SNF VBP and 2% Reduction of PPS Payments

Presented Apr. 25, 2017

Presenter

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• Senior SNF Regulatory Analyst, Relias Learning
• Over 20 years experience in SNF Regulations, MDS and PPS
Objectives

• The learner should be able to identify regulatory requirements related to the SNF VBP.
• The learner will be able to identify key components of SNF VBP Readmission measure.
• The learner will be able to distinguish between the improvement score and the achievement score and how they are derived.

SNF VBP Regulatory Requirements

• Section 3006(a) of the ACA required the Secretary to implement a VBP program and submit plan to congress.
• Section 215 of PAMA requires the Secretary to specify a skilled nursing facility all-cause all-condition hospital readmission measure by 10/1/2015.
• Secretary to establish VBP program in which incentive based payments are made, effective or or after 10/1/18.
• Secretary must develop performance standards for a performance period (fiscal year).
• In calculating SNF performance score, the Secretary to use the higher of achievement or improvement scores.
Regulatory Requirements

• Performance standards must be established and announced not later than 60 days prior to the beginning of the performance period for the fiscal year involved.

• Incentive payment program must be developed based on performance scores which are to be ranked from high to low.

• Effective 10/1/2018 (FY2019) SNF payments to be reduced by 2%.

• Value based incentive payments must be greater than or equal to 50%, but not greater than 70%, of the total amount of the reduction.

• The Secretary must provide quarterly confidential feedback reports beginning 10/1/2016.

• The Secretary must establish procedures for making performance data on readmissions public on NHC by October 1, 2017.

SNF VBP Readmission Measure (SNFRM)

SNFRM estimates risk-standardized rate of all-cause, unplanned hospital readmissions of Medicare SNF beneficiaries within 30 days of discharge from their prior proximal acute hospitalization.

• Applies to Medicare FFS beneficiaries only.
• Hospital readmissions are identified through Medicare claims.
• Readmissions within 30-day window counted regardless of whether the hospital readmission occurs while a resident of the SNF or after discharge from the SNF.
• Will be risk-adjusted:
  • Patient demographics
  • Principal diagnosis in prior hospitalization
  • Comorbidities
  • Other health status variables.
• Excludes planned readmissions since not indicative of poor quality.
  • CMS has established a list of conditions that would be considered planned vs. unplanned hospital readmissions.
SNF VBP Readmission Measure (SNFRM)

Exclusions:

• An intervening post-acute care (IRF, LTCH) admission within the 30-day period. Also applies to multiple SNF admissions.
  • Intervening stay could occur before or after SNF stay, within 30-day window.
• More than 1 day between the hospital discharge and the SNF admission.
• Patient discharge from the SNF against medical advice
  • Make sure SNF claims appropriately use Status Code 07
• Principal diagnosis in prior hospitalization was for rehabilitation, fitting of prosthetics, adjustment services.
• Prior hospitalization for pregnancy

Performance Score

The statute requires CMS calculate a performance score. CMS will determine Achievement score and Improvement score, and use the higher of the two as the SNF’s rehospitalizations “performance score”.

**Inverted Readmission Rate**

Since a lower readmissions rate is better, we have inverted every SNF’s readmissions rate using \((1 – \text{readmissions rate})\) for the purposes of the performance standards (i.e., benchmark and threshold) and performance scoring.

\[
\text{SNFRM Inverted Rate} = 1 - \text{Facility’s SNFRM Rate}
\]

- Example: SNF readmissions rate of 20.449%
- \(\text{SNFRM Inverted Rate} = 1 - 0.20449\)
- \(\text{SNFRM Inverted Rate} = 0.79551\) (79.551%)

- Essentially saying that 79.551% of residents ARE NOT readmitted.

