

*"A Knowledgeable and Compassionate partner"*



# BRR Insiders SNF PPS FY 2023 Final Rule: SNF VBP

**Joel VanEaton, BSN, RN, RAC-CTA, Master Teacher:**  
Executive Vice President of Compliance and Regulatory Affairs



# APPROVAL STATEMENT DISCLOSURE

- This nursing continuing professional development activity was approved by Broad River Rehab, an accredited approver by the American Nurses Credentialing Center's Commission on Accreditation.
- This course has been approved for 1.5 contact hours.

# CONFLICT OF INTEREST DISCLOSURE

- Broad River Rehab is not charging for this educational offering and has no financial or other conflicts of interest regarding this program.

# SUCCESSFUL COMPLETION REQUIREMENTS

- **Live, in-person**
  - In order to obtain nursing contact hours, you must attend the entire activity, participate in case study analysis, and complete the evaluation.
- **Live, virtual**
  - In order to obtain nursing contact hours, you must participate in the entire program, participate in audience polling and/or Q&A and complete the evaluation.
- **Web-Based/On-Demand**
  - In order to obtain nursing contact hours, you must view the entire program, and complete the evaluation.

# DISCLOSURE OF THE EXPIRATION DATE FOR AWARDING CONTACT HOURS FOR ENDURING PROGRAMS

- Contact hours for this program will not be awarded after November 13, 2022





# Agenda

## FY 2023 SNF PPS Final Rule

- FY 2023 Updates to the SNF Payment Rates
- Wage Index Adjustments
- Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program.
- Expanded VBP Measures
- VBP Performance Scoring
- VBP RFI's
- Financial Impact

# FY 2023 Updates to the SNF Payment Rates

- **Market Basket Update**

- Every year CMS updates the PPS rate based on changes in the Market Basket (the overall cost of goods and services that contribute to expenditures required to run and maintain a nursing facility). This is then adjusted by a forecast error adjustment and multi-factor productivity adjustment as applicable. For the FY 2023 market basket updates, CMS has will use second quarter 2022 forecast (with historical data through the first quarter of 2022) of the 2018-based SNF market basket
- For FY 2023, CMS determined an update to the Market Basket of 3.9%.
- This has been adjusted upward to 5.4% due to a 1.5% forecast error adjustment (0.5% threshold).

**TABLE 2: Difference Between the Actual and Forecasted Market Basket Increases for FY 2021**

Index	Forecasted FY 2021 Increase*	Actual FY 2021 Increase**	FY 2021 Difference
SNF	2.2	3.7	1.5

\*Published in Federal Register; based on second quarter 2020 IGI forecast (2014-based index).

\*\* Based on the second quarter 2022 IGI forecast.

- Finally, the FY 2023 Market Basket update has been adjusted to 5.1% due to a 0.3% Productivity Adjustment (the 10-year moving average of changes in annual economy-wide private nonfarm business multi-factor productivity).

# FY 2023 Updates to the SNF Payment Rates

- **Parity Adjustment**

- CMS has finalized a 4.6% parity adjustment based on the difference in expected expenditures under PDPM vs. RUG IV, producing essentially a 4.6% reduction to the PDPM category CMI phased in over 2 Fiscal Years with a 2.3% reduction in both FY 2023 and 2024.
- CMS indicates the overall economic impact will be -\$780 million in aggregate payments to SNFs for FY 2023.
- **This does not include** wage index adjustments, VBP incentive payments, QRP non-compliance APU adjustments or Sequestration.

- **Overall Impact**

- As a result, CMS estimates that the aggregate impact of the provisions in this final rule will result in an estimated net increase in SNF payments of 2.7 percent, or \$904 million, for FY 2023.
- This reflects a 5.1 percent increase from the final update to the payment rates and a 2.3 percent decrease from the reduction to the SNF payment rates to account for the recalibrated parity adjustment.

# Wage Index Adjustments

- **Wage Index**

- CMS is required to adjust the Federal rates to account for differences in area wage levels, using a wage index that the Secretary determines appropriate.
- Since the inception of the SNF PPS, CMS has used hospital inpatient wage data in developing a wage index to be applied to SNFs. CMS will continue this practice for FY 2023,
- CMS continues to believe that in the absence of SNF-specific wage data, using the hospital inpatient wage index data is appropriate and reasonable for the SNF PPS.
- The final wage index data for FY 2023 can be found at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/WageIndex>
- CMS recognizes that changes to the wage index have the potential to create instability and significant negative impacts on certain providers even when labor market areas do not change. In addition, year-to-year fluctuations in an area's wage index can occur due to external factors beyond a provider's control, such as the COVID–19 public health emergency (PHE).
- For FY 2023 and subsequent years, CMS is finalizing a permanent 5 percent cap on any decreases to a provider's wage index from its wage index in the prior year, regardless of the circumstances causing the decline. **Subsequent year adjustments will be based on any applicable 5% cap from the prior year.**
- The wage index adjusts the labor related portion of the case mix adjusted base rate.



