

Centers for Medicare & Medicaid Services
Skilled Nursing Facilities/Long Term Care Open Door Forum
Moderator: Jill Darling
April 15, 2021
2:00 pm ET

Coordinator: Thank you for standing by. All lines had been placed in a listen only mode for today's presentation. The call is being recorded. If you have any objections, you may disconnect at this time. I will now introduce your conference host, Ms. Jill Darling. You may begin.

Jill Darling: Great. Thank you, (Katherine). Good morning, and good afternoon, everyone. I'm Jill Darling in the CMS Office of Communications and welcome to today's Skilled Nursing Facilities and Long Term Care Open Door Forum. As always, we appreciate your patience as we get more folks in.

And so, we will get into our agenda right after my one brief announcement. This open door forum is open to everyone but if you are a member of the press you may listen in, but please refrain from asking questions during the Q&A portion of the call.

If you do have any inquiries, please contact CMS at press@cms.hhs.gov. And we will start with John Kane, who will talk about the fiscal year 2022 annual rate update under the SNF PPS proposed rule.

John Kane: Thank you, Jill, and thank you everyone for being on the call today. On April 8, 2021, the Centers for Medicare and Medicaid Services issued a proposed rule specifically CMS-1746-P for the fiscal year 2022 Skilled Nursing Facility Prospective Payment System proposed rule.

This proposed rule includes proposed updates to Medicare payment policies and rates for skilled nursing facilities under the SNF PPS for fiscal year 2022. I will discuss the payment provisions of this proposed rule and then turn the call over to some of my colleagues to discuss the other important proposals contained within this rule.

Before I get into the payment provisions, I would note that the comment period for this rule closes on June 7th, so please be sure to have your comments into [regulations.gov](https://www.regulations.gov) by that time.

Additionally, I would note that while we can answer certain more process related questions related to the proposed rule, such as how one can access the proposed rule on [regulations.gov](https://www.regulations.gov), we are unable to answer any questions or address any comments related to any of the proposals or provisions contained in the proposed rule during the ongoing comment period.

With regard to the payment system proposals and this rule, I will walk through several proposed changes for the SNF PPS and FYI 2022. First and foremost, CMS estimates that the aggregate impact of the payment policies and this proposed rule would result in an increase of approximately \$444 million and Medicare Part A payments to SNFs in FY22.

This estimate reflects a \$445 million increase from the update to the payment rates of 1.3% which is based on a 2.3% SNF market basket update, less a 0.8 percentage point forecast error adjustment and less a 0.2 percentage point multifactor productivity or MFP adjustment, as well as a \$1.2 million decrease due to the proposed reduction to the SNF PPS rates to account for the recent blood clotting factor exclusion that I will discuss in a moment.

With regard to the SNF market basket itself, we would draw your attention to a proposed change to the SNF market basket for FY22. Specifically, the proposal to revise and rebase the SNF market basket to a 2018 based market basket from the current 2014 based market basket. This is something we propose every four years or so and the time has come for us to propose this type of change again.

With regard to the blood clotting factor exclusion I referenced above the SNF PPS pays SNF a comprehensive per diem rate representing Medicare's payment for all costs of furnishing covered Part A SNF services, except for certain costs that are excluded from SNF consolidated billing.

Effective October 1, 2021, Section 134, and Division CC of the Consolidated Appropriations Act of 2021, establishes an additional consolidated billing exclusion for certain blood clotting factors used for the treatment of hemophilia and other bleeding disorders, along with the items and services related to furnishing such blood factors.

Further, Section 1888 E4G3 of the Social Security Act requires that for any additional services that are unbundled from SNF consolidated billing, and thus become qualified for separate payment under Part B, there must also be a corresponding proportional reduction made and SNF payments under Part A.

Accordingly, we propose a proportional reduction in the SNF PPS rates to account for this new exclusion. We would note that this proposed reduction in Part A SNF spending is intended to offset the expected increase in Part B spending that will occur due to these items and services being excluded from SNF consolidated billing.

