Care Center Radar Screen:
A Summary of Major Regulatory, Quality & Payment Initiatives

Revised: July 25, 2016
Introduction

McKnight’s Editor James Berklan said it well when he described the current environment for skilled nursing facilities as a “potent cocktail of new initiatives, regulations and market forces.” To help members stay informed about these significant changes, we have developed this Care Center Radar Screen to summarize the major regulatory, quality and payment initiatives that are heading your way. We will update this resource on a regular basis, as initiatives advance and new issues surface.

For each item covered, you will find:

- A brief synopsis of the initiative.
- A graphic to show if the initiative primarily impacts regulatory compliance, quality, or payment (where an initiative has more than one impact, we flag it). Here are the symbols we use:

<table>
<thead>
<tr>
<th>Regulatory</th>
<th>Quality</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Regulatory" /></td>
<td><img src="image2" alt="Quality" /></td>
<td><img src="image3" alt="Payment" /></td>
</tr>
</tbody>
</table>

- Easy access to more detailed information about the specific requirements.
- A timeline to help you plan strategically, prepare thoughtfully and be positioned for success.

As always, the LeadingAge Minnesota team is here to help. Please reach out to the following staff if you have questions or need assistance with the information or initiatives contained in this document:

- Regulatory: Jonathan Lips, Vice President of Legal and Regulatory Affairs
  Contact: 651-603-3510 orjlips@leadingagemn.org
- Quality: Julie Apold, Vice President of Quality and Performance Excellence
  Contact: 651-659-1407 or japold@leadingagemn.org
- Payment: Jeff Bostic, Director of Data and Financial Policy
  Contact: 651-603-3509 orjbostic@leadingagemn.org
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### KEY DATES AT A GLANCE

#### 2016

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<tr>
<td></td>
<td>Payroll Based Journal (PBJ) mandatory reporting period begins (July 1)</td>
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<tr>
<td></td>
<td>Nondiscrimination rule takes effect (July 18)</td>
</tr>
<tr>
<td></td>
<td>Five-Star quality rating system: new quality measures are 50% phased-in (July 27)</td>
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<tr>
<td></td>
<td>Medical Cannabis: intractable pain becomes a qualifying condition (August 1)</td>
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<tr>
<td></td>
<td>OSHA anti-retaliation rule provisions take effect (August 10)</td>
</tr>
<tr>
<td></td>
<td>CMS finalizes rule updating Conditions of Participation (estimated for September)</td>
</tr>
<tr>
<td>2016 October – December</td>
<td>SNF Quality Reporting Program data collection period (October-December)</td>
</tr>
<tr>
<td></td>
<td>State begins surveying for compliance with 2012 Life Safety Code (November 1)</td>
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<tr>
<td></td>
<td>PBJ first quarterly data submission deadline (November 14)</td>
</tr>
<tr>
<td></td>
<td>Federal overtime rule takes effect (December 1)</td>
</tr>
<tr>
<td></td>
<td>CMS issues final Hazardous Pharmaceutical Waste rule (est. to occur this quarter)</td>
</tr>
<tr>
<td></td>
<td>CMS issues final Emergency Preparedness rule (est. to occur this quarter)</td>
</tr>
<tr>
<td></td>
<td>CMS issues final hospital discharge planning rule (estimated to occur this quarter)</td>
</tr>
</tbody>
</table>

#### 2017

<table>
<thead>
<tr>
<th>2017 January – June</th>
<th>SNF Value Based Purchasing program measurement period begins (measurement period is the full calendar year 2017)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Five-Star quality rating system: new quality measures 100% phased-in (January 1)</td>
</tr>
<tr>
<td></td>
<td>OSHA workplace injury/illness reporting provisions take effect (January 1)</td>
</tr>
<tr>
<td></td>
<td>SNF Quality Reporting Program data submission deadline (May 15)</td>
</tr>
<tr>
<td>2017 July – December</td>
<td>Nothing specific known at this time.</td>
</tr>
</tbody>
</table>

#### 2018

<table>
<thead>
<tr>
<th>2018 January – June</th>
<th>Nothing specific known at this time.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 July – December</td>
<td>Medicare rates impacted by SNF Value Based Purchasing program (October 1)</td>
</tr>
</tbody>
</table>
# Medicare and Medicaid Requirements of Participation for Long-Term Care Facilities

## Summary
This proposed federal rule revises the requirements that care centers must meet to participate in the Medicare and Medicaid programs. It will update or reorganize nearly all existing regulatory requirements; it will create new requirements; and new F-Tags will be created. The Centers for Medicare & Medicaid Services (CMS) view the rule as necessary to reflect advances in the theory and practice of service delivery and safety, and to achieve quality improvement.

