



Overview of SNF VBP Program Proposals from the FY 2025 SNF PPS Proposed Rule

Hosted by:

Outpatient Quality Program Systems and Stakeholder Support

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Speaker

Chris Palmer

Coordinator

Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program
Division of Chronic and Post Acute Care (DCPAC)
Quality Measurement and Value-Based Incentives Group (QMVIG)
Center for Clinical Standards and Quality (CCSQ)
Centers for Medicare & Medicaid Services (CMS)

Moderator

Donna Bullock, MPH, RN
SNF VBP Program Lead

Outpatient Quality Program Systems and Stakeholder Support

Purpose

This event will provide an overview of the major provisions in the fiscal year (FY) 2025 SNF Prospective Payment System (PPS) proposed rule for the SNF VBP Program.

Objectives

Participants will be able to:

- Locate the FY 2025 SNF PPS proposed rule text.
- Identify proposed changes for the SNF VBP Program within the FY 2025 SNF PPS proposed rule.
- Identify the time period for submitting public comments to CMS on the FY 2025 SNF PPS proposed rule.
- Submit formal comments to CMS regarding proposals included in the FY 2025 SNF PPS proposed rule.

Acronyms

CCSQ	Center for Clinical Standards and Quality	PAMA	Protecting Access to Medicare Act
CMS	Centers for Medicare & Medicaid Services	PBJ	Payroll Based Journal
DC	discharge	PPR	Potentially Preventable Readmission
DCPAC	Division of Chronic and Post Acute Care	PPS	prospective payment system
DTC	Discharge to Community	QMVIG	Quality Measurement and Value-Based Incentives Group
ECE	Extraordinary Circumstances Exception	QRP	Quality Reporting Program
FFS	fee-for-service	RSRR	Risk-Standardized Readmission Rate
FY	fiscal year	SNF	skilled nursing facility
HAI	Healthcare-associated infection	SNFRM	Skilled-Nursing Facility 30-Day All-Cause Readmission Measure
MDS	Minimum Data Set	VBP	value-based purchasing
PAC	post-acute care	SNF WS PPR	SNF Within-Stay Potentially Preventable Readmissions

Administrative Procedure Act

- Because CMS must comply with the Administrative Procedure Act, we are not able to provide additional information, clarification, or guidance related to the proposed rule.
- We encourage stakeholders to submit comments or questions through the formal comment submission process, as described in this webinar.

Chris Palmer, Coordinator, SNF VBP Program
DCPAC, QMVIG, CCSQ, CMS

SNF VBP Program Overview

Program Origin

- 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 awards incentive payments to SNFs for quality of care provided to Medicare beneficiaries, currently measured by the SNF 30-Day All-Cause Readmission Measure (SNFRM).
- The SNF VBP Program began awarding incentive payments in FY 2019.

Program Framework and Eligibility

- PAMA specifies that, under the SNF VBP Program, SNFs:
 - Are evaluated by their performance on a hospital readmission measure.
 - Are scored on both improvement and achievement.
 - Receive quarterly confidential feedback reports containing information about their performance.
 - Earn incentive payments based on their performance.
- All SNFs paid under Medicare's SNF PPS are included in the SNF VBP Program.

