

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

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

- 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

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

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">• Account for differences in patients' social risk factors using a peer grouping mechanism<ul style="list-style-type: none">○ Performance scores remain intact for public reporting, while payments are adjusted
Retains a portion of the incentive pool	<ul style="list-style-type: none">• Distribute the entire provider-funded pool of dollars as rewards and penalties

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

- 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

- 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