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**Key Metrics**

<table>
<thead>
<tr>
<th>Term</th>
<th>Proposed Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement Threshold</td>
<td>The 25th percentile of national SNF performance on the quality measure during CY 2015</td>
</tr>
<tr>
<td>Benchmark</td>
<td>The mean of the best decile of national SNF performance on the quality measure during CY 2015</td>
</tr>
<tr>
<td>Improvement Threshold</td>
<td>The specific SNF’s performance on the specified measure during CY 2015</td>
</tr>
<tr>
<td>Performance Period</td>
<td>CY 2017</td>
</tr>
<tr>
<td>Baseline Period</td>
<td>CY 2015</td>
</tr>
</tbody>
</table>
Achievement Score vs Improvement Score

<table>
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</tr>
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</tr>
<tr>
<td>Performance Period</td>
<td>CY 2017</td>
</tr>
<tr>
<td>Baseline Period</td>
<td>CY 2015</td>
</tr>
</tbody>
</table>

**Table 10—Final FY 2019 SNF VBP Program Performance Standards**

<table>
<thead>
<tr>
<th>Measure ID</th>
<th>Measure description</th>
<th>Achievement threshold</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNF1M</td>
<td>SNF 30-Day All-Cause Readmission Measure (NQF #2510)</td>
<td>0.79690</td>
<td>0.83601</td>
</tr>
</tbody>
</table>

*Note: Performance standards were calculated as of July 14, 2016 using CY 2015 data.*
Achievement Score vs Improvement Score

<table>
<thead>
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<th>Proposed Definition</th>
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<td>CY 2017</td>
</tr>
<tr>
<td>Baseline Period</td>
<td>CY 2015</td>
</tr>
</tbody>
</table>

Your SNF’s Performance on the Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNFRM) in 2013

<table>
<thead>
<tr>
<th>Measure</th>
<th>Your SNF’s Number of Eligible Stays</th>
<th>Your SNF’s Number of Readmissions*</th>
<th>Your SNF’s Risk-Standardized Readmission Rate**</th>
<th>National Average Readmission Rate***</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNFRM</td>
<td>443</td>
<td>81</td>
<td>17.71</td>
<td>19.31</td>
</tr>
</tbody>
</table>

Source: Medicare claims and eligibility data from 2013.

Inverted Readmission Rate = .8229

Achievement Score

A SNF’s Achievement Score is based on comparing the SNF’s specific rating during the performance period (CY 2017) with the performance of ALL facilities nationally during the CY 2015 base line period. Based on this comparison, a SNF will be awarded an Achievement Score between 0 – 100 points.

- If the SNF’s rate is better than or equal to the benchmark, then a full 100 points will be awarded.
- If the SNF’s rates is worse than the achievement threshold, then 0 points will be awarded.
- If the SNF’s rate falls between the achievement threshold and the benchmark, then 1 – 99 points will be awarded based on a set formula established by CMS.
Improvement Score

A particular SNFs improvement score is based on comparing the particular SNFs readmission performance between the 2015 Baseline Period and the 2017 Performance Period. Based on the comparison of these two periods a SNF will be awarded an Improvement Score between 0 – 90 points.

- If the SNFs rate in 2017 is better than or equal to the benchmark, then the full 90 points will be awarded;
- If the SNFs rate is worse than the improvement threshold, then 0 points will be awarded.
- If the SNFs 2017 rate falls between the improvement threshold and the benchmark, then 1-89 points will be awarded based on a set formula established by CMS.

Performance Score Calculations

\[
SNF \text{ Achievement Score} = \left(9 \times \left(\frac{(SNF's \ Perf. \ Period \ Inverted \ Rate - \ Achievement \ Threshold)}{(Benchmark - Achievement \ Threshold)}\right) + 5\right) \times 10
\]

\[
SNF \text{ Improvement Score} = \left(10 \times \left(\frac{(SNF \ Perf. \ Period \ Inverted \ Rate - SNF \ Baseline \ Period \ Inverted \ Rate)}{(Benchmark - SNF \ Baseline \ Period \ Inverted \ Rate)}\right) - 5\right) \times 10
\]
Performance Score

Example 1 - Readmission Rate Increased (Worsened)

Achievement Threshold (CY2015) = .79590
Benchmark (CY2015) = .83601
CY2015 Readmission Rate (Baseline Yr.) = .80513
CY2017 Readmission Rate (Performance Yr.) = .78852

