



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

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List of Acronyms

CAH	critical access hospital
CASPER	Certification and Survey Provider Enhanced Reports
CCN	CMS Certification Number
CMS	Centers for Medicare & Medicaid Services
COVID-19	2019 Novel Coronavirus
CY	calendar year
DTC-PAC	Discharge to Community—Post-Acute Care Measure for SNFs (NQF #3481)
ECE	extraordinary circumstances exception
EDB	Enrollment Database
FAQ	frequently asked question
FFS	fee-for-service
FY	fiscal year
HHS	U.S. Department of Health and Human Services
HIPAA	Health Insurance Portability and Accountability Act of 1996
LPN	Licensed Practical Nurse
LVA	low-volume adjustment
MAC	Medicare Administrative Contractor
MBI	Medicare Beneficiary Identifier
MDS	Minimum Data Set
MedPAR	Medicare Provider Analysis and Review file
NQF	National Quality Forum
QIES	Quality Improvement and Evaluation System
PAMA	Protecting Access to Medicare Act of 2014
PHE	public health emergency
PDC	Provider Data Catalog
PHI	protected health information
PII	personally identifiable information
PPS	Prospective Payment System
PSR	Performance Score Report
RN	Registered Nurse
RSRR	risk-standardized readmission rate
R&C	Review and Correction
SNF	skilled nursing facility
SNFRM	SNF 30-Day All-Cause Readmission Measure (NQF #2510)
SNF HAI	Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization measure
SNF QRP	Skilled Nursing Facility Quality Reporting Program
SNF VBP	Skilled Nursing Facility Value-Based Purchasing Program
VBP	value-based purchasing

General Skilled Nursing Facility Value-Based Purchasing Program Information

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

The Centers for Medicare & Medicaid Services (CMS) awards incentive payments to SNFs through the SNF VBP Program to encourage SNFs to improve the quality of care they provide to Medicare beneficiaries. Performance in the SNF VBP Program is currently based on a single measure of all-cause hospital readmissions.

In Section 215 of the [Protecting Access to Medicare Act of 2014 \(PAMA\)](#), Congress added sections 1888(g) and (h) to the Social Security Act, requiring the Secretary of the U.S. Department of Health and Human Services (HHS) to establish a SNF VBP Program. The Program began affecting SNF payments on October 1, 2018. CMS applies SNF incentive payments prospectively to all Medicare fee-for-service (FFS) Part A claims paid under Medicare's SNF Prospective Payment System (PPS).

PAMA specifies that under this Program, SNFs:

- Are evaluated by their performance on a hospital readmission measure;
- Are assessed on both improvement and achievement, and scored on the higher of the two;
- Earn incentive payments based on their performance;
- Are subject to a 2 percent payment withhold, of which between 50 and 70 percent is paid back; and
- Receive quarterly confidential feedback reports containing information about their performance.

2. How did the Consolidated Appropriations Act, 2021, modify the SNF VBP Program?

In Section 111 of the Consolidated Appropriations Act, 2021, Congress amended Section 1888(h) of the Social Security Act to allow the HHS Secretary to apply up to nine additional measures determined appropriate by the Secretary to the SNF VBP Program for payments for services furnished on or after October 1, 2023 (fiscal year [FY] 2024).

In the [FY 2023 SNF PPS final rule](#) (pages 47564–47580), CMS adopted two additional measures for use beginning in the FY 2026 SNF VBP Program year, and one additional measure for use beginning in the FY 2027 SNF VBP Program year. Table 1 lists the measures currently adopted for FY 2023 through FY 2027 Program years, as finalized through the federal rulemaking process.

Table 1. Measures adopted by the SNF VBP Program: FY 2023 through FY 2027 Program years

Measure	FY 2023 Program Year	FY 2024 Program Year	FY 2025 Program Year	FY 2026 Program Year	FY 2027 Program Year
SNF 30-Day All-Cause Readmission Measure (SNFRM; National Quality Forum [NQF] #2510)	✓	✓	✓	✓	✓
Skilled Nursing Facility Healthcare-Associated Infections (SNF HAI) Requiring Hospitalization	–	–	–	✓	✓
Total Nurse Staffing Hours per Resident Day (including Registered Nurse [RN], Licensed Practical Nurse [LPN], and Nurse Aide hours)	–	–	–	✓	✓
Discharge to Community—Post-Acute Care (DTC-PAC) Measure for SNFs (NQF #3481)	–	–	–	–	✓

3. Which SNFs are included in the SNF VBP Program?

The SNF VBP Program is not optional. All SNFs paid under Medicare’s SNF PPS are included in the SNF VBP Program. The types of SNFs 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.

Measuring Readmissions

4. What measure is currently used in the SNF VBP Program?

Performance in the SNF VBP Program is currently based on SNFs’ performance on the SNF 30-Day All-Cause Readmission Measure (SNFRM; NQF #2510), which evaluates the risk-standardized readmission rate (RSRR) of unplanned, all-cause hospital readmissions for

Medicare FFS beneficiaries. The SNFRM assesses unplanned, all-cause hospital readmissions for SNF residents within 30 days of discharge from a prior hospital stay to a SNF. The SNFRM is a measure of a SNF’s relative performance compared with all other SNFs in the SNF VBP Program. For more details on the SNFRM, please see the [SNF VBP webpage](#) and the [SNFRM Technical Report](#).

In each SNF VBP Program year, each SNF receives a SNFRM result reflecting its performance during the baseline period and during the performance period.

5. What data periods does the SNF VBP Program use to assess performance?

The SNF VBP Program assesses SNF performance on the SNFRM during a baseline period and a performance period. Table 2 lists the baseline and performance periods for the FY 2019 through FY 2026 Program years, as finalized through the federal rulemaking process.

Table 2. SNF VBP Program year data periods: FY 2019 through 2026 Program years

SNF VBP Program year	Baseline period	Performance period
FY 2019 ^a	CY 2015 (1/1/2015–12/31/2015)	CY 2017 (1/1/2017–12/31/2017)
FY 2020	FY 2016 (10/1/2015–9/30/2016)	FY 2018 (10/1/2017–9/30/2018)
FY 2021	FY 2017 (10/1/2016–9/30/2017)	FY 2019 (10/1/2018–9/30/2019)
FY 2022	FY 2018 (10/1/2017–9/30/2018)	4/1/2019–12/1/2019 ^b
FY 2023	FY 2019 (10/1/2018–9/30/2019)	FY 2021 (10/1/2020–9/30/2021)
FY 2024	FY 2019 (10/1/2018–9/30/2019)	FY 2022 (10/1/2021–9/30/2022)
FY 2025	FY 2019 (10/1/2018–9/30/2019)	FY 2023 (10/1/2022–9/30/2023)
FY 2026	FY 2022 (10/1/2021–9/30/2022)	FY 2024 (10/1/2023–9/30/2024)

CY = Calendar Year; FY = Fiscal Year.