## Sources of Additional Information
- CLICK HERE to read the proposed rule published by CMS.
- CLICK HERE to access a high-level overview of the proposed rule prepared by LeadingAge.

## Important Dates and Deadlines
- Sept. 2016: Expected Date for CMS to Publish the Final Rule
- 2017: Implementation of New Requirements
- Nov./Dec. 2016: Expected Effective Date of Final Rule

# Revised Nursing Facility Survey Process

## Summary
CMS intends to revise the nursing facility survey process, with the goal of moving to a uniform national system that blends traditional survey processes with the Quality Indicator Survey (QIS) process. Minnesota and other states use the QIS process for federal certification surveys, but many states do not. CMS has indicated the revised process will continue to be computer-based and will use QIS critical element pathways. CMS is currently testing revisions through pre-announced pilot surveys; Minnesota is a pilot state but has already completed the one test survey it will conduct.

## Sources of Additional Information
CMS has not yet posted additional information about this initiative. We will update this document when more information is available. CMS does not plan to implement the new survey process until after implementation of the revised requirements of participation (see above).

## Important Dates and Deadlines
- Sept. 2015 - Sept. 2016: CMS will field test and plan for implementation
- Nov. 2017: CMS will implement revised survey process

**Summary**

CMS has adopted the National Fire Protection Association’s (NFPA) 2012 edition of the Life Safety Code (LSC) as well as provisions of the NFPA’s 2012 edition of the Health Care Facilities Code. The 2012 LSC includes important changes from the 2000 edition of the LSC. The regulation effective date is July 5, 2016. CMS will begin surveying facilities for compliance with the 2012 codes on Nov. 1, 2016. If, however, a facility has a construction project and submits plans for review after July 5, 2016, the Minnesota Department of Health will conduct plan review and inspection to the new codes.

**Sources of Additional Information**
- [CLICK HERE](#) to read the final rule published by CMS; and [CLICK HERE](#) for CMS’s announcement that it will begin surveying for compliance with the 2012 LSC and HCFC on November 1, 2016.
- [CLICK HERE](#) for a summary of the final rule prepared by LeadingAge.

**Important Dates and Deadlines**

- **July 5, 2016:** Effective date of new regulation.
- **Nov. 1, 2016:** State begins surveying for compliance with new codes.
- MDH engineering plan review is conducted to new codes as of July 5, 2016.

### 2015 Minnesota Fire Code

**Summary**

The Minnesota Department of Labor and Industry has adopted rules updating the Minnesota Fire Code, effective as of May 2, 2016. The State now incorporates the 2012 International Fire Code (IFC), as promulgated by the International Code Council, with modifications that make the IFC consistent with other Minnesota laws and with state-specific issues and practices. Many of the modifications conform the fire code to the new Minnesota State Building Code that was adopted in summer 2015.

**Sources of Additional Information**
- [CLICK HERE](#) to order a copy of the 2015 Minnesota Fire Code, containing updated IFC model code provisions and all state-specific amendments. Estimated to ship on June 10, 2016.
- LeadingAge Minnesota is completing a summary of changes from the 2007 Fire Code to the 2015 Fire Code, and we will post a link here when that summary is complete.

**Important Dates and Deadlines**

- **May 2, 2016:** Final Rule Became Effective
- **Summer/Fall 2016:** Implementation of New Code
- **June 2016:** Code Book Available for Purchase
### Emergency Preparedness Requirements

**Summary**
Issued in late 2013, this proposed federal rule establishes emergency preparedness requirements for Medicare and Medicaid providers. The goal is for providers to prepare to meet the needs of patients, residents, clients, and participants during disasters and emergency situations. Requirements address development of an emergency plan based on a risk assessment; policies and procedures based on the plan and risk assessment; and a communication plan that ensures coordination of care within the facility and with external providers and emergency systems; and training and testing.

