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SNF VBP Measures A deep Dive

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Learning Objectives

SNF VBP Measures A deep Dive

- Understand the SNF Value Based Purchasing Program
- Recognize the 4 VBP Measures that will affect FY 2026 PPS Payments
- Comprehend the measure specifications
- Apply the VBP scoring principles
- Interpret the Early Look Performance Score Report for FY 2026

SNF QRP/VBP Resources

- SNF QRP
- SNF VBP
- SNF QRP Technical Specifications for MDS and claims-based measures
- MDS 3.0 v1.18.11 Data Sets and Manual
- FY 2024 final Rule
- FY 2025 Proposed Rule

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

- **Value Based Purchasing in a nutshell**

- 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.

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

- **Value Based Purchasing in a nutshell**

- 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 currently redistributes 60% of the withhold to SNFs as incentive payments, and the remaining 40% of the withhold is retained in the Medicare Trust Fund.
- 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 (FY 2024). Eight additional measures have been approved so far.

Current SNF VBP Measures

TABLE 30: SNF VBP Program Measures and Timeline for Inclusion in the Program

Measure	FY 2025 Program Year	FY 2026 Program Year	FY 2027 Program Year	FY 2028 Program Year
Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM)	Included	Included	Included	
Skilled Nursing Facility Healthcare Associated Infections Requiring Hospitalization (SNF HAI) measure		Included	Included	Included
Total Nursing Hours per Resident Day (Total Nurse Staffing) measure		Included	Included	Included
Total Nursing Staff Turnover (Nursing Staff Turnover) measure		Included	Included	Included
Discharge to Community – Post-Acute Care Measure for Skilled Nursing Facilities (DTC PAC SNF measure)			Included	Included
Percent of Residents Experiencing One or More Falls with Major Injury (Long-Stay) (Falls with Major Injury (Long-Stay)) measure			Included	Included
Discharge Function Score for SNFs (DC Function Measure)			Included	Included
Number of Hospitalizations per 1,000 Long Stay Resident Days (Long Stay Hospitalization) measure			Included	Included
Skilled Nursing Facility Within-Stay Potentially Preventable Readmissions (SNF WS PPR) measure				Included

Program Performance Standards (achievement threshold and benchmarks) have been updated.

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

Skilled Nursing Facility Readmission Measure (SNFRM NQF 2510)

- **Value Based Purchasing Measure**

- NQF 2510: Skilled Nursing Facility Readmission Measure (SNFRM) (VBP)
- The SNFRM measures the rate of all-cause, unplanned hospital readmissions for SNF residents within 30 days of discharge from a prior hospital stay. The SNFRM is risk adjusted for patient demographics, comorbidities, and other health status variables that affect the probability of a hospital readmission, including diagnoses of COVID-19.
- 1 year **baseline period**: FY 2019 (October 1, 2018 through September 30, 2019)
- 1 year **performance period**: FY 2022 (October 1, 2021 through September 30, 2022)
 - In response to the COVID-19 PHE, CMS excluded qualifying claims in the first two quarters of CY 2020 (January 1, 2020 – June 30, 2020) from use in the SNF VBP Program. Thus, the baseline periods for the FY 2024 and FY 2025 Program years remained FY 2019 and were not advanced by one year to avoid any use of the excluded qualifying claims.
- **Achievement Threshold**: Achievement Threshold: 0.78800, **Benchmark**: 0.82971
- **Program year impact**: Current

Skilled Nursing Facility Readmission Measure (SNFRM NQF 2510)

- **Value Based Purchasing Measure**

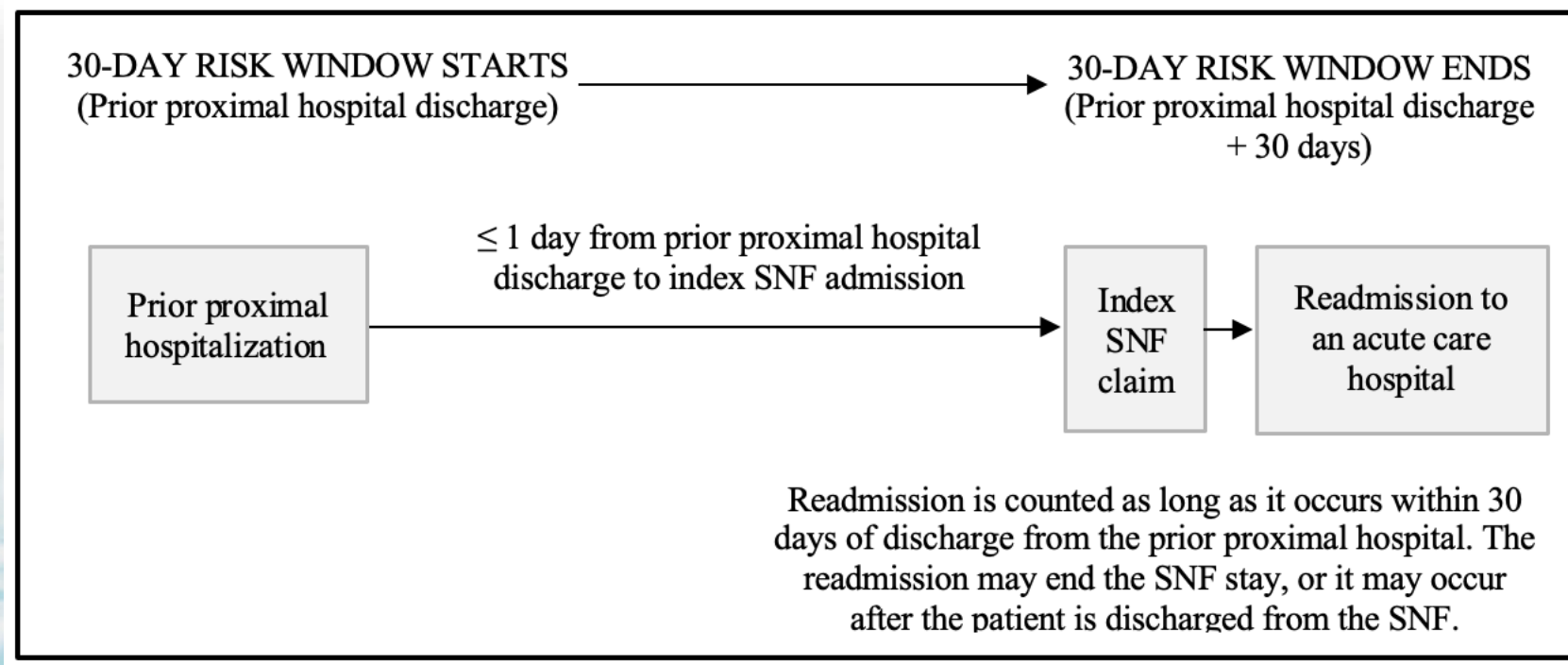
- NQF 2510: Skilled Nursing Facility Readmission Measure (SNFRM) (VBP)

- The SNFRM estimates the risk-standardized rate of all-cause, unplanned hospital readmissions for SNF Medicare Fee-for-Service (FFS) beneficiaries within 30 days of discharge from a prior proximal acute hospitalization. If a readmission occurs during a SNF stay within the 30-day risk window, or after the SNF stay but still within the 30-day risk window, it is counted in the outcome.
- The **prior proximal hospitalization** is defined as an admission to an inpatient prospective payment system (IPPS) hospital, critical access hospital (CAH), or Prospective Payment System (PPS)-exempt psychiatric or cancer hospital.
- The measure is risk-adjusted for patient demographics, principal diagnosis from the prior hospitalization, comorbidities, and other health status variables that affect the probability of a hospital readmission.
- The SNFRM includes Medicare FFS beneficiaries who were admitted to a SNF within 1 day of discharge from a hospital. The measure is calculated annually using a 12-month period.

