

## ACO SNF WAIVER OVERVIEW

### What is the SNF waiver?

In traditional Medicare, beneficiaries must have a medically necessary inpatient hospital stay of at least 3 consecutive days for the program to pay for skilled nursing facility (SNF) services. CMS waived these requirements for certain accountable care organizations (ACOs). The SNF 3-day waiver allows health care providers to admit a beneficiary to a SNF directly from the community or after only 1-2 days in a hospital.

### Under which conditions could ACOs use the waiver?

ACOs elect to use the waiver for qualifying beneficiaries to deliver care to the right patient at the right time in the right place. Eligible SNFs must have an overall rating of at least 3 stars under the CMS Five-Star Nursing Home Quality Rating System.

### Why was this analysis performed?

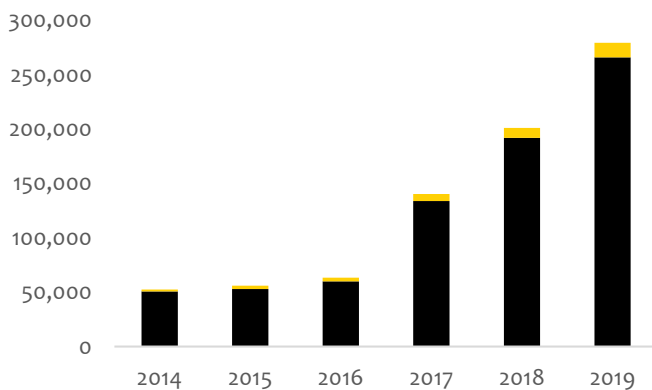
This analysis examines how ACOs have used the SNF waiver over time. It helps assess whether health care providers have used the waiver for beneficiaries who do not need to stay 3 or more days in an inpatient hospital.

### During which years could ACOs use the SNF waiver in this analysis?

- [Pioneer ACO Model](#) (2014-2016)
- [Next Generation ACO Model](#) (2016-2019)
- [Vermont All-Payer ACO Model](#) (2017-2019)
- [Medicare Shared Savings Program](#) select tracks (2017-2019)

## TRENDS IN USE OF THE ACO SNF WAIVER, 2014-2019

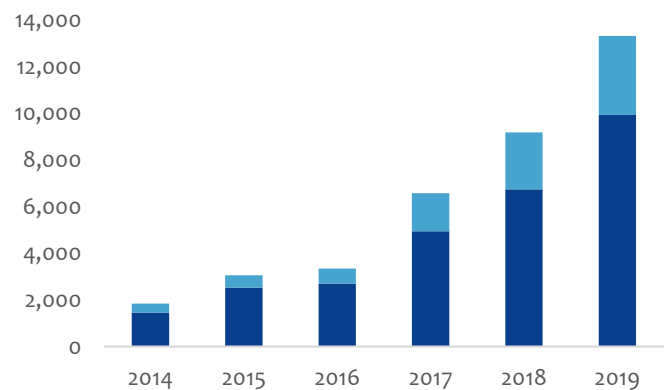
### Waiver stays were a very small portion of all ACO SNF stays annually.



NOTE: Beneficiaries attributed to ACOs eligible to use the SNF waiver between 2014 and 2019 were linked to SNF claims data with an admission date in each year. SNF admissions were limited to paid claims; SNF transfers were eliminated. A unique SNF admission for a beneficiary did not have a previous SNF discharge date up to 30 days prior to the SNF admission date.

*The absolute number of all SNF stays particularly increased starting in 2017, when Shared Savings Program ACOs in select tracks were eligible to use the SNF waiver. Very few SNF stays (3-5%) any year were waiver stays.*

### Most SNF waiver stays each year were direct stays.

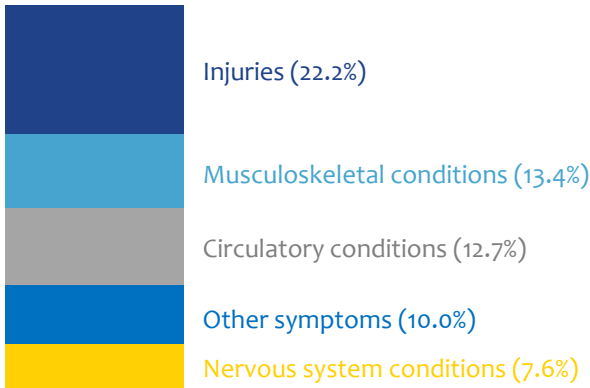


NOTE: If a SNF admission did not have an inpatient claim or previous SNF claim with a discharge date up to 30 days prior to the SNF admission date, then the SNF admission was a direct stay under the SNF waiver. If an inpatient claim discharge date was on the day before or day of the SNF admission date and the inpatient length of stay was 1 or 2 days, then the SNF admission was a 1-2-day stay under the SNF waiver.