**Sources of Additional Information**
- [CLICK HERE](#) to read the proposed rule published by CMS.
- [CLICK HERE](#) to read a summary of the proposed rule prepared by LeadingAge.
- [CLICK HERE](#) to view a CMS guidance document/checklist issued in December 2013, which has a framework similar to the proposed rule.

**Important Dates and Deadlines**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Summer/Fall 2016: Expected Date for Publication of Final Rule</td>
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</table>

### Nondiscrimination Rule

**Summary**
The U.S. Department of Health and Human Services, Office of Civil Rights, has finalized a regulation that implements nondiscrimination provisions enacted as part of the Affordable Care Act of 2010. Those provisions state that an individual shall not be discriminated against under any health program or activity that receives federal financial assistance (e.g., Medicare and Medicaid) on the basis of race, color, national origin, sex, age or disability. Most notably, the final rule prohibits discrimination against transgendered persons as a form of sex discrimination. The regulation became effective July 18, 2016.

**Sources of Additional Information**
- [CLICK HERE](#) to access the Office of Civil Rights summary and fact sheets, and a link to the final rule.
- [CLICK HERE](#) to review a summary of the final rule prepared by LeadingAge.

**Important Dates and Deadlines**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>May 13, 2016: CMS issued final rule.</td>
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<tr>
<td>July 18, 2016: Final rule took effect.</td>
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</table>
### Hazardous Pharmaceutical Waste Disposal

**Summary**  
The U.S. Environmental Protection Agency (EPA) has proposed a rule that would increase regulations regarding disposal of pharmaceuticals classified as hazardous waste. The rule argues that long-term care facilities should be subject to more stringent requirements, including that facilities would be prohibited from disposing of hazardous waste pharmaceuticals by flushing them down the toilet or into a drain. The rule applies to assisted living facilities, hospices, nursing homes, skilled nursing facilities, and the assisted living and skilled nursing care portions of continuing care retirement facilities.

**Sources of Additional Information**  
- [CLICK HERE](#) to read the proposed rule published by the EPA.
- [CLICK HERE](#) to read a summary of the rule prepared by LeadingAge.
- [CLICK HERE](#) to read comments submitted to EPA on behalf of LeadingAge and other stakeholders.

<table>
<thead>
<tr>
<th>Important Dates and Deadlines</th>
<th>Sept. 2015: EPA Published Proposed Rule</th>
<th>Summer/Fall 2016: Expected Date for Publication of Final Rule</th>
</tr>
</thead>
</table>

### Pharmacy Collection of Controlled Substances and Other Legend Drugs

**Summary**  
This 2016 legislation updates state law to provide that a Minnesota-licensed pharmacy may operate a collection receptacle at a long term care facility for the purpose of disposing of controlled substances as pharmaceutical waste. Providers should meet with pharmacy partners to discuss the new law as a pathway to secure disposal of unused/unwanted controlled substances and other legend drugs.

**Sources of Additional Information**  
- [CLICK HERE](#) to read a summary of the new law in the LeadingAge 2016 Legislative Report.

<table>
<thead>
<tr>
<th>Important Dates and Deadlines</th>
<th>May 20, 2016: Law took effect.</th>
<th>Summer/Fall 2016: LeadingAge MN to work with Board of Pharmacy, MDH and MPCA to help providers take advantage of this new disposal opportunity</th>
</tr>
</thead>
</table>
### Payroll Based Journal Reporting

#### Summary
Effective July 1, 2016, care centers must electronically submit to CMS complete and accurate direct care staffing information, including information for agency and contract staff, based on payroll and other auditable data according to specifications established by CMS. This new system, which also requires submission of census data, is called Payroll-Based Journal (PBJ). PBJ data will be incorporated into Nursing Home Compare and the Five-Star Quality Rating System, but CMS has not stated how or when that will occur. At least initially, providers will continue to submit forms CMS 671 and CMS 672 at the time of survey, in addition to meeting the PBJ reporting requirements.

#### Sources of Additional Information
- [CLICK HERE](#) to visit the CMS PBJ webpage, where the agency has posted its PBJ policy manual, frequently asked questions, technical specifications, system registration information and more.
- [CLICK HERE](#) to review a list of suggested steps to take toward compliance with PBJ.