Another proposed change discussed in the proposed rule is related to the ICD-10 mappings that we use under PDPM for classifying SNF patients in a Part A covered (system) setting.

Under PDPM, ICD-10 diagnosis codes map to broad clinical categories used to classify SNF patients into payment groups. We update these ICD-10 mappings each year to reflect changes in coding practice and as appropriate to implement more accurate clinical category assignment.

Additionally, each year we solicit comments from stakeholders on potential substantive changes to the ICD-10 mappings used under PDPM. For FY22, we're proposing 11 substantive changes to the PDPM ICD-10 code mappings.

We identified these changes based on updates to ICD-10 codes and coding guidance released after the FY21 SNF PPS final rule, as well as stakeholder feedback and reviewed them with our clinicians. We expect that these changes will improve consistency between the ICD-10 mappings and current ICD-10 coding guidelines.

Most of these proposed changes involve instances where the use of the code could result in a return to provider or RTP message. This message indicates that the code is not accepted and that the claim is returned to the provider to prompt them to choose a different code and resubmit the claim before Medicare will pay.

We are proposing three major categories of changes. First, we are proposing to change the assignment of eight codes from RTP to a specific clinical category.

Second, we are proposing that two codes be changed from a clinical category to RTP. This allows providers the opportunity to choose another code that more appropriately identifies the primary diagnosis associated with this SNF stay. And for these codes, more specific codes are available and our clinical review suggests that it is not clear why they would serve as a kind of diagnosis related SNF stay.

Third, we are proposing that one code change clinical categories based on coding guidance issued after the FY21 SNF PPS final rule.

Finally, before I turn the call over to my colleagues to discuss the quality provisions of this proposed rule, we would also like to highlight another provision of the FY22 proposed rule.

Effective October 1, 2019, patients in Medicare Part A coverage SNF stays are classified under SNF PPS using a new case mix classification model called the Patient Driven Payment Model or PDPM. As discussed in the FY2019 SNF PPS final rule, PDPM was to be implemented in a budget neutral manner, meaning that implementing PDPM would not result in any increase or decrease in overall SNFs spending strictly because of the new payment system.

Based on the comparison of expected payments for FY 2020 under the prior payment model, the resource utilization groups Version 4 or Rev 4 model and the new payment model PDPM, the unadjusted PDPM case mix indexes were adjusted upwards by a factor of 46.3% to ensure that aggregate payments under PDPM, would be equal to what aggregate SNF payments would have been under Rev 4.

As with past payment model transitions, we've conducted the necessary data analysis to recalibrate the parody adjustment used to achieve budget neutrality under PDPM.

Currently, available data suggests that there may have been an unintended increase in payments of approximately 5% or \$1.7 billion in FY 2020. However, we also acknowledged that the COVID-19 public health emergency could have affected the data used to perform these analyses.

In this proposed rule, we solicit comments on a potential methodology for recalibrating the PDPM parody adjustment that we believe fully accounts for the potential effects of the COVID-19 THE and provides a path for ensuring that PDPM achieves the intended goal of a budget neutral implementation going forward.

We specifically seek comments on whether we should delay or phase in the adjustment once we have determined the appropriate methodology for recalibrating the PDPM parody adjustment.

Once again, I would remind listeners that because we are in the comment period for this proposed rule, we are unable to answer questions related to the provisions of the proposed rule that I just discussed, or any of the provisions that my colleagues will discuss for their areas of responsibility.

And with that, I will turn the call over to Tim Jackson to discuss the SNF value based purchasing program, Tim.

Tim Jackson: Thanks, John. So good afternoon, everyone. We'll take just a few minutes here to review the major provisions for the SNF value-based purchasing program for 2022. We have two proposals that we have provided.