# SNF Value Based Purchasing (VBP) Review



# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing**

- The Centers for Medicare & Medicaid Services (CMS) awards incentive payments to skilled nursing facilities (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, which required the Secretary of the Department of Health and Human Services (HHS) to establish a SNF VBP Program. The Program began affecting SNF payments on October 1, 2018.
- PAMA specifies that under the SNF VBP 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;
  - Receive quarterly confidential feedback reports containing information about their performance; and
  - Earn incentive payments based on their performance.
- All SNFs paid under Medicare's SNF Prospective Payment System (PPS) are included in the SNF VBP Program. Inclusion in the SNF VBP Program does not require any action on the part of SNFs.
- As required by statute, CMS withholds 2% of SNFs' Medicare fee-for-service (FFS) Part A payments to fund the program. This 2% is referred to as the "withhold".
- CMS is required to redistribute between 50% and 70% of this withhold to SNFs as incentive payments. CMS redistributes 60% of the withhold to SNFs as incentive payments, and the remaining 40% of the withhold is retained in the Medicare Trust Fund.

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing (cont.)**

- CMS has indicated that they were concerned about the effects of the PHE for COVID-19 on their ability to assess performance on the SNFRM in the SNF VBP Program, namely how the measure's reliability changed, how its current risk-adjustment model does not factor in COVID-19, and how the PHE affected different regions of the country at different times. Therefore, CMS has finalized to once again suppress the SNFRM data for program year FY 2023.
- CMS has developed several Measure Suppression Factors that they believe should guide their suppression of the SNF readmission measure for one or more program years that overlap with the PHE for COVID-19 and will continue to use suppression factor 4.
  - (1) Significant deviation in national performance on the measure during the PHE for COVID-19, which could be significantly better or significantly worse compared to historical performance during the immediately preceding program years.
  - (2) Clinical proximity of the measure's focus to the relevant disease, pathogen, or health impacts of the PHE for COVID-19.
  - (3) 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.
  - (4) 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.



# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing (Cont.)**

- For the FY 2023 SNF VBP Program CMS will use the previously finalized performance period (FY 2021) and baseline period (FY 2019) to calculate each SNF's RSRR for the SNFRM. Then, they will suppress the use of SNF readmission measure data for purposes of scoring and payment adjustments.
- CMS will assign all participating SNFs a performance score of zero in the FY 2023 SNF VBP Program Year. This assignment would result in all participating SNFs receiving an identical performance score, as well as an identical incentive payment multiplier.
- CMS will then reduce each participating SNF's adjusted Federal per diem rate for FY 2023 by 2 percentage points and award each participating SNF 60 percent of that 2 percent withhold, resulting in a **1.2 percent payback** for the FY 2023 SNF VBP Program Year.
- CMS believe this continued application of the 2 percent withhold is required under statute and that a payback percentage that is spread evenly across all participating SNFs is the most equitable way to reduce the impact of the withhold in light of our proposal to award a performance score of zero to all SNFs.
- Under this proposal, SNFs that do not report a minimum of 25 eligible stays for the SNFRM for the FY 2023 program year would not be included in the SNF VBP for that program year. As a result, the payback percentage for FY 2023 would remain at 60.00 percent.



# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing (Cont.)**

- CMS will provide quarterly confidential feedback reports to SNFs and to publicly report the SNFRM rates for the FY 2023 SNF VBP Program Year. However, they will make clear in the public presentation of those data that the measure has been suppressed for purposes of scoring and payment adjustments because of the effects of the PHE for COVID-19 on the data used to calculate the measure. The public presentation would be limited to SNFs that reported the minimum number of eligible stays.
- Because this was not intended to be an indefinite application but a short-term, equitable approach during the unprecedented PHE, CMS intends to resume the use of the SNFRM for scoring and payment adjustment purposes beginning with the FY 2024 program year. In other words, for FY 2024, for each SNF, CMS will calculate measure scores in the SNF VBP Program and would then calculate a SNF performance score for each SNF and convert the SNF performance scores to value-based incentive payments.
- CMS examined whether they should develop an adjustment to the SNFRM that would properly account for COVID-19 patients. After careful examination of each of the four modification options, CMS has finalized its decision to modify the technical specifications of the SNFRM such that beginning with the FY 2023 SNF VBP program year a risk-adjustment variable for both COVID-19 during the PPH and patients with a history of COVID-19 will be added. These cases will remain in the measure's cohort, but CMS will add a variable to the risk adjustment model that accounts for the clinical differences in outcomes for these patients.

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing (Cont.)**

- 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 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, CMS adopted two additional measures for use beginning in the FY 2026 SNF VBP Program year: **1) Skilled Nursing Facility Healthcare-Associated Infections (SNF HAI) Requiring Hospitalization measure;** and **2) Total Nurse Staffing Hours per Resident Day (Total Nurse Staffing) (including Registered Nurse [RN], Licensed Practical Nurse [LPN], and Nurse Aide hours) measure.** CMS also adopted one additional measure for use beginning in the FY 2027 SNF VBP Program year: Discharge to Community (DTC)—Post-Acute Care Measure for SNFs (National Quality Forum [NQF] #3481).