#### Important Dates and Deadlines

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>July 1, 2016: Mandatory Data Submission Period Begins</td>
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<tr>
<td>Nov. 14, 2016: Deadline for First Quarterly Data Submission</td>
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### Revision of Federal Overtime Rules

#### Summary
The U.S. Department of Labor (DOL) has issued a final rule that affects overtime pay for executive, administrative, professional, outside sales and computer employees (the “white collar” exemption). To be exempt, an employee must meet certain tests related to job duties and be paid on a salary basis at not less than a specified minimum. When this rule takes effect December 1, 2016, that salary level will increase to $913 per week (equivalent to $47,476 annually for a full-year worker), up from $455 per week ($23,660 annually). The duties test is unchanged under the final rule.

#### Sources of Additional Information
- [CLICK HERE](#) to read the final rule published by DOL.
- [CLICK HERE](#) to read summaries, fact sheets and frequently asked questions about the final rule.

#### Important Dates and Deadlines

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>May 23, 2016: Final Rule Published by DOL</td>
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<tr>
<td>Dec. 1, 2016: Effective Date of Final Rule</td>
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</tbody>
</table>

07/25/2016
## OSHA Tracking of Workplace Injuries/Illnesses

| Summary | Finalized May 12, 2016, this OSHA rule calls for electronic submission of injury and illness reports, and states that reports will be posted in a publicly accessible website. It also includes provisions requiring employer policies to support prompt and accurate reporting. The rule impacts commonly used incentive programs (e.g. rewarding employees for going a certain period of time without an injury or illness, for example) which may deter reporting illnesses or injuries, and affects employers’ ability to perform post-accident and post-injury drug and alcohol testing. |
| Sources of Additional Information | ➢ [CLICK HERE](#) to read a summary of the rule prepared by LeadingAge.  
➢ [CLICK HERE](#) to read the final rule published by OSHA.  
➢ [CLICK HERE](#) to read an OHSA Fact Sheet about the Final Rule. |
| Important Dates and Deadlines | Aug. 10, 2016: Anti-retaliation provisions take effect  
Jan. 1, 2017: Reporting provisions take effect |

## Medical Cannabis: New Qualifying Medical Conditions

| Summary | Minnesota law allows the use of medical cannabis to treat nine specified medical conditions. On Aug. 1, 2016, the list of qualifying conditions will expand to include any inflammatory bowel disease (previously limited to Crohn’s) and – more significantly - intractable pain. Intractable pain means a state “in which the cause of the pain cannot be removed or otherwise treated with the consent of the patient and in which ... no relief or cure of the cause of the pain is possible, or none has been found after reasonable efforts.” The inclusion of intractable pain may significantly increase the number of people using medical cannabis in Minnesota. |
| Sources of Additional Information | ➢ [CLICK HERE](#) to review Minnesota Department of Health (MDH) information on the process and timeline of adding intractable pain as a qualifying condition, including the full statutory definition.  
➢ See MDH bulletins for [federally certified](#) and [state-licensed/non-federally-certified](#) providers. |
| Important Dates and Deadlines | July 1, 2016: Health care practitioners can start certifying intractable pain patients  
Aug. 1, 2016: Patients certified for pain eligible to receive medical cannabis |
## Nursing Home Compare: Six New Quality Measures Publicly Reported

| Summary | In April 2016, CMS began posting data for six new quality measures on Nursing Home Compare. There are four new short stay measures: (1) % of residents who were successfully discharged to the community; (2) % of residents who have had an outpatient emergency department visit; (3) % of residents who were re-hospitalized after a nursing home admission; and (4) % of residents who made improvements in function; and two new long stay measures: (5) % of residents whose ability to move independently worsened; and (6) % of residents who received an antianxiety or hypnotic medication. |
| Sources of Additional Information | ➢ [CLICK HERE](#) to review a power-point summary of the six measures.  
➢ [CLICK HERE](#) and scroll down to access an April 2016 document with technical specifications for the six new measures, and a separate document that contains appendices to those specifications. |
| Important Dates and Deadlines | March 2016: CMS announced the six new measures  
April 25, 2016: New measures officially added to Nursing Home Compare |