^a The SNF VBP Program shifted from calendar year to fiscal year measurement periods beginning in the FY 2020 Program year to mitigate logistical calculations concerns.

^b In response to the COVID-19 public health emergency (PHE), CMS excluded qualifying claims in the first two quarters of Calendar Year (CY) 2020 (January 1, 2020 – June 30, 2020) from use in the SNF VBP Program. Additionally, because the SNFRM assesses hospital readmissions within 30 days of discharge from a prior hospitalization to a SNF and requires data from 12 months prior to the start of the SNF stay for risk adjustment, residents that were discharged from the hospital to the SNF after December 1, 2019, and residents with SNF admissions from July 1, 2020 – September 30, 2020, were excluded from the SNFRM calculations due to missing data. Thus, the FY 2022 SNF VBP Program performance period originally specified in the [interim final rule with comment](#) was restricted to April 1, 2019 through December 1, 2019. For further information please see the [interim final rule with comment](#) (pages 54835–54837) and the [FY 2022 SNF PPS final rule](#) (pages 42503–42516). For more information on SNF VBP Program adjustments in response to the COVID-19 PHE, please see [Questions 33–41](#).

6. What information is used to calculate the SNFRM?

CMS calculates the SNFRM for Medicare FFS beneficiaries using data extracted from SNFs’ and hospitals’ Medicare FFS Part A **claims** submitted to CMS for payment. The SNF and hospital claims are sourced from the Medicare Provider Analysis and Review (MedPAR) files. The SNFRM uses Enrollment Data Base (EDB) files to identify eligibility information, resident names and

Medicare Beneficiary Identifiers (MBIs); CMS uses this information when populating quarterly confidential feedback reports for SNFs.

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

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

The SNFRM evaluates the risk-standardized rate of *unplanned* hospital readmissions. To determine if a hospital readmission is planned or unplanned, CMS uses a modified version of the Planned Readmission Algorithm. The SNFRM does not count planned readmissions against facilities because they are not indicative of poor quality of care. The SNFRM defines a planned readmission as any non-acute readmission in which one of a set of typically planned procedures or diagnoses occurred. The Planned Readmission Algorithm is based on two main principles:

1. CMS should always consider some diagnoses and procedures as planned.
2. CMS should also consider a separate, larger group of procedures as planned readmissions except in the presence of a disqualifying unplanned diagnosis.

If a readmission does not meet the established criteria for a planned readmission according to the algorithm, CMS will consider it an unplanned readmission. Note that the Planned Readmission Algorithm assesses diagnosis and procedure coding information in the *hospital claim only, not in the SNF claim*, to determine if a readmission is planned or unplanned. Table 3 lists the versions of the algorithm used for the FY 2019 through FY 2026 Program years.

Table 3. SNF VBP Program’s Planned Readmission Algorithm Versions: FY 2019 through FY 2026 Program years

SNF VBP Program year	Version of Planned Readmission Algorithm*
FY 2019	3.0
FY 2020	3.0
FY 2021	4.0
FY 2022	4.0
FY 2023	4.0 2020
FY 2024	4.0 2020
FY 2025	4.0 2022
FY 2026	4.0 2022

*CMS regularly updates the Planned Readmission Algorithm to align it with the latest clinical guidelines and available billing codes, so SNF VBP Program years using the same version of the algorithm but slightly different billing codes is reflected by the variation in the version year.

For more details on the approach used to determine whether a readmission is planned or unplanned, see Appendix A of the [2019 SNFRM Technical Report Supplement Update](#) and

Appendix D of the [2022 Measure Updates and Specifications Report: Skilled Nursing Facility 30-Day All-Cause Readmission Measure](#).

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

CMS calculates the SNFRM using data from Medicare FFS Part A claims. Only stays that meet the inclusion and exclusion criteria are used to calculate the measure. 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 9](#)) are excluded, as are patients discharged from SNFs against medical advice. For the full list of exclusions, see the [SNFRM Technical Report](#) (pages 6–8), the [April 2017 SNFRM Technical Report Supplement](#) (pages 3–6), and the [2022 Measure Updates and Specifications Report: Skilled Nursing Facility 30-Day All-Cause Readmission Measure](#) (pages 6–7).

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

The risk window is the 30-day period during which the SNFRM counts unplanned hospital readmissions. The risk window begins when a patient is discharged from an acute care hospitalization and then 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, as shown in Figure 1, if a patient was discharged from a hospital to a SNF on September 1, 2018, and then readmitted to the hospital on September 10, 2018, the risk window started on September 1 and ended on September 10. Alternatively, if that same patient never experienced a readmission, the risk window ends 30 days after it started, on October 1, 2018, as shown in Figure 2.

