# Skilled Nursing Facility Value-Based Purchasing Program: Frequently Asked Questions (FAQs)

Updated August 2024

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| | |
|---|---|
| CAH | critical access hospital |
| CASPER | Certification and Survey Provider Enhanced Reports |
| CCN | CMS Certification Number |
| CMS | Centers for Medicare & Medicaid Services |
| COVID-19 | 2019 Novel Coronavirus |
| CY | calendar year |
| DTC-PAC | Discharge to Community—Post-Acute Care Measure for SNFs |
| ECE | Extraordinary Circumstances Exception |
| EDB | Enrollment Database |
| FAQ | frequently asked question |
| FFS | fee-for-service |
| FY | fiscal year |
| HARP | HCQIS Access Roles and Profile |
| HCQIS | Health Care Quality Information Systems |
| HHS | U.S. Department of Health and Human Services |
| HIPAA | Health Insurance Portability and Accountability Act of 1996 |
| iQIES | Internet Quality Improvement and Evaluation System |
| LPN | Licensed Practical Nurse |
| MAC | Medicare Administrative Contractor |
| MBI | Medicare Beneficiary Identifier |
| MDS | Minimum Data Set |
| MedPAR | Medicare Provider Analysis and Review file |
| QIES | Quality Improvement and Evaluation System |
| PAMA | Protecting Access to Medicare Act of 2014 |
| PHE | public health emergency |
| PHI | protected health information |
| PII | personally identifiable information |
| PPS | Prospective Payment System |
| PSR | Performance Score Report |
| RN | Registered Nurse |
| RSRR | risk-standardized readmission rate |
| R&C | Review and Correction |
| SNF | skilled nursing facility |
| SNFRM | SNF 30-Day All-Cause Readmission Measure |
| SNF HAI | Skilled Nursing Facility Healthcare-Associated Infections Requiring Hospitalization measure |
| SNF QRP | Skilled Nursing Facility Quality Reporting Program |
| SNF VBP | Skilled Nursing Facility Value-Based Purchasing Program |
| SNF WS PPR | Skilled Nursing Facility Within-Stay Potentially Preventable Readmission measure |
| VBP | value-based purchasing |

*General Skilled Nursing Facility Value-Based Purchasing Program Information*

## 1.    What is the Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program?

The Centers for Medicare & Medicaid Services (CMS) awards incentive payments to SNFs through the SNF VBP Program to encourage SNFs to improve the quality of care they provide to patients. For the FY 2025 Program year, performance in the SNF VBP Program is based on a single measure of all-cause hospital readmissions.

In Section 215 of the [Protecting Access to Medicare Act of 2014 (PAMA)](#), Congress added Sections 1888(g) and (h) to the Social Security Act, requiring the Secretary of the U.S. Department of Health and Human Services (HHS) to establish a SNF VBP Program. PAMA specifies that under this Program, SNFs:

- Are evaluated by their performance on a hospital readmission measure;
- Are assessed on both improvement and achievement, and scored on the higher of the two;
- Earn incentive payments based on their performance;
- Are subject to a 2-percent payment withhold, of which between 50 and 70 percent is paid back; and
- Receive quarterly confidential feedback reports containing information about their performance.

All SNFs paid under Medicare's SNF Prospective Payment System (PPS) are subject to the SNF VBP Program. CMS applies incentive payments prospectively to all Medicare fee-for-service (FFS) Part A claims paid under the SNF PPS. CMS began applying incentive payments for SNFs on October 1, 2018.

## 2.    What additional measures will be implemented by the SNF VBP Program in future years?

Beginning in the FY 2026 Program year, the SNF VBP Program is expanding to assess performance on multiple quality measures rather than a single measure. In Section 111 of the Consolidated Appropriations Act, 2021, Congress amended Section 1888(h) of the Social Security Act to allow the HHS Secretary to apply up to nine additional measures determined appropriate by the Secretary to the SNF VBP Program. CMS subsequently adopted additional measures for the SNF VBP Program in the [FY 2023 SNF PPS final rule](#) (pages 47564–47580) and the [FY 2024 SNF PPS final rule](#) (pages 53276-53304) for use in future Program years.

Table 1 lists the measures currently adopted for the FY 2025 through FY 2028 Program years, as finalized through the federal rulemaking process.

**Table 1. Measures adopted by the SNF VBP Program: FY 2025 through FY 2028 Program years**

| Measure and Link to Technical Report | Adopted in SNF PPS Final Rule | FY 2025 Program Year | FY 2026 Program Year | FY 2027 Program Year | FY 2028 Program Year |
|---|---|---|---|---|---|
| SNF 30-Day All-Cause Readmission Measure (SNFRM) | FY 2016 | ✓ | ✓ | ✓ | – |
| Skilled Nursing Facility Healthcare-Associated Infections (SNF HAI) Requiring Hospitalization | FY 2023 | – | ✓ | ✓ | ✓ |
| Total Nurse Staffing Hours per Resident Day (including Registered Nurse [RN], Licensed Practical Nurse [LPN], and Nurse Aide hours) | FY 2023 | – | ✓ | ✓ | ✓ |
| Total Nursing Staff Turnover | FY 2024 | – | ✓ | ✓ | ✓ |
| Discharge to Community—Post-Acute Care (DTC-PAC) Measure for SNFs | FY 2023 | – | – | ✓ | ✓ |
| Percent of Residents Experiencing One or More Falls with Major Injury (Long-Stay) | FY 2024 | – | – | ✓ | ✓ |
| Discharge Function Score for SNFs | FY 2024 | – | – | ✓ | ✓ |
| Number of Hospitalizations per 1,000 Long Stay Resident Days | FY 2024 | – | – | ✓ | ✓ |
| Skilled Nursing Facility Within-Stay Potentially Preventable Readmission (SNF WS PPR) Measure | FY 2024 | – | – | – | ✓ |

## 3.  Which SNFs are included in the SNF VBP Program?

The SNF VBP Program is not optional. All SNFs paid under Medicare's SNF PPS are subject to the SNF VBP Program. The types of SNFs paid under the SNF PPS include freestanding SNFs, SNFs associated with acute care facilities, and all non-critical access hospital (CAH) swing bed rural facilities.

Inclusion in the SNF VBP Program does not require any action on the part of SNFs.

*Measuring Readmissions*

## 4.  What measure is currently used in the SNF VBP Program?

For the FY 2025 Program year, performance in the SNF VBP Program is based on SNFs' performance on the SNF 30-Day All-Cause Readmission Measure (SNFRM), which evaluates the risk-standardized readmission rate (RSRR) of unplanned, all-cause hospital readmissions for Medicare FFS beneficiaries. The SNFRM assesses unplanned, all-cause hospital readmissions for SNF residents within 30 days of discharge from a prior hospital stay to a SNF. The SNFRM is a measure of a SNF's relative performance compared with all other SNFs in the SNF VBP Program. For more details on the SNFRM, please see the SNF VBP Program webpage on CMS.gov, the

original [SNFRM Technical Report](), and the most recent [2024 Measure Updates and Specifications Report: Skilled Nursing Facility 30-Day All-Cause Readmission Measure]().

In each SNF VBP Program year, each SNF receives a SNFRM result reflecting its performance during the baseline period and a SNFRM result reflecting its performance during the performance period.