## Five Star Quality Rating System: Five New Measures Added to Quality Domain

| Summary | In April 2016 CMS added six new quality measures (QMs) to Nursing Home Compare (see above). On July 27 CMS added the first five of those QMs to the Five Star Nursing Home Quality Rating System. The five new QMs will be phased in at two points in time: (1) In July 2016 the new measures have 50% of the weight of the 11 measures currently being used; (2) in January 2017 the new measures have the same weight as the 11 current measures. CMS’s Five Star Technical User’s Guide explains how CMS will calculate the Quality Measure rating in light of the new measures. The 5-Star Analysis Reports sent out quarterly by LeadingAge Minnesota will be updated to reflect the new QMs. |
➢ [CLICK HERE](#) to access the Nursing Home Compare site where CMS posts the Five-Star Ratings. |
| Important Dates and Deadlines | July-Dec. 2016: Five new measures added to Five Star on Phased-In Basis  
Jan. 2017: Phase In Complete |
## Skilled Nursing Facility Quality Reporting Program

**Summary**
The IMPACT Act mandates a quality reporting program for skilled nursing facilities. For federal fiscal year 2018 (FY18), SNFs that do not report required quality data to CMS will have their market basket updates reduced by two percent. CMS has finalized three measures affecting payment in FY18 and beyond: (1) falls with major injury; (2) pressure ulcers that are new or worsened; and (3) assessments and care planning relating to a resident’s level of function. CMS has proposed three additional measures affecting payment in FY2018 and beyond: (4) Medicare spending per beneficiary-post acute care, (5) discharge to community; and (6) potentially preventable readmissions. CMS has proposed a seventh measure – drug regimen review – that may affect payment in FY2019 and beyond.

**Sources of Additional Information**
- CLICK HERE to visit the CMS SNF Quality Reporting Program webpage, which includes an overview of the program and technical specifications for the adopted and proposed measures.

<table>
<thead>
<tr>
<th>Important Dates and Deadlines</th>
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<tbody>
<tr>
<td>Oct. 1, 2017: Payment Impact Begins</td>
</tr>
<tr>
<td>May 15, 2017: Data Submission Deadline</td>
</tr>
</tbody>
</table>

## Hospital Discharge Planning Requirements

**Summary**
CMS has issued a proposed rule that would require hospitals to assist patients in selecting a post-acute care provider by using and sharing SNF quality measures data. For patients enrolled in managed care, if the hospital has information regarding which providers participate in the managed care organization's network, it must share this information with the patient.

**Sources of Additional Information**
- CLICK HERE to review the proposed rule published by CMS.
- CLICK HERE to read a summary and commentary on the proposed rule prepared by LeadingAge.

<table>
<thead>
<tr>
<th>Important Dates and Deadlines</th>
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</thead>
<tbody>
<tr>
<td>Nov. 2015: CMS Published Proposed Rule</td>
</tr>
<tr>
<td>Summer/Fall 2016: Expected Date for CMS to Release Final Rule</td>
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</table>
# Medical Assistance (MA) Property Rate System

## Summary
This MA system of payment rates to nursing homes was reformed effective January 1, 2016, with the exception of property payment. Due to the complexity of that system, the payment reform legislation assumed an effective date of January 1, 2017, which will not be met due to delays in the process. The first step in that process, appraisals of all facilities, has been moving slower than intended but should be completed this fall.

## Sources of Additional Information
- CLICK HERE for background on the proposal to revise the property rate system.
- CLICK HERE for the legislative language describing the process of implementing a new system.

## Important Dates and Deadlines
- Fall 2016: Appraisals of all facilities completed
- Jan. 1, 2018: New property rate system implemented
- 2017: Legislature acts to create new system

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# Medicare Overpayments Rule

## Summary
CMS has implemented a rule governing the ACA requirement to identify and return Medicare overpayments to CMS within 60 days. Under the rule, providers, including Skilled Nursing Facilities, are required to use "reasonable diligence" to identify overpayments and to see that they are returned within the time frame to avoid penalties.

## Sources of Additional Information
- CLICK HERE for the full rule language.
- CLICK HERE for a summary of the rule from LeadingAge.