Figure 1. SNFRM 30-day risk window, ended by a readmission

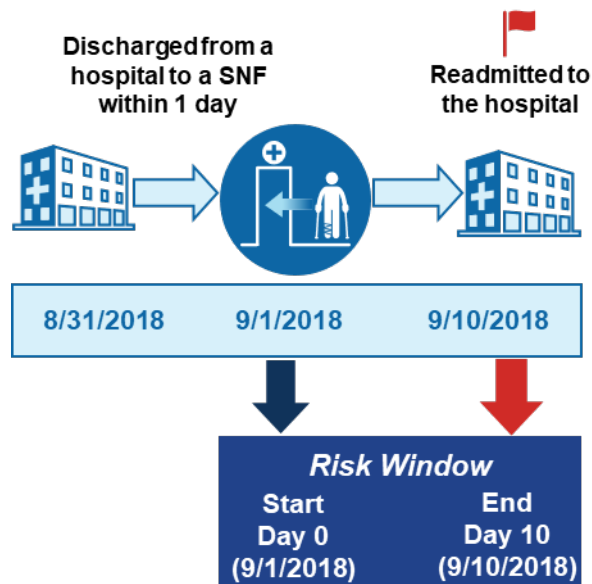
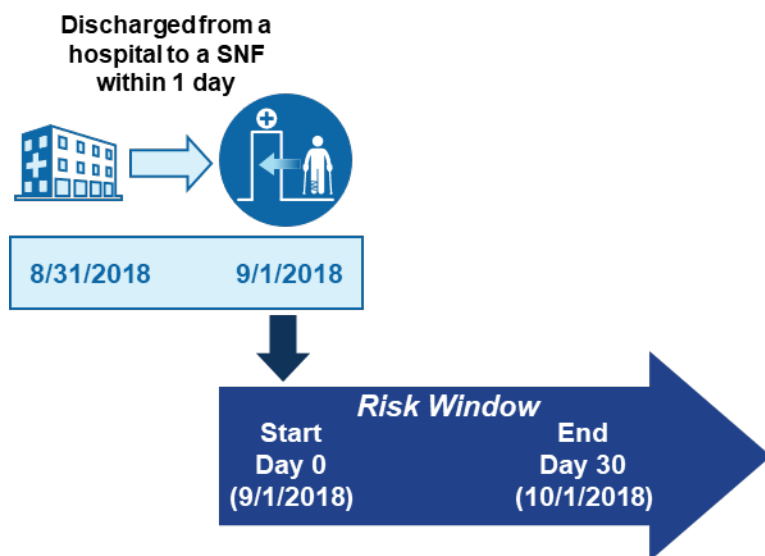


Figure 2. SNFRM 30-day risk window, completed without a readmission

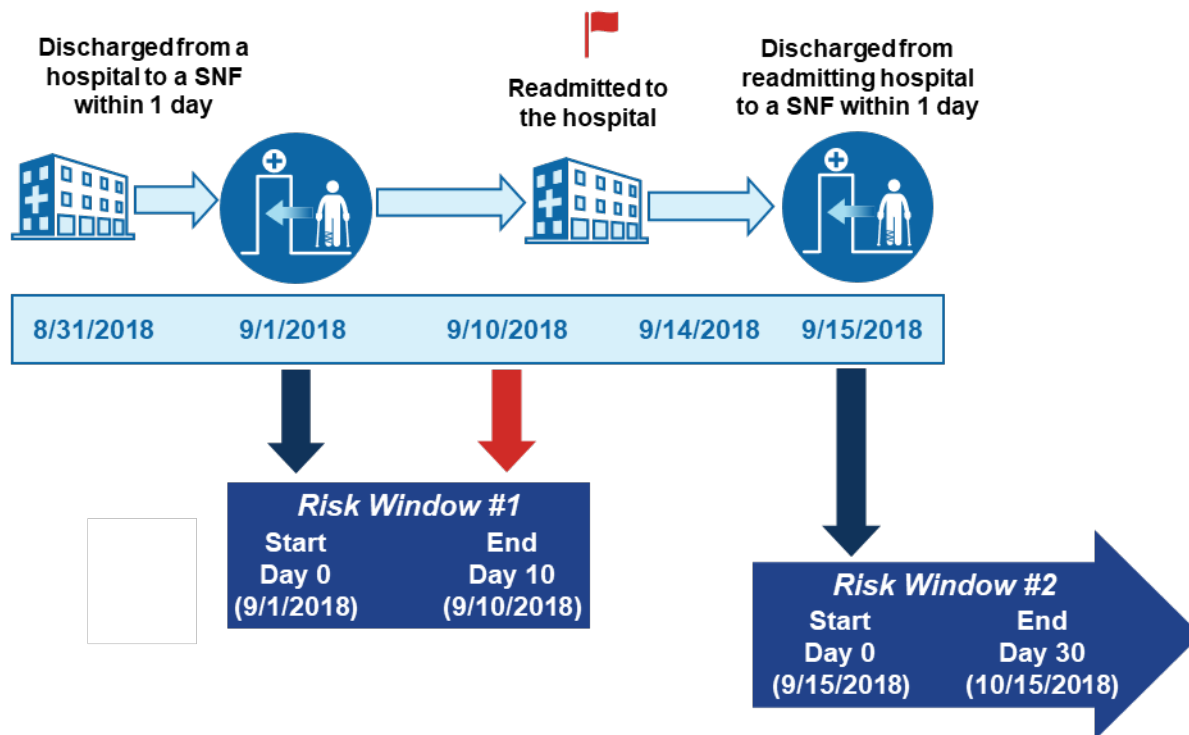


10. Does the SNFRM count multiple hospital readmissions during a single 30-day risk window?

No. The risk window ends 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, including a subsequent SNF admission within one day of discharge from a hospital.

For example, as shown in Figure 3, if a patient was discharged from a hospital to a SNF on September 1, 2018, and then readmitted to the hospital on September 10, 2018, the first 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, 2018, a second 30-day risk window would begin. This second risk window would end on October 15, 2018, if the patient was not readmitted to a hospital.

Figure 3. Two SNFRM 30-day risk windows, first ended by a readmission and second completed without a readmission



11. Why do my SNFRM results for the same data collection period differ across SNF VBP Program years?

The SNFRM uses the Planned Readmission Algorithm to determine whether a readmission is planned or unplanned. CMS uses the same version of the Planned Readmission Algorithm in each Program year’s baseline and performance periods to maintain stable comparisons of SNF performance across data periods. However, across Program years, CMS periodically updates versions of the Planned Readmission Algorithm used in the SNFRM to align it with the latest clinical guidelines and include all billing codes available for use in SNF Medicare FFS Part A claims. . This can result in different measure results for the same data period if that data period is used in more than one Program year.

For example, the performance period for the FY 2020 SNF VBP Program year covers the same data period (FY 2018) as the baseline period for the FY 2022 SNF VBP Program year. However, these Program years use different versions of the Planned Readmission Algorithm. The FY 2020 Program year used Version 3.0, and the FY 2022 Program year used the latest version available at the time, Version 4.0, to assess FY 2018 data.

Similarly, the SNFRM is risk-adjusted to account for a variety of factors that affect the probability of a patient experiencing a hospital readmission, such as a patient’s demographics and comorbidities. The SNFRM’s risk adjustment model employs clinical categorization software which groups billing codes for diagnoses and procedures into smaller, more digestible, clinical categories. CMS uses the same clinical categorization software versions in each Program year’s

baseline and performance periods to maintain stable comparisons of SNF performance across data periods. However, across Program years, CMS periodically updates the clinical categorization software versions to align with the latest clinical guidelines and include all billing codes available for use in SNF Medicare FFS Part A claims. This can likewise result in different measure results for the same data period if that data period is used in more than one Program year.

