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MDS Alert

Reimbursement: What The New SNF Quality Reporting Program Has In Store For You

How your hospital readmission rates could soon affect your incentive payments.

As all Medicare payments slowly transition from volume to value, care quality issues in skilled nursing facilities (SNFs) have come under the microscope. And if finalized, this latest proposed rule would turn your reimbursement and compliance upside-down.

On April 15, the **Centers for Medicare & Medicaid Services** (CMS) announced the proposed fiscal year (FY) 2016 Medicare payment and policy changes for SNFs, and published the proposed rule in the April 20 Federal Register.

Enjoy a Slight Reimbursement Increase

Based on the proposed rule's changes, CMS projects that aggregate payments to SNFs in FY 2016 under the prospective payment system (PPS) will increase by 1.4 percent from payments in FY 2015. The increase comes from a 2.6-percent market basket increase, reduced by a 0.6 percentage point forecast error adjustment and further reduced by a 0.6 percentage point due to the multifactor productivity adjustment.

The proposed rule also addresses the Improving Medicare Post-Acute Care Transformation Act of 2014 (IMPACT Act), which requires that CMS implement a quality reporting program for SNFs. This is part of CMS' initiative to shift Medicare payments from volume to value, paying providers based on the quality, rather than the quantity of care they furnish to patients.

Watch out: And beginning in FY 2018, SNFs that fail to submit required quality data to CMS under the SNF Quality Reporting Program (QRP) will see their annual payment updates decrease by 2 percentage points.

Prepare Yourself for 3 Quality Domain Measures

The IMPACT Act identified three quality domains, and CMS will adopt these measures in the SNF QRP:

1. Skin integrity and changes in skin integrity: Percent of residents or patients with pressure ulcers that are new or worsened (short-stay) (NQF #0678). This quality measure specifically reports the percent of short-stay residents with Stage 2 through 4 pressure ulcers that are new or worsened since admission.

2. Incidence of major falls: Application of percent of residents experiencing one or more falls with major injury (long-stay) (NQF #0674). Items included in this quality measure are:

- Injury Related to Fall Any documented injury that occurred as a result of, or was recognized within a short period of time (e.g., hours to a few days) after, the fall and attributed to the fall.
- Major Injury Includes bone fractures, joint dislocations, closed-head injuries with altered consciousness, and subdural hematoma.
- Injury (Except Major) Includes skin tears, abrasions, lacerations, superficial bruises, hematomas, and sprains; or any fall-related injury that causes the resident to complain of pain.

3. Functional status, cognitive function, and changes in function and cognitive function: Application of percent of patients or residents with an admission and discharge functional assessment and a care plan that addresses function (NQF #2631; under NQF review). The functional status items included in this measure are:

- Self-Care Eating; oral hygiene; and toileting hygiene.
- Mobility Sit to lying; lying to sitting on side of bed; sit to stand; chair/bed-to-chair transfer; toilet transfer; walk 50 feet with two turns; walk 150 feet; wheel 150 feet with two turns; and wheel 150 feet.

Under the IMPACT Act, these three quality measures will produce standardized data across all four post-acute care (PAC) settings: home health agencies, inpatient rehab facilities, SNFs, and long-term care hospitals. CMS will also propose additional quality measures and resource use measures in future rulemaking.

How Pressure Ulcer Measure Could Change

Currently, quality measures focus on pressure ulcers that were Stage 2, Stage 3, or Stage 4 on a prior assessment and are now a higher numerical stage. Coding in Item M0800 Worsening in Pressure Ulcer Status Since Prior Assessment (OBRA or scheduled PPS) or Last Admission/Entry or Reentry does not currently include Stage 1 pressure ulcers, nor ulcers that change from stageable to unstageable. But this could soon change.

In the proposed rule, CMS is considering a future update to the numerator of the NQF quality measure #0678, Percent of Residents or Patients with Pressure Ulcers that are New or Worsened (Short Stay). (The numerator reflects the number of residents or patients with a target assessment during the selected time window who have one or more Stage 2 through 4 pressure ulcers that are new or that have worsened compared to the prior assessment.)

Under the proposed rule, SNFs and other PAC providers would need to report the development of unstageable pressure ulcers and suspected deep tissue injuries (sDTIs), according to a May 4 analysis by Washington, D.C.-based **Leading Age**.

"Under this potential change we are considering, the numerator of the quality measure would be updated to include unstageable pressure ulcers, including sDTIs that are new/developed in the facility, as well as Stage 1 or 2 pressure ulcers that become unstageable due to slough or eschar (indicating progression to a Stage 3 or 4 pressure ulcer) after admission," CMS says.

The NQF brought up concerns regarding why CMS adopted a different standard for long-term care providers regarding fluid-filled blisters sometimes coded as a Stage 2 pressure ulcer and sometimes as an sDTI.

Problems: And as for the new measure under consideration, the NQF is concerned that the MDS coding requirements conflict with the recommendations of relevant expert groups. Specifically, the CMS definition of a DTI wound differs from the definition that the **National Pressure Ulcer Advisory Panel** (NPUAP) uses.

But CMS expanded upon the NPUAP's sDTI definition, providing additional information in the RAI manual regarding any blister, whether found filled with serum, serosanguineous fluid, etc., Leading Age reported. "By providing specific guidance in the MDS manual, [facilities can] take a holistic approach, focusing on the assessment of the skin, instead of having a blanket statement that every blood-filled blister should be considered an sDTI."

Heads Up: New Functional Status Measure

By Oct. 1, 2016 (FY 2017), CMS intends to adopt a new cross-setting quality measure for functional status, as well as additional coding items to MDS 3.0 Section G Functional Status. CMS proposes to base the new Section G items on the Continuity Assessment Record and Evaluation (CARE) item set's functional status items, which would capture residents' functional status on the six-level scale at admission, to indicate the care plan's goal, and at discharge from the facility, according to Leading Age.

Then, you would compare the functional score at discharge to the admission score and the care plan goal score to determine outcomes of the care episode, Leading Age explained. For unplanned discharges, you would report only the admission score and functional goal score CMS won't require you to report the discharge functional status in this case.

Your Hospital Readmission Rates are Under Scrutiny

Additionally, the proposed rule addresses the Protecting Access to Medicare Act of 2014 (PAMA), which called for CMS to establish a SNF Value-Based Purchasing (VBP) program beginning in FY 2019. The SNF VBP would make value-based incentive payments to SNFs in a fiscal year based on performance.

The proposed rule would adopt the SNF 30-Day All-Cause Readmission Measure (SNFRM), NQF #2510, as the all-cause, all-condition readmission measure used in the SNF VBP program. This measure would estimate the risk-standardized rate of all-cause, unplanned hospital readmissions for SNF Medicare beneficiaries within 30 days of their prior proximal short-stay acute hospital discharge.

In future rulemaking, CMS will replace this measure with an all-condition, risk-adjusted potentially preventable hospital readmission rate.

CMS is seeking public comments in the proposed rule on a variety of issues related to the SNF VBP program's policies, specifically on:

- Performance standards;
- Measuring improvement;
- Appropriate baseline and performance periods;
- Performance scoring methodology;
- Public reporting of performance information; and
- Feedback reports.

Resources: A CMS Fact Sheet on the proposed FY 2016 changes is available at www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-04-15.html. To view the entire proposed rule published in the April 20 Federal Register, go to www.federalregister.gov/articles/2015/04/20/2015-08944/medicare-programs-skilled-nursing-facilities-prospective-payment-system-and-consolidated-billing-fy.