The first is proposing to suppress the skilled nursing facility readmission measure for the FY22 program year. We have included suppression factors for justification as to that suppression proposal, specifically looking at clinical proximity of the measure's focus and relevant diseases, as well as significant national and regional shortages or rapid unprecedented changes in patient case volume.

And as a result of the suppression policy, the ethnicity code, the program will result in SNF's receiving a performance score of zero when it's finalized, to mitigate the effect the distorted measure results would have otherwise had on SNFs performance scores and incentive payment multipliers. All participants in SNFs will receive an identical performance score and incentive payment multiplier.

In addition to the suppression policy, to the COVID-19 public health emergency, this proposal has additional impacts for the per diem rate 2% adjustment and awards each participating SNF 60% of that 2% withhold resulting in a 1.2% payback for the FY 2022 program year.

This excludes SNFs that fall under the low volume adjustment policy, which was already included. SNFs subject to the policy, the low volume policy would receive 100% of their 2% withhold back and that was again previously finalized.

Our second provision looks at the SNF value-based purchasing program measure sets. So as part of the Consolidated Appropriations Act of 2021, we had nine additional measures that were available to be provided in addition to the current readmission measure and beginning in the 2024 program year.

Measures to be included, are focused on functional status, patient safety, care coordination and patient experience. In addition to staffing measures to focus on nursing staff hours per resident and day, they are reported in the nursing home compare website.

CMS is also interested in measures that focus on staff turnover and we welcome comment on future measures and whether the measures in an expanded SNF VBP measure set should require SNFs to collect data on all residents in the facility regardless of payer.

We provided in the rule a list of measures and that I will briefly highlight a few here and from the patient reported outcome measures, we had the Promise Global Health and Physical Measure, as well as for fee for service claims.

We proposed – we sought comment on community engagement with discharge to community measure post-acute care, skilled nursing facility quality reporting program measure and for health associated infections in a skilled nursing facility, health associated infections requiring hospitalization to measure.

Finally, I'm sorry, that concludes my section for this afternoon's updates. At this point, I will turn this over to Heidi for the SNF Quality Reporting Program. Thank you.

(Heidi Magladry): Thanks, Tim. Good afternoon. I'm (Heidi Magladry), the Skilled Nursing Facility Quality Reporting Program Coordinator and I'll share with you the fiscal year 2022 SNF QRP proposals.

This year for the SNF QRP, we're proposing to adopt two new measures and update the specifications for an existing measure. In addition, we're proposing

a modification to the public reporting of SNF quality measures as well as seeking comment on two requests for information.

Our first proposal is the skilled nursing facility health care associated infections requiring hospitalization measure. This measure -- this proposed measure uses Medicare fee for service claims data to estimate the rate of healthcare associated infections that are acquired during SNF care and result in hospitalization in one composite score.

The goal of the measure is to be able to assess those SNFs that have a notably higher rate of healthcare associated infections that are acquired during SNF care and result in hospitalization when compared to their peers and to the national average HAI rates.

Implementation of the SNF HAI measure provides information about a facilities adeptness in infection prevention and management and encourages improved quality of care.

Our second proposal is the COVID-19 vaccination coverage among healthcare personnel measure.

This measure concept was identified as a priority in response to current public health emergency and would require SNFs to report on COVID-19 healthcare provider vaccination in order to assess whether SNFs are taking steps to limit the spread of Covid-19 among their healthcare personnel, reduce the risk of transmission within their facilities, and help sustain the ability of SNFs to continue serving their communities throughout the public health emergency and beyond.

This process measure was developed with the Centers for Disease Control and providers would submit this information through the National Healthcare Safety Network, beginning October 1, 2021.

Our third proposal is to modify the transfer of health information to patients Post-Acute Care Quality Measure. This process measure was finalized in the fiscal year 2020 SNF PPS rule and assesses for and reports on the timely transfer of health information, specifically the transfer of the medication list.

Currently the measure denominators for both the transfer of health information to patients and the transfer of health information to the provider measures include patients discharged home under the care of an organized home health service organization or hospice.