Skilled Nursing Facility Readmission Measure (SNFRM NQF 2510)

- **Value Based Purchasing Measure**

- NQF 2510: Skilled Nursing Facility Readmission Measure (SNFRM) (VBP)



Skilled Nursing Facility Readmission Measure (SNFRM NQF 2510)

- **Value Based Purchasing Measure**

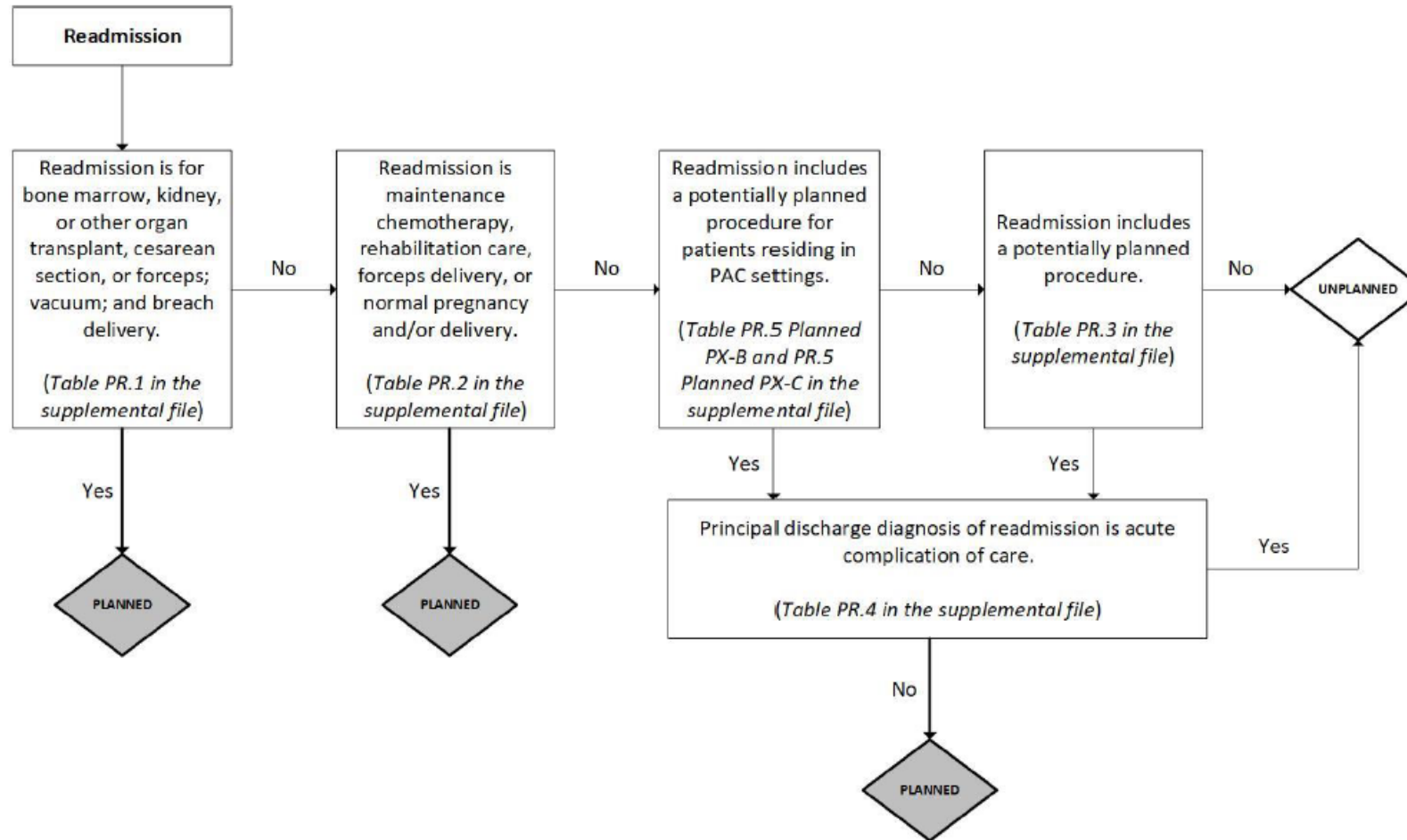
- NQF 2510: Skilled Nursing Facility Readmission Measure (SNFRM) (VBP)

- The measure includes only unplanned readmissions in the measure outcome. “Planned” readmissions are those planned by providers for anticipated medical treatment or procedures that must be provided in the inpatient setting. The measure does not count these in the outcome because variation in planned readmissions does not reflect differences in quality of care.
- The measure uses an adapted version of an algorithm developed for CMS’s hospital readmission measures, CMS’s Planned Readmission Algorithm (PRA) Version 4.0 (2020).
- The algorithm uses the procedure codes and principal discharge diagnosis code on each inpatient hospital claim to identify admissions that are typically planned and may occur after a discharge to SNF.
 - A few specific types of care are always considered planned (for example, major organ transplant, rehabilitation, or maintenance chemotherapy).
 - Otherwise, a planned readmission is defined as a claim that includes a potentially planned procedure (for example, scheduled elective total hip arthroplasty) without an acute principal discharge diagnosis (for example, hip fracture).
 - Readmissions for an acute illness or for complications of care are never considered planned.