## Important Dates and Deadlines
- Mar. 14, 2016: Rule in effect
- Providers put in place processes to identify and return overpayments within 60 days
- Rule could be revised in the future with new timeframe, etc.
## Minnesota Nursing Home Quality Score

**Summary**

Three measures from the Minnesota nursing home report card are used to determine a 100-point quality score. The measures are: quality indicators (50 points), quality of life surveys (40 points), and state inspections (10 points). Each facility’s score out of 100 is used to adjust the care-related limit in the new Value-Based Reimbursement (VBR) payment system.

The Minnesota nursing home report card assigns one to five star scores on seven measures of quality: quality indicators, quality of life surveys, state inspection results, staffing ratio, staff retention, pool use and percent of single bed rooms.

### Sources of Additional Information

- [CLICK HERE](#) to see the legislative language defining the quality score for use in VBR.
- [CLICK HERE](#) to go to the report card web site.

### Important Dates and Deadlines

<table>
<thead>
<tr>
<th>Jan. 1, 2016: First Year VBR Rates</th>
<th>Jan. 1, 2017: 2nd Year VBR Rates</th>
</tr>
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<tbody>
<tr>
<td><strong>Calendar Year 2016:</strong> quality score measures updated</td>
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## Medicare SNF Value Based Purchasing (VBP)

**Summary**

This program will begin with the rate year starting on October 1, 2018. In the first year, the only quality measure used will be 30-day all cause readmission rates (both the overall rate and improvement by each facility). The first measurement period will be calendar year 2017. The system is designed as a 2 percent withhold of SNF Part A payments that can be earned back based on readmissions scores.

### Sources of Additional Information

- [CLICK HERE](#) to see the FY2017 Medicare SNF PPS Rule (released April 2016) with details on VBP.
- [CLICK HERE](#) to see the CMS web site page on SNF VBP.

### Important Dates and Deadlines

<table>
<thead>
<tr>
<th>Calendar Year 2017: Readmission penalty measurement period</th>
<th>Transition to a &quot;potentially preventable&quot; readmission measure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oct 1., 2018: First Rate Year Impacted by VBP</strong></td>
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07/25/2016
Note to Readers about Broader Health Care Reform Initiatives:

To some care centers, the broader world of health care reform may feel somewhat remote and perhaps even unrelated to the work you do serving your clients every day. However, the so-called Triple Aim of health care reform – lower cost, better outcomes, greater client satisfaction – is clearly impacted by the work care centers do, even for residents who are not currently covered by Medicare for their stay. For example, efforts to eliminate unnecessary hospitalizations are much more likely to be successful when long-term stay residents are receiving care that is effectively coordinated between the care center and the resident’s health care provider.

The remaining entries in this document, while not directly related to non-Medicare care center residents, are intended to provide you with knowledge about the kind of incentives facing health care providers with whom your clients interact. Many of these programs do have direct impact on post-acute services under Medicare, so care centers who serve a lot of those clients will want to pay close attention to these programs.

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### Medicare Shared Savings Program

| Summary | Accountable Care Organizations (ACOs), typically led by health systems or physician groups, are the entities that enroll in the shared savings program and are judged based on the cost and quality of services provided to an assigned population. ACOs that meet quality goals and produce savings in Medicare costs (including post-acute costs) receive shared savings payments. Some shared savings models include risk for the ACO and can result in payments owed to CMS if costs increase. |
| Sources of Additional Information | ➢ [CLICK HERE](#) to see the CMS web site page on the shared savings program.  
➢ [CLICK HERE](#) for information about the calculations of shared savings. |
| Important Dates and Deadlines | 2016: 11 Minnesota ACOs participating in shared savings program  
2016 and 2017: 34 quality measures apply for ACOs  
Ongoing opportunity to apply to participate |
### ACO Quality Measures and Performance Standards

**Summary**
Before an Accountable Care Organization (ACO) can share in any savings generated, it must demonstrate that it met the quality performance standard for that year. The current 33 quality measures span four quality domains: Patient/Caregiver Experience, Care Coordination/Patient Safety, Preventive Health and At-Risk Population. SNF hospital readmission rates is one of the measures used.

**Sources of Additional Information**
- CLICK HERE to see the CMS web site page on the quality measures and performance standards.
- CLICK HERE for details about the calculation of the measures.