Use of the SNFRM Measure

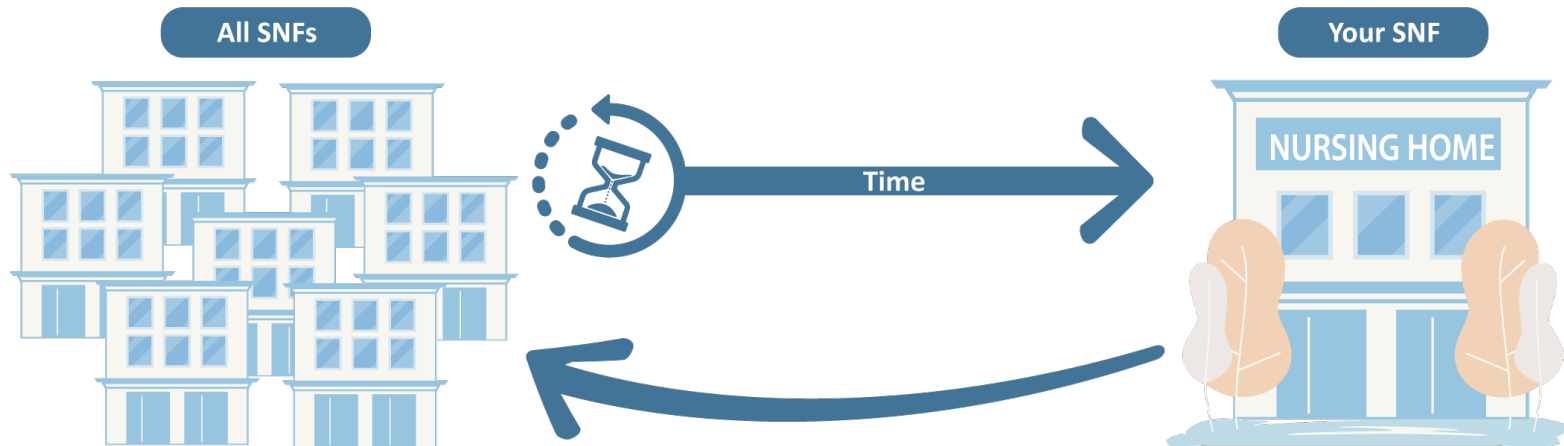
- The SNFRM measures the rate of all-cause, unplanned hospital readmissions for SNF patients within 30 days of discharge from a prior hospital stay.
- The SNFRM measure is calculated as a risk-standardized readmission rate (RSRR); risk adjustment accounts for patient-level risk factors, including clinical and demographic characteristics.
- Measure results are inverted, so higher rates indicate better results.
 - Inverted Rate = $1 - \text{RSRR}$
 - Example Inverted Rate = $1 - 0.15$
 - Example Inverted Rate = 0.85



Achievement Score

Achievement Score: Points are awarded by comparing the facility's rate during the performance period with the performance of all SNF facilities nationally during the baseline period through the performance standards.

- 0 points: Rate worse than achievement threshold
- 0-100 points: Rate equal to or better than achievement threshold, but worse than benchmark (use achievement formula)
- 100 points: Rate better or equal to benchmark

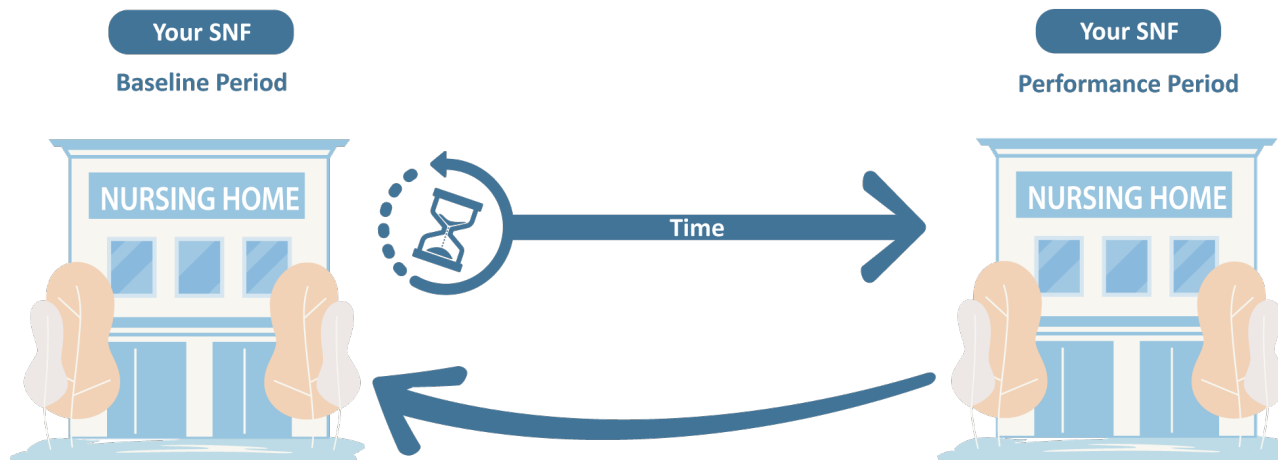


Improvement Score

Improvement Score: Points are awarded by comparing the facility's rate during the performance period with **its own previous performance** during the baseline period.

- 0 points: Rate worse than own baseline period RSSR
- 0–90 points: Rate better than own baseline period rate, but worse than the benchmark (use improvement formula)
- 90 points: Rate better than own baseline period rate and better than the benchmark

Note: SNFs with fewer than 25 eligible stays during the baseline period will not receive an improvement score and will be scored on achievement only.



SNF Performance Score

- The greater of a SNF's achievement and improvement scores becomes the SNF Performance Score.
- The maximum SNF Performance Score is 100 points.