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

**TABLE 30: Quality Measures Under Consideration for an Expanded Skilled Nursing Facility Value-Based Purchasing Program**

Meaningful Measure Area	NQF	Quality Measure
<b>Minimum Data Set</b>		
Functional Outcomes	A2635	Application of IRF Functional Outcome Measure: Discharge Self-Care Score for Medical Rehabilitation Patients*
Functional Outcomes	A2636	Application of IRF Functional Outcome Measure: Discharge Mobility Score for Medical Rehabilitation Patients*
Preventable Healthcare Harm	0674	Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay)**
Preventable Healthcare Harm	0679	Percent of High Risk Residents with Pressure Ulcers (Long Stay)**
Functional Outcomes	N/A	Percent of Residents Whose Ability to Move Independently Worsened (Long Stay)**
Functional Outcomes	N/A	Percent of Residents Whose Need for Help with Activities of Daily Living Has Increased (Long Stay)**
Transfer of Health Information and Interoperability	N/A	Transfer of Health Information to the Provider–Post Acute Care *
Medication Management	N/A	Percentage of Long-Stay Residents who got an Antipsychotic Medication**

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

Medicare Fee-For-Service Claims Based Measures		
Community Engagement	3481	Discharge to Community Measure-Post Acute Care Skilled Nursing Facility Quality Reporting Program*
Patient-focused Episode of Care	N/A	Medicare Spending per Beneficiary (MSPB)-Post Acute Care Skilled Nursing Facility Quality Reporting Program*
Healthcare-Associated Infections	N/A	Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization Measure~
Admissions and Readmissions to Hospitals	N/A	Number of hospitalizations per 1,000 long-stay resident days (Long Stay)**
Patient-Reported Outcome-Based Performance Measure		
Functional Outcomes	N/A	Patient-Reported Outcomes Measurement Information System [PROMIS]-PROMIS Global Health, Physical
Survey Questionnaire (similar to Consumer Assessment of Healthcare Providers and Systems (CAHPS))		
Patient's Experience of Care	2614	CoreQ: Short Stay Discharge Measure
Payroll Based Journal		
N/A	N/A	Nurse staffing hours per resident day: Registered Nurse (RN) hours per resident per day; Total nurse staffing (including RN, licensed practical nurse (LPN), and nurse aide) hours per resident per day**



# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expansion with QRP Measures**
  - (1) Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (SNF HAI) measure (Patient Safety Domain – Meaningful Measures 2.0 Framework);
    - This measure estimates the risk-standardized rate of HAIs that are acquired during SNF care and result in hospitalization using 1 year of Medicare FFS claims data. A HAI is defined, for the purposes of this measure, as an infection that is likely to be acquired during SNF care and severe enough to require hospitalization, or an infection related to invasive (not implanted) medical devices (for example, catheters, insulin pumps, and central lines).

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Performance and Baseline Period Proposals**
  - **SNF HAI Measure**
    - CMS has finalized a 1-year performance period for the SNF HAI measure would be operationally feasible for the SNF VBP Program and would provide sufficiently accurate and reliable SNF HAI measure rates and resulting performance scores.
    - CMS has also finalized to adopt FY 2024 (**October 1, 2023 through September 30, 2024**) as the performance period for the SNF HAI measure for the FY 2026 SNF VBP Program.
    - CMS has finalized to adopt a 1-year baseline period for the SNF HAI measure. In addition, CMS is proposing to adopt FY 2022 (**October 1, 2021 through September 30, 2022**) as the baseline period for the SNF HAI measure for the FY 2026 SNF VBP Program.
    - CMS has also finalized that SNFs must have a minimum of 25 eligible stays during the applicable 1-year performance period in order to be eligible to receive a score on the measure.

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expansion with QRP Measures**

- (2) Total Nursing Hours per Resident Day Staffing (Total Nurse Staffing) measure (Person Centered Care Domain – Meaningful Measures 2.0 Framework).
  - Case mix adjusted hours will be calculated the same as for 5-Star (Hours Adjusted = (Hours Reported/Hours Case Mix) \* Hours National Average)
  - The **proposed numerator** for the measure is total nursing hours (RN + LPN + NA hours). RN hours include the RN director of nursing, RNs with administrative duties, and RNs.
  - The **proposed denominator** for the measure is a count of daily resident census derived from MDS resident assessments.
  - CMS is proposing to report the measure rate for the SNF VBP Program for each SNF as a simple average rate of total nurse staffing per resident day across available quarters in the 1-year performance period.

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Performance and Baseline Period Proposals**
  - **Total Nursing Hours per Resident Day Staffing Measure**
    - CMS has finalized adopting a 1-year performance period for the Total Nurse Staffing measure. In addition, we are proposing to adopt FY 2024 (**October 1, 2023 through September 30, 2024**) as the performance period for the Total Nurse Staffing measure for the FY 2026 SNF VBP program year.
    - CMS has finalized adopting a 1-year baseline period for the Total Nurse Staffing measure. In addition, we are proposing to adopt FY 2022 (**October 1, 2021 through September 30, 2022**) as the baseline period for the Total Nurse Staffing measure for the FY 2026 SNF VBP Program.
    - CMS has finalized that SNFs must have a minimum of 25 residents, on average, across all available quarters during the applicable 1-year performance period in order to be eligible to receive a score on the measure.



# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expansion with QRP Measures**
  - CMS finalized the adoption of an additional quality measure for the SNF VBP Program beginning with the FY 2027 program year:
    - Discharge to Community (DTC) – Post-Acute Care (PAC) Measure for Skilled Nursing Facilities (NQF #3481).
      - This measure reports a SNF's risk-standardized rate of Medicare FFS residents who are discharged to the community following a SNF stay, do not have an unplanned readmission to an acute care hospital or LTCH in the 31 days following discharge to community, and remain alive during the 31 days following discharge to community. Community, for this measure, is defined as home or selfcare, with or without home health services.

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Performance and Baseline Period Proposals**
  - **Discharge to Community – PAC SNF QRP Measure**
    - CMS has finalized calculating the performance period for the DTC PAC SNF measure using two consecutive years of data by proposing to adopt FY 2024 through FY 2025 (October 1, 2023 through September 30, 2025) as the performance period for the DTC PAC SNF measure for the FY 2027 SNF VBP Program.
    - In addition, has finalized the adoption of FY 2021 through FY 2022 (**October 1, 2020 through September 30, 2022**) as the baseline period for the DTC PAC SNF measure for the FY 2027 SNF VBP Program.
    - CMS is also proposing that SNFs must have a minimum of 25 eligible stays during the applicable 2-year performance period in order to be eligible to receive a score on the measure.

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Performance and Baseline Period Proposals**
  - **SNFRM**
    - To avoid COVID related effects, CMS finalized its decision to use a baseline period of FY 2019 for the FY 2025 program year.
    - CMS has finalized the decision that beginning with the FY 2023 program year, SNFs must have a case minimum of 25 eligible stays for the SNFRM during the applicable 1-year performance period in order to be eligible to receive a score on that measure under the SNF VBP Program. This will also affect what data is displayed on Care Compare.

**TABLE 17: Final FY 2025 SNF VBP Program Performance Standards**

Measure ID	Measure Description	Achievement Threshold	Benchmark
SNFRM	SNF 30-Day All-Cause Readmission Measure (NQF #2510)	0.79139	0.82912

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expanded Measure Performance Scoring**

- CMS is finalizing a policy for FY 2026 that SNFs must have the minimum number of cases for two of the three measures during the performance period to receive a performance score and value-based incentive payment, and for FY 2027 that SNFs must have the minimum number of cases for three of the four measures during a performance period to receive a performance score and value-based incentive payment.
- CMS has also finalized the application of the current policy that scores SNFs based only on their achievement, not on their improvement, during the performance period for any program year for which they do not have sufficient baseline period data, which CMS defines as SNFs with fewer than 25 eligible stays during the baseline period for a fiscal year to the expanded VBP measures.
- CMS has finalized updating the achievement and improvement scoring methodology, applicable to all expanded VBP measures, to allow a SNF to earn a maximum of 10 points on each measure for achievement, and a maximum of 9 points on each measure for improvement.
- For purposes of determining these points, CMS has finalized the following definitions:
- **Benchmark:** The mean of the top decile of SNF performance on the measure during the baseline period; and
- **Achievement threshold:** The 25th percentile of national SNF performance on the measure during the baseline period.



# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expanded Measure Performance Scoring**
  - CMS has finalized awarding **achievement points** to SNFs based on their performance period measure rate for each measure according to the following:
    - If a SNF's performance period measure rate is equal to or greater than the benchmark, the SNF would be awarded 10 points for achievement.
    - If a SNF's performance period measure rate is less than the achievement threshold, the SNF would receive 0 points for achievement.
    - If a SNF's performance period measure rate is equal to or greater than the achievement threshold, but less than the benchmark, we will award between 0 and 10 points.
  - CMS has finalized awarding **improvement points** to SNFs based on their performance period measure rate according to the following:
    - If a SNF's performance period measure rate is equal to or lower than its baseline period measure rate, the SNF would be awarded 0 points for improvement.
    - If a SNF's performance period measure rate was equal to or higher than the benchmark, the SNF would be awarded 9 points for improvement.
    - If a SNF's performance period measure rate was greater than its baseline period measure rate but less than the benchmark, we will award between 0 and 9 points

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- Value Based Purchasing Expanded Measure Performance Scoring

Achievement	
Baseline Period	
	Benchmark (the mean of the top decile of SNF performance on the measure during the baseline period)
	Achievement Threshold (the 25th percentile of national SNF performance on the measure during the baseline period)
Performance Period	
	X = 10 Points
X = 0 points	X = between 0 and 10 points

  

Improvement	
Baseline Period	
	Benchmark (the mean of the top decile of SNF performance on the measure during the baseline period)
	Baseline Period Measure rate
Performance Period	
	X = 9 Points
X = 0 points	X = between 0 and 9 points

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expanded Measure Performance Scoring**
  - CMS will score SNFs' performance on achievement and improvement for each measure and award them the higher of the two scores for each measure to be included in the SNF performance score, except in the instance that the SNF does not meet the case minimum threshold for the measure during the applicable baseline period, in which case we propose that the SNF would only be scored on achievement.
  - CMS will then sum each SNFs' measure points and normalize them to arrive at a SNF performance score that ranges between 0 and 100 points.
  - This policy is intended to appropriately recognizes the best performers on each measure and reserves the maximum points for their performance levels while also recognizing that improvement over time is important and should also be rewarded.

# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expanded Measure Performance Scoring**

- CMS is finalizing the adoption of a “normalization” policy for SNF performance scores under the expanded SNF VBP Program, effective with the FY 2026 program year.
- This policy allows for the expansion of the VBP with additional measures while maintaining a score range from 0 – 100 without further changes to the scoring methodology.
- Under this policy, we would calculate a raw point total for each SNF by adding up the SNF’s score on each of the measures.
- For example, a SNF that met the case minimum to receive a score on three quality measures would receive a score between 0 to 30 points, while a SNF that met the case minimum to receive a score on two quality measures would receive a score between 0 to 20 points.
- CMS would then normalize the raw point totals by converting them to a 100-point scale, with the normalized values being awarded as the SNF performance score.
- For example, CMS would normalize a SNF’s raw point total of 27 points out of 30 by converting that total to a 100-point scale, with the result that the SNF would receive a SNF performance score of 90. Example:  $(27/30) \times 100 = 90$



# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Expanded Measure LV Public Reporting**
  - As a result of these policies, and in order to implement them for purposes of clarity and transparency in public reporting, CMS is revising a data suppression policy as follows:
  - (1) If a SNF does not have the minimum number of cases during the baseline period that applies to a measure for a program year, CMS will publicly report the SNF's measure rate and achievement score if the SNF had minimum number of cases for the measure during the performance period for the program year;
  - (2) If a SNF does not have the minimum number of cases during the performance period that applies to a measure for a program year, CMS will not publicly report any information on the SNF's performance on that measure for the program year;
  - (3) If a SNF does not have the minimum number of measures during the performance period for a program year, CMS will not publicly report any data for that SNF for the program year.

# RFI- Staffing Turnover Measures in a Future SNF VBP Program Year

- As a part of CMS' goals to build a robust and comprehensive measure set for the SNF VBP Program and in alignment with stakeholder recommendations, CMS intends to propose to adopt a staffing turnover measure in the SNF VBP Program in the FY 2024 SNF PPS proposed rule. Specifically, the measure CMS intends to include in the SNF VBP program is the percent of total nurse staff that have left the facility over the last year. Total nurse staff include RNs, LPNs, and nurse aides.
- In addition, CMS is interested in whether we should explore the development of a composite measure that would capture multiple aspects of staffing, including both total nurse hours and the staff turnover measure rather than having separate but related measures related to nursing home staffing, such a measure could potentially replace the initial measure we intend to propose to include in SNF VBP for FY 2024.
- CMS has indicated that they will take stakeholder feedback in response to this proposal into consideration as they develop policies for the FY 2024 SNF PPS proposed rule.

# RFI- COVID-19 Vaccination Coverage among Healthcare Personnel Measure in a Future SNF VBP Program Year

- CMS is also considering the inclusion of the National Healthcare Safety Network (NHSN) COVID-19 Vaccination Coverage among Healthcare Personnel measure, which measures the percentage of healthcare personnel who receive a complete COVID-19 vaccination course.
- CMS has indicated that they will take stakeholder feedback into consideration as they develop policies for future rulemaking.

# Request for comments - Updating the SNF VBP Program Exchange Function

- CMS requested stakeholders' feedback on whether they should consider proposing either a new functional form or modified logistic exchange function for the SNF VBP Program.
- In the context of a value-based purchasing program employing multiple measures, CMS is considering whether a new functional form or modifications to the existing logistic exchange function may provide the best incentives to SNFs to improve on the Program's measures
- Specifically, CMS requested comments on whether the proposed addition of new quality measures in the Program should weigh in favor of a new exchange function form, a modified logistic exchange function, or no change to the existing exchange function, whether stakeholders believe that the increased incentive payment percentages for top performers offered by the logistic function should outweigh the simplicity of the linear function, and whether we should further consider either the cube, cube root, or other functional forms.
- CMS Indicated that they will take this feedback into consideration as they develop policies for future rulemaking.



# Request for Comment on a SNF VBP Program Approach to Measuring and Improving Health Equity

- As CMS continues assessing the SNF VBP Program's policies in light of its operation and its expansion as directed by the Consolidated Appropriations Act, CMS requested public comments on policy changes that they should consider on the topic of health equity.
- CMS specifically requested comments on whether they should consider incorporating adjustments into the SNF VBP Program to reflect the varied patient populations that SNFs serve around the country and tie health equity outcomes to SNF payments under the Program.
- These adjustments could occur at the measure level in forms such as stratification (for example, based on dual status or other metrics) or including measures of social determinants of health (SDOH).
- These adjustments could also be incorporated at the scoring or incentive payment level in forms such as modified benchmarks, points adjustments, or modified incentive payment multipliers (for example, peer comparison groups based on whether the facility includes a high proportion of dual eligible beneficiaries or other metrics).
- CMS requested commenters' views on which of these adjustments, if any, would be most effective for the SNF VBP Program at accounting for any health equity issues that we may observe in the SNF population.
- CMS has indicated that they will take stakeholder feedback into consideration as they develop our policies for future rulemaking.

