

# Mandated report: Medicare's skilled nursing facility value-based purchasing program and proposed replacement

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April 1, 2021

# MedPAC's mandate to evaluate the SNF value-based purchasing program (VBP)

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- Mandate in the Protecting Access to Medicare Act of 2014
- Evaluate the program
  - Review progress
  - Assess impacts of beneficiaries' socio-economic status on provider performance
  - Consider any unintended consequences
- Make recommendations as appropriate
- Report due June 30, 2021

# SNF value incentive program (VIP) would correct flaws of the current SNF VBP design

<b>SNF VBP flaw</b>	<b>SNF VIP solution</b>
Assesses performance using a single, flawed outcome measure	<ul style="list-style-type: none"><li>• Score small set of performance measures<ul style="list-style-type: none"><li>○ Need for patient experience measures</li></ul></li></ul>
Minimum stay counts do not ensure reliable measure results for low volume providers	<ul style="list-style-type: none"><li>• Incorporate strategies to ensure reliable measure results<ul style="list-style-type: none"><li>○ Increase minimum counts</li><li>○ Consider performance periods that span multiple years</li></ul></li></ul>
Scoring does not encourage every provider to improve	<ul style="list-style-type: none"><li>• Establish a system for distributing rewards with minimal cliffs effects<ul style="list-style-type: none"><li>○ Scoring encourages every provider to improve</li></ul></li></ul>

# SNF VIP would correct flaws of the current SNF VBP design (continued)

SNF VBP flaw	SNF VIP solution
Does not account for social risk factors of the patients treated by a SNF	<ul style="list-style-type: none"><li>• Account for differences in patients' social risk factors using a peer grouping mechanism<ul style="list-style-type: none"><li>○ Performance scores remain intact for public reporting, while payments are adjusted</li></ul></li></ul>
Retains a portion of the incentive pool	<ul style="list-style-type: none"><li>• Distribute the entire provider-funded pool of dollars as rewards and penalties</li></ul>

# SNF VIP should be combined with other tools to encourage improvement in performance

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- Public reporting of provider performance, including SNF VIP measure results
- Target technical assistance to low-performing providers
- Enhance the Requirements of Participation and the Special Focus Facility Program to include performance on VIP

# Summary

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- The current SNF VBP program is flawed. Recent legislation corrects some, but not all, of the shortcomings.
- A replacement value incentive program is a practical approach to improve the current program
- A new program would result in more equitable payments across SNFs with different mixes of patients
  - Shares of patients at high social risk
  - Medical complexity of their patients