### 5.   What data periods does the SNF VBP Program use to assess performance?

The SNF VBP Program assesses SNF performance on the SNFRM during a baseline period and a performance period. Table 2 lists the baseline and performance periods for the FY 2019 through FY 2027 Program years, as finalized through the federal rulemaking process.

**Table 2. SNF VBP Program year data periods: FY 2019 through 2027 Program years**

| SNF VBP Program year | Baseline period | Performance period |
|---|---|---|
| **FY 2019**[a] | CY 2015 (1/1/2015–12/31/2015) | CY 2017 (1/1/2017–12/31/2017) |
| **FY 2020** | FY 2016 (10/1/2015–9/30/2016) | FY 2018 (10/1/2017–9/30/2018) |
| **FY 2021** | FY 2017 (10/1/2016–9/30/2017) | FY 2019 (10/1/2018–9/30/2019) |
| **FY 2022** | FY 2018 (10/1/2017–9/30/2018) | 4/1/2019–12/1/2019[b] |
| **FY 2023** | FY 2019 (10/1/2018–9/30/2019) | FY 2021 (10/1/2020–9/30/2021) |
| **FY 2024**[c] | FY 2019 (10/1/2018–9/30/2019) | FY 2022 (10/1/2021–9/30/2022) |
| **FY 2025**[c] | **FY 2019 (10/1/2018–9/30/2019)** | **FY 2023 (10/1/2022–9/30/2023)** |
| **FY 2026** | FY 2022 (10/1/2021–9/30/2022) | FY 2024 (10/1/2023–9/30/2024) |
| **FY 2027** | FY 2023 (10/1/2022–9/30/2023) | FY 2025 (10/1/2024–9/30/2025) |

Notes: CY = Calendar Year; FY = Fiscal Year;  the current Program year is in bold font.
[a] The SNF VBP Program shifted from calendar year to fiscal year measurement periods beginning in the FY 2020 Program year to mitigate logistical calculations concerns.
[b] In response to the COVID-19 public health emergency (PHE), CMS excluded qualifying claims in the first two quarters of CY 2020 (January 1, 2020 – June 30, 2020) from use in the SNF VBP Program. Thus, the FY 2022 SNF VBP Program performance period originally specified in the [interim final rule with comment]() was restricted to April 1, 2019 through December 1, 2019. For further information please see the [interim final rule with comment]() (pages 54835–54837) and the [FY 2022 SNF PPS final rule]() (pages 42503–42516).
[c] In response to the COVID-19 PHE, CMS excluded qualifying claims in the first two quarters of CY 2020 (January 1, 2020 – June 30, 2020) from use in the SNF VBP Program. Thus, the baseline periods for the FY 2024 and FY 2025 Program years remained FY 2019 and were not advanced by one year to avoid any use of the excluded qualifying claims.

### 6.   What information is used to calculate the SNFRM?

CMS calculates the SNFRM for Medicare FFS beneficiaries using data extracted from SNFs' and hospitals' Medicare FFS Part A claims submitted to CMS for payment. The SNF and hospital claims are sourced from the Medicare Provider Analysis and Review (MedPAR) files. Eligibility information, resident names, and Medicare Beneficiary Identifiers (MBIs) are sourced from

Enrollment Data Base (EDB) files. CMS includes this information in the quarterly confidential feedback reports for SNFs.

The SNFRM does not use information from the Minimum Data Set (MDS) or patient medical records.

### 7. What is the difference between a planned readmission and an unplanned readmission?

The SNFRM evaluates the risk-standardized rate of *unplanned* hospital readmissions. The SNFRM does not count planned readmissions because they are not indicative of poor quality of care.

To determine if a hospital readmission is planned or unplanned, CMS uses a modified version of the Planned Readmission Algorithm originally developed for CMS's hospital readmission measures. The SNFRM defines a planned readmission as any non-acute readmission in which one of a set of typically planned procedures or diagnoses occurred. The Planned Readmission Algorithm is based on two main principles:

1. CMS should always consider some diagnoses and procedures as planned, such as a transplant surgery or maintenance chemotherapy.
2. CMS should also consider a separate, larger group of procedures as planned readmissions except in the presence of a disqualifying unplanned diagnosis, such as a coronary artery bypass graft surgery.

If a readmission does not meet the established criteria for a planned readmission according to the algorithm, CMS will consider it an unplanned readmission. Note that the Planned Readmission Algorithm assesses diagnosis and procedure coding information in the hospital claim only, not in the SNF claim, to determine if a readmission is planned or unplanned. Table 3 lists the versions of the algorithm used for the FY 2019 through FY 2027 Program years.

**Table 3. SNF VBP Program's Planned Readmission Algorithm Versions: FY 2019 through FY 2027 Program years**

| SNF VBP Program year | Version of Planned Readmission Algorithm* |
|---|---|
| FY 2019 | 3.0 |
| FY 2020 | 3.0 |
| FY 2021 | 4.0 |
| FY 2022 | 4.0 |
| FY 2023 | 4.0 2020 |
| FY 2024 | 4.0 2020 |
| FY 2025 | **4.0 2022** |
| FY 2026 | 4.0 2022 |
| FY 2027 | 4.0 2024 |

Note:  The current Program year is in bold font.

*CMS regularly updates the Planned Readmission Algorithm to align it with the latest clinical guidelines and available billing codes, so SNF VBP Program years using the same version of the algorithm but slightly different billing codes is reflected by the variation in the version year.

For more details on the approach used to determine whether a readmission is planned or unplanned, see the 2024 Measure Updates and Specifications Report: Skilled Nursing Facility 30-Day All-Cause Readmission Measure.

### 8.   What types of SNF stays are used to calculate the SNFRM?

CMS calculates the SNFRM using data from Medicare FFS Part A claims. Only stays that meet the inclusion criteria are used to calculate the measure. If a SNF stay meets any of the exclusion criteria, it will not be included in the measure calculation. For example, patients with post-acute care admissions occurring within the SNFRM risk window (see Question 9) are excluded, as are patients discharged from SNFs against medical advice. For the full list of exclusions, see the 2024 Measure Updates and Specifications Report: Skilled Nursing Facility 30-Day All-Cause Readmission Measure.

### 9.   When does the SNFRM 30-day readmission risk window begin and end?

The risk window is the 30-day period during which the SNFRM counts unplanned hospital readmissions. The risk window begins when a patient is discharged from an acute care hospitalization and then admitted to a SNF within one day. The risk window ends either 30 days after its start or when a patient is readmitted to a hospital, whichever occurs first.

For example, as shown in Figure 1, if a patient was discharged from a hospital and admitted to a SNF on September 1, 2023, and then readmitted to the hospital on September 10, 2023, the risk window started on September 1 and ended on September 10. Alternatively, if that same patient never experienced a readmission, the risk window ends 30 days after it started, on October 1, 2023, as shown in Figure 2.

