
42 C.F.R. § 413.338

Skilled nursing facility value-based purchasing program.

(a) *Definitions.* As used in this section:

Achievement threshold (or achievement performance standard) means the 25th percentile of SNF performance on a measure during the baseline period for a fiscal year.

Adjusted Federal per diem rate means the payment made to SNFs under the skilled nursing facility prospective payment system (as described under section 1888(e)(4)(G) of the Act).

Applicable percent means for FY 2019 and subsequent fiscal years, 2.0 percent.

Baseline period means the time period used to calculate the achievement threshold, benchmark, and improvement threshold that apply to a measure for a fiscal year.

Benchmark means, for a fiscal year, the arithmetic mean of the top decile of SNF performance on a measure during the baseline period for that fiscal year.

Eligible stay means, for purposes of the SNF readmission measure, an index SNF admission that would be included in the denominator of that measure.

Health equity adjustment (HEA) bonus points means the points that a SNF can earn for a program year based on its performance and proportion of SNF residents who are members of the underserved population.

Improvement threshold (or improvement performance standard) means an individual SNF's performance on a measure during the applicable baseline period for that fiscal year.

Logistic exchange function means the function used to translate a SNF's performance score into a value-based incentive payment percentage.

Low-volume SNF means a SNF with fewer than 25 eligible stays included in the SNF readmission measure denominator during the performance period for each of fiscal years 2019 through 2022.

Measure performance scaler means, for a program year, the sum of the points assigned to a SNF for each measure on which the SNF is a top tier performing SNF.

Performance period means the time period during which SNF performance on a measure is calculated for a fiscal year.

Performance score means the numeric score ranging from 0 to 100 awarded to each SNF based on its performance under the SNF VBP Program for a fiscal year.

Performance standards are the levels of performance that SNFs must meet or exceed to earn points on a measure under the SNF VBP Program for a fiscal year.

Ranking means the ordering of SNFs based on each SNF's performance score under the SNF VBP Program for a fiscal year.

SNF readmission measure means, prior to October 1, 2019, the all-cause all-condition hospital readmission measure (SNFRM) or the all-condition risk-adjusted potentially preventable hospital readmission rate (SNFPPR) specified by CMS for application in the SNF Value-Based Purchasing Program. Beginning October 1, 2019, the term SNF readmission measure means the all-cause all-condition hospital readmission measure (SNFRM) or the all-condition risk-adjusted potentially preventable hospital readmission rate (Skilled Nursing Facility Potentially Preventable Readmissions after Hospital Discharge measure) specified by CMS for application in the SNF VBP Program.

SNF Value-Based Purchasing (VBP) Program means the program required under section 1888(h) of the Act.

Top tier performing SNF means a SNF whose performance on a measure during the applicable program year meets or exceeds the 66.67th percentile of SNF performance on the measure during the same program year.

Underserved multiplier means the mathematical result of applying a logistic function to the number of SNF residents who are members of the underserved population out of the SNF's total Medicare population, as identified from the SNF's Part A claims, during the performance period that applies to the 1-year measures for the applicable program year.

Underserved population means Medicare beneficiaries who are SNF residents in a Medicare Part A stay who are also dually eligible, both partial and full, for Medicaid.

Value-based incentive payment adjustment factor is the number that will be multiplied by the adjusted Federal per diem rate for services furnished by a SNF during a fiscal year, based on its performance score for that fiscal year, and after such rate is reduced by the applicable percent.

Value-based incentive payment amount is the portion of a SNF's adjusted Federal per diem rate that is attributable to the SNF VBP Program.

(b) *Applicability of the SNF VBP Program.* The SNF VBP Program applies to SNFs, including facilities described in section 1888(e)(7)(B) of the Act. Beginning with fiscal year 2023, the SNF VBP Program does not include a SNF, with respect to a fiscal year, if:

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