# Request for comments - on the Validation of SNF Measures and Assessment Data

- CMS has adopted measures for the SNF VBP Program that are calculated using data from a variety of sources, including Medicare FFS claims, the minimum data set (MDS), and the PBJ system, and CMS is seeking feedback on the adoption of additional validation procedures. In addition, section 1888(h)(12) of the Act requires the Secretary to apply a process to validate SNF VBP program measures, quality measure data, and assessment data as appropriate.
- Although the MDS data sets are assessed for accuracy, CMS is interested in ensuring the validity of the data reported by skilled nursing facilities because use of this data would have payment implications under the SNF VBP Program.
- Accordingly, CMS requested stakeholder feedback on the feasibility and need to select SNFs for validation via a chart review to determine the accuracy of elements entered into MDS 3.0 and PBJ.
- Additionally, CMS requested feedback on data validation methods and procedures that could be utilized to ensure data element validity and accuracy.

# Request for comments - on the Validation of SNF Measures and Assessment Data

- CMS requested feedback on the volume of facilities to select for validation under the SNF VBP Program.
- CMS also requested stakeholder's feedback on the use of both random and targeted selection of facilities for validation.
- Finally, CMS requested stakeholder feedback on the implementation timeline for additional SNF VBP Program validation processes, as well as validation processes for other quality measures and assessment data.
- CMS believes it may be feasible to implement additional validation procedures beginning with data from the FY 2026 program year, at the earliest.

# Financial Impact SNF PPS FY 2023

TABLE 19: Impact to the SNF PPS for FY 2023

Impact Categories	Number of Facilities	Parity Adjustment Recalibration	Update Wage Data	Total Change
<b>Group</b>				
Total	15,541	-2.3%	0.0%	2.7%
Urban	11,216	-2.3%	0.0%	2.7%
Rural	4,325	-2.2%	-0.3%	2.5%
Hospital-based urban	378	-2.3%	0.3%	3.0%
Freestanding urban	10,847	-2.3%	0.0%	2.7%
Hospital-based rural	410	-2.2%	-0.5%	2.3%
Freestanding rural	3,906	-2.2%	-0.3%	2.5%
<b>Urban by region</b>				
New England	753	-2.3%	-0.7%	2.0%
Middle Atlantic	1,492	-2.4%	0.3%	2.9%
South Atlantic	1,948	-2.3%	-0.4%	2.3%
East North Central	2,155	-2.3%	-0.3%	2.4%
East South Central	556	-2.2%	-0.4%	2.3%
West North Central	957	-2.3%	-0.5%	2.2%
West South Central	1,413	-2.3%	0.3%	3.1%
Mountain	552	-2.3%	-0.1%	2.5%
Pacific	1,393	-2.4%	1.0%	3.6%
Outlying	6	-2.0%	-1.5%	1.4%
<b>Rural by region</b>				
New England	115	-2.3%	0.3%	3.0%
Middle Atlantic	210	-2.2%	-0.5%	2.2%
South Atlantic	499	-2.2%	-0.2%	2.6%
East North Central	935	-2.2%	-0.9%	1.8%
East South Central	489	-2.2%	-0.3%	2.5%
West North Central	1,038	-2.2%	0.0%	2.7%
West South Central	723	-2.2%	0.6%	3.4%
Mountain	211	-2.3%	-0.3%	2.4%
Pacific	95	-2.4%	-1.0%	1.6%
Outlying	1	-2.3%	0.0%	2.7%
<b>Ownership</b>				
For profit	10,901	-2.3%	0.1%	2.7%
Non-profit	3,638	-2.3%	-0.2%	2.5%
Government	1,002	-2.3%	-0.1%	2.6%

Note: The Total column includes the FY 2023 5.1 percent market basket update factor. The values presented in this table may not sum due to rounding.



# Financial Impact Payment Update, VBP, QRP

**TABLE 1: Cost and Benefits**

Provision Description	Total Transfers/Costs
FY 2023 SNF PPS payment rate update	The overall economic impact of this final rule is an estimated increase of \$904 million in aggregate payments to SNFs during FY 2023.
FY 2023 SNF QRP changes	The overall economic impact of this final rule is an estimated increase in aggregate cost to SNFs of \$30,949,079.36.
FY 2023 SNF VBP changes	The overall economic impact of the SNF VBP Program is an estimated reduction of \$185.55 million in aggregate payments to SNFs during FY 2023.

