



# **Skilled Nursing Facility Value-Based Purchasing Program:**

## **Frequently Asked Questions**

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# Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program: Frequently Asked Questions

## What is the Skilled Nursing Facility Value-Based Purchasing Program?

The Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program awards incentive payments to SNFs based on their performance on the Program's measure of readmissions. SNF VBP payment incentives will be included on Medicare Part A claims paid under the SNF Prospective Payment System (PPS) as a single line item on each claim paid during the Fiscal Year (FY); no separate payment will be made. SNF VBP incentive payments do not apply to any other type of claims (such as Medicare Advantage claims, Medicaid claims, or Medicaid managed care claims). Beginning on October 1, 2018, which is the start of FY 2019, the Program will begin awarding incentive payments to SNFs based on performance on the SNF 30-Day All-Cause Readmission Measure (SNFRM) (NQF #2510).

## What SNFs are included in the SNF VBP Program?

All SNFs paid under the SNF PPS will receive incentive payments under the SNF VBP Program as directed by the Social Security Act. The types of SNFs that are paid under the SNF PPS include freestanding SNFs, SNFs associated with acute care facilities, and all non-critical access hospital (CAH) swing bed rural facilities. The SNF VBP Program is not optional and does not require any action by SNFs to participate.

## What measure is currently being used in the SNF VBP Program?

The SNF 30-Day All-Cause Readmission Measure (SNFRM) (NQF #2510) is the measure currently used in the Program. The SNFRM evaluates the risk-standardized rate of unplanned, all-cause inpatient hospital readmissions of Medicare beneficiaries. This measure assesses SNF patients' hospital readmissions within 30 days of being discharged from a prior hospital stay. For more detailed information about the SNFRM, please see the [SNF VBP webpage](#).

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

The SNFRM uses a readmission algorithm to identify planned readmissions. When the SNFRM measure was developed, a specific list of procedures or admitting diagnoses were identified as being a planned readmission, based on input from technical experts. If a readmission does not meet the established criteria for a planned readmission according to this algorithm, it will be considered an unplanned readmission. In addition, if a planned procedure occurs in

combination with a diagnosis that disqualifies a readmission from being considered planned, the readmission will be considered unplanned.

For more detailed information on what the SNFRM considers as planned and unplanned readmissions, please see Section 2.2.2, Appendix B, and Tables B1-B5 of the SNFRM Technical Report, linked below:

<https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Downloads/SNFRM-Technical-Report-3252015.pdf>

### **When does the SNFRM 30-day readmissions period begin and end?**

The SNFRM's 30-day readmissions period during which an unplanned readmission may be counted, referred to as the risk window, begins when a patient is discharged from an inpatient hospitalization and is subsequently admitted to a SNF within one day. The risk window ends 30 days from its start or when a patient is readmitted to a hospital, whichever occurs first. For example, if a patient is discharged from a hospital to a SNF on 9/1/17, then readmitted to the hospital on 9/10/17, the 30-day risk window started on 9/1/17 and ended on 9/10/17 when the patient is readmitted to the hospital. A new 30-day risk-window would begin if the patient is subsequently discharged from the hospital and admitted back to the SNF.

### **Does the SNFRM count multiple hospital readmissions during a single 30-day readmission risk window?**

No. The SNFRM only assesses whether there is an unplanned readmission during a single 30-day readmission risk window. In the case of multiple readmissions, the 30-day risk window ends after the first readmission.

### **Are the measures in the SNF VBP Program the same as the measures in the SNF Quality Reporting Program (QRP) and on the Nursing Home Compare website?**

No. The SNF VBP Program uses the SNFRM, which calculates the risk-standardized rate of unplanned, all-cause inpatient hospital readmissions within 30-days of a SNF patient's discharge from a prior hospital stay. Congress directed CMS in statute to use the SNFRM in the SNF VBP program. For more information about SNF QRP measures, view the information on the [SNF QRP webpage](#). For more information about the measures on Nursing Home Compare, view the [Nursing Home Compare website](#).

### **How are performance scores calculated?**

SNF VBP performance scores are calculated by first inverting the risk-standardized readmission rate (RSRR), so that higher rates are equal to better performance. Next, the SNF's RSRR is compared to the performance standards published in each final rule and awarded between 0 and 100 points. SNFs are scored on improvement, compared to their baseline performance

rate, and achievement, compared to the national performance rate during the baseline period. The higher of the improvement and achievement scores will be a SNF's performance score.

### **Will SNFs be able to calculate their achievement and improvement points?**

A SNF can calculate its achievement and improvement points using the formulas provided in the FY 2017 final rule with the following data:

- The SNF's performance period rate on the SNFRM
- The SNF's baseline period rate on the SNFRM
- The applicable achievement threshold and benchmark for the Program year

The higher of a SNF's achievement and improvement scores will equal their performance score.

