



# Open Door Forum: Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program



*Overview of FY 2016 SNF  
PPS Proposed Rule:  
SNF VBP Program Policies*

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# Agenda

- Legislative Basis for SNF VBP Program
- Legislative Requirements
- Policies Discussed in Proposed Rule
  - Proposed Hospital Readmission Measure
- Topics for Future Rulemaking
  - Feedback reports
  - Performance standards
  - Baseline and performance periods
  - Performance scoring
  - Posting performance information
- Commenting on Proposed Rule

# CMS Objectives for Value-Based Purchasing (VBP)

- Linking Medicare payments to performance on identified quality measures
- Other VBP programs
  - Hospital VBP Program (HVBP)
  - Hospital Readmissions Reduction Program (HRRP)
  - Hospital-Acquired Conditions Reduction Program (HACRP)
  - End-Stage Renal Disease Quality Incentive Program (ESRD QIP)
  - Physician Value-Based Payment Modifier
- **Goal:** *Transform Medicare from passive payer of claims to active purchaser of quality health care for beneficiaries*

# Legislative Basis

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

- Section 1888(g) authorizes new quality measures for skilled nursing facilities (SNFs) based on the rate of hospital readmissions of Medicare beneficiaries discharged to a SNF
- Section 1888(h) authorizes a VBP program in which Medicare payments to SNFs will be adjusted based on their performance scores on the quality measures established in Section 1888(g)

# Legislative Requirements (1 of 2)

Under Section 1888(g), the Secretary of the Department of Health and Human Services (HHS) is required to:

- Specify an all cause, all condition hospital readmission measure by 10/1/15, and an all condition risk-adjusted potentially preventable hospital readmission rate by 10/1/16
- Provide confidential feedback reports to SNFs regarding their performance on these measures beginning on 10/1/16
- Publicize SNF performance on the measures on *Nursing Home Compare* or some other website beginning on 10/1/17

# Legislative Requirements (2 of 2)

Under Section 1888(h), the Secretary of HHS is required to:

- Establish performance standards on the quality measures that include both achievement and improvement
- Develop a methodology for assessing performance scores and ranking SNFs based on their scores from low to high
- Make value-based incentive payments to SNFs for services provided on or after 10/1/18, with the highest ranked SNFs receiving the highest payments and SNFs ranked in the lowest 40 percent receiving payments that are less than what they would otherwise receive without the program
- Make value-based incentive payments to SNFs that total not less than 50 percent of the amount withheld from SNF Medicare payments nor more than 70 percent of that amount

# Proposed Hospital Readmission Measure: Definition

Measure estimates risk-standardized rate of all-cause, unplanned hospital readmissions of SNF Medicare 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
- Measure is NQF-endorsed and harmonized with the Hospital-Wide Readmission Measure to the extent possible

# Proposed Hospital Readmission Measure: Calculation

How is measure calculated?

- Based on the Standardized Risk Ratio (SRR), which is:

$$\frac{\text{Predicted unplanned readmissions within 30 days of discharge for SNF}_i}{\text{Expected unplanned readmissions for same patients in average SNF}}$$

- SNF's Risk-Standardized Readmission Rate is:

$$\text{SRR} \times \text{Overall national raw readmission rate for all SNF stays}$$

- One year of data is used to calculate the measure rate



# Proposed Hospital 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 in which
  - Intervening post-acute care admission within the 30-day window
  - More than 1 day between the hospital discharge and the SNF admission
  - Patient was discharged from the SNF against medical advice
  - Principal diagnosis in prior hospitalization was for rehabilitation, fitting of prosthetics, adjustment of devices
  - Prior hospitalization was for pregnancy

# Other SNF VBP Quality Measures

Section 1888(g)(2), titled “Resource Use Measure,” requires a quality measure to reflect an “all condition risk-adjusted potentially preventable hospital readmission rate” for SNFs

- Measure currently under development
- Intend to propose details on this measure in future rulemaking

# Topics for Future Rulemaking (1 of 3)

## Feedback reports

- Seek comment on the best way to provide quarterly confidential feedback reports on performance, such as providing downloadable reports through secure website such as QualityNet