If the algorithm or the clinical categorization software underlying portions of the risk adjustment model used by the SNFRM changes, a SNF's performance as measured by the SNFRM might change as well.

12. Is the SNFRM also used in the SNF Quality Reporting Program (SNF QRP) or the Five-Star Quality Rating System?

No. CMS uses the SNFRM only in the SNF VBP Program. CMS uses a different hospital readmission measure, the Potentially Preventable 30-Day Post-Discharge Readmission measure, in the SNF QRP. For more information about SNF QRP measures, including the Potentially Preventable 30-Day Post-Discharge Readmission measure, visit the [SNF QRP webpage](#).

CMS does not use the SNFRM in the Five-Star Quality Rating System to calculate nursing home star ratings on the Care Compare website. For more information about rehospitalization measures used to calculate nursing home star ratings on Care Compare, visit the [Provider Data Catalog](#) website.

Performance Scores, Rank, and Incentive Payments

13. How are performance scores determined?

To determine performance scores, CMS compares SNFs' inverted risk-standardized readmission rates (RSRRs) in the performance period with two metrics:¹

1. Their own past performance during the baseline period, used to calculate an improvement score (scores range from 0 to 90), as shown in Figure 4

¹ 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 the continuing effects of the COVID-19 PHE 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 PHE 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](#) (pages 47559–47562). SNFs that did not meet the SNFRM's case minimum (25 or more eligible stays) in the performance period (FY 2021) were excluded from the SNF VBP Program for FY 2023; payments to these SNFs in FY 2023 are not affected by the SNF VBP Program.

For more information on how incentive payment multipliers are determined in the FY 2023 Program year, see the [SNF VBP Program: FY 2023 Incentive Payment Multiplier Calculation infographic](#).

Figure 4. Improvement score



2. National SNF performance during the baseline period, used to calculate an achievement score (scores range from 0 to 100), as shown in Figure 5

Figure 5. Achievement score



CMS compares the SNF’s achievement and improvement scores; **whichever score is higher becomes that SNF’s performance score**, as shown in Figure 6.

Figure 6. Performance score



For complete information on how achievement and improvement scores are calculated, including the formulas used, see [Question 15 of these FAQs](#), the [FY 2017 SNF PPS final rule](#) (pages 52000–52005), and the [SNF VBP Program: FY 2021 Incentive Payment Multiplier Calculation infographic \(Steps 1–3\)](#).

14. How are performance standards determined for the SNF VBP Program?

There are two performance standards for the SNF VBP Program: the achievement threshold and the benchmark. The achievement threshold is equal to the 25th percentile of all SNFs’ performance on the SNFRM during the Program year’s applicable baseline period. The benchmark is equal to the mean of the top decile of all SNFs’ performance on the SNFRM

during the Program year’s applicable baseline period. CMS calculates both performance standards using inverted RSRRs.

CMS publishes the performance standards for the SNF VBP Program in the SNF PPS final rule no later than 60 days before the applicable Program year’s performance period begins. Table 4 lists the performance standards used for the FY 2019 through FY 2025 Program years.

Table 4. SNF VBP Program performance standards: FY 2019 through FY 2025 Program years

SNF VBP Program year	Achievement threshold	Benchmark	SNF PPS final rule
FY 2019	0.79590	0.83601	FY 2017 SNF PPS final rule (page 51998)
FY 2020	0.80218	0.83721	FY 2018 SNF PPS final rule (page 36613)
FY 2021	0.79476	0.83212	FY 2019 SNF PPS final rule (page 39276)
FY 2022	0.79059	0.82905	FY 2020 SNF PPS final rule (page 38822) ^a
FY 2023	0.79270	0.83028	FY 2021 SNF PPS final rule (page 47625)
FY 2024	0.79271	0.83033	FY 2022 SNF PPS final rule (page 42513)
FY 2025	0.79139	0.82912	FY 2023 SNF PPS final rule (page 47584)

^a The performance standards for the FY 2022 SNF VBP Program year were initially published in the [FY 2020 SNF PPS final rule](#). They were subsequently updated in April 2021 via a CASPER email announcement distributed to all SNFs. However, as finalized under the suppression policy in the [FY 2022 SNF PPS final rule](#) (pages 42503–42516), CMS implemented revised scoring policies for the FY 2022 Program year and assigned all SNFs a performance score of zero. Per this policy, each SNF received an identical incentive payment multiplier, and SNFs did not receive an achievement score, improvement score, or rank. CMS then applied the low-volume adjustment policy as previously finalized in the [FY 2019 SNF PPS final rule](#) (pages 39278–39280); SNFs subject to the low-volume adjustment policy were assigned a net-neutral incentive payment multiplier.

15. 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, found in the performance period quality measure quarterly reports and the annual Performance Score Reports (typically distributed in June and August, respectively)
- The SNF’s baseline period RSRR, found in the baseline period quality measure quarterly reports and the annual Performance Score Reports (typically distributed in December and August, respectively)
- The applicable achievement threshold and benchmark for the Program year, found in the applicable SNF PPS final rule and the annual Performance Score Reports (PSRs) typically distributed in August

Note: Inverted RSRRs are calculated by subtracting the RSRR from 1 (that is, $1 - \text{RSRR} = \text{Inverted RSRR}$).

To calculate achievement and improvement scores, SNFs may use the formulas presented in Equation 1 and Equation 2.

Equation 1. SNF VBP Program improvement score

$$\left(\left[10 \times \left(\frac{\text{(SNF perf. period inverted RSRR)} - \text{(SNF baseline period inverted RSRR)}}{\text{(Benchmark)} - \text{(SNF baseline period inverted RSRR)}} \right) \right] - 0.5 \right) \times 10$$

Equation 2. SNF VBP Program achievement score

$$\left(\left[9 \times \left(\frac{\text{(SNF perf. period inverted RSRR)} - \text{(Achievement threshold)}}{\text{(Benchmark)} - \text{(Achievement threshold)}} \right) \right] + 0.5 \right) \times 10$$

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

16. My facility has scores of zero for achievement, improvement, and performance. Is this an error?

No. Achievement, improvement, and performance scores of zero are possible. Inverted RSRRs for the performance period that are lower (that is, worse) than those for the baseline period will result in scores of zero for improvement. Likewise, inverted RSRRs for the performance period that are lower (that is, worse) than the achievement threshold will result in scores of zero for achievement. The better of the achievement and improvement scores becomes the SNF’s performance score, so if a SNF’s data meets both of the above conditions, it will receive a performance score of zero.²

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

CMS ranks SNFs 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 have a rank of 1. In this example, the SNF with the next-highest performance score would receive a rank of 201.