### **How are incentive payments determined?**

Each SNF's incentive payment will depend on its performance score, which will be placed in the logistic exchange function to determine the corresponding incentive multiplier. The highest scoring facilities will receive the highest payment incentives, and the lowest scoring facilities will receive the lowest payment incentives, as required by statute. In 2017, CMS notified SNFs and stakeholders in the Federal Register via rulemaking that we would redistribute 60 percent of withheld funds to SNFs based on their performance score. After calculation of performance scores for all SNFs, the following steps will be used to calculate incentive payments:

1. Estimate the 60 percent of Medicare fee-for-service payments to SNFs to be redistributed to SNFs (the "incentive pool").
2. Assign payment incentive multipliers to each SNF VBP Performance Score using the logistic exchange function so that the total amount of incentive payments matches the 60 percent incentive pool.

### **How will SNFs be notified of their performance in the Program?**

CMS provides confidential feedback reports to SNFs on a quarterly and annual basis. Quarterly supplemental workbooks containing patient-level data are provided for quality improvement purposes. SNFs will also receive two annual reports; one report containing a full performance period and their measure score, and the second report containing the SNF performance score, rank, and payment incentive to be applied to Medicare claims in the upcoming fiscal year. SNFs can access all reports through Quality Improvement Evaluation System (QIES) Certification and Survey Provider Enhanced Reporting (CASPER) system. For more information on how to access your reports, refer to the [SNF VBP Program: Understanding Your Facility's Confidential Feedback Report](#) presentation and the [Accessing Your SNF VBP Confidential Quarterly Facility Reports](#) presentation. SNFs that have problems accessing their reports can email the QIES Technical Support Office (QTSO) helpdesk at [help@qtso.com](mailto:help@qtso.com).

## What is Phase One of the Review and Corrections process?

Phase One is an opportunity for SNFs to review and submit corrections to the facility-level information that will be made publicly available. Requests will only be accepted until March 31 following delivery of the confidential report containing facility-level information and must be submitted to the [SNFVBPInquiries@cms.hhs.gov](mailto:SNFVBPInquiries@cms.hhs.gov) mailbox. CMS will review the request and notify the SNF of any changes that may result.

SNFs will need the following information to submit a Phase One Review and Corrections request to the [SNFVBPInquiries@cms.hhs.gov](mailto:SNFVBPInquiries@cms.hhs.gov) mailbox:

1. The SNF's CMS Certification Number (CCN)
2. The SNF's Name
3. The correction requested and the reason for requesting the correction. SNFs must also submit evidence, if available, supporting the request.

CMS advises SNFs not to send protected health information (PHI) or patient-level data with direct identifiers with review and corrections requests; the SNF VBP mailbox is not secured to receive this information. For specific questions, SNFs may use the identification number in their workbook as this is a randomly assigned number and not considered PHI.

## How can I correct an error in my patient-level data?

If a SNF identifies an error in information not covered under Phase One or Phase Two of the SNF VBP Review and Corrections process, CMS advises SNFs to follow the established claims process to update the information or contact the readmitting hospital to make corrections. CMS encourages SNFs to work with hospitals as a part of its care coordination efforts to make any corrections to claims information and submit to their Medicare Administrative Contractor (MAC) in a timely manner. If an error is identified that may result in a correction to SNF VBP measure rates, the SNF must demonstrate that claims have been corrected and reprocessed by the MAC in relevant fields impacting SNF VBP performance, prior to CMS considering recalculation of SNF VBP measure data before the Phase One Review and Corrections deadline.

## What is Phase Two of the Review and Corrections process?

Phase Two is an opportunity for SNFs to review and submit correction requests to their performance scores and rank **only**, found in the annual performance score report. CMS will not consider any patient level information or RSRR measure rate correction requests during Phase Two of the Review and Corrections process, since these correction requests are classified as being out of scope for review. Phase Two requests will only be accepted for 30 calendar days following the annual performance score reports being made available. A SNF must submit

correction requests to the [SNFVBPInquiries@cms.hhs.gov](mailto:SNFVBPInquiries@cms.hhs.gov) mailbox. CMS will review the request and notify the SNF of any changes that may result.

SNFs will need the following information to submit a Phase Two Review and Corrections request to the [SNFVBPInquiries@cms.hhs.gov](mailto:SNFVBPInquiries@cms.hhs.gov) mailbox:

1. The SNF's CMS Certification Number (CCN)
2. The SNF's Name
3. The correction requested and the reason for requesting the correction. SNFs must also submit evidence, if available, supporting the request.

CMS advises SNFs not to send protected health information or patient-level data with direct identifiers with review and corrections requests since the SNF VBP mailbox is not secured to receive this information.

### **Where can I find more information or ask questions about the SNF VBP Program?**

For more information, including presentations and resources about the SNF VBP Program, visit the [SNF VBP webpage on CMS.gov](#), and the [CMSSGov Twitter page](#). For additional questions about the SNF VBP Program, please email [SNFVBPInquiries@cms.hhs.gov](mailto:SNFVBPInquiries@cms.hhs.gov).