**Figure 1. SNFRM 30-day risk window, ended by a readmission**



Discharged from a hospital to a SNF within 1 day

Readmitted to the hospital

| 8/31/2023 | 9/1/2023 | 9/10/2023 |

**Risk Window**
Start
Day 0
(9/1/2023)
End
Day 10
(9/10/2023)
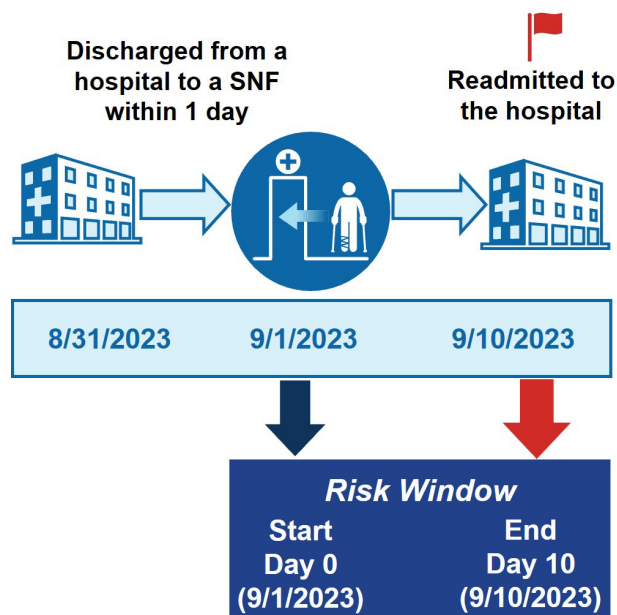
**Figure 2. SNFRM 30-day risk window, completed without a readmission**



Discharged from a hospital to a SNF within 1 day

| 8/31/2023 | 9/1/2023 |

**Risk Window**
Start
Day 0
(9/1/2023)
End
Day 30
(10/1/2023)
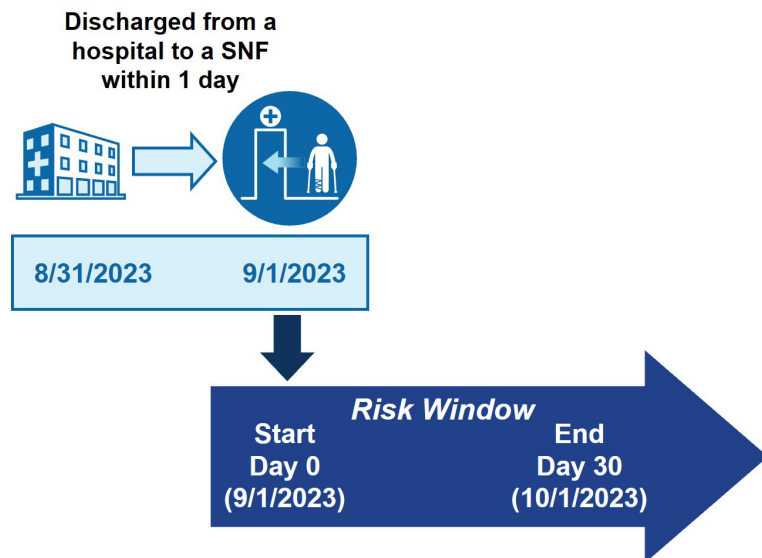
## 10. Does the SNFRM count multiple hospital readmissions during a single 30-day risk window?

No. The risk window ends 30 days after the discharge from an acute care hospitalization and subsequent admission to a SNF within one day or when a patient is readmitted to a hospital, whichever occurs first. If a patient has multiple readmissions, the risk window ends after the first readmission. However, additional risk windows for the same patient may begin if all

measure inclusion criteria are met, including a subsequent SNF admission within one day of discharge from a hospital.

For example, as shown in Figure 3, if a patient was discharged from a hospital and admitted to a SNF on September 1, 2023, and then readmitted to the hospital on September 10, 2023, the first risk window started on September 1 and ended on September 10. If that patient was subsequently discharged from the readmitting hospital to a SNF on September 15, 2023, a second 30-day risk window would begin. This second risk window would end on October 15, 2023, if the patient was not readmitted to a hospital.

**Figure 3. Two SNFRM 30-day risk windows, first ended by a readmission and second completed without a readmission**
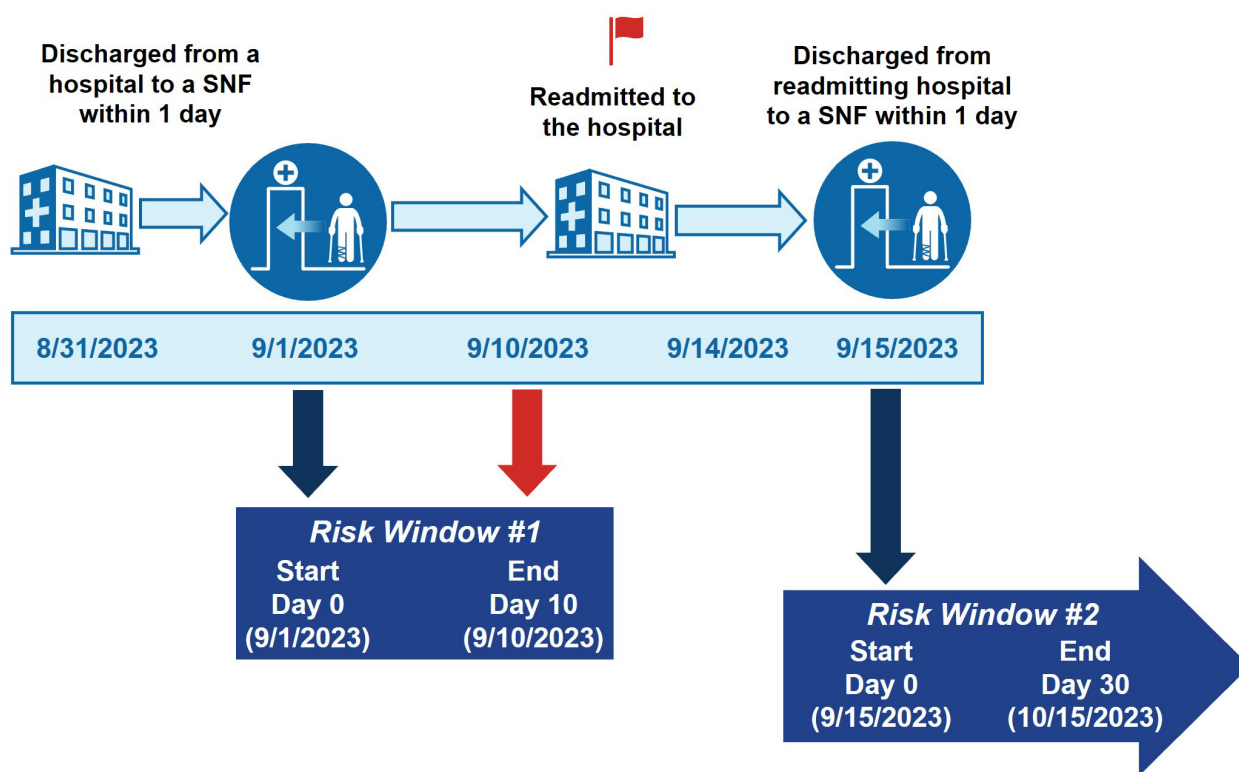


### 11. Why do my SNFRM results for the same data collection period differ across SNF VBP Program years?

The SNFRM uses the Planned Readmission Algorithm to determine whether a readmission is planned or unplanned. CMS uses the same version of the Planned Readmission Algorithm in each Program year's baseline and performance periods to maintain stable comparisons of SNF performance across data periods. However, across Program years, CMS periodically updates the version of the Planned Readmission Algorithm used in the SNFRM to align it with the latest clinical guidelines and include all billing codes available for use in Medicare FFS Part A claims. This can result in slightly different measure results for the same data period if that data period is used in more than one Program year.