## Performance standards

- Proposed rule discusses
  - Potential approaches for calculating performance standards, including methods adopted under other Medicare pay-for-performance programs
  - Methodologies for incorporating improvement into performance scores
- Seek comment on how to calculate improvement scores given the necessity to construct ranking of SNFs

# Topics for Future Rulemaking (2 of 3)

## Performance and baseline periods

- Start/end dates, appropriate duration

## Performance scoring

- Challenge in adopting the scoring methodologies of programs with quality measures categorized in domains when SNF VBP focuses on a single quality measure
- Differences in performance scores must reflect true differences in performance
- Scoring methodology must be understandable so that
  - SNFs can maximize quality improvement efforts
  - Public can use scoring information when choosing a SNF

# Topics for Future Rulemaking (3 of 3)

- Requirements for value-based incentive payments, including the incentive payment percentage that must be determined for each SNF and the funding available for these payments
- Posting of performance information on the *Nursing Home Compare* website, including how the information is displayed and how SNFs can review and correct this information as needed
- Most appropriate way to post aggregate performance information, including the range of performance scores and the number of SNFs receiving positive incentive payments

# Navigating the Proposed Rule

<b>For Details On</b>	<b>Go to</b>
Proposed readmission measure, calculation, and exclusions	Section V.A.3.a-c [80 FR 22059-22061]
Approaches for calculating performance standards, including methodologies for incorporating improvement	Section V.A.4 [80 FR 22061-22064]
Performance period/baseline period considerations	Section V.A.5 [80 FR 22064-22065]
Performance scoring considerations	Section V.A.6 [80 FR 22065-22066]

# Commenting on the Proposed Rule (1 of 3)

Read and comment on the Proposed Rule for SNF VBP FY 2016 online at [www.regulations.gov](http://www.regulations.gov)

- Within the search bar, enter the Regulation Identifier Number associated with the regulation, **0938-AS44**

The screenshot shows the homepage of regulations.gov. At the top, there is a navigation bar with links for Home, Help, Resources, and Feedback and Questions. Below this is a search bar with the text "SEARCH for: Rules, Comments, Adjudications or Supporting Documents:". The search bar contains the text "0938-AS44" and a "Search" button. A red box highlights the search input field, and a red arrow points to the "Search" button. To the right of the search bar, there are buttons for "Browse" and "Learn". Below the search bar, there is a section titled "Participate Today!" with text encouraging users to submit comments and use the site to search for regulations. To the right of the search bar, there is a section titled "Are you new to the site?" with a list of links for getting started. Below this, there are links for "Unmanned Aircraft Systems" and "New Commenting API".

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# Commenting on the Proposed Rule (2 of 3)

- Submit comments online by clicking “Comment Now!” next to the regulation title
- Include file code **CMS-1622-P** on all correspondences, including your comments

The screenshot shows the regulations.gov website interface. At the top, there is a navigation bar with links for Home, Help, Resources, and Feedback and Questions. A search bar contains the text "0938-AS44". Below the search bar, the "Search Results" section is displayed. On the left, there are filters for "Filter Results By...", "Comment Period" (Open and Closed), "Document Type" (Notice, Proposed Rule, Rule, Supporting & Related Material, Other, Public Submission), and "Posted" (Search All). The main content area shows a "Featured Result" for RIN: 0938-AS44, titled "Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities (SNFs) for FY 2016, SNF Value-Based Pur...". The result card includes the Docket ID (CMS-2015-0047), Agency (CENTERS FOR MEDICARE&MEDICAID SERVICES (CMS)), and a Summary. In the bottom right corner of the result card, a blue button labeled "Comment Now!" is highlighted with a red box. Below the button, the due date "Due Jun 19, 2015 11:59 PM ET" and the RIN number "RIN: 0938-AS44" are visible.

**Comments due Friday, June 19, 2015 – 5 p.m. ET**



# Commenting on the Proposed Rule (3 of 3)

- Alternate methods for submitting comments
  - Regular US Postal Service mail (allow time for standard transit and delivery)
  - Express or overnight mail
  - Hand or courier delivery (Washington, DC and Baltimore, MD locations)
- See proposed rule for specifics regarding these methods, including addresses

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