# Financial Impact VBP 2023

TABLE 22: Estimated SNF VBP Program Impacts for FY 2023

Characteristic	Number of facilities	Mean Risk-Standardized Readmission Rate (SNFRM) (%)	Mean performance score	Mean incentive multiplier	Percent of total payment
<b>Group</b>					
Total*	10,707	19.74	0.0000	0.99200	100.00
Urban	8,352	19.77	0.0000	0.99200	87.09
Rural	2,355	19.64	0.0000	0.99200	12.91
Hospital-based urban**	208	19.45	0.0000	0.99200	1.79
Freestanding urban**	8,132	19.78	0.0000	0.99200	85.28
Hospital-based rural**	88	19.19	0.0000	0.99200	0.35
Freestanding rural**	2,197	19.65	0.0000	0.99200	12.42
<b>Urban by region</b>					
New England	617	19.83	0.0000	0.99200	5.46
Middle Atlantic	1,246	19.56	0.0000	0.99200	17.97
South Atlantic	1,626	19.86	0.0000	0.99200	17.71
East North Central	1,486	19.95	0.0000	0.99200	12.62
East South Central	446	19.91	0.0000	0.99200	3.52
West North Central	544	19.79	0.0000	0.99200	3.74
West South Central	874	20.05	0.0000	0.99200	6.82
Mountain	379	19.30	0.0000	0.99200	3.84
Pacific	1,131	19.48	0.0000	0.99200	15.42
Outlying	3	21.41	0.0000	0.99200	0.00
<b>Rural by region</b>					
New England	81	18.99	0.0000	0.99200	0.58
Middle Atlantic	161	19.42	0.0000	0.99200	0.92
South Atlantic	342	19.81	0.0000	0.99200	2.09
East North Central	568	19.50	0.0000	0.99200	3.02
East South Central	388	19.86	0.0000	0.99200	2.19
West North Central	298	19.55	0.0000	0.99200	1.19
West South Central	350	20.14	0.0000	0.99200	1.76
Mountain	101	19.11	0.0000	0.99200	0.55
Pacific	66	18.54	0.0000	0.99200	0.63
Outlying	0	-	-	-	-
<b>Ownership</b>					
Government	453	19.50	0.0000	0.99200	2.89
Profit	7,738	19.79	0.0000	0.99200	75.02
Non-Profit	2,516	19.62	0.0000	0.99200	22.08

\* The total group category excludes 4,213 SNFs who failed to meet the proposed measure minimum policy.

\*\* The group category which includes hospital-based/freestanding by urban/rural excludes 82 swing bed SNFs which satisfied the proposed case minimum policy.

# Financial Impact VBP 2026

TABLE 23: Estimated SNF VBP Program Impacts for FY 2026

Characteristic	Number of facilities	Mean Risk-Standardized Rate of Hospital-Acquired Infections (SNF HAI) (%)	Mean Total Nursing Hours per Resident Day (Total Nurse Staffing)	Mean Risk-Standardized Readmission Rate (SNFRM) (%)	Mean performance score	Mean incentive payment multiplier	Percent of total payment
<b>Group</b>							
Total*	13,188	5.93	3.83	19.97	35.4559	0.99144	100.00
Urban	9,851	5.88	3.85	20.02	35.7219	0.99158	85.97
Rural	3,337	6.09	3.77	19.83	34.6706	0.99102	14.03
Hospital-based urban**	250	4.50	5.25	19.68	57.6328	1.00449	1.85
Freestanding urban**	9,582	5.92	3.81	20.03	35.1215	0.99122	84.09
Hospital-based rural**	126	4.94	4.88	19.30	53.2646	1.00219	0.41
Freestanding rural**	3,106	6.20	3.72	19.85	33.2724	0.99020	13.46
<b>Urban by region</b>							
New England	697	5.48	3.89	20.27	37.2305	0.99201	5.31
Middle Atlantic	1,385	5.77	3.63	19.76	35.5796	0.99174	17.26
South Atlantic	1,795	5.90	3.96	20.11	36.1595	0.99164	17.12
East North Central	1,803	5.85	3.64	20.19	32.7999	0.99002	12.64
East South Central	522	5.98	3.87	20.24	33.6477	0.99035	3.48
West North Central	740	5.79	4.18	20.01	39.3962	0.99374	3.94
West South Central	1,182	6.21	3.61	20.33	29.2867	0.98803	7.32
Mountain	460	5.32	4.00	19.43	44.0399	0.99642	3.85
Pacific	1,262	6.15	4.19	19.63	40.2634	0.99407	15.04
Outlying	5	4.84	4.83	21.00	44.0008	0.99456	0.00
<b>Rural by region</b>							
New England	106	5.30	4.13	19.02	48.9337	0.99981	0.61
Middle Atlantic	191	5.71	3.45	19.27	36.2703	0.99190	0.91
South Atlantic	425	6.06	3.61	19.97	31.9994	0.98959	2.11
East North Central	752	5.94	3.59	19.68	34.0636	0.99061	3.20
East South Central	455	6.34	3.84	20.20	34.1364	0.99085	2.18
West North Central	637	6.15	4.04	19.77	36.7251	0.99187	1.69
West South Central	546	6.57	3.68	20.35	28.4586	0.98762	2.09
Mountain	148	5.60	3.93	19.21	41.2598	0.99468	0.63
Pacific	77	5.50	4.22	18.71	49.2824	0.99987	0.62
Outlying	0	-	-	-	-	-	-
<b>Ownership</b>							
Government	617	5.75	4.07	19.79	40.2540	0.99434	3.05
Profit	9,507	6.13	3.66	20.04	31.9439	0.98935	74.88
Non-Profit	3,064	5.38	4.32	19.81	45.3868	0.99731	22.06

\* The total group category excludes 2,144 SNFs who failed to meet the proposed measure minimum policy.