Similarly, the SNFRM is risk-adjusted to account for a variety of factors that affect the probability of a patient experiencing a hospital readmission, such as a patient's demographics and comorbidities. The SNFRM's risk adjustment model employs clinical categorization software which groups billing codes for diagnoses and procedures into smaller, more digestible, clinical categories. CMS uses the same clinical categorization software versions in each Program year's baseline and performance periods to maintain stable comparisons of SNF performance across data periods. However, across Program years, CMS periodically updates the clinical categorization software versions to align with the latest clinical guidelines and include all billing codes available for use in Medicare FFS Part A claims. This can likewise result in slightly different measure results for the same data period if that data period is used in more than one Program year.

In summary, if the Planned Readmission Algorithm or the clinical categorization software underlying portions of the risk adjustment model used by the SNFRM changes, a SNF's performance as measured by the SNFRM might change slightly as well.

## 12. What technical updates were made to the SNFRM to account for COVID-19?
In the FY 2023 SNF PPS final rule (pages 47562–47564), CMS announced a technical update to the SNFRM, beginning with the FY 2023 Program year, to risk adjust for (1) patients with a primary or secondary COVID-19 diagnosis during the prior proximal hospitalization and (2) patients with a history of a primary or secondary COVID-19 diagnosis only prior to the prior proximal hospitalization.

For more information, see the 2024 Measure Updates and Specifications Report: Skilled Nursing Facility 30-Day All-Cause Readmission Measure.

## 13. Is the SNFRM also used in the SNF Quality Reporting Program (SNF QRP) or the Five-Star Quality Rating System?
No. CMS uses the SNFRM only in the SNF VBP Program. CMS uses a different hospital readmission measure, the Potentially Preventable 30-Day Post-Discharge Readmission measure, in the SNF QRP. For more information about SNF QRP measures, including the Potentially Preventable 30-Day Post-Discharge Readmission measure, visit the SNF QRP webpage on CMS.gov.

CMS does not use the SNFRM in the Five-Star Quality Rating System to calculate nursing home star ratings. For more information about rehospitalization measures used to calculate nursing home star ratings, visit the CMS-specified website for public reporting.

*Performance Scores, Rank, and Incentive Payments*

## 14. How are performance scores determined?

To determine performance scores, CMS compares SNFs' inverted risk-standardized readmission rates (RSRRs)[1] in the performance period with two metrics:

1.  Their own past performance during the baseline period, used to calculate an improvement score (scores range from 0 to 90, higher is better), as shown in Figure 4

**Figure 4. Improvement score**



2.  National SNF performance during the baseline period, used to calculate an achievement score (scores range from 0 to 100, higher is better), as shown in Figure 5

**Figure 5. Achievement score**



CMS compares the SNF's achievement and improvement scores; **whichever score is higher becomes that SNF's performance score**, as shown in Figure 6.

**Figure 6. Performance score**



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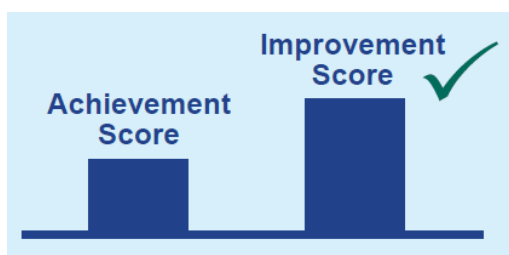
[1] Inverted RSRRs are calculated by subtracting the RSRR from 1 (that is, 1 – RSRR = Inverted RSRR). Inverted RSRRs reflect the risk-standardized rate of patients *not* readmitted to the hospital, thus higher inverted RSRRs indicate better performance.

For complete information on how achievement and improvement scores are calculated, including the formulas used, see Question 16, the FY 2017 SNF PPS final rule (pages 52000–52005), and the SNF VBP Program: FY 2025 Incentive Payment Multiplier Calculation infographic.

### 15.  How are performance standards determined for the SNF VBP Program?

There are two performance standards for each measure adopted by the SNF VBP Program: the achievement threshold and the benchmark. The achievement threshold is equal to the 25th percentile of all SNFs' performance on the measure during the Program year's applicable baseline period. The benchmark is equal to the mean of the top decile of all SNFs' performance on the measure during the Program year's applicable baseline period.

For the SNFRM, CMS calculates both performance standards using inverted RSRRs.

CMS publishes the performance standards for the SNF VBP Program in the SNF PPS final rule no later than 60 days before the applicable Program year's performance period begins. Table 4 lists the SNFRM's performance standards used for the FY 2019 through FY 2027 Program years.

**Table 4. SNF VBP Program performance standards for the SNFRM: FY 2019 through FY 2027 Program years**

| SNF VBP Program year | Achievement threshold | Benchmark | SNF PPS final rule |
|---|---|---|---|
| **FY 2019** | 0.79590 | 0.83601 | FY 2017 SNF PPS final rule (page 51998) |
| **FY 2020** | 0.80218 | 0.83721 | FY 2018 SNF PPS final rule (page 36613) |
| **FY 2021** | 0.79476 | 0.83212 | FY 2019 SNF PPS final rule (page 39276) |
| **FY 2022** | 0.79059 | 0.82905 | FY 2020 SNF PPS final rule (page 38822)[a] |
| **FY 2023** | 0.79270 | 0.83028 | FY 2021 SNF PPS final rule (page 47625) |
| **FY 2024** | 0.79271 | 0.83033 | FY 2022 SNF PPS final rule (page 42513) |
| **FY 2025** | **0.79139** | **0.82912** | **FY 2023 SNF PPS final rule (page 47584)** |
| **FY 2026** | 0.78800 | 0.82971 | FY 2024 SNF PPS final rule (page 53300) |
| **FY 2027** | 0.78709 | 0.82702 | FY 2025 SNF PPS final rule (page 64129) |

Note:  The current Program year is in bold font.
[a] The SNFRM performance standards for the FY 2022 SNF VBP Program year were initially published in the FY 2020 SNF PPS final rule. They were subsequently updated in April 2021 via a Certification and Survey Provider Enhanced Reports (CASPER) email announcement distributed to all SNFs.

### 16.  Can SNFs calculate their own achievement and improvement scores?

Yes. A SNF can calculate its achievement and improvement scores for the SNFRM using the following data:

- The SNF's performance period RSRR, found in the annual Performance Score Report (PSR) (typically distributed in August)
- The SNF's baseline period RSRR, found in the annual PSR (typically distributed August)
- The applicable achievement threshold and benchmark for the Program year, found in the applicable SNF PPS final rule, in Table 4 above, and in the applicable SNF VBP Program Performance Score Report User Guide posted on the SNF VBP Program webpage on CMS.gov

To calculate achievement and improvement scores, SNFs may use the criteria below and the formulas presented in Equation 1 and Equation 2. Note: Inverted RSRRs are calculated by subtracting the RSRR from 1 (that is, 1 – RSRR = Inverted RSRR).