² 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 the continuing effects of the COVID-19 PHE on the data used to calculate the SNFRM inhibited CMS’s ability to make fair national comparisons of SNFs’ performance. CMS instead assigned each SNF a performance score of zero to mitigate the effect that the COVID-19 PHE 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](#) (pages 47559–47562).

For more information regarding SNF VBP Program adjustments in response to the COVID-19 PHE, please see [Questions 33–41](#).

18. How are incentive payments determined?

To fund the SNF VBP Program, each year CMS withholds 2 percent of SNFs’ Medicare FFS Part A payments, and each year CMS redistributes 60 percent of the withhold to SNFs as incentive payments. The remaining 40 percent of the withhold is retained in the Medicare Trust Fund. CMS is required to redistribute between 50 and 70 percent of the withheld funds to SNFs as incentive payments; the 60 percent redistribution policy was finalized in the [FY 2018 SNF PPS final rule](#) (pages 36619–36621).

To calculate incentive payments, CMS first estimates the dollar amount of SNFs’ Medicare FFS Part A payments to be redistributed across SNFs in the applicable payment year. CMS then calculates incentive payment multipliers for each SNF based on the SNF’s performance score, using the logistic exchange function. To apply these incentive payment multipliers, CMS multiplies each SNF’s adjusted federal per diem rate by its calculated incentive payment multiplier.

For more information on how incentive payments are determined, see the [SNF VBP Program: FY 2021 Incentive Payment Multiplier Calculation infographic](#) (Steps 1–8), [the SNF VBP Program Exchange Function Methodology Report](#), and in the [FY 2018 SNF PPS final rule](#) (pages 36616–36621).

19. How does CMS calculate the incentive payment pool?

CMS uses historical payment data to estimate the incentive payment pool of SNF Medicare FFS Part A payments to be redistributed across SNFs. To calculate the incentive payment pool, CMS uses the formula below.

Equation 3. SNF VBP Program incentive payment pool

$$\text{Incentive payment pool} = 60\% \text{ of } 2\% \text{ of SNF Medicare fee-for-service (FFS) Part A payments}$$

Table 5 lists the historical payment data used for the FY 2019 through FY 2024 Program years.

Table 5. SNF VBP Program’s historical payment data: FY 2019 through FY 2024 Program years

SNF VBP Program year	Historical payment data
FY 2019	FY 2016 (10/1/2015–9/30/2016)
FY 2020	FY 2017 (10/1/2016–9/30/2017)
FY 2021	FY 2018 (10/1/2017–9/30/2018)
FY 2022	FY 2019 (10/1/2018–9/30/2019)
FY 2023	FY 2019 (10/1/2018–9/30/2019)
FY 2024	FY 2019 (10/1/2018–9/30/2019)

20. How do I interpret my incentive payment multiplier?

The incentive payment multiplier simultaneously accounts for the 2 percent payment withhold used to fund the SNF VBP Program and any incentive payments earned through performance as measured by the SNFRM during a baseline period and a performance period. CMS applies each SNF’s incentive payment multiplier to their adjusted federal per diem rate. When CMS makes payments for SNF claims, the adjusted federal per diem rate is multiplied by the incentive payment multiplier.

CMS applies incentive payment multipliers to payments for services provided during the applicable SNF VBP Program year. For example, CMS applies incentive payment multipliers for the FY 2023 SNF VBP Program year to payments for services provided during FY 2023 (October 1, 2022, through September 30, 2023).

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

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

Table 6 describes how to interpret an incentive payment multiplier’s impact on a SNF’s payments.

Table 6. Interpreting incentive payment multipliers

Incentive Payment Multiplier	Impact to Payment
Incentive Payment Multiplier < 1	SNF receives less than the 2 percent withhold back (net-negative)
Incentive Payment Multiplier = 1	SNF receives the full 2 percent withhold back (net-neutral)
Incentive Payment Multiplier > 1	SNF receives more than the 2 percent withhold back (net-positive)

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

In the [FY 2023 SNF PPS final rule](#), CMS finalized a case minimum policy for the SNFRM and removed the existing low-volume adjustment policy.³ Starting with the FY 2023 Program year,

³ The low-volume adjustment policy finalized in the FY 2019 SNF PPS final rule (pages 39278–39280) applied to the FY 2020, FY 2021, and FY 2022 Program years, and was replaced in the FY 2023 Program year with the case minimum policy described above and in the [FY 2023 SNF PPS final rule](#) (pages 47585–47588). Under the low-volume adjustment 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, received a net-neutral incentive payment multiplier of 1.0 in that Program year. This meant that payment was not affected by the SNF VBP Program. These SNFs were also assigned a neutral performance score and rank.

SNFs must have a minimum of 25 eligible stays for the SNFRM during the applicable performance period in order to be eligible to receive a score on that measure.

For the FY 2023 Program year, SNFs that do 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. Payments to these SNFs are not affected by the SNF VBP Program and these SNFs will not receive an incentive payment multiplier for the FY 2023 Program year; instead, these SNFs will receive their full federal per diem rate. For more information on this policy, see the [FY 2023 SNF PPS final rule](#) (pages 47585–47587).

SNFs that do not meet the SNFRM’s case minimum (25 or more eligible stays) in the baseline period (FY 2019) are scored on achievement only. These SNFs will not be scored on improvement, so their achievement score will equal their performance score. This policy was finalized in the [FY 2023 SNF PPS final rule](#) (pages 47587–47588).

22. My facility did not receive a performance score or an incentive payment multiplier. Instead, these values were “---” or blank. Is this an error?

No. In the [FY 2023 SNF PPS final rule](#) (pages 47585–47588), CMS finalized a case minimum policy for the SNFRM and removed the existing low-volume adjustment (LVA) policy. Starting with the FY 2023 Program year, SNFs must have a minimum of 25 eligible stays for the SNFRM during the applicable performance period to be eligible to receive a performance score on that measure.

If a SNF had fewer than 25 eligible stays during the applicable performance period, that SNF is not eligible to receive a performance score, and that SNF’s annual Performance Score Report (PSR) will contain a “---” for the performance period RSRR and the achievement, improvement, and performance scores.