AT = .79590
BMK = .83601

Achievement Range

Baseline Yr. = .80513
Performance Yr. = .78852

Improvement Range

Performance Score

Example 1 - Readmission Rate Increased (Worsened)

Achievement Threshold (CY2015) = .79590
Benchmark (CY2015) = .83601
CY2015 Readmission Rate (Baseline Yr.) = .80513
CY2017 Readmission Rate (Performance Yr.) = .78852

AT = .79590
BMK = .83601

Achievement Range

Baseline Yr. = .80513
Performance Yr. = .78852

Improvement Range
**Performance Score**

**Example 2 - Readmission Rate Decreased (Improved)**

Achievement Threshold (CY2015) = .79590  
Benchmark (CY2015) = .83601  
CY2015 Readmission Rate (Baseline Yr.) = .75100  
CY2017 Readmission Rate (Performance Yr.) = .78852  

AT = .79590  
BMK = .83601  

Achievement Range  
2015 = .75100  
2017 = .78852  

Improvement Points > Achievement Pts
Performance Score

Example 3 - Readmission Rate Decreased (Improvement)

Achievement Threshold (CY2015) = .79590
Benchmark (CY2015) = .83601
CY2015 Readmission Rate (Baseline Yr.) = .82750
CY2017 Readmission Rate (Performance Yr.) = .83153

AT = .79590
BMK = .83601

Achievement Range

Improvement Range

Achievement Score > Improvement Score

Performance Score

Example 3 - Readmission Rate Improvement

Achievement Threshold (CY2015) = .79590
Benchmark (CY2015) = .83601
CY2015 Readmission Rate (Baseline Yr.) = .82750
CY2017 Readmission Rate (Performance Yr.) = .83153

AT = .79590
BMK = .83601

Achievement Range

Improvement Range

Achievement Score > Improvement Score
Performance Score

Example 4 - Readmission Rate Increased (Worsened)

Achievement Threshold (CY2015) = .79590
Benchmark (CY2015) = .83601
CY2015 Readmission Rate (Baseline Yr.) = .82750
CY2017 Readmission Rate (Performance Yr.) = .80155

AT = .79590
BMK = .83601

Achievement Range

2015 = .82750

Improvement Range

Achievement Score > Improvement Score
Performance Score

Example 5 - Readmission Rate Decreased (Improvement)

Achievement Threshold (CY2015) = .79590
Benchmark (CY2015) = .83601
CY2015 Readmission Rate (Baseline Yr.) = .82750
CY2017 Readmission Rate (Performance Yr.) = .84261

AT=.79590
BMK=.83601

Achievement Range
2015=.82750

Improvement Range

Achievement Score = 100, No Performance Score Calculated
Reporting

- Per statute, CMS to develop quarterly confidential reports.
  - 2013, 2014 Reports available
  - 2015 and 2016 to be released in near future.
  - Quarterly 2017 data to begin this coming fall???

- Will use QIES ASAP system
- SNFs will have opportunity to review and correct.
- Public Reporting to begin CY 2018.

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EXAMPLE REPORT

The Skilled Nursing Facility Value-Based Purchasing Program
Quarterly Confidential Feedback Report

Your SNF's Performance on the Skilled Nursing Facility 30-Day All-Cause Readmission Measure (SNF30RM) in [YEAR]

<table>
<thead>
<tr>
<th>Measure</th>
<th>Your SNF's Number of Eligible Stays</th>
<th>Your SNF's Risk-Standardized Readmission Rate*</th>
<th>National Average Readmission Rate**</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNF30RM</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

Source: Medicare claims and eligibility data from [YEAR].