*Improvement Score (0 to 90, higher is better)*

- If the SNF's performance period inverted RSRR is equal to or less than the baseline period inverted RSRR, the SNF receives 0 points for improvement
- If the SNF's performance period inverted RSRR is equal to or greater than the benchmark, the SNF receives 90 points for improvement[2]
- If the SNF's performance period inverted RSRR is greater than its baseline period inverted RSRR, but less than the benchmark, CMS awards between 0 and 90 points for improvement according to the formula in Equation 1

**Equation 1. SNF VBP Program improvement score**

$$\left(\left[10 \times \left(\frac{(\text{SNF perf. period inverted RSRR} - \text{SNF baseline period inverted RSRR})}{(\text{Benchmark} - \text{SNF baseline period inverted RSRR})}\right)\right] - 0.5\right) \times 10$$

*Achievement Score (0 to 100, higher is better)*

- If a SNF's performance period inverted RSRR is less than the achievement threshold, the SNF receives 0 points for achievement
- If the SNF's performance period inverted RSRR is equal to or greater than the benchmark, the SNF receives 100 points for achievement
- If a SNF's performance period inverted RSRR is equal to or greater than the achievement threshold, but less than the benchmark, CMS awards between 0 and 100 points for achievement according to the formula in Equation 2

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[2] If a SNF's performance period inverted RSRR is equal to or less than the SNF's baseline period inverted RSRR and equal to or greater than the benchmark—that is, if the SNF satisfies both criteria—then the SNF receives 0 points for improvement.

**Equation 2. SNF VBP Program achievement score**

$$\left( \left[ 9 \times \left( \frac{(\text{SNF perf. period inverted RSRR} - \text{Achievement threshold})}{(\text{Benchmark} - \text{Achievement threshold})} \right) \right] + 0.5 \right) \times 10$$

Finally, the higher of the achievement and improvement scores becomes the SNF's performance score. Performance scores range from 0 to 100; higher scores are better.

For more information on scoring adjustments for SNFs without sufficient data during the baseline period and/or performance period, see Question 23.

### 17. My facility has scores of zero for achievement, improvement, and performance. Is this an error?

No. Achievement, improvement, and performance scores of zero are possible. Inverted RSRRs for the performance period that are less (that is, worse) than those for the baseline period will result in scores of zero for improvement. Likewise, inverted RSRRs for the performance period that are less (that is, worse) than the achievement threshold will result in scores of zero for achievement. The higher (that is, better) of the achievement and improvement scores becomes the SNF's performance score, so if a SNF's measure results meets both of the above conditions, it will receive a performance score of zero.

### 18. How are SNFs ranked in the SNF VBP Program?

CMS ranks SNFs by their performance scores each year, as required by statute. SNFs with the same performance score receive the same rank. For example, if 200 SNFs receive a perfect performance score of 100, these 200 SNFs will each have a rank of 1. In this example, the SNF with the next-highest performance score would receive a rank of 201.

### 19. How are incentive payments determined?

To fund the SNF VBP Program for the FY 2025 Program year, CMS withholds 2 percent of SNFs' Medicare FFS Part A payments, and CMS redistributes 60 percent of the withhold to SNFs as incentive payments. The remaining 40 percent of the withhold is retained in the Medicare Trust Fund. CMS is required to redistribute between 50 and 70 percent of the withheld funds to SNFs as incentive payments; the 60-percent redistribution policy was finalized in the FY 2018 SNF PPS final rule (pages 36619–36621).

To calculate incentive payments, CMS first estimates the dollar amount of SNFs' Medicare FFS Part A payments to be redistributed across SNFs in the applicable Program year; this is the incentive payment pool (see Question 20). CMS then calculates incentive payment multipliers for each SNF based on the SNF's performance score, using the logistic exchange function. To apply these incentive payment multipliers, CMS multiplies each SNF's adjusted federal per diem

rate by its calculated incentive payment multiplier when making payments for a SNF's Medicare FFS Part A claims in the Program year.

For more information on how incentive payments are determined, see the SNF VBP Program: FY 2025 Incentive Payment Multiplier Calculation Infographic, the SNF VBP Program Exchange Function Methodology Report, and the FY 2018 SNF PPS final rule (pages 36616–36621).

### 20. How does CMS calculate the incentive payment pool?

CMS uses historical payment data to estimate the incentive payment pool of SNF Medicare FFS Part A payments available for redistribution to SNFs in the form of incentive payments. To calculate the incentive payment pool, CMS uses the formula below.

**Equation 3. SNF VBP Program incentive payment pool**

$$\text{Incentive payment pool} = 60\% \text{ of } 2\% \text{ of SNF Medicare fee-for-service (FFS) Part A payments}$$

Table 5 lists the historical payment data used to estimate the incentive payment pool for the FY 2019 through FY 2025 Program years.

**Table 5. SNF VBP Program's historical payment data: FY 2019 through FY 2025 Program years**

| SNF VBP Program year | Historical payment data used |
|---|---|
| **FY 2019** | FY 2016 (10/1/2015–9/30/2016) |
| **FY 2020** | FY 2017 (10/1/2016–9/30/2017) |
| **FY 2021** | FY 2018 (10/1/2017–9/30/2018) |
| **FY 2022** | FY 2019 (10/1/2018–9/30/2019) |
| **FY 2023** | FY 2019 (10/1/2018–9/30/2019) |
| **FY 2024** | FY 2021 (10/1/2020–9/30/2021) |
| **FY 2025** | **FY 2022 (10/1/2021—9/30/2022)** |

Note: The current Program year is in bold font.

### 21. How do I interpret my incentive payment multiplier?

The incentive payment multiplier simultaneously accounts for the 2-percent payment withhold used to fund the SNF VBP Program and any incentive payments earned through performance as measured by the SNFRM during a baseline period and a performance period. CMS applies each SNF's incentive payment multiplier to their adjusted federal per diem rate. When CMS makes payments for a SNF's Medicare FFS Part A claims, the adjusted federal per diem rate is multiplied by the incentive payment multiplier.

CMS applies incentive payment multipliers to payments for services provided during the applicable SNF VBP Program year. For example, CMS applies incentive payment multipliers for

the FY 2025 SNF VBP Program year to payments for services provided during FY 2025 (October 1, 2024, through September 30, 2025).

The net percentage-point increase or decrease to the adjusted federal per diem rate can be determined using the following formula: (incentive payment multiplier – 1) x 100

For example, an incentive payment multiplier of 0.99 reflects a net payment reduction of 1 percent. An incentive payment multiplier of 1.01 reflects a net payment increase of 1 percent.

Table 6 describes how to interpret an incentive payment multiplier's impact on a SNF's Medicare FFS Part A payments.

**Table 6. Interpreting a SNF VBP Program incentive payment multiplier**

| Incentive payment multiplier result | Impact to payment |
|---|---|
| **Incentive Payment Multiplier < 1** | SNF receives less than the 2-percent withhold **(net-negative)**. That is, your SNF will earn less than it would have in the absence of the SNF VBP Program. |
| **Incentive Payment Multiplier = 1** | SNF receives the full 2-percent withhold **(net-neutral)**. That is, your SNF will earn the same amount it would have in the absence of the SNF VBP Program. |
| **Incentive Payment Multiplier > 1** | SNF receives more than the 2-percent withhold **(net-positive)**. That is, your SNF will earn more than it would have in the absence of the SNF VBP Program. |

### 22. How does a change in facility ownership impact the application of the SNF VBP Program's incentive payments?

For the SNF VBP Program, SNFs are identified based on their CMS Certification Number (CCN). SNFs submit Medicare FFS Part A claims for reimbursement using their CCN, and when reimbursing SNFs for those claims, CMS applies a unique incentive payment multiplier to each SNF's adjusted federal per diem rate to convey the incentive payment from the SNF VBP Program. The SNF VBP Program determines an incentive payment multiplier once per year, and incentive payments are applied prospectively throughout the coming fiscal year.