Skilled Nursing Facility Readmission Measure (SNFRM NQF 2510)

- Planned Readmission Measure Algorithm Flowchart:

Figure 4. SNFRM Planned Readmission Algorithm Flowchart



Skilled Nursing Facility Readmission Measure (SNFRM NQF 2510)

- **Value Based Purchasing Measure**

- NQF 2510: Skilled Nursing Facility Readmission Measure (SNFRM) (VBP)

- **Exclusions:** CMS excludes stays if they are clinically different than most SNF stays, stays for which it would be inappropriate to hold SNFs accountable for possible readmissions, and stays for which the data is insufficient to track readmissions or apply risk adjustment.
- SNF stays where the patient had one or more intervening post-acute care (PAC) admissions (inpatient rehabilitation facility [IRF] or long-term care hospital [LTCH]) which occurred either between the prior proximal hospital discharge and SNF admission or after the SNF discharge, within the 30-day risk window.
- SNF stays with no prior proximal hospitalization, or SNF stays with a gap of greater than 1 day between discharge from the prior proximal hospitalization and the SNF admission, or SNF stays with an admission date before the discharge date of the prior proximal hospitalization.
- SNF stays where patients were not continuously enrolled in Medicare FFS for the year before prior proximal hospital discharge, the month of the prior proximal hospitalization, and 1 month after the hospitalization

Skilled Nursing Facility Readmission Measure (SNFRM NQF 2510)

- **Value Based Purchasing Measure**

- NQF 2510: Skilled Nursing Facility Readmission Measure (SNFRM) (VBP)

- **Exclusions (Cont.):**

- SNF stays where the patient was discharged from the SNF against medical advice.
 - SNF stays in which the principal diagnosis for the prior proximal hospitalization was for the medical treatment of cancer.
 - SNF stays, in which the principal primary diagnosis for the prior proximal hospitalization was for “rehabilitation care; fitting of prostheses and for the adjustment of devices.
 - SNF stays in which the prior proximal hospitalization was for pregnancy.
 - SNF stays in which data were missing or problematic on any covariate or variable used in the measure’s constructions.
 - SNF stays that took place in a CAH swing bed.

Skilled Nursing Facility Readmission Measure (SNFRM NQF 2510)

- **Value Based Purchasing Measure**

- NQF 2510: Skilled Nursing Facility Readmission Measure (SNFRM) (VBP)

- **Risk Adjustment Variables:**

- age,
 - sex,
 - length of stay during the prior proximal hospitalization,
 - COVID-19 diagnoses,
 - time spent in the intensive care unit (ICU) during the prior proximal hospitalization,
 - disabled as original reason for Medicare coverage,
 - end-stage renal disease (ESRD),
 - number of acute care hospitalizations in the 365 days before the prior proximal hospitalization,

Skilled Nursing Facility Readmission Measure (SNFRM NQF 2510)

- **Value Based Purchasing Measure**

- NQF 2510: Skilled Nursing Facility Readmission Measure (SNFRM) (VBP)

- **Risk Adjustment Variables (cont.):**

- principal diagnosis using Agency for Healthcare Research and Quality (AHRQ) Clinical Classification Software (CCS) categories,
 - system-specific surgical indicators,
 - individual comorbidities based on CMS Hierarchical Condition Categories (CCs), and
 - the presence of multiple comorbidities.

Skilled Nursing Facility Readmission Measure (SNFRM NQF 2510)

- **Value Based Purchasing Measure**
 - NQF 2510: Skilled Nursing Facility Readmission Measure (SNFRM) (VBP)
 - **June 2024 Quarterly Confidential Feedback Report (IQIES)**

Table 2. Your SNF's Performance on the SNFRM during FY 2023 (October 1, 2022–September 30, 2023)	
Performance Information	FY 2023
Number of Eligible Stays	77
Number of Unplanned Readmissions	18
Observed Readmission Rate	23.377%
Predicted Number of Readmissions	16.301
Expected Number of Readmissions	15.301
Standardized Risk Ratio (SRR)	1.065
National Average Readmission Rate	20.235%
Risk-Standardized Readmission Rate (RSRR)	21.558%

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

- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - The Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization measure estimates the risk-standardized rate of HAIs that are acquired during SNF care and result in hospitalization.
 - 1 year **baseline period**: FY 2022 (October 1, 2021, through September 30, 2022)
 - 1 year **performance period**: FY 2024 (October 1, 2023 through September 30, 2024)
 - **Achievement Threshold**: 0.92315, **Benchmark**: 0.95004
 - **Program year impact**: 2026
 - **Case Minimums**: 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 Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - The Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization measure estimates the risk-standardized rate of HAIs that are acquired during SNF care and result in hospitalization.
 - SNF HAIs that are acquired during SNF care and result in hospitalization are identified using the principal diagnosis on the Medicare inpatient (IP) claims of SNF residents.
 - The hospitalization must occur during the period beginning on day four after SNF admission and within three days after SNF discharge or the end of active SNF care.
 - The measure is risk-adjusted to allow for comparison based on residents with similar characteristics across SNFs.
 - Since HAIs are not considered never-events, the measure's objective is to identify SNFs that have higher HAI rates than their peers.

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

- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - The HAI definition **includes** conditions selected based on the following
 - Infections that are likely to be acquired during SNF care and severe enough to require hospitalization (e.g., life-threatening methicillin-resistant Staphylococcus aureus infections)
 - Infections related to invasive (not implanted) medical devices (e.g., infections associated with catheters, insulin pumps, and central lines; infection of tracheostomy stoma)
 - The HAI definition **excludes** infections that meet any of the following criteria:
 - Chronic infections
 - Infections that typically require a long period of time to present
 - Infections that are likely related to the prior hospital stay
 - Sequela and subsequent encounter codes
 - Codes that include “causing disease classified elsewhere”
 - Codes likely to represent secondary infection, where the primary infection would likely already be coded

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

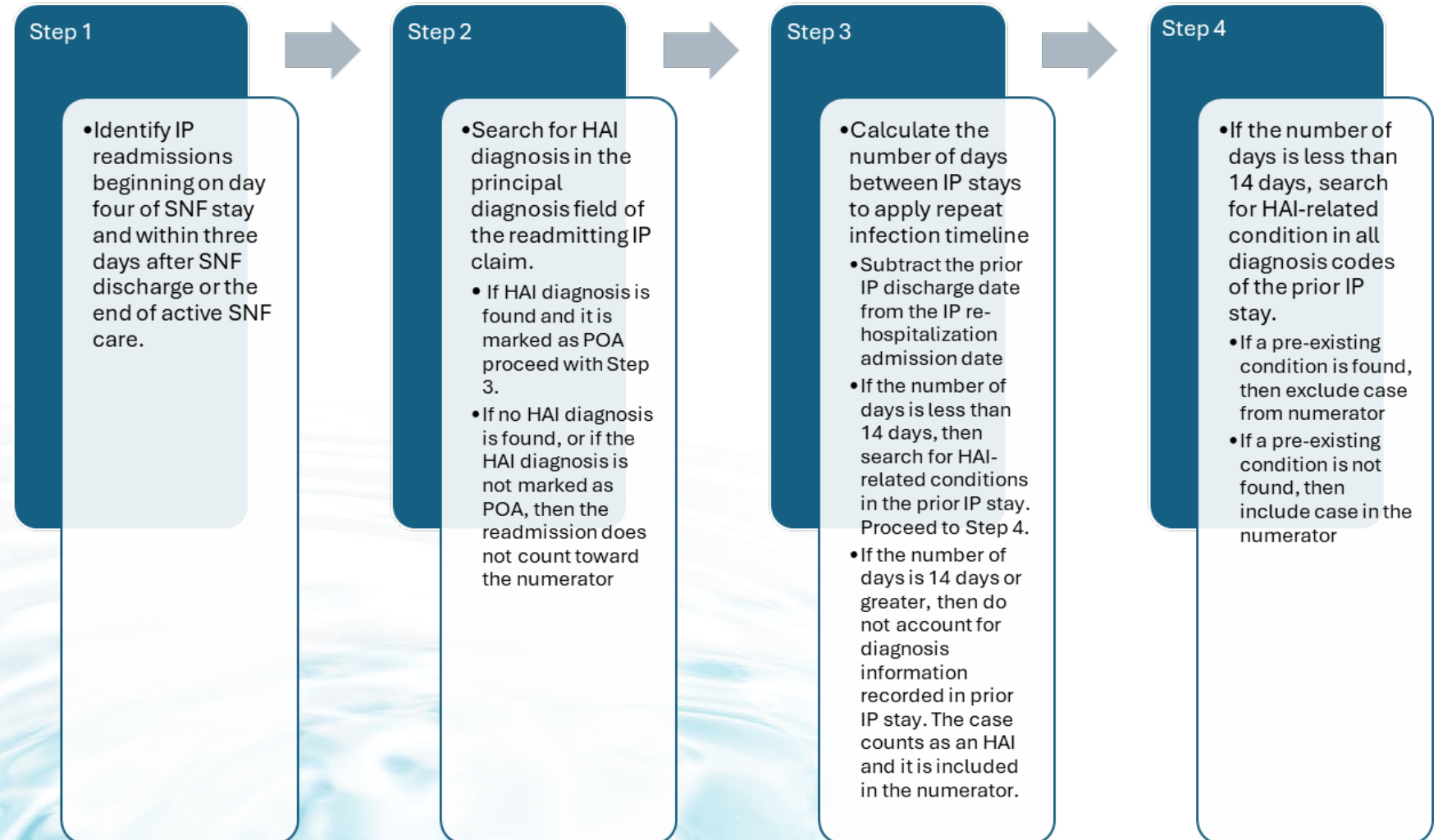
- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - The HAI definition **excludes** infections that meet any of the following criteria (cont.):
 - Infections likely to be community acquired
 - Infections common in other countries and/or acquired through animal contact
 - Pre-existing infections