*ACOs mainly admitted beneficiaries directly from the community to SNFs using the SNF waiver. Beneficiaries were eligible to be admitted to a SNF directly if a health care provider determined that inpatient care was unnecessary.*

### TRENDS IN USE OF THE ACO SNF WAIVER, 2014-2019

Of the 5 top conditions, **injuries** was the most prevalent reason for SNF waiver stays.



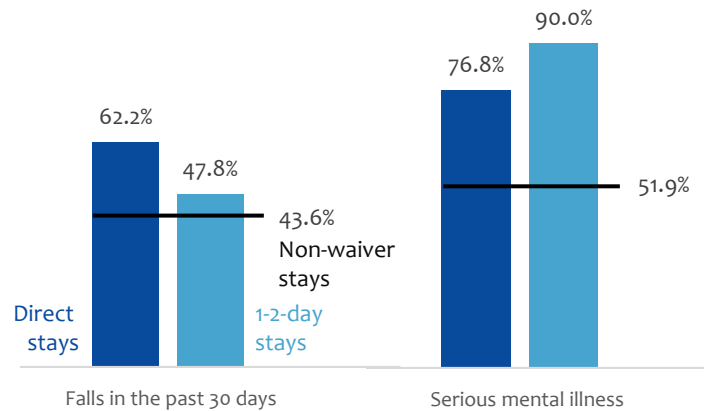
NOTE: Condition categories are based on the primary diagnosis on 2019 SNF claims and grouped according to the Clinical Condition Software (CCS) algorithm developed by the Agency for Healthcare Research and Quality for the Healthcare Cost and Utilization Project.

About 65% of SNF waiver admissions comprised 1 of 5 condition categories. The most common reason for a SNF stay under the waiver was injuries, which includes falls and dizziness.

Two potential concerns with use of the SNF waiver were whether ACOs would increase Medicare costs by increasing SNF length of stay or use the waiver to convert community-dwelling beneficiaries to long-stay nursing home residents.

Both concerns were not evident in ACOs' use of the SNF waiver. SNF length of stay and long stays decreased and discharges to home and to home health care rose.

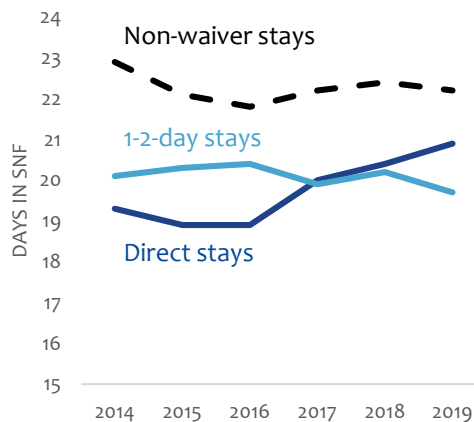
Recent falls were more common for beneficiaries with **direct stays**. A serious mental illness was more common for beneficiaries with **1-2-day stays**.



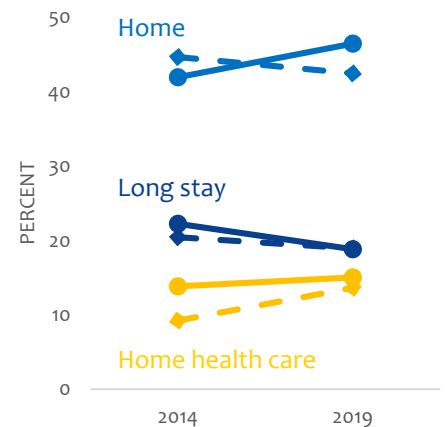
NOTE: 2019 Minimum Data Set assessment data.

According to assessment data during SNF stays, beneficiaries admitted directly under the waiver were much more likely to have had a recent fall than those with non-waiver stays. Beneficiaries admitted under the waiver were also much more likely to have been diagnosed with a serious mental illness.

Average SNF length of stay for **direct** and **1-2-day** stays was consistently lower than non-waiver SNF stays.



