Member Letter for Comments on Nursing Home Proposed Rule
June 5, 2016

The Centers for Medicare & Medicaid Services (CMS) Proposed Rule: Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities Proposed Rule for FY 2017; SNF Value-Based Purchasing Program; SNF Quality Reporting Program (4/25/16)

Payment Rates Update for FY 2017

- CMS projects that aggregate payments to SNFS will increase in FY 2017 by 2.1 percent, attributable to a 2.6% market basket increase reduced by 0.5 percentage points in accordance with the multifactor productivity adjustment required by law.

VBP

- New value-based purchasing measures will apply to payments for services furnished on or after 10/1/18; data collection will begin 10/1/16.
- The already final 'SNF 30-Day All-Cause Readmission Measure (SNFRM) will be replaced "as soon as Practicable by an All-Condition Risk-Adjusted Potentially Preventable Hospital Readmission Measure (SNF-PPR)
    - The SNF-PPR will have 2 categories: (1) Within Stay; (2) Post SNF discharge until the 30-days post hospital discharge ends.
    - Will be risk-adjusted for sociodemographic status (SES)/characteristics (diagnoses; LOS in the hospital and co-morbidities and the number of prior hospitalizations over the past year.
    - Benchmarking includes a proposed achievement threshold at the 25th percentile of national SNF performance. CMS is seeking comment on changing this to the 50th percentile –harder to achieve, but more $ for top performers vs. 15th percentile – easier to achieve, but less $ distributed.
    - Scoring would be on a 0 -100 point scale for achievement and 0-90 point scale for improvement.
        - *Our concern with the benchmarking is that the 50th percentile would be too high, i.e., the lower half would receive $0; the 15th percentile would be low, i.e., leaving little or nothing for high performers.*
        - *LeadingAge would like to see testing of the benchmarking and scoring proposals prior to implementation.*

QRP

- CMS is proposing 1 new assessment-based quality measure and 3 resource use claims-based measures for inclusion in the SNF Quality Reporting Program (QRP)

- Drug Regimen Review Conducted with Follow-Up for Identified Issues (FY2020)
    - Assesses whether providers were responsive to potential or actual significant medication issues by measuring the % of resident stays where medication is reviewed on admission and timely follow-up with a physician occurred each time there was an issue.
        - *The timeframe and definitions, e.g., 'clinically significant' require further clarification.*
        - *There are significant workforce issue concerns, particularly for rural providers with potentially limited access to pharmacists for immediate review.*
        - *As proposed, this is a drug regimen review measure vs. a medication reconciliation measure.*
- Discharge to Community – Post Acute Care ((FY 2018)
    - Includes Medicare FFS residents discharged to the community who do not have an unplanned readmission within 31 days.
    - Will use FFS claims and "Patient Discharge Status Code."
    - To be reported as a ratio – with the denominator being the risk-adjusted estimate of the number of residents discharged to the community without an unplanned readmission.
        - *It is not clear as to how the 'estimate' will be calculated; clarification is needed.*
- Medicare Spending Per Beneficiary (MSPB) (FY 2018)
        - *SES adjustment is critical* since dually eligible and low-income individuals are already documented to have a greater burden of multiple chronic conditions; limited social supports; and greater challenges with care coordination post –discharge beyond the scope of the SNF to completely manage.*
- Potentially Preventable 30 Day Post-Discharge Readmission Measure (FY 2018)
        - *All 3 will be risk adjusted, but SES is not included* and it is unclear how medical complexity, functional limitations and cognitive impairment – all of which have significant impact - will be factored. CMS is seeking comment on the importance of SES adjustment in resource use and other measures.*
- CMS proposes alignment of public quality reporting processes consistent with the hospital inpatient quality reporting review and correction process.

    - **Inclusion of SES across all measures in essential for all measures [particularly for rural areas with limited access to services]; application is also critically important and must be well-considered prior to implementation. There is considerable work being done on this issue, but no current standardized approach / methodology. E.G., the IOM is doing a study which*

will consist of 5 reports - only one report has been issued to date and the final / 5th report is the one which will specific data recommendations.

- *Failure to adequately account for complex-care individuals will result in poorer quality scores for the 3 proposed resource use measures.*
- *Many providers may seek to avoid such risk by "screening" referrals prior to admission.*
- *Providers who take medically-complex and socioeconomic disadvantaged residents may be penalized.*
- *Avoidance of "high-risk" admissions could easily result in access issues – particularly in rural areas where choices are limited*
- *All measures should be fully tested to ensure validity and reliability*.

- The CMS Fact Sheet discusses major provisions of the proposed rule: https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2016-Fact-sheets-items/2016-04-21-2.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=descending.
- Following is the link to the proposed rule: https://s3.amazonaws.com/public-inspection.federalregister.gov/2016-09399.pdf
- The CMS comment deadline is CoB 6/20/16.
- **IF YOU AND/OR YOUR MEMBERS HAVE RECOMMENDATIONS FOR CHANGE OR AMENDMENT, PLEASE RESPOND TO ME [emunley@leadingage.org] ASAP BUT NO LATER THAN WED, JUNE 15.**