

Mandated report: The skilled nursing facility value-based purchasing program

ISSUE: The Protecting Access to Medicare Act of 2014 required the Secretary to implement a value-based purchasing (VBP) program for skilled nursing facilities (SNF) that started to affect payments beginning on October 1, 2018. The law also requires MedPAC to review the progress of the VBP and make recommendations as appropriate on any improvements that should be made by June 30, 2021.

KEY POINTS: Our analysis focuses on: the performance of SNFs on the readmissions measure during the first two years of the program, the range of VBP payment adjustments that SNFs received, and whether there are differences in performance by various SNF characteristics. We also summarize the shortcomings of the SNF VBP.

ACTION: Commissioners will discuss analysis and provide feedback for future work.