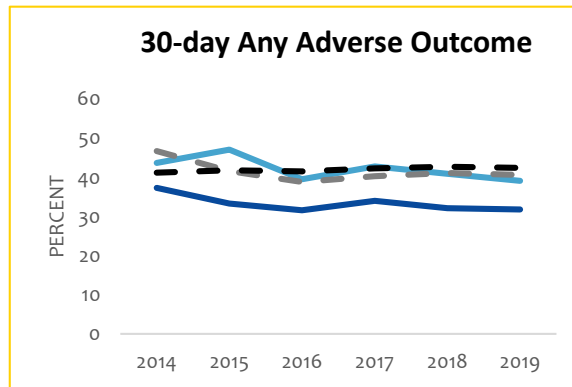
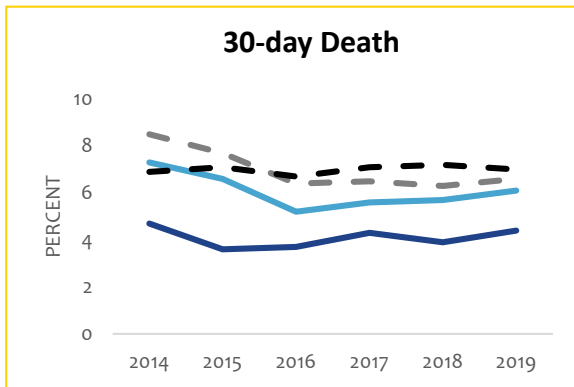
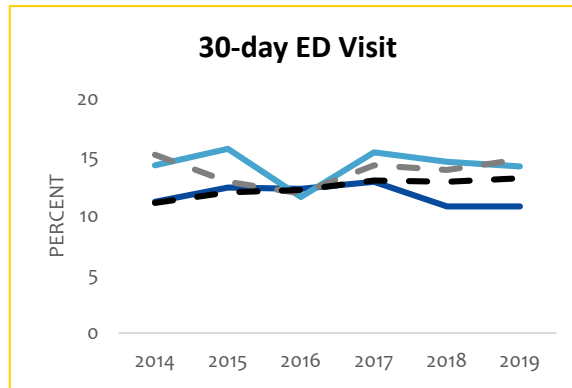
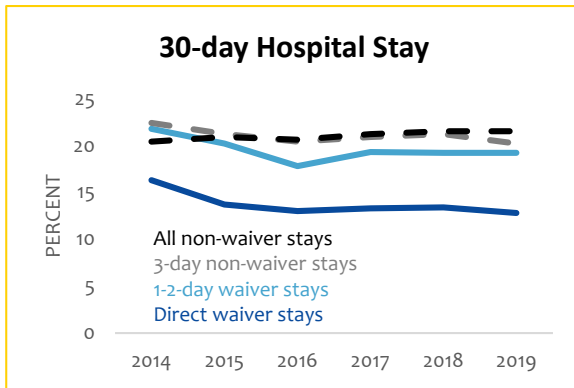
SNF waiver discharges to **home** or to **home health care** increased while **long stays** decreased over time



NOTE: Results unadjusted for beneficiary demographic characteristics or comorbidities. Solid lines are SNF waiver stays and dashed lines are non-waiver SNF stays. Long stay denotes stays not discharged by the end of the year, possibly indicating nursing home use.

### RATES OF ADVERSE OUTCOMES FOR SNF WAIVER STAYS

Adverse outcome rates for **direct waiver stays** and **1-2-day stays** were consistently lower than or similar to **3-day non-waiver stays** and **non-waiver stays** overall.



*Beneficiaries with 3-day non-waiver stays most likely would have been eligible to be admitted to a SNF under the SNF waiver had health care providers decided to use the waiver for them.*

*That adverse outcome rates for waiver stays are lower than or similar to 3-day non-waiver stays provides evidence that ACOs are using the waiver for beneficiaries who are less likely to experience adverse outcomes.*

NOTE: Results unadjusted for beneficiary demographic characteristics or comorbidities. Solid lines are waiver stays and dashed lines are non-waiver stays. All adverse outcomes were tracked from an ACO SNF admission date or discharge date occurring during the year of interest up to 30 days into the following year. A hospital stay within 30 days from a SNF admission date, excluding institutional rehabilitation facilities (IRFs) or long-term care hospitals (LTCHs), was designated a 30-day hospitalization. An emergency department (ED) visit that did not result in hospitalization within 30 days from the SNF admission date was designated a 30-day ED visit. Mortality was measured within 30 days of SNF admission. A hospital stay (excluding IRFs and LTCHs), ED visit, mortality, or another SNF stay within 30 days of the index SNF discharge date was designated any adverse outcome.

### KEY TAKEAWAYS

**For ACOs with the opportunity to use the SNF waiver, health care providers appear, on average, to decide to use the SNF waiver for beneficiaries who do not require a preceding inpatient hospital stay of at least 3 days.**

- Very few SNF stays were SNF waiver stays.
- Direct waiver admissions were most common, particularly for beneficiaries who need rehabilitation following an injury but not hospitalization.
- Beneficiaries under the waiver had shorter SNF length of stay and were more likely to be discharged home.
- Beneficiaries had lower or similar adverse outcome rates relative to beneficiaries not under the waiver.