Incentive Payment Multiplier

Each SNF's performance score is transformed into an incentive payment percentage using a logistic (or S-shaped) exchange function, which is used to calculate the SNF's incentive payment that is included on each Medicare claim.

Creating the Incentive Pool

All SNF Part A fee-for-service (FFS) Medicare payments.



CMS withholds 2% of these payments ("withhold").



60% of withhold redistributed to SNFs in the form of incentive payments.

Incentive Payment Multiplier

Multiplier > 1

Net Positive

SNF would earn more than their 2% withhold back



(e.g., the SNF earns more than they would have absent of the SNF VBP Program).

Multiplier = 1

Net Neutral

SNF earns the full 2% withhold



(e.g., the SNF earns the same payment they would have received in the absence of the SNF VBP Program).

Multiplier < 1

Net Negative

SNF received less than the 2% withhold back



(e.g., the SNF receives less than they would have absent of the SNF VBP Program).

Chris Palmer, Coordinator, SNF VBP Program
DCPAC, QMVIG, CCSQ, CMS

SNF VBP Program Major Proposals Overview

FY 2025 SNF PPS

Proposed Rule/Comments

On April 3, 2024, CMS published the FY 2025 SNF PPS proposed rule, updating policies for the SNF VBP Program. It is available on the *Federal Register*, pages 23470–23477: <https://www.federalregister.gov/documents/2024/04/03/2024-06812/medicare-program-prospective-payment-system-and-consolidated-billing-for-skilled-nursing-facilities>

CMS encourages public comments. To assure consideration, comments must be received at one of the addresses provided on the next slide by **May 28, 2024**. Comments, including mass comment submissions, must be submitted in one of the three ways listed on the next slide.

FY 2025 SNF PPS

Proposed Rule/Comments

Submit comments by **May 28, 2024**, using only one of these three ways:

1. Electronically: You may submit electronic comments on this regulation to <http://www.regulations.gov>. Follow the “Submit a Comment” instructions.
2. By regular mail: You may mail written comments to the following address ONLY:

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1802-P
P.O. Box 8016
Baltimore, MD 21244-8016

Please allow sufficient time for CMS to receive mailed comments before the close of the comment period.

3. By express or overnight mail: Send written comments to this address ONLY:

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1802-P
Mail Stop C4-26-05
7500 Security Boulevard
Baltimore, MD 21244-1850

SNF VBP Program

Major Proposals Overview

In the FY 2025 SNF PPS proposed rule, CMS is proposing the following:

1. Adopt a measure selection, retention, and removal policy that aligns with policies CMS has adopted in other CMS quality programs.
2. A technical measure updates policy to allow CMS to update the numerical values of the performance standards for a program year if necessary to account for the implementation of non-substantive technical updates to the measure specifications between the baseline period and the performance period.
3. Adopt the same measure minimum CMS previously finalized for the FY 2027 program year for the FY 2028 program year and subsequent program years.
4. Apply Phase One of CMS review and correction policy to all Claims-based measures and measures that are calculated using Payroll-Based Journal (PBJ) and Minimum Data Set (MDS) measures.
5. Update the instructions for requesting an extraordinary circumstance exception (ECE) and to allow SNFs to request an ECE if the SNF can demonstrate that, as a result of the extraordinary circumstance, it cannot report SNF VBP data on one or more measures by the specified deadline.
6. Several updates to the SNF VBP regulation text to align with previously finalized definitions and policies.

Chris Palmer, Coordinator, SNF VBP Program
DCPAC, QMVIC, CCSQ, CMS

SNF VBP Program Measures

Measures Added by the FY 2023 SNF PPS Final Rule

In the FY 2023 SNF PPS final rule, CMS finalized the addition of three new measures.

- Two measures begin with the FY 2026 SNF VBP Program program year:
 - SNF HAI measure
 - Total Nursing Hours per Resident Day Staffing (Total Nurse Staffing) measure
- One measure begins with the FY 2027 SNF VBP Program program year:
 - DTC PAC SNF measure

Measures Added by the FY 2024 SNF PPS Final Rule

In the FY 2024 SNF PPS final rule, CMS finalized the addition of four new measures.