* The number of stays in your SNF that were followed by an unplanned hospital readmission within 30 days of discharge from a prior inpatient hospitalization.
** The risk-standardized readmission rate is your SNF's risk-adjusted rate of unplanned readmissions.
*** The national average readmission rate is the unadjusted average readmission rate for all eligible SNF stays nationally.
Reporting

Reports

Example Patient Level Data – Index Stay Info

<table>
<thead>
<tr>
<th>Patient Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID Number</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>00001</td>
</tr>
<tr>
<td>00002</td>
</tr>
<tr>
<td>00003</td>
</tr>
</tbody>
</table>

Index SNF Stay

<table>
<thead>
<tr>
<th>Admission Date of Index SNF Stay</th>
<th>Discharge Date of Index SNF Stay</th>
<th>Index SNF/Discharge Status Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Feb-2015</td>
<td>3-March-2015</td>
<td>99</td>
</tr>
<tr>
<td>4-Apr-2015</td>
<td>29-May-2015</td>
<td>99</td>
</tr>
<tr>
<td>14 Apr-2015</td>
<td>5-May-2015</td>
<td>99</td>
</tr>
</tbody>
</table>
Reporting

Prior Proximal Hospital Stay

<table>
<thead>
<tr>
<th>Prior Proximal Hospital CON</th>
<th>Admission Date of Prior Proximal Stay</th>
<th>Discharge Date of Prior Proximal Stay</th>
<th>Principal Diagnosis of Prior Hospital Stay</th>
</tr>
</thead>
<tbody>
<tr>
<td>999999</td>
<td>15-Jan-2015</td>
<td>1-Feb-2015</td>
<td>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</td>
</tr>
<tr>
<td>888888</td>
<td>25-Mar-2015</td>
<td>4-Apr-2015</td>
<td>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</td>
</tr>
<tr>
<td>777777</td>
<td>10-Apr-2015</td>
<td>14-Apr-2015</td>
<td>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</td>
</tr>
</tbody>
</table>

Readmission Hospital Stay

<table>
<thead>
<tr>
<th>Readmission (Yes/No)</th>
<th>Planned Readmission (Yes/No)</th>
<th>Readmission Facility CON</th>
<th>Readmission Admission Date</th>
<th>Readmission Discharge Date</th>
<th>Principal Diagnosis of Readmission Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>NO</td>
<td>999999</td>
<td>18-Feb-2015</td>
<td>28-Feb-2015</td>
<td>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</td>
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<tr>
<td>YES</td>
<td>NO</td>
<td>888888</td>
<td>4-Apr-2015</td>
<td>6-Apr-2015</td>
<td>XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</td>
</tr>
<tr>
<td>NO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Example Patient Level Data – SNFRM Risk-Adjusters

Clinical Classifications Software (CCS), Diagnostic Codes

<table>
<thead>
<tr>
<th>Septicemia (S)</th>
<th>WBC count (W)</th>
<th>Infection (I)</th>
<th>...</th>
<th>Residual codes (Unclassified) (UR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>...</td>
<td>NO</td>
</tr>
<tr>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>...</td>
<td>NO</td>
</tr>
<tr>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>...</td>
<td>NO</td>
</tr>
</tbody>
</table>

Hierarchy Condition Category (HCC), Codes

<table>
<thead>
<tr>
<th>HCC Diagnosis</th>
<th>ESRD Indicator</th>
<th>Diabetic</th>
<th>Prior ICU Days</th>
<th>Length of Prior Hospital Stay</th>
<th>Count of Prior Stays</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Surgical Procedure Codes

<table>
<thead>
<tr>
<th>Vascular Surgery</th>
<th>Obstructive jaundice</th>
<th>Serum albumin</th>
<th>...</th>
<th>HCC Diagnosis</th>
<th>ESRD Indicator</th>
<th>Diabetic</th>
<th>Prior ICU Days</th>
<th>Length of Prior Hospital Stay</th>
<th>Count of Prior Stays</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>...</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
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<tr>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>...</td>
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<tr>
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<td>...</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
</tr>
</tbody>
</table>

4/24/17
Incentive Payments

- 2% reduction in SNF PPS rates, across the board, beginning 10/1/2018 (FY2019).
- Per regulation, 50 - 70% of pool of funds from the 2% reduction to be redistributed via incentive payments.
- Incentive payments will be based on performance scores.
- Incentive payments could exceed the 2% withheld.
- Lowest 40% ranking facilities limited to how much they can get.
- Incentive payments could include some facilities getting 0%.
- CMS to publish further rulemaking on how payments will be determined in FY2018 SNF PPS Federal Register.

