



# **Appendix H: Value Based Purchasing Program**

**Last Updated: 08/24/2022**



# Table of Contents

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Updated: 8/25/2022

## Nursing Facility VBP Program

In 2021, the Virginia General Assembly directed the Department of Medical Assistance Services (DMAS) to establish a nursing facility (NF) Value-Based Purchasing (VBP) program designed to improve the quality of care furnished to Medicaid members in nursing facilities.

NFs shall be defined as Provider Types 010 (Skilled Nursing Home) or 015 (Intermediate Care Nursing Home). All NFs participating in Medicaid managed care who previously received the enhanced per diem payments as part of the COVID-19 response support and assistance will be eligible for NF VBP program payments. NFs who do not participate in managed care but previously received enhanced per diem payments as part of COVID-19 response support and assistance are also eligible for the NF VBP program. Eligible Nursing Facilities (NF) will partake in the NF VBP program beginning in July 1, 2022.

All managed care facilities eligible for the NF VBP program will receive payments from an attributed MCO. All non-managed care facilities eligible for the NF VBP program will receive payments from DMAS. The size of the performance payments is contingent on the authorized performance pool, NF attainment of performance tiers, total Medicaid days, and improvement for each included measure.

Table 1: NF VBP Evaluated Performance Measures (PM)

Performance Measure	Description	Domain	NF VBP Performance Weight
<b>Days without Minimum RN hours</b>	Facility reported RN staffing hours each day within a quarter. Required standards addressed 42 CFR§ 483.35(b).	Staffing	20%
<b>Total nursing hours per resident day (RN + LPN + nurse aide hours) - case-mix adjusted</b>	Total nurse staffing hours per resident day within a quarter, adjusted for case-mix.	Staffing	20%
<b>Number of Hospitalizations per 1,000 Long-Stay Resident Days</b>	Number of unplanned inpatient admissions or outpatient observation stays that occurred during a one-year period among long-stay residents.	Avoidance of Negative Care Events	15%
<b>Number of Outpatient Emergency Department Visits per 1,000 Long-Stay Resident Days</b>	Number of all-cause outpatient ED visits occurring in a one-year period while the individual is a long-term NH resident.	Avoidance of Negative Care Events	15%

Performance Measure	Description	Domain	NF VBP Performance Weight
<b>Percentage of long-stay High-Risk Residents with Pressure Ulcers</b>	Percentage of long-stay, high-risk residents with Stage II-IV or unstageable pressure ulcers.	Avoidance of Negative Care Events	15%
<b>Percentage of long-stay Residents with a Urinary Tract Infection (UTI)</b>	Percentage of long-stay residents who have had a UTI within the past 30 days.	Avoidance of Negative Care Events	15%

Table 2: NF VBP PM Attainment and Improvement Thresholds

PM Tiers	Fair Thresholds	Better Thresholds	Best Thresholds	Improvement Thresholds
<b>Days without Minimum RN Hours</b>	13.00 - 16.00	5.00 - 12.00	0.00 - 4.00	>5%; Up to the <b>Best</b> tier*.
<b>Total Nurse Staffing Hours per resident day (RN, LPN, CNA) - case-mix adjusted</b>	3.08 - 3.19	3.20 - 3.30	3.31+	>0.5%; Up to the <b>Best</b> tier*.
<b>Number of hospitalizations per 1,000 long-stay resident days</b>	1.36 - 1.75	1.00 - 1.35	0 - 0.99	>5%
<b>Number of outpatient ED visits per 1,000 long-stay resident days</b>	0.64-0.95	0.39 - 0.63	0 - 0.38	>5%
<b>Percentage of long-stay high-risk residents with pressure ulcers</b>	8.06- 10.92	5.43 - 8.05	0 - 5.42	>5%
<b>Percentage of long-stay Resident with a Urinary Tract Infection (UTI)</b>	2.39- 4.36	1.31 - 2.38	0 - 1.30	>5%

\*NF can earn improvement when they move into a higher tier than previously held.

The full amount of NF VBP program funding will be distributed to eligible NFs based on the criteria established in the Program methodology. As actual data for the performance period is not known in advance, DMAS reserves the right to review the results and adjust criteria as necessary to equitably and completely distribute available funding. No payments will be made that exceed the available funding for the program in total. DMAS will provide notice of any such changes to program criteria prior to finalizing payments.

DMAS will make all final determinations with regards to payments under the NF VBP program, including, but not limited to, determinations of any features pertaining to payments as well as any underlying data used to determine such payments. DMAS will work with stakeholders to address any disagreements in determinations on these points, but in the event that DMAS and the stakeholder are unable to come to agreement, DMAS decisions are final and not subject to appeal. For additional detail on the program methodology, see Final DMAS SFY23 NF VBP Program Methodology:



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<https://www.dmas.virginia.gov/about-us/value-based-purchasing/>.