- One measure begins with the FY 2026 SNF VBP Program program year:
 - Total Nursing Staff Turnover (Nursing Staff Turnover) measure
- Three measures begin with the FY 2027 SNF VBP Program program year:
 - Falls with Major Injury (Long-Stay) measure
 - DC Function measure
 - Number of Hospitalizations per 1,000 Long Stay Resident Days (Long Stay Hospitalization) measure

Measure Replaced by the FY 2024 SNF PPS Final Rule

In the FY 2024 SNF PPS final rule, CMS updated the SNFPPR measure specifications and renamed the measure to the Skilled Nursing Facility Within-Stay Potentially Preventable Readmission (SNF WS PPR) measure.

- Beginning with FY 2028, the SNF WS PPR measure will replace the SNFRM, as statutorily required.

SNF VBP Program Measures

Download the SNF VBP Program Quick Reference Guide:

<https://www.qualityreportingcenter.com/en/snf-vbp/resources/>

Measures By Program Years							
Measure Name	Short Name	Data Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
SNF 30-Day All-Cause Readmission	<i>SNFRM</i>	Medicare Fee-For-Service Claims	✓	✓	✓	✓	
SNF Healthcare-Associated Infections Requiring Hospitalization ★	<i>SNF HAI</i>	Medicare Fee-For-Service Claims			✓	✓	✓
Total Nurse Staffing Hours per Resident Day ★	<i>Total Nurse Staffing</i>	Payroll Based Journal (PBJ) System			✓	✓	✓
Total Nursing Staff Turnover ★	<i>Nursing Staff Turnover</i>	PBJ System			✓	✓	✓
Discharge to Community-Post-Acute Care Measure for SNFs ★	<i>DTC PAC SNF</i>	Medicare Fee-For-Service Claims				✓	✓
Percent of Residents Experiencing One or More Falls with Major Injury (Long-Stay) ★	<i>Falls with Major Injury (Long-Stay)</i>	Minimum Data Set (MDS)				✓	✓
Discharge Function Score for SNFs ★	<i>DC Function</i>	MDS				✓	✓
Number of Hospitalizations per 1,000 Long Stay Resident Days ★	<i>Long Stay Hospitalization</i>	Medicare Fee-For-Service Claims				✓	✓
SNF Within-Stay Potentially Preventable Readmissions ★	<i>SNF WS PPR</i>	Medicare Fee-For-Service Claims					✓

★ New SNF VBP Program measure finalized in FY 2023 SNF PPS final rule

★ New SNF VBP Program measure finalized in FY 2024 SNF PPS final rule

1. Aligning Measure Selection Policy with CMS Quality Programs

- **Proposed Measure Selection, Retention, and Removal Policy (FY 2026):**
 - Automatic retention of adopted measures unless proposed for removal or replacement.
 - Utilization of notice and comment rulemaking for measure removal or replacement.
 - Measure removal factors including criteria such as performance, alignment with guidelines, and unintended consequences.
 - CMS authority to immediately remove measures upon specific resident safety concerns.
- **Implementation and Codification:**
 - Proposal to codify the policy in regulations at § 413.338(l)(2) and (l)(3).
 - Notification to SNFs and public regarding measure removal, along with patient safety concerns, via *Federal Register*.

2. Technical Measure Updates Policy for CMS

- This proposed policy would allow for the incorporation of technical updates to measure specifications through sub-regulatory processes.
 - Technical updates do not substantively affect a measure's calculation methodology.
 - Aims to ensure that SNF VBP measure specifications remain up-to-date and ensure fair comparisons in SNF performance between baseline periods and performance periods.
 - Substantive measure updates (those that significantly alter a measure) would continue to be proposed and adopted through rulemaking.
- This proposed policy would expand the performance standards correction policy by allowing updates to the numerical values if a measure's specifications were technically updated between the time the performance standards were published and the time performance is calculated at the end of a performance period.
 - Aims to ensure that performance standards are calculated using up-to-date measure specifications
- These updates would be communicated to SNFs through various channels.
- The proposed policy aligns with similar practices in the Hospital VBP Program and would be codified in SNF VBP regulations.

3. Adopt FY 2027 Program Year Measure Minimum

- Background:
 - The measure minimum finalized for the FY 2027 SNF VBP program year requires SNFs to report the minimum number of cases for four measures during the performance period.
- Proposal:
 - Extend measure minimum to FY 2028 and subsequent years.
 - SNFs must report the minimum number of cases for at least four measures during the performance period.
 - SNFs that fail to meet the measure minimum would be excluded from the Program and receive their adjusted federal per diem rate.
- Impact Assessment:
 - Estimate: Approximately 6% of SNFs excluded in FY 2028, compared to 8% in FY 2027.
 - Reason: SNF WS PPR measure replacing SNFRM beginning in FY 2028.
 - Consistency in Incentive Payment Multipliers between FY 2027 and FY 2028.