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

- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - HAIs are identified using the principal diagnosis code and the Present on Admission (POA) indicators on the re-hospitalization claim within a specified incubation window.
 - The HAI definition applies a repeat infection timeline of 14 days to exclude pre-existing infections from the numerator count.
 - Pre-existing infections are determined using all of the diagnosis codes on the prior IP claim immediately preceding the SNF admission.
 - If the number of days between the re-hospitalization and the prior proximal hospitalization is less than 14 days and a pre-existing infection is recorded in any of the diagnosis codes for the prior IP stay, then the HAI is excluded from the numerator.

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

HAI Identification Flowchart



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

- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - The measure is calculated using one fiscal year of data. All SNF stays that end during the fiscal year time period, except those that meet the exclusion criteria are included in the measure.
 - The study population is Medicare Part A FFS SNF stays that ended during the measure time period.
 - The eligible stays for this measure are all Medicare FFS SNF stays that do not meet the exclusion criteria during the measurement period. Residents who died during the SNF stay or during the post-discharge window (three days after SNF discharge or the end of active SNF care) and residents with an ongoing SNF stay by the end of the measure period are included in the denominator.

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

- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - **Denominator:** The measure denominator is the risk adjusted “expected” number of SNF stays with the measure outcome.
 - The calculation of the “expected” number of stays starts with the total eligible SNF stays which is then risk-adjusted for resident characteristics excluding the SNF effect.
 - The “expected” number of stays with the measure outcome represents the predicted number of stays with the measure outcome if the same SNF residents were treated in the “average” SNF.

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

- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - SNF stays are **excluded** from the denominator if they meet one or more of the following criteria:
 - Resident is less than 18 years old at time of SNF admission.
 - The SNF length of stay was shorter than four days.
 - Residents who were not continuously enrolled in Part A FFS Medicare during the SNF stay, 12 months prior to the measure period, and three days after the end of SNF stay.
 - Residents who did not have Part A short-term acute care hospital stay within 30 days prior to the SNF admission date.
 - Residents who were transferred to a federal hospital from the SNF as determined by the status code on the SNF claim.

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

- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - SNF stays are **excluded** from the denominator if they meet one or more of the following criteria (cont.):
 - Residents who received care from a provider located outside of the United States, Puerto Rico, or a U.S. territory.
 - SNF stays in which data were missing on any variable used in the measure construction or risk adjustment.
 - SNF stays from swing beds in critical access hospitals.

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

- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - **Numerator:** To calculate the measure numerator, first count the outcome and then apply risk-adjustment. The final measure numerator is the adjusted numerator.
 - The number of stays with an HAI acquired during SNF care and resulting in an inpatient hospitalization.
 - The hospitalization must occur during the period beginning on day four after SNF admission and within three days of SNF discharge or the end of active SNF care.
 - Emergency department visits and observation stays are excluded from the numerator.

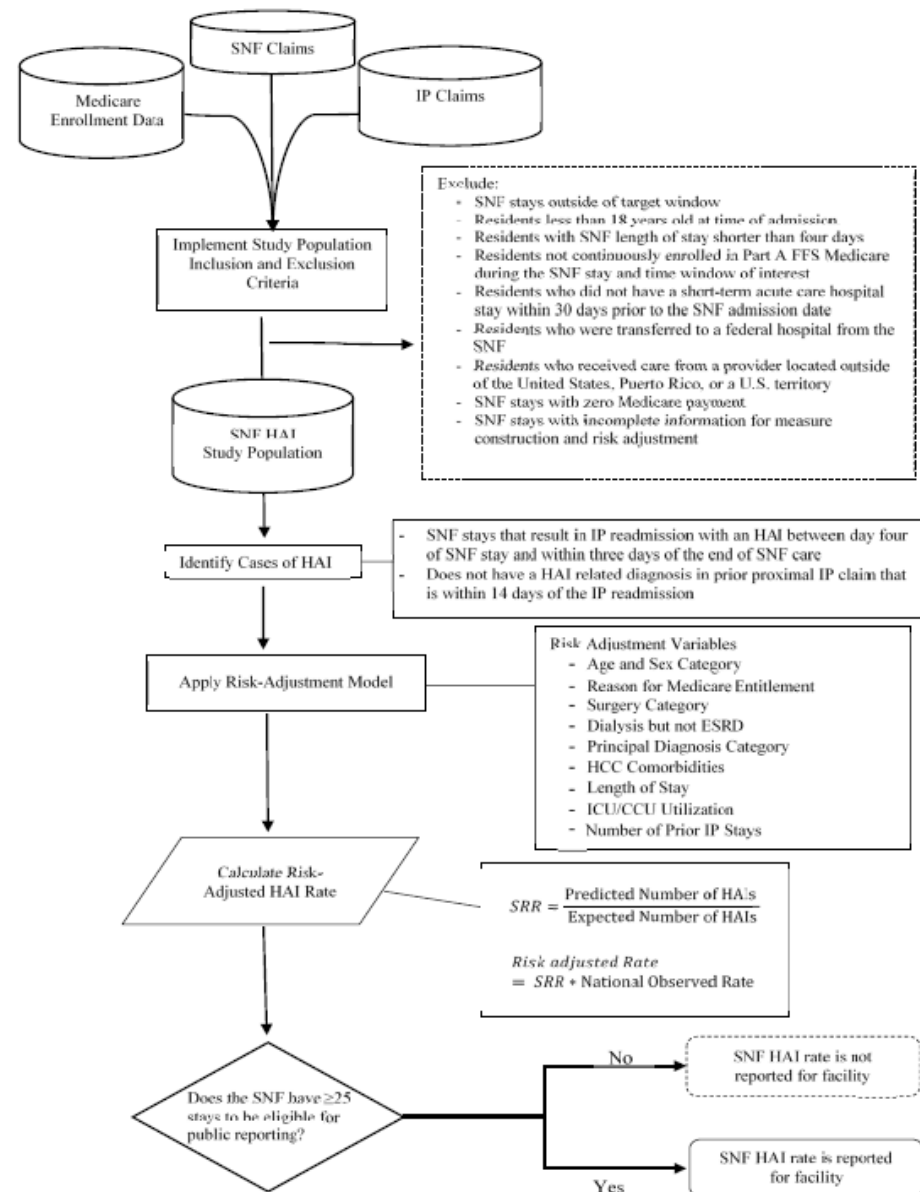
Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - The final numerator is a risk-adjusted estimate of the number of SNF stays predicted to have an HAI that is acquired during SNF care and results in hospitalization.
 - This estimate starts with the observed count of the measure outcome, which is then risk-adjusted for resident characteristics and a statistical estimate of the SNF effect beyond resident case mix.
 - The SNF effect captures variation in the measure outcome across SNFs, which helps isolate the differences in measure performance that are due to provider-specific behavior and characteristics
 - The purpose of risk adjustment is to account for risk factor differences across SNFs, when comparing quality of care between them.
 - In other words, risk adjustment “levels the playing field” and allows for fairer quality-of-care comparisons across SNFs by controlling for differences in resident case-mix.