In addition, for the FY 2023 Program year, SNFs that do not meet the SNFRM’s case minimum in the performance period (FY 2021) are excluded from the SNF VBP Program. Payments to these SNFs are not affected by the SNF VBP Program and these SNFs will not receive an incentive payment multiplier for the FY 2023 Program year; instead, these SNFs will receive their full federal per diem rate.

If a SNF had fewer than 25 eligible stays during the applicable performance period, that SNF is not eligible to receive an incentive payment multiplier, and that SNF’s annual PSR will contain a “---” for the incentive payment multiplier.

Quarterly Confidential Feedback Reports

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

CMS provides confidential feedback reports to SNFs on a quarterly basis. Table 7 shows the types of reports provided and the tentative schedule.

Table 7. SNF VBP Program reports and tentative dissemination month

Data	Report type	Tentative dissemination month ^a
Baseline year data	Full-year workbook	December
Partial performance year data	Interim (partial-year) workbook	March
Performance year data	Full-year workbook	June
Performance score, SNF VBP Program rank, and incentive payment multiplier	Performance Score Report	August

^a The dissemination month for each report release is tentative and subject to change.

For more information about the quarterly confidential feedback reports, see the [SNF VBP webpage](#) and the [FY 2023 SNF VBP Program PSR User Guide](#). The [FY 2023 SNF VBP Program Timeline](#) also provides an example reports schedule alongside key Review and Correction (R&C), rulemaking, and public reporting dates for a single Program year.

24. How can SNFs access their quarterly confidential feedback reports?

SNFs can access their quarterly confidential feedback reports (including Performance Score Reports containing their incentive payment multiplier) through the Quality Improvement and Evaluation System (QIES)/Certification and Survey Provider Enhanced Reports (CASPER) reporting system; quarterly reports cannot be transmitted by any means other than CASPER, as they contain protected health information.

For more information on how to access these reports, refer to the [Accessing Your SNF VBP Confidential Quarterly Feedback Reports presentation](#) and [Slides 35 and 36 of the Understanding Your August 2020 Performance Score Report presentation](#). SNFs that have problems accessing their reports can email the QIES Technical Support Office Help Desk at iqies@cms.hhs.gov.

25. Why did my SNF not receive a quarterly confidential feedback report?

SNFs do not receive a quality measure quarterly report if they do not have any eligible stays during the applicable data collection period, whether the baseline period or performance period.

SNFs also do not receive an annual Performance Score Report (PSR) if they do not have any eligible stays during the performance period of the Program year. In this case, the SNF would not meet the SNFRM's case minimum (25 or more eligible stays) in the applicable performance period and would be excluded from the affected Program year. Payments to these SNFs are not affected by the SNF VBP Program and these SNFs will not receive an incentive payment multiplier; instead, these SNFs will receive their full federal per diem rate.

Review and Correction

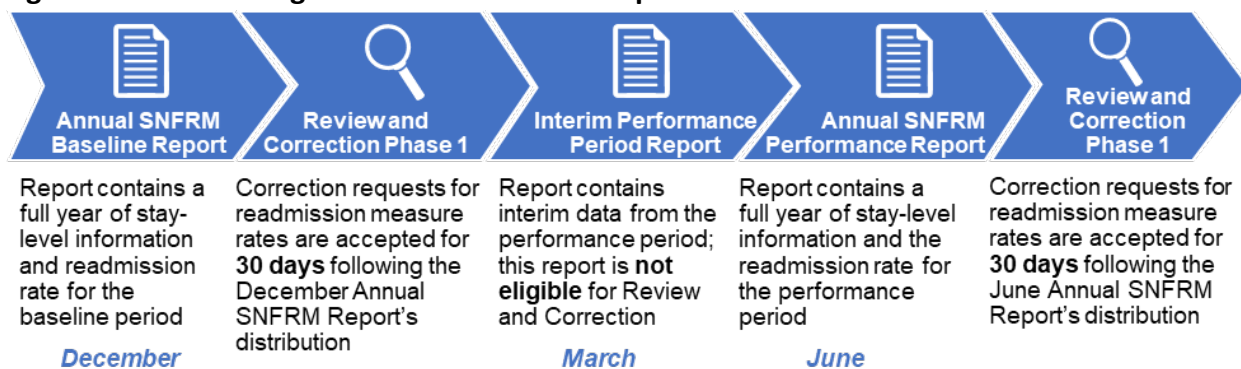
26. What is Phase 1 of the Review and Correction (R&C) process?

In Phase 1 of the R&C process, SNFs may review and submit corrections to their readmission measure rates. Corrections are limited to errors made by CMS or its contractors when calculating a SNF's readmission measure rate. SNFs are not able to correct any of the underlying administrative claims data (for example, a SNF discharge destination code) used to calculate a SNF's readmission measure rate during Phase 1 of the R&C process.

CMS includes readmission measure rates within the baseline period and performance period quality measure quarterly reports typically distributed in December and June, respectively (see [Question 23](#)). As shown in Figure 7, CMS accepts Phase 1 requests for up to 30 calendar days after dissemination of the quality measure quarterly reports for the baseline period (typically distributed in December) and performance period (typically distributed in June).

This policy was discussed and finalized in the [FY 2022 SNF PPS final rule](#) (pages 42516–42517).

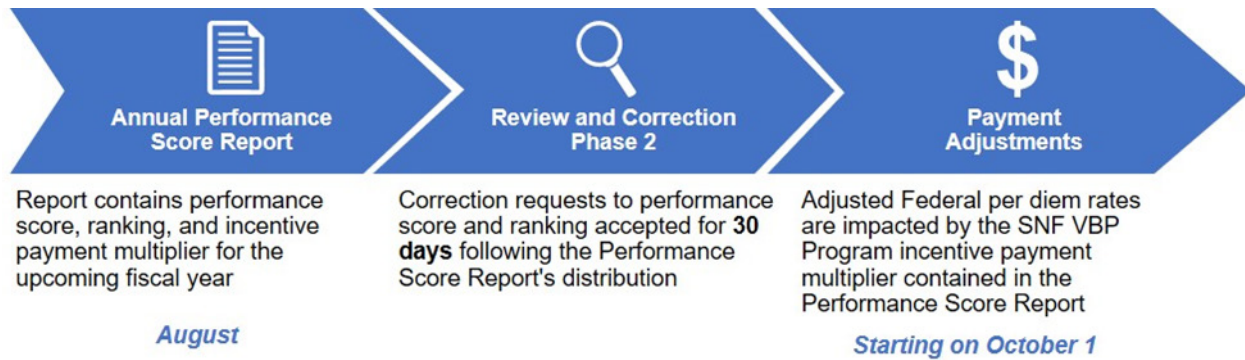
Figure 7. SNF VBP Program: Phase 1 of the R&C process



27. What is Phase 2 of the R&C process?

In Phase 2 of the R&C process, SNFs may review and submit corrections to only their performance score and ranking in the Performance Score Reports (PSRs). As shown in Figure 8, Phase 2 requests are accepted for up to 30 calendar days after dissemination of the annual PSRs (typically distributed in early August).