3. Adopt FY 2027 Program Year Measure Minimum Continued

- **Justification:**
 - Minimal impact on SNF performance score reliability.
 - Balance between reliability and ensuring SNFs receive performance score.
- **Future Considerations:**
 - Reassessment if total number of measures in program is revised.
 - Updates proposed in future rulemaking if needed.
- **Call for Public Comment:**
 - Invitation for feedback on proposal to apply FY 2027 measure minimum to FY 2028 SNF VBP program year and subsequent years.

4. Apply Phase One Review and Correction Policy to Claims-Based, PBJ, and MDS-Based Measures

CMS is proposing to:

- Apply our existing Phase One of the review and correction process to all measures adopted in the Program regardless of the data source for a particular measure.
- Limit Phase One corrections for claims-based measures to errors made by CMS or its contractors when calculating the measure rates.

For corrections to the underlying administrative claims data to be reflected in the SNF VBP Program's quarterly confidential feedback reports, CMS proposes that the SNF must submit any claims correction requests to their Medicare Administrative Contractor before the "snapshot date."

Proposed Snapshot Dates

Measure/Data	Proposed Snapshot Date
SNF HAI Measure	3 months following the last SNF discharge in the applicable baseline period or performance period
DTC-PAC-SNF Measure	3 months following the last SNF discharge in the applicable baseline period or performance period
SNF WS PPR Measure	3 months following the last SNF discharge in the applicable baseline period or performance period
Long Stay Hospitalization Measure	3 months following the final quarter of the applicable baseline period or performance period
PBJ-based Measures	45 calendar days after the last day in each fiscal quarter

5. Expansion of ECE Request Criteria

- **Objective:**
 - To broaden the eligibility criteria for SNFs to submit ECE requests, beginning with the FY 2025 Program Year.
- **Current Regulation:**
 - Paragraph (d)(4)(ii) of regulations allows SNFs to request an ECE if they can prove an extraordinary circumstance affected resident care and subsequent performance measures.
- **Proposed Expansion:**
 - SNFs can request an ECE if they can demonstrate an inability to report SNF VBP data on one or more measures by the specified deadline due to an extraordinary circumstance.
 - The expansion aims to prevent penalization of SNFs for circumstances beyond their control.
 - Aligns SNF VBP ECE policy with policies adopted for SNF Quality Reporting Program (QRP) and Home Health QRP.

5. Expansion of ECE Request Criteria Continued

- **Implementation:**
 - If granted, an ECE would lead to the calculation of a SNF performance score excluding the affected measure/measures during the months impacted by the extraordinary circumstance.
- **Benefits:**
 - The expansion provides flexibility for SNFs facing exceptional challenges.
 - The expansion ensures fair evaluation of SNF performance despite unforeseen circumstances.
 - The expansion offers consistency across various quality reporting programs.
- **Conclusion:**
 - The proposed expansion of ECE criteria enhances the adaptability and fairness of the SNF VBP program, aligning it with broader industry standards and providing essential support to SNFs facing extraordinary challenges.

Updates to ECE Request Process Beginning with FY 2025

- **Proposal:** Updates to ECE Request Process for SNF VBP Program.
- **Transition:** From form-based to email-based submission for ECE requests.
- **Timeline:** Effective FY 2025 program year.
- **Process:**
 - Email subject line:
“SNF VBP Extraordinary Circumstances Exception Request”
 - Include specific information:
 - SNF’s CMS Certification Number
 - Business name and address
 - Contact info for CEO or designated personnel
 - Description of event with dates and duration
 - Evidence of impact on care or data reporting
 - Proposed date for compliance with justification

6. Proposed Regulation Text

Technical Updates

- **Proposed Updates:**
 - Fixing cross-references in the rules,
 - Changing the definition of SNF readmission measure,
 - Swapping out old measures for new ones, and
 - Making sure terminology matches across the board
- **Changes to Text:**
 - Rearranging sections for clarity.
 - Adding new parts and tweaking existing ones.
- **Objective:**
 - Clear and consistent rules.
 - Keep up with current policies.
 - Update measures and validation processes.