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

- **Value Based Purchasing Measures**
- Skilled Nursing Facility (SNF) Healthcare Associated Infections (HAI) Requiring Hospitalization (VBP, QRP)
 - Risk Adjustment Variables
 - Age and Sex Category
 - Original Reason for Medicare Entitlement
 - Surgery Category (Prior Proximal IP Stay)
 - Dialysis but not ESRD (Prior Proximal IP Stay)
 - Principal Diagnosis Category (Prior Proximal IP Stay)
 - HCC Comorbidities
 - Length of Stay (Prior Proximal IP Stay)
 - ICU/CCU Utilization (Prior Proximal IP Stay)
 - Number of Prior IP Stays

APPENDIX C: MEASURE CALCULATION FLOW CHART



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

- **Value Based Purchasing Measures**
- Total Nursing Hours per Resident Day Staffing (Total Nurse Staffing) measure (VBP, 5-Star)
 - The Total Nurse Staffing measure is a structural measure that uses auditable electronic data reported to CMS's Payroll Based Journal (PBJ) system to calculate total nursing hours per resident day. The denominator for the measure is a count of daily resident census derived from Minimum Data Set, Version 3.0 (MDS 3.0) resident assessments. The measure is case-mix adjusted based on the distribution of MDS assessments by Resource Utilization Groups, version IV (RUG-IV groups).
 - 1 year **baseline period**: FY 2022 (October 1, 2021 through September 30, 2022)
 - 1 year **performance period**: FY 2024 (October 1, 2023 through September 30, 2024)
 - **Achievement Threshold**: 3.18523, **Benchmark**: 5.70680
 - **Program year impact**: 2026
 - **Case Minimums**: 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 Measures**
- Total Nursing Hours per Resident Day Staffing (Total Nurse Staffing) measure (VBP, 5-Star)
 - The Total Nurse Staffing measure is a structural measure that uses auditable electronic data reported to CMS's Payroll Based Journal (PBJ) system to calculate total nursing hours per resident day.
 - **Numerator:** The numerator is the total nursing hours (RN + LPN + nurse aide hours). The source for total nursing hours is CMS's Payroll-based Journal (PBJ) system.
 - RN hours: Includes RN director of nursing (job code 5), registered nurses with administrative duties (job code 6), and registered nurses (job code 7).
 - LPN hours: Includes licensed practical/licensed vocational nurses with administrative duties(job code 8) and licensed practical/vocational nurses (job code 9)
 - Nurse aide hours: Includes certified nurse aides (job code 10), aides in training (job code 11),and medication aides/technicians (job code 12)

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

- **Value Based Purchasing Measures**
- Total Nursing Hours per Resident Day Staffing (Total Nurse Staffing) measure (VBP, 5-Star)
 - PBJ staffing data **include** both facility employees (full-time and part-time) and individuals under an organization (agency) contract or an individual contract.
 - The PBJ staffing data **do not include** “private duty” nursing staff reimbursed by a resident or his/her family. Also not included are hospice staff and feeding assistants.

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

- **Value Based Purchasing Measures**
- Total Nursing Hours per Resident Day Staffing (Total Nurse Staffing) measure (VBP, 5-Star)
 - **Denominator:** The denominator of the measure is a count of daily resident census, derived from MDS resident assessments. The daily MDS census is aggregated (summed) across all days in the quarter.
 - **Denominator Exclusions:** A set of exclusion criteria are used to identify facilities with highly improbable staffing data and these facilities are excluded.
 - Total nurse staffing, aggregated over all days in the quarter that the facility reported both residents and staff is excessively low (<1.5 hours per resident day).
 - Total nurse staffing, aggregated over all days in the quarter that the facility reported both residents and staff is excessively high (>12 hours per resident day).
 - Nurse aide staffing, aggregated over all days in the quarter that the facility reported both residents and staff is excessively high (>5.25 hours per resident day).

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

- **Value Based Purchasing Measures**
- Total Nursing Hours per Resident Day Staffing (Total Nurse Staffing) measure (VBP, 5-Star)
 - **Case Mix Adjustment Baseline Period (FY 2022):**
 - CMS adjusts the reported staffing ratios for case-mix, using the Resource Utilization Group (RUG-IV) case-mix system. The CMS Staff Time Resource Intensity Verification (STRIVE) Study measured the average number of RN, LPN, and nurse aide minutes associated with each RUG-IV group (using the 66- group version of RUG-IV). These are referred to as “case-mix hours”.
 - CMS calculates case-mix adjusted hours per resident day for each facility for each staff type using this formula:
 - **Hours Adjusted = (Hours Reported/Hours Case-Mix) * Hours National Average**
 - The reported hours are those reported by the facility through PBJ as described above.
 - National average hours for a given staff type represent the national mean of case-mix hours across all facilities active on the last day of the quarter that submitted valid nurse staffing data for the quarter.
 - The case-mix values for each facility are based on the daily distribution of residents by RUG-IV group in the quarter covered by the PBJ reported staffing and estimates of daily RN, LPN, and nurse aide hours from the CMS STRIVE Study