If there is a change in ownership, and the new owners obtain a new CCN, the SNF with the new CCN would be considered a "new" SNF for the SNF VBP Program. Therefore, quality measure results and incentive payments associated with the prior CCN would not be linked or associated with the new CCN. If there is a change in ownership, and the new owner does not change the CCN, the change in ownership is not considered and the new owner would receive the SNF VBP Program's incentive payments.

### 23. Is there a scoring adjustment for SNFs without sufficient data for the baseline period and/or performance period?

In the FY 2023 SNF PPS final rule (pages 47585–47588), CMS finalized a case minimum policy for the SNFRM and removed the existing low-volume adjustment policy.[3] Starting with the FY 2023 Program year, SNFs must have a minimum of 25 eligible stays for the SNFRM during the applicable performance period in order to be eligible to receive a score on that measure.

For the FY 2025 Program year, SNFs that do not meet the SNFRM's case minimum (25 or more eligible stays) in the performance period (FY 2023) are excluded from the SNF VBP Program. Payments to these SNFs in FY 2025 are not affected by the SNF VBP Program and these SNFs will not receive an incentive payment multiplier for the FY 2025 Program year; instead, these SNFs will receive their adjusted federal per diem rate. For more information on this policy, see the FY 2023 SNF PPS final rule (pages 47585–47587).

For the FY 2025 Program year, SNFs with fewer than 25 eligible stays during only the baseline period (FY 2019) are included in the SNF VBP Program but scored on achievement only. These SNFs will not be scored on improvement, so their achievement score will equal their performance score. This policy was also finalized in the FY 2023 SNF PPS final rule (pages 47587–47588).

### 24. My facility did not receive a performance score or an incentive payment multiplier. Instead, these values were "---" or blank. Is this an error?

No. In the FY 2023 SNF PPS final rule (pages 47585–47588), CMS finalized a case minimum policy for the SNFRM and removed the existing low-volume adjustment policy. Starting with the FY 2023 Program year, SNFs must have a minimum of 25 eligible stays for the SNFRM during the applicable performance period to be eligible to receive a performance score on that measure.

In addition, for the FY 2025 Program year, SNFs that do not meet the SNFRM's case minimum in the performance period (FY 2023) are excluded from the SNF VBP Program. Payments to these SNFs are not affected by the SNF VBP Program and these SNFs will not receive an incentive payment multiplier for the FY 2025 Program year; instead, these SNFs will receive their adjusted federal per diem rate. The annual PSR for these SNFs will contain a "---" for all data, including the performance score and incentive payment multiplier.

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[3] The low-volume adjustment policy finalized in the FY 2019 SNF PPS final rule (pages 39278–39280) was applied to the FY 2020, FY 2021, and FY 2022 Program years, and was replaced in the FY 2023 Program year with the case minimum policy described above and in the FY 2023 SNF PPS final rule (pages 47585–47588). Under the low-volume adjustment policy, SNFs with fewer than 25 stays in the performance period of a given Program year, regardless of the number of stays in the baseline period, received a net-neutral incentive payment multiplier of 1.0 in that Program year. This meant that payment was not affected by the SNF VBP Program. These SNFs were also assigned a neutral performance score and rank.

### 25. How will SNFs be notified of their performance in the Program?

CMS provides confidential feedback reports to SNFs on a quarterly basis through the Internet Quality Improvement and Evaluation System (iQIES). For detailed iQIES access instructions, see Question 26.

Table 7 shows the types of confidential feedback reports provided by CMS for the SNF VBP Program and the tentative dissemination schedule. When reports are disseminated to SNFs, CMS distributes email blasts through iQIES and other CMS distribution lists announcing the reports are available for download. To subscribe to CMS's email blasts, such as the MLN Connects newsletter and the Skilled Nursing Facility - Long Term Care Open Door Forum, go to the CMS GovDelivery website.

**Table 7. SNF VBP Program reports and tentative dissemination month**

| Data | Report type | Tentative dissemination month[a] |
|---|---|---|
| **Baseline year data** | Full-year workbook | December |
| **Partial performance year data** | Interim (partial-year) workbook | March |
| **Performance year data** | Full-year workbook | June |
| **Performance score, SNF VBP Program rank, and incentive payment multiplier** | Performance Score Report (PSR) | August |

[a] The dissemination month for each report release is tentative and subject to change.

For more information about the quarterly confidential feedback reports, see the SNF VBP Program webpage on CMS.gov and the FY 2025 SNF VBP Program Performance Score Report User Guide. The FY 2025 SNF VBP Program Timeline also provides the reports schedule alongside key Review and Correction (R&C), rulemaking, and public reporting dates for the FY 2025 Program year.

### 26. How can SNFs access their quarterly confidential feedback reports?

SNFs can access their quarterly confidential feedback reports (including their PSR containing their incentive payment multiplier) through iQIES; quarterly reports cannot be transmitted by any means other than iQIES, as they contain protected health information. The Certification and Survey Provider Enhanced Reports (CASPER) reporting system is no longer in use for the SNF VBP Program as of June 2023.

To locate quarterly reports in iQIES, please follow the instructions listed below:

1. Log into iQIES at https://iqies.cms.gov/ using a Health Care Quality Information Systems (HCQIS) Access Roles and Profile (HARP) user ID and password.

a. If you do not have a HARP account, you may [register for a HARP ID](#).

2. In the **Reports** menu, select **My Reports**.

3. From the **My Reports** page, locate the MDS 3.0 Provider Preview Reports folder. Select the **MDS 3.0 Provider Preview Reports** link to open the folder.

4. Here you can see the list of reports available for download. Locate the desired SNF VBP Program Quarterly Confidential Feedback Report (file name: snfvbp_ccn_reportname.xlsx).

5. Once located, select **More** next to your desired SNF VBP Program Quarterly Confidential Feedback Report and the report will be downloaded through your browser. Once downloaded, open the file to view your facility's report.

Quarterly confidential feedback reports will remain available in iQIES for 730 days after delivery. For assistance obtaining access to quarterly reports in iQIES, contact the QIES/iQIES Service Center by phone at (800) 339-9313 or by email at [iqies@cms.hhs.gov](mailto:iqies@cms.hhs.gov).

## 27. Why did my SNF not receive a quarterly confidential feedback report?

SNFs do not receive a quarterly confidential feedback report if they are inactive (for example, closed) or do not have any eligible stays during the data collection period assessed within the report.

SNFs also do not receive an annual PSR if they do not have any eligible stays during the performance period of the Program year. For the FY 2025 Program year, if a SNF does not have any eligible stays during the performance period (FY 2023), that SNF would not meet the SNFRM's case minimum (25 or more eligible stays) and would be excluded from the Program year. Payments to these SNFs in FY 2025 are not affected by the SNF VBP Program and these SNFs will not receive an incentive payment multiplier; instead, these SNFs will receive their adjusted federal per diem rate.