Figure 8. SNF VBP Program: Phase 2 of the R&C process



28. How do I submit an R&C request?

SNFs must submit correction requests to the SNF VBP Program Help Desk at SNFVBP@rti.org within 30 calendar days after dissemination of the applicable report.

Requests 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 found on the 'Eligible Stays' tab of the quarterly confidential feedback reports) of the stay in question.

Do not attach your SNF's quarterly confidential feedback report to the request.

CMS will review the requests and notify the requesting SNF of the final decision.

Reports contain discharge-level data protected by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Any disclosure of protected health information (PHI) or personally identifiable information (PII) should only be in accordance with, and to the extent permitted by, the HIPAA Privacy and Security Rules and other applicable laws. When referring to the contents of your reports, use only the line number.

The SNF VBP Program Help Desk is not secured to receive PII and PHI. The line number (an arbitrary unique identifier found on the 'Eligible Stays' tab of the quarterly confidential feedback reports) is a randomly assigned number and is not considered PII or PHI.

29. 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 also encourages SNFs to work with hospitals as part of their care coordination efforts to submit any corrections to claims information to their Medicare Administrative Contractor (MAC) to correct the claim in all relevant fields in a timely manner. If an error is identified, *the SNF must work with the MAC to correct the claim in all relevant fields.*

For corrections to the underlying administrative claims data to be reflected in the SNF VBP Program’s quarterly confidential feedback reports, the SNF must submit the claims correction request to the MAC, and the MAC must process the correction before the “snapshot date.” The quarterly confidential feedback reports will not reflect any claims corrections processed after the date of the claims snapshot, which is 3 months following the last index SNF admission in the applicable baseline period or performance period, as shown in Table 8. CMS cannot recalculate any results in the quarterly confidential feedback reports to reflect claims corrected after the date of the claims snapshot. The results will also only reflect edits that comply with the time limits and reopening and revision requirements described in the Medicare Claims Processing Manual: “[Chapter 1—General Billing Requirements](#)” and “[Chapter 34—Reopening and Revision of Claim Determinations and Decisions](#).” This claims “snapshot” policy was discussed and finalized in the [FY 2022 SNF PPS final rule](#) (pages 42516–42517).

Table 8. SNF VBP Program claims data snapshot dates: FY 2023 through 2025 Program years

SNF VBP Program year	Baseline period	Baseline period claims data snapshot date	Performance period	Performance period claims data snapshot date
FY 2023	FY 2019	12/31/2019	FY 2021	12/31/2021
FY 2024	FY 2019	12/31/2019	FY 2022	12/31/2022
FY 2025	FY 2019	12/31/2019	FY 2023	12/31/2023

Public Reporting

30. Is performance in the SNF VBP Program publicly reported? If so, when?

Yes. The SNF VBP Program’s facility-level and aggregate-level data are publicly posted on the [Provider Data Catalog \(PDC\) website](#). SNFs have the opportunity to review their confidential annual PSR before the data are made publicly available.

Generally, CMS makes these results publicly available in the fall following distribution of the annual Performance Score Reports (typically distributed in August) and the end of the 30-day Phase 2 R&C period.

31. What information in the SNF VBP Program is publicly reported?

The publicly reported facility-level data consist of:

- SNF VBP Program rankings,
- facility information (CMS Certification Numbers, facility names, and facility addresses),
- baseline period RSRRs,
- performance period RSRRs,
- achievement scores,
- improvement scores,
- performance scores, and

- incentive payment multipliers.

The publicly reported aggregate-level data consist of:

- the unadjusted national average readmission rates for the baseline period and performance period,
- the performance standards (achievement threshold and benchmark),
- the range of performance scores,
- the total number of SNFs receiving value-based incentive payments,
- the range of incentive payment multipliers,
- the range of value-based incentive payments (in dollars), and
- the total amount of value-based incentive payments (in dollars).

Starting with the FY 2023 Program year, as part of the case minimum policy finalized in the [FY 2023 SNF PPS final rule](#) (pages 47585–47588), SNFs that do not meet the SNFRM’s case minimum (25 or more eligible stays) in the applicable performance period are excluded from the SNF VBP Program for the affected Program year.⁴ CMS will not publicly report any data on the Provider Data Catalog for excluded SNFs. For more information on the case minimum policy and prior low-volume adjustment policy, see [Question 21](#).

Additional Resources

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

For more information and resources regarding the SNF VBP Program, including user guides, infographics, timelines, reports, and presentations, visit the [SNF VBP Program webpage on CMS.gov](#).

For additional questions about the SNF VBP Program, contact 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.

⁴ As part of the low-volume adjustment policy, certain data for the FY 2020–FY 2022 Program years were not publicly reported. This includes: the baseline period RSRR and improvement score for SNFs with fewer than 25 eligible stays in the baseline period; and the performance period RSRR, achievement score, or improvement score for SNFs with fewer than 25 eligible stays in the performance period. This policy was discussed and finalized in the [FY 2020 SNF PPS final rule](#) (page 38824) and was later replaced with the case minimum policy in the [FY 2023 SNF PPS final rule](#) (pages 47591–47592).

COVID-19 Resources for the SNF VBP Program

33. Will the COVID-19 public health emergency affect SNF VBP Program policies?

On March 27, 2020, CMS announced a [nationwide extraordinary circumstances exception \(ECE\)](#) policy in which qualifying claims from January 1, 2020, through June 30, 2020, will be excluded from the claims-based SNFRM calculations.

On September 2, 2020, CMS revised the performance period for the FY 2022 SNF VBP Program due to the COVID-19 PHE ECE through an [interim final rule with comment](#) (IFC; pages 54835–54837). The FY 2022 Program year performance period was revised to Q2–Q4 CY 2019 and Q3 CY 2020 (4/1/2019–12/31/2019 and 7/1/2020–9/30/2020). This IFC also announced that with respect to the SNF VBP Program, if, as a result of a decision to grant a new nationwide ECE without request or a decision to grant a substantial number of individual ECE requests, there is not enough data to reliably compare national performance on measures, CMS may propose to not score SNFs based on such limited data or make the associated payment adjustments for the affected Program year. An announcement of this release can be found in the [CMS.gov Newsroom](#).