In order to avoid counting the patient in both transfer of health measures, CMS is proposing to remove dislocation from the definition of the denominator for the transfer of health information Patient Post-Acute Care Measure.

Our next proposal is for public reporting with fewer than the standard number of quarters due to COVID-19 public health emergency exemptions.

On March 27, 2020, we sent out a guidance memorandum firstness, where we granted an exception to the SNF QRP reporting requirements for quarter four 2019 and quarter one and two of 2020. We also stated that we would not publicly report any of the quality data that might be greatly impacted by the exceptions.

This exception impacted the schedule for public reporting that would have included quarter one and quarter two 2020 data. To address this, beginning

with the January 2022. Care compared with fresh, we are proposing to display measure performance data using fewer than the standard number of quarters.

Your recorders of data will be used until the standard number of post exemption quarters are available. Finally, we are seeking feedback on two requests for information.

The first request for information relates to the use of SNFs health care, interoperable resources, or buyer in support of digital quality measurement in quality programs. While we're not recommending proposing any requirements under the SNF QRP at this time, we are seeking feedback on our future plans to define digital quality measures for the SNF QRP.

We are also seeking feedback on the potential use of buyer for digital quality measures within the SNF QRP aligning where possible with other quality programs.

In the second RFI, we look to continue the conversation about closing the health equity gap. We are committed to addressing the significant and persistent inequities in health outcomes through improving data collection to better measure and analyze disparities across programs and policies.

We are working to make healthcare quality more transparent to consumers and providers, enabling them to make better choices as well as promoting provider accountability around health equity. We are seeking feedback in this RFI on ways to obtain health equity for all patients through policy solutions.

Our ongoing commitment to closing the health equity gap in SNF has been demonstrated by the adoption of standardized patient assessment data

elements, which includes several social determinants of health that were finalized in the fiscal year 2020 SNF PPS rule for the SNF QRP.

With this RFI, we are also seeking comment on the possibilities of expanding measure development and the collection of other standardized patient assessment data elements that address gaps in health quality in the SNF QRP.

And that's the final proposal I have for the SNF QRP portion of the fiscal year 2022 rules. I do have one additional announcement for the SNF QRP, I would like to share today.

It's an important reminder for non-critical access hospitals swing beds. Non-critical access hospital swing beds are subject to the SNF quality reporting program requirements via the submission of the MDS 3.0.

For more information on those SNF QRP requirements, we invite providers to visit the SNF QRP measures and technical information webpage.

We want to alert non-critical access hospital swing bed providers that our contractors swing tech send informational messages to SNF and swing beds that are not meeting the annual payment update thresholds on a quarterly basis ahead of each submission deadline.

If you need to add or change the email addresses to which these messages are sent, please email QRP help H-E-L-P at swingtest.com and be sure to include your facility name and CMS CCN number along with any requested email updates. We want to make sure that everybody is getting the informational message if needed, about the annual payment update thresholds.

And that's all I have for the SNF QRP. So with that, I'll turn it back to Jill Darling.

Jill Darling: Great. Thank you, Heidi. And thank you to Tim and John. (Katherine), will you please open the lines for Q&A?

Coordinator: We will now begin our formal question and answer session. If you would like to ask your question, please press Star 1 on your telephone keypad. Only record your first and last name. To withdraw your question, you may press Star 2.

Once again, to ask your question, please press Star 1 on your telephone keypad. And one moments that first question. The first question is coming from (Joel Van Eaton). Your line is open.

(Joel Van Eaton): Thank you so much for taking my call and thank you for the presentation today.

Just comment and then a quick question. First of all, a comment on the parody adjustment that John talked about. I want to just reiterate the information that came in the proposed rule and just the indications that were mentioned about resource use, and behavior change on the SNF provider side with a 30% reduction in rehab minutes.