## 28. What is the Early Look Performance Score Report my SNF received in April 2024?

CMS distributed Early Look Performance Score Reports to SNFs in April 2024. The Early Look Performance Score Report is a one-time report distributed for informational purposes only and is distinct from the four quarterly confidential feedback reports discussed above (see [Question 25](#)).

Beginning in the FY 2026 Program year, the SNF VBP Program is expanding to assess performance on multiple quality measures rather than a single measure (that is, the SNFRM; see [Question 3](#)). For the FY 2026 Program year, performance in the SNF VBP Program will be based on performance across four quality measures. The Early Look Performance Score Report is intended to accomplish three goals:

1. Familiarize SNFs with the planned format of the official Performance Score Report that will be distributed for the FY 2026 Program year.
2. Familiarize SNFs with the scoring and payment methodology that will be applied for the FY 2026 Program year.
3. Inform SNFs of their past performance on the four quality measures adopted for the FY 2026 Program year, and model performance for the FY 2026 SNF VBP Program year using this historical data.

The Early Look Performance Score Reports do not reflect facilities' official performance in the SNF VBP Program and will not impact facilities' payments; CMS will share official performance information for the FY 2026 Program year based on updated measure data at a later date.

More information and resources about the Early Look Performance Score Reports, including a summary fact sheet, user guide, and educational webinar, are available on the SNF VBP Program webpage on CMS.gov.

For more details on future expansion of the SNF VBP Program beginning in the FY 2026 SNF VBP Program year, see the FY 2023 SNF PPS final rule (pages 47564-47597) and the FY 2024 SNF PPS final rule (pages 53276-53326).

## 29.  What is Phase 1 of the Review and Correction (R&C) process?

In Phase 1 of the R&C process, SNFs may review and submit corrections to their readmission measure rates. Corrections are limited to errors made by CMS or its contractors when calculating a SNF's readmission measure rate. SNFs are not able to correct any of the underlying administrative claims data (for example, a SNF discharge destination code) used to calculate a SNF's readmission measure rate during Phase 1 of the R&C process.

CMS includes readmission measure rates within the quarterly confidential feedback reports typically distributed in December and June; that is, the full-year workbooks containing baseline period and performance period results, respectively (see Question 25). As shown in Figure 7, CMS considers Phase 1 R&C requests for up to 30 calendar days after dissemination of the quarterly confidential feedback reports for the baseline period (typically distributed in December) and performance period (typically distributed in June).

This policy was discussed and finalized in the FY 2022 SNF PPS final rule (pages 42516–42517).

**Figure 7. SNF VBP Program: Phase 1 of the R&C process**

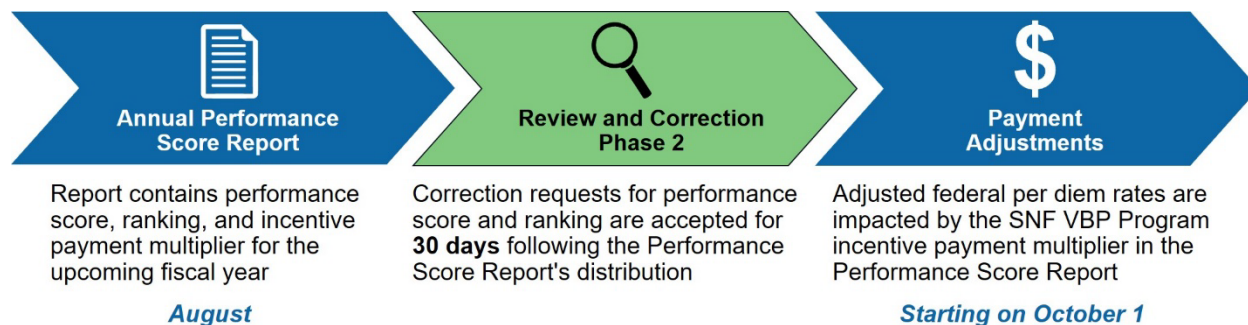| Baseline Period Report | Review and Correction Phase 1 | Interim Performance Period Report | Performance Period Report | Review and Correction Phase 1 |
|---|---|---|---|---|
| Report contains a full year of stay-level information and readmission rate for the baseline period *December* | Correction requests for readmission measure rates are accepted for **30 days** following the December baseline period report's distribution | Report contains interim data from the performance period; this report is **not eligible** for Review and Correction *March* | Report contains a full year of stay-level information and the readmission rate for the performance period *June* | Correction requests for readmission measure rates are accepted for **30 days** following the June performance period report's distribution |

## 30. What is Phase 2 of the R&C process?

In Phase 2 of the R&C process, SNFs may review and submit corrections to only their performance score and ranking in the annual PSRs. As shown in Figure 8, CMS considers Phase 2 R&C requests for up to 30 calendar days after dissemination of the annual PSRs (typically distributed in early August).

**Figure 8. SNF VBP Program: Phase 2 of the R&C process**

| Annual Performance Score Report | Review and Correction Phase 2 | Payment Adjustments |
|---|---|---|
| Report contains performance score, ranking, and incentive payment multiplier for the upcoming fiscal year *August* | Correction requests for performance score and ranking are accepted for **30 days** following the Performance Score Report's distribution | Adjusted federal per diem rates are impacted by the SNF VBP Program incentive payment multiplier in the Performance Score Report *Starting on October 1* |

## 31. How do I submit an R&C request?

SNFs must submit correction requests to the SNF VBP Program Help Desk at SNFVBP@rti.org within 30 calendar days after dissemination of the applicable report.

Requests must include the following information:

1. The SNF's CMS Certification Number (CCN)
2. The SNF's name
3. The correction requested
4. The reason for requesting the correction
5. If applicable, the line number (an arbitrary unique identifier found on the 'Eligible Stays' tab of the quarterly confidential feedback reports) of the stay in question.

**Do not attach your SNF's quarterly confidential feedback report to the request.**

CMS will review the requests and notify the requesting SNF of the final decision.

Reports contain discharge-level data protected by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Any disclosure of protected health information (PHI) or personally identifiable information (PII) should only be in accordance with, and to the extent permitted by, the HIPAA Privacy and Security Rules and other applicable laws. When referring to the contents of your reports, use only the line number.

The SNF VBP Program Help Desk is not secured to receive PII and PHI. The line number (an arbitrary unique identifier found on the 'Eligible Stays' tab of the quarterly confidential feedback reports) is an assigned number and is not considered PII or PHI.

### 32. How can I correct an error in my stay-level data?

CMS advises SNFs to follow the established claims correction process to update stay-level information. CMS also encourages SNFs to work with hospitals as part of their care coordination efforts to submit any corrections to claims information to their Medicare Administrative Contractor (MAC) to correct the claim in all relevant fields in a timely manner. If an error is identified, the SNF must work with the MAC to correct the claim in all relevant fields.