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

- **Value Based Purchasing Measures**
- Total Nursing Hours per Resident Day Staffing (Total Nurse Staffing) measure (VBP, 5-Star)
 - **Case Mix Adjustment Performance Period (FY 2024):**
 - CMS adjusts the reported staffing ratios for case-mix, using the nursing Case-mix Groups (CMGs) and corresponding nursing Case-mix Indexes (CMI) from the Patient-Driven Payment Model (PDPM).
 - There are 25 nursing CMGs under the PDPM. CMS calculates “case-mix hours” based on the distribution of nursing CMGs within each facility, PDPM nursing CMIs, and the reported national average staffing level.
 - CMS calculates case-mix adjusted hours per resident day for each facility for each staff type using this formula:
 - **Hours Adjusted = (Hours Reported/Hours Case-Mix) * Hours National Average**
 - The reported hours are those reported by the facility through PBJ as described above.
 - National average hours for a given staff type represent the national mean of case-mix hours across all facilities active on the last day of the quarter that submitted valid nurse staffing data for the quarter.
 - The case-mix values for each nursing home are based on the daily distribution of residents by PDPM nursing CMG in the quarter covered by the PBJ reported staffing and CMIs for the corresponding nursing CMGs.

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

- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
 - This is a structural measure that has been collected and publicly reported on Care Compare and assesses the stability of the staffing within an SNF using nursing staff turnover.
 - 1 year **baseline period**: FY 2022 (October 1, 2021, through September 30, 2022)
 - 1 year performance period: FY 2024 (October 1, 2023, through September 30, 2024)
 - **Achievement Threshold**: 0.35912, **Benchmark**: 0.72343
 - **Program year impact**: FY 2026
 - **Case Minimum**: minimum of 1 eligible stay during the 1-year performance period and at least 5 eligible nursing staff (RNs, LPNs, and nurse aides) during the 3 quarters of PBJ data included in the measure denominator in order to be eligible to receive a score on the measure for the applicable fiscal program year.

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

- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
 - The turnover measures are derived based on data from the Centers for Medicare and Medicaid Services (CMS) Payroll-Based Journal (PBJ) System.
 - Using data submitted through PBJ, annual turnover measures re constructed for
 - **RNs:** Including RN director of nursing (job code 5), RNs with administrative duties (job code 6), and RNs (job code 7)
 - **Total Nurses:** Includes RN director of nursing (job code 5), RNs with administrative duties (job code 6), RNs (job code 7), LPNs with administrative duties (job code 8), LPNs (job code 9), certified nurse aides (job code 10), aides in training (job code 11), and medication aides/technicians (job code 12)
 - **Nursing home administrators** (job code 1)

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

- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
- The calculation of the annual turnover measures requires six consecutive quarters of PBJ data.
- Data from a baseline quarter (prior to the first quarter covered by the turnover measures) along with the first two quarters covered by the turnover measures are used for identifying employees who are eligible to be included in the turnover measure.
- Data from the quarter after the four-quarter period covered by the turnover measures are used to identify the gaps in days worked in the last 60 days of the fourth quarter used for the turnover measure.

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

- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
- Turnover is identified based on gaps in days worked, allowing the creation of a turnover measure that is defined the same way across all nursing homes and that does not depend on termination dates reported by nursing homes. **Individuals are identified based on the employee system ID and nursing home identifiers in the PBJ data.**

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

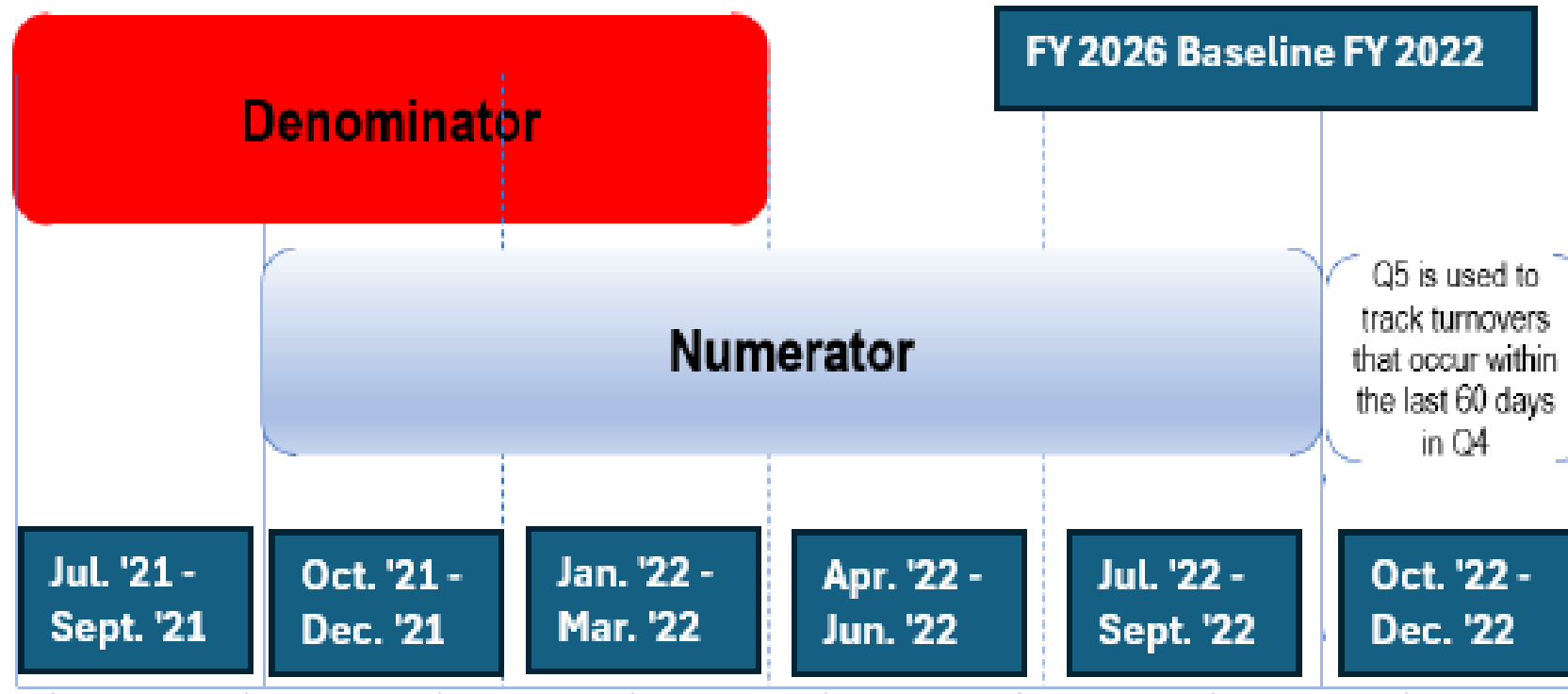
- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
- **Denominator:** The turnover measures include only individuals who work at least 120 hours in the 90-day period starting from the first workday observed across the baseline quarter (the quarter prior to the first quarter used in the turnover calculation) and the first two quarters used in the turnover calculation.
- This specification excludes individuals who work infrequently (e.g., occasionally covering shifts at a nursing home). Note that both regular employees and agency staff are included in the turnover measure if they work sufficient hours to be eligible for the denominator.