SNF VBP Potentially Preventable Readmission Measure (SNFPPR)

In the FY 2017 SNF PPS final rule, CMS adopted the SNFRM methodology and assesses the risk-standardized rate of unplanned, potentially preventable readmissions (PPRs) for Medicare fee-for-service (FFS) Skilled Nursing Facility (SNF) patients within 30 days of discharge from a prior proximal hospitalization.

- The 30-day risk window for the SNFPPR measure includes PPRs before a beneficiary is discharged from a SNF. The Within-PAC Stay list of potentially preventable conditions is applied before SNF discharge, and the Post-Discharge list is applied for the remainder of the 30 days after SNF discharge, if any.
- Risk-adjusted based on patient demographics, principal diagnosis in prior hospitalization, comorbidities, and other health status variables that affect probability of readmission
- Excludes planned readmissions because these are not indicative of poor quality
- CMS to determine when change from SNFRM to SNFPPR will be implemented and publish in future rulemaking.
Other Readmission Related Measures

<table>
<thead>
<tr>
<th>Program</th>
<th>Title</th>
<th>Numerator</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-Star</td>
<td>30-day All Cause Readmissions</td>
<td>Residents readmitted to the hospital (inpatient or observation stays) within 30 days of SNF admission.</td>
</tr>
<tr>
<td></td>
<td>100 day Community Discharge Without Readmission</td>
<td>Resident who are discharged to the community within 100 days of admission who are not admitted to a hospital (inpatient or observation), a nursing home, or who die within 30 days of SNF discharge.</td>
</tr>
<tr>
<td></td>
<td>30-day Outpatient ED Visits</td>
<td>Number of SNF stays where there was an outpatient ER visit not resulting in an inpatient stay or observation stay within 30-days of SNF admission.</td>
</tr>
<tr>
<td>QRP</td>
<td>Discharge to the Community</td>
<td>Risk-adjusted estimate of the number of residents who are discharged to the community, do not have an unplanned readmission to a hospital/LTCH and who do not die within 31 days of discharge from the SNF stay.</td>
</tr>
<tr>
<td></td>
<td>Potentially Preventable 30-day Post Discharge Readmission Measure</td>
<td>Related to the number of residents who have the event of a potentially preventable, unplanned readmission, during the specific readmission window (30-days post PAC discharge).</td>
</tr>
<tr>
<td>VBP</td>
<td>SNF Readmission Measure – All cause Risk-Adjusted Readmission (SNFRM)</td>
<td>Risk adjusted estimate of the number of SNF stays with unplanned readmissions that occurred within 30-days of discharge from proximal hospital stay.</td>
</tr>
<tr>
<td></td>
<td>SNF 30-day Potentially Preventable Readmission (SNFPPR) Measure</td>
<td>Number of residents in the target population who have the event of a potentially preventable, unplanned readmission during the readmission window (30-days post hospital discharge).</td>
</tr>
</tbody>
</table>

Resources

SNF VBP Webpage:
https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/Other-VBPs/SNF-VBP.html

SNFRM Technical Specs:

SNF PPS FY 2017 Final Rule:
CMAC Special Offer

- Currently $299.00
- Alternative to other MDS Certification programs.
- All courses are web based.
- All courses updated with changes in regulation or RAI manual revisions.
- Now used by some of the large SNF Organizations
- Anyone involved in the MDS process may enroll.
- Requires annual recertification
  - Ensures you are up to date w/ frequent MDS Changes.
  - 24/7 access to education modules as long as certification is up to date.
- Enroll at www.simpleltc.com/cmac

SimpleAnalyzer™

- Predictive rehospitalization metrics leveraging millions of historical records
- Predictive Quality Measure analytics up to your most recent MDS submissions
- Real-time analytics covering several important MDS metrics
THANK YOU