And just a suggestion and a comment, something I'm certainly going to send into the comments the proposed rule that CMS would perhaps consider a prorated adjustment to the PT and OT segments of PDPM based on provider compliance with not reducing their minutes might be helpful.

The second, the question that I have has to do with the COVID-19 vaccination NHSN requirements and this wasn't mentioned in the proposed rule. But the question I have is will -- because it's not an MDS-based or a claims-based piece of information, will the reporting requirement also factor into the 2% wage index adjustment based on QRP? Thank you.

(Heidi Magladry): Hi, so this is (Heidi) with the SNF QRP. This will become a part of the SNF QRP program. So non-compliance with reporting, this measure via the NHSN, if finalized would impact the annual payment update.

(Joel Van Eaton): Thank you.

Coordinator: The next question is going to be from Mark McDavid. Your line is open.

Mark McDavid: Yes, thank you so much for taking my call. Actually, (Joel) asked my question, so I think we're covered. Thank you

Coordinator: The next question is coming from Susan Grayson. Your line is open.

Susan Grayson: Hello, I'm wondering if you can address the value-based purchasing proposed changes as well. I've been reading that there's depression of the 30-day all cause readmission measure, so what might be replacing that? Thank you.

Tim Jackson: Yeah, this is Tim. Thanks for that question. So, there is no other measure within the value-based purchasing program.

So with the suppression of the single measure, we would therefore not have any measures. There are no measures proposed this year to replace it is to your question.

The measures that are under consideration that -- I referenced a couple of them were a part of a future expansion. There is no expansion for this year.

With that suppression of that single measure in the SNF QRP program, we would the zero score and payment adjustments as I described. Does that answer your question?

Susan Grayson: Yes, thank you. That's very helpful. Thank you.

Coordinator: The next question is coming from Kathy Stratman. Your line is open.

Kathy Stratman: Hi, I have a question. If there's a date set for when the three-day acute care hospital stay requirement prior to the covered SNF or skilled swing bed stay waiver will end?

John Kane: Hi, this is John Kane. We have not currently released any sort of date or deadline for when the three-day waiver will be rescinded.

Kathy Stratman: Thank you.

Coordinator: The next question is coming from (Soral Levy), your line is open.

(Sorel Levy): Hi. I'm wondering if the QRP outcomes are going to be measured like (ZVP) anytime in the future and tied to any risk of payment reduction? So, not completion of information, but the actual outcomes themselves.

(Heidi Magladry): We don't have any plans to make those adjustments at this time and any adjustments would go through notice and comment rulemaking. I think what you're asking me if we're considering switching from a pay for reporting program to a pay for performance program. Is that correct?

(Sorel Levy): Yes.

(Heidi Magladry): We have not announced any plans...

(Sorel Levy): Thank you for your answer.

(Heidi Magladry): ...at this time.

(Sorel Levy): Thank you.

Coordinator: The next question is coming from (Arthur Portal), your line is open.

(Arthur Portal): Hey, everyone, thanks for taking the call and the questions. I have more of a thematic question. Just wondering how you guys are thinking about Biden's proposed infrastructure plan with the \$400 billion going into primarily home health care.

One, how you guys think that's going to impact the skilled nursing industry and two, how you guys are taking those proposed plans into account with your proposed rules. Thanks.

John Kane: Hi, this is John Kane. Unfortunately, I don't think we have anyone on the call that would be able to actually address that question. So thank you for the question and you can always feel free to submit questions to the SNF open door forum, LTC mailbox. Thank you.

Coordinator: At this time, we have no further questions. Thank you.

Jill Darling: All right. Well, thanks, everyone for joining today's open door forum call. We appreciate your questions and comments and feedback.

And like John said, please feel free to send questions comments and your feedback to the SNF ODF email. It is located on the agenda. It is always there for you to utilize. So we thank you for your time and have a wonderful day.

Coordinator: This will conclude today's conference. All parties may disconnect at this time.

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