Frequently Asked Questions

What is SNF VBP?
The Protecting Access to Medicare Act of 2014 (PAMA) required the Centers for Medicare & Medicaid Services (CMS) to implement the Skilled Nursing Facility (SNF) Value Based Purchasing (VBP) Program, an effort that links Medicare Part A payments to a SNF’s rehospitalization rate.

Why was the program created?
Hospital readmissions not only have the potential for negative physical, emotional, and psychological impacts on individuals in skilled nursing care, but also cost the Medicare program billions of dollars.

Although significant progress has been made in the safe reduction of 30-day hospital readmissions, more must be done. Preventing these events whenever possible is beneficial to patients and has been identified as an opportunity to reduce overall health care system costs by improving quality. The issue has become a top priority for the Centers for Medicare & Medicaid Services (CMS) and managed care programs.

How does SNF VBP work?
Starting October 1, 2018, all SNF Medicare Part A rates will receive a payment adjustment to its SNF Part A claims ranging from a 2 percent cut to potentially a 1 percent increase based on rehospitalization rates in prior years. CMS will recalculate the payment adjustment annually every fiscal year (FY) thereafter for the next ten years.

What can providers do now?
Providers should know how they are trending and put plans in place to improve their scores by:

- Tracking quality metrics to understand their performance.
- Comparing rates to state and national benchmarks to have a better understanding of performance relative to others.
- Improving performance through implementation of quality improvement programs (e.g., INTERACT).
- Reviewing confidential feedback quarterly reports using the CMS QIES System.

For more information and to access resources and tools, visit ahcancal.org/SNFVBP