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

- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
- **Numerator:** Individuals who no longer work at the nursing home are defined as eligible individuals who have a period of at least 60 consecutive days in which they do not work at all.
- The 60-day gap must start during the period covered by the turnover measure. This lengthy period without any reported work hours suggests that the individual is no longer working at the nursing home.
- Data from the quarter after the period covered by the turnover measure are required to identify gaps that start within 60 days of the end of the period covered by the turnover measure.

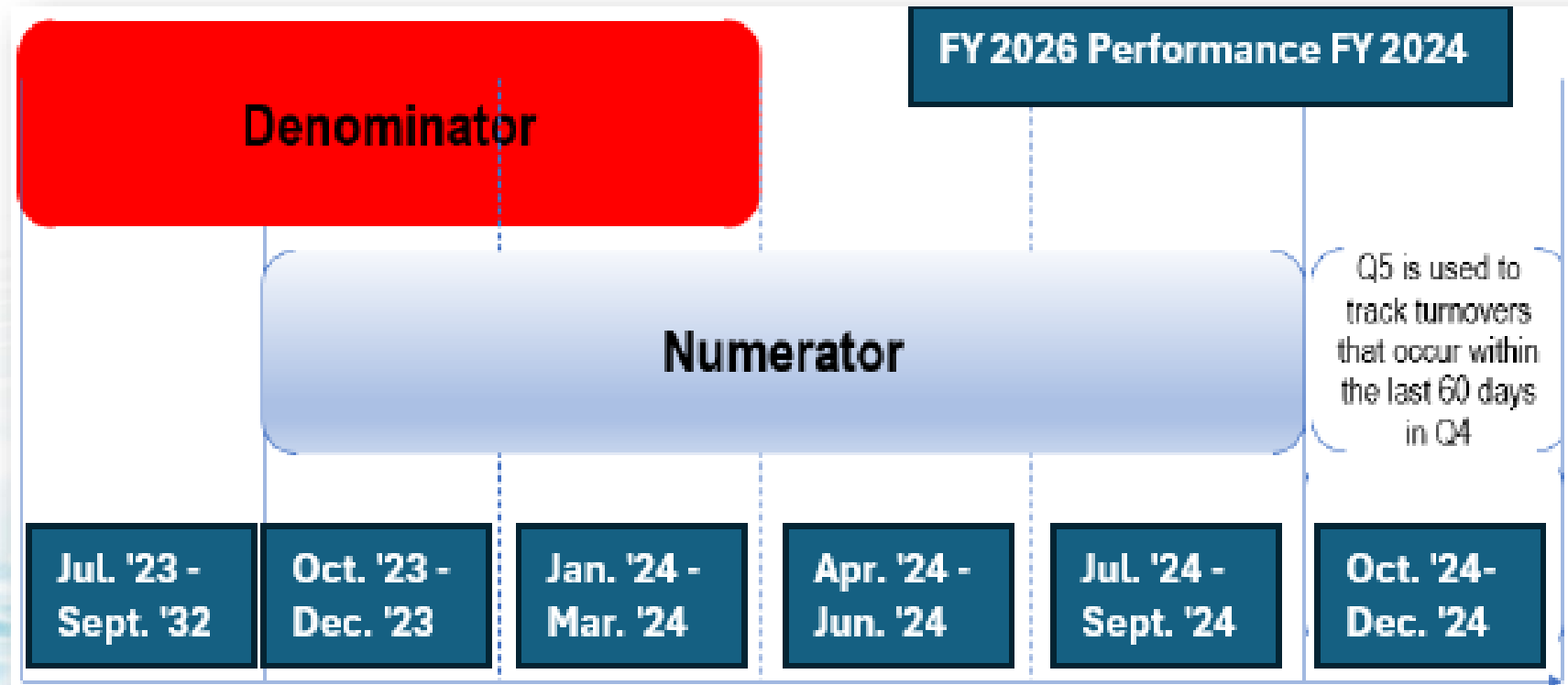
Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program

- Nursing Staff Turnover Measure (VBP, 5-Star) 1 year baseline period: FY 2022 (October 1, 2021 through September 30, 2022)



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

- Nursing Staff Turnover Measure (VBP, 5-Star) 1 year performance period: FY 2024 (October 1, 2023 through September 30, 2024)



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

- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
- **Exclusions:** Several types of nursing-home level exclusion criteria are applied:
 - Nursing homes that failed to submit staffing data or submitted data that are considered invalid for one or more of the quarters used to calculate the turnover measures are excluded. Turnover measures will not be reported until the quarter(s) with missing or invalid data are no longer included in the turnover measure calculation period (six quarters).
 - If a nursing home has no resident census information (derived from MDS assessments and needed for the calculation of staffing levels), the nursing home is excluded.
 - Nursing homes are excluded if they failed an audit of the PBJ staffing data for a reason that would impact turnover calculations for one of the covered quarters.

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

- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
- **Exclusions (Cont.):**
 - Nursing homes are excluded from the total nurse staffing and RN turnover measures if they have fewer than five eligible nurses (RNs, LPNs, and nurse aides) in the denominator. The purpose of this exclusion rule is to increase the stability of the turnover measures. Note that for the nursing home administrator turnover measure, the minimum requirement is one eligible administrator since most nursing homes have only one nursing home administrator.

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

- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
- **Exclusions (Cont.):**
 - For the total nurse staffing and RN turnover measures, nursing homes with 100 percent daily total nurse staffing turnover for any day in the six-quarter period on which there were at least five eligible nurse staff are excluded.
 - 100 percent daily turnover is typically the result of changes in the employee IDs used by nursing homes. Since gaps in days worked are identified based on the employee and nursing home IDs reported in the PBJ data, a change in employee IDs can result in a 100 percent turnover rate on a particular day (i.e., the day that the nursing home started using the new identifier), which reflects the change in the employee IDs and not actual staff turnover.

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

- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
- **Exclusions (Cont.):**
 - For the administrator turnover measure, nursing homes that submitted no administrator data for one or more of the six required quarters are excluded.
 - For the administrator turnover measure, nursing homes that submitted PBJ data suggesting an erroneously high number of administrators are excluded.
 - Specifically, if a nursing home reports administrator hours (job code 1) for five or more individuals (based on employee IDs) on four or more days for one or more of the six required quarters, the administrator turnover measure will be excluded.

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

- **Value Based Purchasing Measures**
- Nursing Staff Turnover Measure (VBP, 5-Star)
- **Turnover calculation:** Annual turnover measures are constructed.
- **Total nurse and RN turnover measures**, the annual turnover percentage is calculated using this formula:
 - $(\text{Total number of employment spells that ended in turnover}) / (\text{Total number of eligible employment spells})$
 - Using this specification, the maximum turnover rate is 100 percent.
- **Nursing home administrator turnover** is measured as the total number of administrators that left the nursing home during the period covered by the turnover measures.