**Important Dates and Deadlines**
- Reporting Year 2015: 33 measures used
- 2018 and beyond: additional measures could be added
- 2016 and 2017: 34 measures used

### Comprehensive Care for Joint Replacement (Mandatory Bundling)

**Summary**
This model tests bundled payment and quality measurement for an episode of care associated with hip and knee replacements to encourage hospitals, physicians, and post-acute care providers to work together to improve the quality and coordination of care from the initial hospitalization through recovery. CMS has implemented this model in 67 Metropolitan Statistical Areas (MSAs). None of the MSAs in the mandatory demonstration are in Minnesota, but the model may be expanded to additional areas in the future if it is successful at reducing costs and improving quality.

**Sources of Additional Information**
- CLICK HERE to see the CMS web site page on the Comprehensive Joint Replacement bundling model.
- CLICK HERE for details about how the bundling process works from a provider perspective.

**Important Dates and Deadlines**
- Apr. 1, 2016: Model launched
- 2017 and beyond: Model may be expanded to other regions
- 2016 to 2020: Model continues to be used in chosen MSAs
### Bundled Payments for Care Improvement

**Summary**
This model tests four voluntary models of bundled payment for episodes of care that include hospitals, physicians and/or post-acute care. Since the program started on October 1, 2013, more than 1,500 providers, including almost 700 nursing facilities, have participated in bundled payments. Goals of the program include better coordination of care, reduced costs and improved outcomes for patients.

<table>
<thead>
<tr>
<th>Sources of Additional Information</th>
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<tbody>
<tr>
<td>➢ <a href="#">CLICK HERE</a> to see the CMS web site page on the voluntary bundling model.</td>
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<tr>
<td>➢ <a href="#">CLICK HERE</a> for details about the bundling process and participation by provider types.</td>
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<tr>
<th>Important Dates and Deadlines</th>
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<tr>
<td>2016: there are five active bundling projects in Minnesota that include post-acute care</td>
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### Hospital Readmissions Reduction

**Summary**
This program measures the 30-day hospital readmission rates of Medicare patients with acute myocardial infarction (AMI), heart failure, pneumonia, chronic obstructive pulmonary disease (COPD), elective total hip and/or total knee replacement and coronary artery bypass graft (CABG) surgery. Based on annual readmission rates, hospitals receive a penalty on their Medicare payments of up to 3 percent.

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<td>➢ <a href="#">CLICK HERE</a> to see the CMS web site page on the Hospital Readmissions Reduction Program.</td>
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<td>➢ <a href="#">CLICK HERE</a> to see the readmission penalties by hospital for the four years of the program.</td>
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<td>2016: CABG added as a new diagnosis</td>
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07/25/2016
### Hospital Value Based Purchasing

| Summary | This program measures hospital performance on 26 measures in two ways - both compared to other hospitals and based on each hospital’s improvement. 1.75 percent of Medicare hospital payments are withheld, and then at the end of each year bonuses or penalties are distributed to hospitals based on their performance on the measures. |
| Sources of Additional Information | ➢ [CLICK HERE](#) to see the CMS web site page on the Hospital Value Based Purchasing Program.  
 ➢ [CLICK HERE](#) to see performance scores for all hospitals. |
| Important Dates and Deadlines | Oct. 1, 2015: Net of two additional measures added  
  ➢ Oct. 1, 2017: Three measures on care transitions to be added  
  ➢ 2018 and beyond: Potential for CMS to further change measures |

### Physician Payment Reform (QPP)

| Summary | 2015 legislation created the Quality Payment Program for Physicians under Medicare Part B. This new program will require physicians to participate in advanced payment models (i.e., an ACO or bundling) or to have their payments adjusted by a Merit-Based Incentive Payment System (MIPS). Under MIPS, physicians are scored on four sets of measures - cost, quality, EHR use and clinical practice improvement activities. MIPS is budget neutral, and the maximum adjustment of rates starts at 4% and rises to 9% in four years. |
| Sources of Additional Information | ➢ [CLICK HERE](#) for a fact sheet about the QPP  
 ➢ [CLICK HERE](#) for background from CMS on physician payment reform |
| Important Dates and Deadlines | April 27, 2016: Draft rule on QPP released  
  ➢ October 1, 2018: MIPS scores used to adjust Part B rates  
  ➢ Calendar Year 2017: First MIPS scoring period |