\*\* The group category which includes hospital-based/freestanding by urban/rural excludes 124 swing bed SNFs which satisfied the proposed measure minimum policy.



# Financial Impact VBP 2027

TABLE 24: Estimated SNF VBP Program Impacts for FY 2027

Characteristic	Number of facilities	Mean Risk-Standardized Rate of Hospital-Acquired Infections (SNF HAI) (%)	Mean Total Nursing Hours per Resident Day (Total Nurse Staffing)	Mean Risk-Standardized Discharge to Community Rate (DTC PAC) (%)	Mean Risk-Standardized Readmission Rate (SNFRM) (%)	Mean performance score	Mean incentive multiplier	Percent of total payment
Total*	12,929	5.94	3.82	53.39	19.97	36.3098	0.99067	100.00
Urban	9,675	5.89	3.84	54.02	20.02	37.0070	0.99107	86.03
Rural	3,254	6.10	3.76	51.54	19.83	34.2368	0.98950	13.97
Hospital-based urban**	222	4.54	5.13	64.29	19.69	61.4924	1.00497	1.74
Freestanding urban**	9,436	5.92	3.81	53.75	20.03	36.3859	0.99072	84.27
Hospital-based rural**	117	4.98	4.75	57.06	19.30	52.2485	0.99924	0.40
Freestanding rural**	3,035	6.20	3.72	50.71	19.84	32.5035	0.98851	13.41
Urban by region								
New England	690	5.47	3.89	57.59	20.27	40.3491	0.99250	5.34
Middle Atlantic	1,365	5.78	3.61	51.75	19.75	35.1747	0.99015	17.30
South Atlantic	1,781	5.90	3.94	54.31	20.11	37.5012	0.99120	17.19
East North Central	1,776	5.86	3.63	54.87	20.20	35.2015	0.99021	12.64
East South Central	516	5.99	3.86	52.97	20.24	34.6611	0.98973	3.49
West North Central	720	5.79	4.18	53.70	20.01	39.3350	0.99230	3.93
West South Central	1,125	6.23	3.60	51.21	20.35	30.1480	0.98761	7.22
Mountain	450	5.32	3.98	60.00	19.42	47.5690	0.99682	3.85
Pacific	1,247	6.16	4.18	53.90	19.64	40.9666	0.99318	15.07
Outlying	5	4.84	4.83	65.19	21.00	53.3254	1.00110	0.00
Rural by region								
New England	106	5.30	4.13	56.39	19.02	48.3424	0.99732	0.61
Middle Atlantic	188	5.72	3.45	49.69	19.26	34.0341	0.98928	0.91
South Atlantic	416	6.04	3.61	50.48	19.97	31.8067	0.98829	2.11
East North Central	740	5.94	3.59	53.62	19.68	34.9419	0.98974	3.20
East South Central	450	6.36	3.84	50.57	20.21	33.5263	0.98947	2.18
West North Central	615	6.17	4.05	50.05	19.77	34.4533	0.98918	1.67
West South Central	518	6.57	3.67	50.02	20.35	28.6480	0.98679	2.04
Mountain	144	5.62	3.83	54.57	19.21	40.8260	0.99289	0.63
Pacific	77	5.50	4.22	57.20	18.71	49.3633	0.99804	0.62
Outlying	0	-	-	-	-	-	-	-
Ownership								
Government	591	5.77	4.03	53.36	19.78	40.0316	0.99271	3.01
Profit	9,331	6.13	3.66	52.15	20.04	32.7939	0.98874	74.96
Non-Profit	3,007	5.39	4.30	57.25	19.81	46.4886	0.99629	22.03

\* The total group category excludes 2,403 SNFs who failed to meet the proposed measure minimum policy.

\*\* The group category which includes hospital-based/freestanding by urban/rural excludes 119 swing bed SNFs which satisfied the proposed measure minimum policy.



# QUESTIONS?

# Find Out More

## Contact Us:

**Tricia Wood:** Vice President, Business Development (Southern US)

[twood@broadriverrehab.com](mailto:twood@broadriverrehab.com)

(919) 844-4800

**Jeff Moyers:** Vice President, Business Development (Southern US)

[jmoyers@broadriverrehab.com](mailto:jmoyers@broadriverrehab.com)

(828) 319-9618

Sign up for our Blog [www.broadriverrehab.com](http://www.broadriverrehab.com)

Ask an Expert <https://www.broadriverrehab.com/expert/>

[Broad River Rehab Reflections](#) are the third Thursday of each month. In October we will review the revisions to MDS 3.0 v1.18.11