Provided for your information is a Fact Sheet that was released by CMS on April 21, 2016 regarding the Proposed fiscal year 2017 payment and policy changes for Medicare Skilled Nursing

**Overview**

On April 21, 2016, the Centers for Medicare & Medicaid Services (CMS) issued a proposed rule [CMS-1645-P] outlining proposed Fiscal Year (FY) 2017 Medicare payment rates and quality programs for skilled nursing facilities (SNFs). The FY 2017 proposals and other issues discussed in the proposed rule are summarized below.

The proposed policies in the proposed rule continue to shift Medicare payments from volume to value. The Administration has set measurable goals and a timeline to move the Medicare program, and the health care system at large, toward paying providers based on the quality, rather than the quantity of care they provide to their patients. The Administration met the goal of tying 30 percent of Medicare payments to care provided in alternative payment models ahead of schedule and is continuing this momentum to reach the goal of tying 50 percent of payments to care provided in alternative payment models by the end of 2018. This proposed rule includes policies that advance that vision and support building a health care system that delivers better care, spends health care dollars more wisely, and results in healthier people. CMS encourages comments, questions, or thoughts on this proposed rule by June 20, 2016.

**Changes to Payment Rates under the SNF Prospective Payment System (PPS)**

Based on proposed changes contained within this proposed rule, CMS projects that aggregate payments to SNFs will increase in FY 2017 by $800 million, or 2.1 percent, from payments in FY 2016. This estimated increase is attributable to a 2.6 percent market basket increase reduced by 0.5 percentage points, in accordance with the multifactor productivity adjustment required by law.

**SNF Quality Reporting Program (QRP)**

The Improving Medicare Post-Acute Care Transformation Act of 2014 (P.L. 113-185) (IMPACT Act), enacted on October 6, 2014, requires the implementation of a quality reporting program for SNFs beginning with FY 2018. SNFs that do not submit required quality data to CMS under the SNF Quality Reporting Program (QRP) will be subject to a 2.0 percentage point reduction to their annual updates.
The IMPACT Act requires the continued specification of quality measures for the SNF QRP, as well as resource use and other measures. In order to satisfy the requirements of the IMPACT Act, CMS is proposing one new assessment-based quality measure, and three claims-based measures for inclusion in the SNF QRP. These measures align with the measures proposed for inclusion in the Long Term Care Hospitals (LTCH) QRP and the Inpatient Rehabilitation (IRF) QRP.

Assessment-based measure for the FY 2020 payment determination and subsequent years:

Drug Regimen Review Conducted with Follow-Up for Identified Issues.

Claims-based measures for the FY 2018 payment determination and subsequent years:

1. Discharge to Community – Post Acute Care (PAC) SNF QRP;
2. Medicare Spending Per Beneficiary (MSPB) – PAC SNF QRP; and
3. Potentially Preventable 30 Day Post-Discharge Readmission Measure for SNFs.

The proposed rule further defines the SNF QRP requirements. CMS proposes to use a Calendar Year (CY) schedule for measure and data submission requirements that includes a period for provider review and correction, with quarterly deadlines following each quarter of data submission beginning with data reporting for the FY 2019 payment determinations.

The IMPACT Act requires that procedures for public reporting of quality and resource use and other measures include a process consistent with the Hospital Inpatient Quality Reporting (IQR) review and correction processes. CMS proposes the following for public display of quality measure data for the SNF QRP, including review and correction periods, and the pre- and public reporting preview period:

- Align the SNF QRP quarterly reporting timeframes and quarterly review and correction periods for assessment-based measures with the approach followed in the IQR;
- Align processes related to the review and correction of claims based measures with the approach followed in the IQR; and
- Apply a 30-day preview period prior to publishing SNF quality data during which corrections to data cannot be made, but SNFs may ask for a correction to their measure calculations.

**SNF Value-Based Purchasing Program (VBP)**

Section 215 of the Protecting Access to Medicare Act of 2014 (PAMA) added new subsections (g) and (h) to section 1888 of the Social Security Act. The new section 1888(h) of the Social Security Act authorizes the establishment of a Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program beginning with FY 2019 under which value-based incentive payments are made to SNFs based on performance.
**Measures**

This rule proposes to specify the SNF 30-Day Potentially Preventable Readmission Measure, (SNFPPR), as the all-cause, all-condition risk-adjusted potentially preventable hospital readmission measure to meet the requirements of section 1888(g)(2) of the Social Security Act. The SNFPPR assesses the facility-level risk-standardized rate of unplanned, potentially preventable hospital readmissions for SNF patients within 30 days of discharge from a prior admission to a hospital paid under the Inpatient Prospective Payment System, a critical access hospital, or a psychiatric hospital.

**Other Policy Proposals**

In this proposed rule, CMS is seeking public comments on additional proposals related to the SNF VBP requirements including:

- Establishing performance standards;
- Establishing baseline and performance periods;
- Adopting a performance scoring methodology; and
- Developing confidential feedback reports.

**For More Information**

The proposed rule went on display on April 21, 2016, at the Federal Register’s Public Inspection Desk and will be available under “Special Filings,” athttp://www.federalregister.gov/inspection.aspx. Public comments on the proposed rule will be accepted until June 20, 2016.

For further information, please see:

- SNF PPS: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/index.html
- SNF VBP: https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/Other-VBPs/SNF-VBP.html
What are the SNF quality reporting measures?

In the following table you’ll find:

- National Quality Forum (NQF) measure identification numbers and titles
- Measures use in the SNF Quality Reporting Program
- The Data Collection Timeframe for fiscal year 2018 Annual Percentage Update
- Data Submission Deadlines

<table>
<thead>
<tr>
<th>NQF Measure ID</th>
<th>Measure Title</th>
<th>Data Collection Timeframe</th>
<th>Data Submission Deadline</th>
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<td>NQF #0674</td>
<td>Application of Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay)</td>
<td>10/01/16-12/31/16</td>
<td>May 15, 2017</td>
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<td>NQF #0678</td>
<td>Percent of Patients or Residents with Pressure Ulcers that are New or Worsened</td>
<td>10/01/16-12/31/16</td>
<td>May 15, 2017</td>
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<td>NQF #2631</td>
<td>Application of Percent of Long-Term Care Hospital Patients with an Admission and Discharge Functional Assessment and a Care Plan that Addresses Function</td>
<td>10/01/16-12/31/16</td>
<td>May 15, 2017</td>
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