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

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

- CMS is adopting the scoring and normalizing methodologies finalized in the FY 2023 Final Rule.
- In order to be eligible to receive a score on the measure for the applicable fiscal program year, Case minimums must be met.
- In the FY 2023 Final Rule, CMS 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 also 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 also 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 also 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 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 finalized 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, CMS will 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. (The maximum raw point total for the FY 2026 program year would be 40 points and 80 points for FY 2027)
- 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 FY 2024 SNF PPS final Rule**
 - CMS has finalized an update to the administrative methodology policies that are required to address the changes needed to accommodate the addition of quality measures into the SNF VBP Program's scoring methodology, i.e., measure minimums.
 - **FY 2026 program year:** SNFs must report the minimum number of cases for two of the four measures during the performance period to be included in the FY 2026 program year.
 - **FY 2027 program year:** SNFs must report the minimum number of cases for four of the eight measures during the performance period to receive a SNF Performance Score and value-based incentive payment

SNF VBP Program Early Look Performance Score Reports

- The Early Look Performance Score Reports for the fiscal year (FY) 2026 Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program are now available to download via the Internet Quality Improvement and Evaluation System (iQIES).
- The Early Look Performance Score Reports are intended for informational purposes only.
- **They do not reflect facilities' official performance in the SNF VBP Program** and will not impact facilities' payments; CMS will share official performance information for the FY 2026 Program year based on updated measure data at a later date.
- These reports are intended to familiarize SNFs with the information that will be distributed when the expanded SNF VBP Program is implemented for the FY 2026 Program year **Using historical measure data from FY 2021 (as the baseline period) and FY 2022 (as the performance period)** for all four measures adopted by the SNF VBP Program for the FY 2026 Program year to model performance in the expanded SNF VBP Program.
- FY 2026 Program year data will derive from the baseline period (FY 2022) and measure data from the performance period (FY 2024) to calculate SNFs' official scores and incentive payment multipliers.

SNF VBP Program Early Look Performance Score Reports

Overview of Performance

Table 1. Your SNF's Program Eligibility and Performance

Is your SNF included in the SNF VBP Program? (i.e., met measure minimum?)	Yes
Your SNF's Incentive Payment Multiplier (IPM)	0.9972631994
Interpretation of Your SNF's IPM	Your IPM is <1, meaning your SNF would earn back less than it would have in the absence of the SNF VBP Program
Your SNF's Program Percent Rank, National	Your SNF's overall performance was equal to or better than 73% of SNFs nationwide
Your SNF's Program Percent Rank, State	Your SNF's overall performance was equal to or better than 73% of SNFs in your state

Table 2. Measure Performance and Scores

Measure	Your SNF's Baseline Period Measure Result	Your SNF's Performance Period Measure Result	Compared to the Baseline Period, Your SNF's Performance Period Measure Result is... [a]	Your SNF's Measure Score (0 - 10; higher is better)	Your SNF's Measure Score is...
Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM)	21.27%	17.97%	better	7.82578	equal to or better than 86% of SNFs nationwide
Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization (SNF HAI)	8.47%	7.72%	better	2.74728	equal to or better than 23% of SNFs nationwide
Total Nursing Staff Turnover	54.24%	39.29%	better	6.41916	equal to or better than 81% of SNFs nationwide
Total Nursing Hours per Resident Day	3.69 nursing hours per resident day	3.74 nursing hours per resident day	better	1.89056	equal to or better than 56% of SNFs nationwide

SNF VBP Program Early Look Performance Score Reports

Measure Results

Table 3. Your SNF's Measure Results

Measure [a]	Your SNF's Baseline Period Case Count [b,c]	Met Case Minimum Requirement During Baseline Period? [d]	Your SNF's Performance Period Case Count [b,c]	Met Case Minimum Requirement During Performance Period? [d]	Measure Result Interpretation	Your SNF's Baseline Period Measure Result [b]	Your SNF's Performance Period Measure Result [b]
Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM)	43 eligible stays	Yes	31 eligible stays	Yes	A lower (↓) result indicates better performance	21.27%	17.97%
Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization (SNF HAI)	47 eligible stays	Yes	34 eligible stays	Yes	A lower (↓) result indicates better performance	8.47%	7.72%
Total Nursing Staff Turnover	59 eligible nursing staff	Yes	56 eligible nursing staff	Yes	A lower (↓) result indicates better performance	54.24%	39.29%
Total Nursing Hours per Resident Day	49 average residents per day	Yes	49 average residents per day	Yes	A higher (↑) result indicates better performance	3.69 nursing hours per resident day	3.74 nursing hours per resident day

SNF VBP Program Early Look Performance Score Reports

Measure Scores

Table 4. Your SNF's Measure Score Calculations

Measure	Your SNF's Baseline Period Measure Result [a]	Your SNF's Performance Period Measure Result [a]	Your SNF's Achievement Score (0 - 10; higher is better)	Your SNF's Improvement Score (0 - 9; higher is better)	Your SNF's Measure Score (0 - 10; higher is better)
Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM)	21.27%	17.97%	7.82578	7.54094	7.82578
Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization (SNF HAI)	8.47%	7.72%	2.74728	1.82077	2.74728
Total Nursing Staff Turnover	54.24%	39.29%	6.41916	5.04377	6.41916
Total Nursing Hours per Resident Day	3.69 nursing hours per resident day	3.74 nursing hours per resident day	1.89056	0.00000	1.89056

SNF VBP Program Early Look Performance Score Reports

Table 5. Measure Minimum Requirement

Number of Measures Required for SNF VBP Program Eligibility [a]	2 of 4
Your SNF's Number of Measures Receiving a Measure Score	4 of 4
Measure Minimum Met?	Yes

Table 6. Your SNF's Performance Score Calculation

Measure	Your SNF's Measure Score (0 - 10; higher is better)	Maximum Possible Score	Contribution to Performance Score [b,c]
Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM)	7.82578	10.00000	19.56444
Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization (SNF HAI)	2.74728	10.00000	6.86821
Total Nursing Staff Turnover	6.41916	10.00000	16.04791
Total Nursing Hours per Resident Day	1.89056	10.00000	4.72641
Sum of All Eligible Measures	18.88278	40.00000	47.20696

Table 7. Your SNF's Performance Score and National Rank

Your SNF's Performance Score (0 - 100; higher is better) [d]	47.20696
Your SNF's Program National Rank (out of 13,720 SNFs) [d]	3,706

Performance
Score

SNF VBP Program Early Look Performance Score Reports

Incentive
Payment
Multiplier

Table 8. Your SNF's Performance Score and Incentive Payment Multiplier

Program Year	FY 2026
Your SNF's Performance Score (0 - 100; higher is better) [a]	47.20696
Your SNF's Incentive Payment Multiplier (IPM) [a,b]	0.9972631994

QUESTIONS?