7. Health Equity Update

- We continue to explore the feasibility of proposing future health equity-focused metrics for the Program.
- Specifically, we are analyzing the following health-equity metrics:
 - A high-social risk factor (SRF) measure that utilizes an existing Program measure where the denominator of the measure only includes residents with a given SRF, which would allow for comparisons of care for underserved populations across SNFs;
 - A worst-performing group measure that utilizes an existing Program measure and compares the quality of care among residents with and without a given SRF on that measure and places greater weight on the performance of the worst-performing group with the goal of raising the quality floor at every facility; and
 - A within-provider difference measure that assesses performance differences between residents (those with and without a given SRF) within a SNF on an existing Program measure, creating a new measure of disparities within SNFs.

Chris Palmer, Coordinator, SNF VBP Program
DCPAC, QMVIG, CCSQ, CMS

Performance Standards

Estimated FY 2027 and FY 2028 SNF VBP Program Performance Standards

TABLE 31—ESTIMATED FY 2027 SNF VBP PROGRAM PERFORMANCE STANDARDS

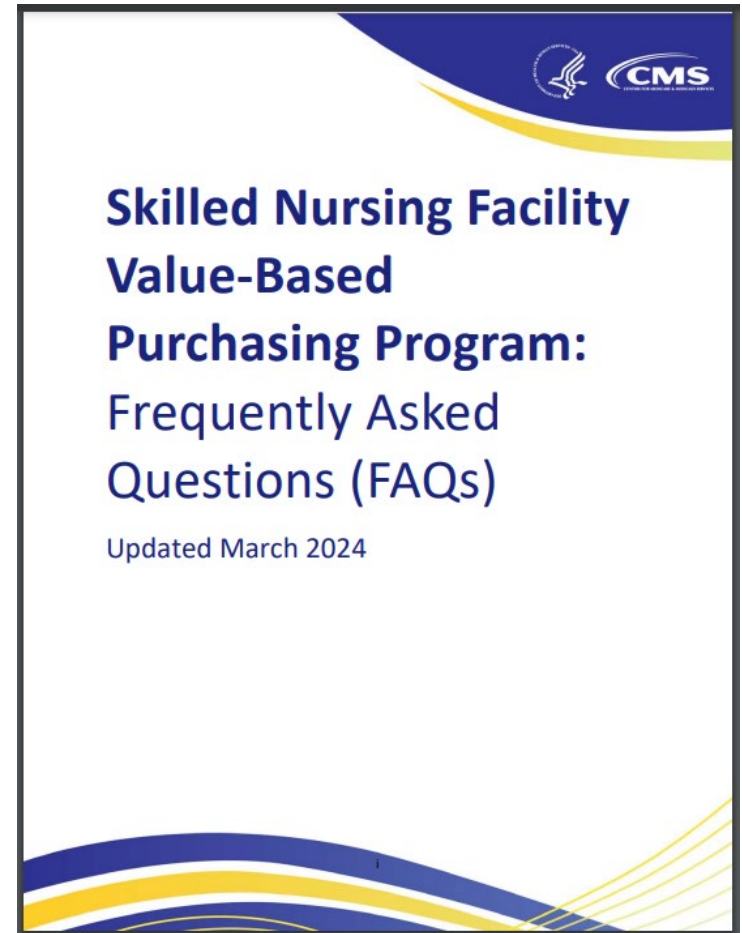
Measure short name	Achievement threshold	Benchmark
SNFRM	0.78800	0.82971
SNF HAI Measure	0.92315	0.95004
Total Nurse Staffing Measure	3.18523	5.70680
Nursing Staff Turnover Measure	0.35912	0.72343
Falls with Major Injury (Long-Stay) Measure	0.95327	0.99956
Long Stay Hospitalization Measure	0.99777	0.99964
DC Function Measure	0.40000	0.79764

TABLE 32—ESTIMATED FY 2028 SNF VBP PROGRAM PERFORMANCE STANDARDS

Measure short name	Achievement threshold	Benchmark
DTC PAC SNF Measure	0.42946	0.66370
SNF WS PPR Measure	0.86756	0.92527

Resources

- Find and compare nursing homes on Care Compare on Medicare.gov:
<https://www.medicare.gov/care-compare/>
- General program information:
<https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/SNF-VBP/SNF-VBP-Page.html>
- Frequently Asked Questions:
<https://edit.cms.gov/files/document/snf-vbp-program-frequently-asked-questions-march-2024-pdf.pdf>
- SNF VBP Program Help Desk:
SNFVBP@rti.org



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Thank you!

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