline period will be scored on achievement only. These SNFs will not be scored on improvement. The achievement score will equal the performance score.

This policy was discussed and finalized on pages 39278 through 39280 of the [FY 2019 SNF PPS final rule](#).

Quarterly Confidential Feedback Reports

16. How will SNFs be notified of their performance in the Program?

CMS provides confidential feedback reports to SNFs on a quarterly basis. A summary of the report types and the tentative schedule is detailed in the table below.

Data	Report Type	Tentative Dissemination Month
Baseline Year Data	Full-Year Workbook	December
Partial Performance Year Data	Interim Workbook	March
Performance Year Data	Full-Year Workbook	June
Performance Score, SNF VBP Program Rank, and Payment Adjustment Data	Performance Score Report	August

For additional information about the quarterly confidential feedback reports, see the [SNF VBP webpage](#).

SNFs can access these reports through the Internet Quality Improvement and Evaluation System (iQIES) Certification and the Survey Provider Enhanced Reporting (CASPER) system.

For more information on how to access your reports, refer to the [Accessing SNF VBP Confidential Feedback Reports presentation](#).

SNFs that have problems accessing their reports can email the QIES Technical Support Office Help Desk at iqies@cms.hhs.gov.

Review and Corrections

17. What is Phase 1 of the Review and Corrections process?

Phase 1 is an opportunity for SNFs to review and submit correction requests to their RSRRs before they are made publicly available. Phase 1 requests will be accepted for up to 30 calendar days after dissemination of the baseline period and performance period quality measure quarterly reports.

This policy was discussed and finalized on pages 47626 through 47627 of the [FY 2021 SNF PPS final rule](#).

18. What is Phase 2 of the Review and Corrections process?

Phase 2 is an opportunity for SNFs to review and submit correction requests to their performance scores and program ranks found in the annual performance score reports. Phase 2 requests will be accepted for up to 30 calendar days after dissemination of the annual performance score reports.

19. How do I submit a review and correction request?

Phase 1 and 2 review and correct requests should be sent to the SNFVBP@rti.org mailbox and must include the following information:

1. The SNF's CMS Certification Number (CCN)
2. The SNF's Name
3. The correction requested
4. The reason for requesting the correction
5. If applicable, the line number (an arbitrary unique identifier within the eligible stays tab of the quarterly confidential feedback reports) of the stay in question

SNFs *SHOULD NOT* send personally identifiable information (PII) and protected health information (PHI); the SNF VBP mailbox is not secured to receive this information. For questions regarding specific stays, SNFs may use the *line number* (an arbitrary unique identifier) in the eligible stays tab of their workbook, as this is a randomly assigned number and not considered PII/PHI.

20. How can I correct an error in my stay-level data?

CMS advises SNFs to follow the established claims correction process to update stay-level information. CMS encourages SNFs to work with hospitals as a part of their care coordination efforts to submit any corrections to claims information to their Medicare Administrative Contractor (MAC) in a timely manner. If an error is identified that may result in a correction to SNF VBP measure rates, **the SNF must work with the MAC to correct the claim in all relevant fields.** The SNF must then notify SNFVBP@rti.org of the correction before the Phase 1 review and correct deadline in order for CMS to consider recalculation of SNF VBP measure data.

Public Reporting

21. Is performance in the SNF VBP Program publicly reported?

Yes. SNF VBP facility-level and national-level data can be found on data.medicare.gov. SNFs are given the opportunity to review their confidential annual performance score report before the data are made publicly available. Generally, SNF VBP facility-level and aggregate-level results are made publicly available in the fall following performance score report distribution.

Beginning with FY 2020 data, as part of the low-volume adjustment policy SNFs with fewer than 25 eligible stays in the baseline period will not have their baseline period RSRR or improvement score publicly reported. SNFs with fewer than 25 eligible stays in the performance period will not have their performance period RSRR, achievement score, or improvement score publicly reported. This policy was discussed and finalized on page 38824 of the [FY 2020 SNF PPS final rule](#).

For more information on the low-volume adjustment policy, see Question 15.

Additional Resources

22. Where can I find more information or ask questions about the SNF VBP Program?

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

For additional questions about the SNF VBP Program, please email SNFVBP@rti.org.

SNFs that have problems accessing their reports can email the iQIES Technical Support Office Help Desk at iqies@cms.hhs.gov.

COVID-19 Resources for the SNF VBP Program

23. Will the COVID-19 public health emergency (PHE) impact SNF VBP Program policies?

On March 27, 2020, CMS announced a [nationwide extraordinary circumstance exception \(ECE\)](#) policy in which qualifying claims from January 1, 2020, through June 30, 2020, will be excluded from the claims-based SNFRM calculations. This policy will automatically apply to all SNFs, and no action is required on the part of SNF providers. SNFs do not need to submit an ECE form in order to qualify for this blanket ECE.

CMS is aware that the ECE period falls within the currently planned performance period (FY 2020) of the FY 2022 SNF VBP Program. CMS continues to assess the impact of the COVID-19 ECE on the SNF VBP Program and will continue to communicate to SNFs any further policy adjustments to the SNF VBP Program as needed.

This guidance and the COVID-19 ECE policy referenced above are subject to change, so please monitor future SNF VBP communications, press releases, and the [CMS.gov Current Emergencies page](#) for up to date guidance, or contact the SNF VBP Help Desk at SNFVBP@rti.org should you have additional questions.