For corrections to the underlying administrative claims data to be reflected in the SNF VBP Program's quarterly confidential feedback reports, the SNF must submit the claims correction request to the MAC and the MAC must process the correction before the "snapshot date." The quarterly confidential feedback reports will not reflect any claims corrections processed after the date of the claims snapshot, which is 3 months following the last index SNF admission in the applicable baseline period or performance period, as shown in Table 8. CMS cannot recalculate any results in the quarterly confidential feedback reports to reflect claims corrected after the date of the claims snapshot. The results will also only reflect edits that comply with the time limits and reopening and revision requirements described in the Medicare Claims Processing Manual: Chapter 1—General Billing Requirements and Chapter 34—Reopening and Revision of Claim Determinations and Decisions. This claims "snapshot" policy was discussed and finalized in the FY 2022 SNF PPS final rule (pages 42516–42517).

**Table 8. SNF VBP Program claims data snapshot dates: FY 2025 through 2027 Program years**

| SNF VBP Program year | Baseline period | Baseline period claims data snapshot date | Performance period | Performance period claims data snapshot date |
|---|---|---|---|---|
| **FY 2025** | **FY 2019** | **12/31/2019** | **FY 2023** | **12/31/2023** |
| **FY 2026** | FY 2022 | 12/31/2021 | FY 2024 | 12/31/2024 |
| **FY 2027** | FY 2023 | 12/31/2022 | FY 2025 | 12/31/2025 |

Note:  The current Program year is in bold font.

## Extraordinary Circumstances Exceptions

### 33. What is the SNF VBP Program's Extraordinary Circumstances Exception (ECE) policy?

CMS understands that there may be times when a SNF is affected by an extraordinary circumstance beyond its control. In the FY 2019 SNF PPS final rule (pages 39280–39281), CMS adopted the SNF VBP Program ECE policy. The policy is intended to allow SNFs to receive relief from Program requirements due to natural disasters or other circumstances beyond the SNF's control that may affect the SNF's ability to provide high-quality health care.

In the FY 2025 SNF PPS final rule (pages 64136–64137), CMS expanded this policy to allow SNFs to also receive relief from Program requirements due to natural disasters or other circumstances beyond the SNF's control that may affect the SNF's ability to report required measure data by specified deadlines.

If a SNF can demonstrate that an extraordinary circumstance affected the care that it provided to its patients or its ability to report data, and thus affected its subsequent measure performance, CMS will exclude the calendar months during which the SNF was affected by the extraordinary circumstance from measure calculations.

### 34. How are measure and scoring calculations affected by an approved ECE?

CMS reviews all ECE requests on a case-by-case basis. If CMS approves a SNF's ECE request, CMS will exclude the SNF's data from measure rate calculations for the calendar months during which the SNF was affected by the extraordinary circumstance.

CMS will continue to score the SNF on achievement and improvement for the calendar months of the applicable baseline and/or performance period which were not affected by the extraordinary circumstance. For example, if a SNF received an ECE for 6 months of the performance period, CMS will score the SNF on its achievement and improvement during the other 6 months of the performance period.

An approved ECE does not except your SNF from the SNF VBP Program, including the SNF VBP Program's payment adjustment.

### 35. How can my SNF request a SNF VBP Program ECE?

In the FY 2025 SNF PPS final rule (pages 64136–64137), CMS updated the instructions for requesting an ECE for the SNF VBP Program beginning with the FY 2025 Program year. Rather than submitting a completed ECE Request Form, SNFs may request an ECE by sending an email with the subject line "SNF VBP Extraordinary Circumstances Exception Request" to the SNF VBP Program Help Desk at SNFVBP@rti.org with the following information:

1. The SNF's CMS Certification Number (CCN)
2. The SNF's business name and business address

3. Contact information for the SNF's CEO or CEO-designated personnel, including all applicable names, email addresses, telephone numbers, and the SNF's physical mailing address (not a PO Box)
4. A description of the event, including the dates and duration of the extraordinary circumstance
5. Available evidence of the impact of the extraordinary circumstance on the care the SNF provided to its residents or the SNF's ability to report SNF VBP Program measure data, including, but not limited to, photographs, media articles, and any other materials that would aid CMS in determining whether to grant the ECE
6. A date when the SNF believes it will again be able to fully comply with the SNF VBP Program's requirements and a justification for the proposed date.

SNFs must submit an ECE request within 90 days of the date that the extraordinary circumstance occurred. CMS will review exception requests, and at CMS's discretion based on its evaluation of the impact of the extraordinary circumstance on the SNF's care and/or its ability to report data, CMS will respond to the SNF with a decision as quickly as is feasible.

CMS can also grant exceptions to SNFs when it determines that an extraordinary circumstance, such as an act of nature, affects an entire region or locale. If CMS decides to grant an exception to all SNFs in a region or locale, CMS will communicate this decision to affected SNFs.

### *Public Reporting*

### 36. Is performance in the SNF VBP Program publicly reported? If so, when?
Yes. The SNF VBP Program's facility-level and national, aggregate-level data are publicly posted on a CMS-specified website for public reporting. SNFs have the opportunity to review their SNF VBP Program data in the confidential annual PSR before that data are made publicly available.

Generally, CMS makes SNF VBP Program data publicly available in the fall following distribution of the annual PSRs (typically distributed in August) and completion of the 30-day Phase 2 R&C period.

### 37. What information in the SNF VBP Program is publicly reported?
The publicly reported facility-level data consist of:

- SNF VBP Program rankings
- facility information (CCNs, facility names, and facility addresses)
- baseline period RSRRs
- performance period RSRRs
- achievement scores
- improvement scores
- performance scores
- incentive payment multipliers

The publicly reported national, aggregate-level data consist of:

- the unadjusted national average readmission rates for the baseline period and performance period
- the performance standards (that is, the achievement threshold and benchmark)
- the range of performance scores
- the total number of SNFs receiving value-based incentive payments
- the range of incentive payment multipliers
- the range of value-based incentive payments (in dollars)
- the total amount of value-based incentive payments (in dollars)

Starting with the FY 2023 Program year, as part of the case minimum policy finalized in the FY 2023 SNF PPS final rule (pages 47585–47588), SNFs that do not meet the SNFRM's case minimum (25 or more eligible stays) in the applicable performance period are excluded from the SNF VBP Program for the affected Program year.[4] CMS will not publicly report any SNF VBP Program data on the CMS-specified website for public reporting for excluded SNFs. For more information on the case minimum policy, see Question 23.

### *Additional Resources*

### 38. Where can I find more information or ask questions about the SNF VBP Program?

For more information and resources regarding the SNF VBP Program, including user guides, infographics, timelines, reports, and presentations, visit the SNF VBP Program webpage on CMS.gov.

For additional questions about the SNF VBP Program, contact the SNF VBP Program Help Desk at SNFVBP@rti.org.

For help obtaining access to quarterly reports in iQIES, contact the QIES/iQIES Service Center by phone at (800) 339-9313 or by email at iqies@cms.hhs.gov.

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[4] As part of the low-volume adjustment policy, certain data for the FY 2020–FY 2022 Program years were not publicly reported. This includes: the baseline period RSRR and improvement score for SNFs with fewer than 25 eligible stays in the baseline period; and the performance period RSRR, achievement score, and improvement score for SNFs with fewer than 25 eligible stays in the performance period. This policy was discussed and finalized in the FY 2020 SNF PPS final rule (page 38824) and was later replaced with the case minimum policy in the FY 2023 SNF PPS final rule (pages 47591–47592).