34. How did the COVID-19 public health emergency affect the FY 2022 SNF VBP Program year?

CMS suppressed the use of SNF readmission measure data for purposes of scoring and payment adjustments in the FY 2022 SNF VBP Program year because the effects of the COVID-19 PHE 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 PHE would otherwise have had on SNFs' performance scores and incentive payment multipliers. All participating SNFs received an identical performance score and incentive payment multiplier and SNFs did not receive an achievement score, improvement score, or rank. CMS then applied the low-volume adjustment policy as previously finalized in the [FY 2019 SNF PPS final rule](#) (pages 39278–39280); SNFs subject to the low-volume adjustment policy were assigned a net-neutral incentive payment multiplier. CMS finalized the suppression policy in the [FY 2022 SNF PPS final rule](#) (pages 42503–42516).

35. How does the COVID-19 public health emergency affect the FY 2023 SNF VBP Program year?

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 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 finalized the suppression policy in the [FY 2023 SNF PPS final rule \(pages 47559–47562\)](#). Per this policy, each SNF received an identical incentive payment multiplier of 0.9920000000, and SNFs did not receive an achievement score, improvement score, or rank. 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.

Contact the SNF VBP Program Help Desk at SNFVBP@rti.org if you have additional questions.

36. What action do SNFs need to take to apply the COVID-19 PHE ECE policy?

The COVID-19 PHE ECE policy (excluding qualifying claims from January 1, 2020 – June 30, 2020 from the claims-based SNFRM calculations) will automatically apply to all SNFs; 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.

37. What is the SNF VBP Program’s measure suppression policy?

CMS initially finalized a measure suppression policy for the SNF VBP Program in the [FY 2022 SNF PPS final rule](#) (pages 42503–42516) beginning with the FY 2022 Program year. The policy enables CMS to suppress the use of SNF readmission measure data for purposes of scoring and payment adjustments in the SNF VBP Program if CMS determines that circumstances caused by the public health emergency for COVID-19 have affected the measure and the resulting performance scores significantly.

CMS would use one or more of the four Measure Suppression Factors to guide CMS’s determination of whether to propose to suppress a measure for one or more Program years that overlap with the public health emergency for COVID-19:

- Significant deviation in national performance on the measure during the public health emergency for COVID-19, which could be significantly better or significantly worse compared to historical performance during the immediately preceding Program years.
- Clinical proximity of the measure’s focus to the relevant disease, pathogen, or health impacts of the public health emergency for COVID-19.
- Rapid or unprecedented changes in clinical guidelines, care delivery or practice, treatments, drugs, or related protocols, or equipment or diagnostic tools or materials; or the generally accepted scientific understanding of the nature or biological pathway of the disease or pathogen, particularly for a novel disease or pathogen of unknown origin.
- Significant national shortages or rapid or unprecedented changes in healthcare personnel; medical supplies, equipment, or diagnostic tools or materials; or patient case volumes or facility-level case mix.

Updates for the 2023 SNF VBP Program Year

38. How does the measure suppression policy affect the FY 2023 SNF VBP Program year?

In the [FY 2023 SNF PPS final rule](#) (pages 47559–47562), CMS suppressed the single SNF readmission measure, that is the SNFRM, for the FY 2023 SNF VBP Program year under Measure Suppression Factor (4): significant national shortages or rapid or unprecedented changes in: (iii) patient case volumes or facility-level case mix.

Per the suppression policy, CMS implemented the following scoring policies for the FY 2023 SNF VBP Program:

- All SNFs will receive a performance score of 0.00000 to mitigate the effect the COVID-19 PHE would otherwise have had on SNFs' performance scores and incentive payment multipliers. SNFs did not receive an achievement score or improvement score.
- All included SNFs received an identical performance score and incentive payment multiplier of 0.9920000000.
- SNFs will not receive an achievement score, improvement score, or rank.

For complete information on how performance scores and incentive payment multipliers are calculated under the suppression policy for the FY 2023 Program year, including the formulas used, see the [SNF VBP Program: FY 2023 Incentive Payment Multiplier Calculation infographic](#).

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.

39. How does the measure suppression policy affect payment for the FY 2023 Program year?

To fund the SNF VBP Program, the [Protecting Access to Medicare Act of 2014 \(PAMA\)](#) requires CMS to withhold 2 percent of SNFs' Medicare FFS Part A payments. CMS then redistributes 60 percent of the withhold to SNFs as incentive payments, and the remaining 40 percent 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 percent of its 2 percent withhold, resulting in a 1.2 percent 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.

The payback percentage is spread evenly across all SNFs to equitably reduce the impact of the 2 percent withhold under the measure suppression policy for the FY 2023 Program year.

40. What action do SNFs need to take to apply for the measure suppression policy?

The suppression policy will automatically apply to all SNFs during the FY 2022 and 2023 SNF VBP Program years. No action is required on the part of SNFs.

41. What technical updates were made to the SNFRM to account for COVID-19?

In the [FY 2023 SNF PPS final rule](#) (pages 47562–47564), CMS announced a technical update to the SNFRM, beginning with the FY 2023 Program year, to risk adjust for (1) patients with a primary or secondary COVID-19 diagnosis during the prior proximal hospitalization and (2) patients with a history of a primary or secondary COVID-19 diagnosis only prior to the prior proximal hospitalization. In this SNFRM technical update, CMS added a categorical variable to the risk adjustment model to account for clinical differences in readmission outcomes for those patients who have:

- No history of a COVID-19 diagnosis, and no primary or secondary COVID-19 diagnosis during the prior proximal hospitalization – this is the reference category used for comparison
- A history of primary or secondary COVID-19 diagnosis in the 90 days prior to the prior proximal hospitalization, but no primary or secondary COVID-19 diagnoses during the prior proximal hospitalization – this is the first comparison category evaluated against the reference category
- A primary or secondary COVID-19 diagnosis during the prior proximal hospitalization – this is the second comparison category evaluated against the reference category
 - Patients who satisfy both the first and second comparison categories are included in the second comparison category

For more information, see page 12 of the [2022 Measure Updates and Specifications Report: Skilled Nursing Facility 30-Day All-Cause Readmission Measure](#).