

Achieving Success with Value-Based Care Incentives in Skilled Nursing Facilities

Skilled nursing facilities (SNFs) play a critical role in the healthcare continuum by providing essential care for individuals recovering from illness, surgery, or managing chronic conditions. Recognizing the importance of maintaining high standards of care in these facilities, the Centers for Medicare & Medicaid Services (CMS) established the Skilled Nursing Facility Value-Based Purchasing (SNF VBP) Program. While discussions often center on traditional Medicare models, the VBP landscape for SNFs also includes Medicare advantage models, state programs and provider partnerships with quality or value components. These initiatives aim to enhance patient outcomes by offering incentive payments to SNFs that demonstrate measurable improvements in the quality of care they deliver.

Value-Based Care Overview

Value-based care (VBC) represents a shift from fee-for-service to care models that prioritize quality, outcomes, and cost-efficiency. For SNFs, success under value-based care programs requires meeting stringent quality metrics, improving patient outcomes, and achieving cost savings. Focusing on healthcare operations, data analysis, and clinical quality improvement can play a pivotal role in helping SNFs adapt and thrive within this framework. One of the most significant benefits of achieving metrics is the improvement in patient outcomes. Performance metrics should support key goals for the SNF organization and often include measures such as reduced hospital readmissions, improved patient mobility, and effective pain management. For the Fiscal Year (FY) 2025 program, the SNF CMS VBP Program evaluates performance based on a single metric: all-cause hospital readmissions. By focusing on these goals, SNFs ensure that their patients receive comprehensive, individualized care that promotes recovery and enhances quality of life. Achieving these metrics is a direct reflection of a facility's commitment to excellence and adherence to best practices in clinical care.

Financial incentives tied to meeting or exceeding performance metrics provide an additional benefit. These payments not only reward SNFs for their efforts but also create a sustainable financial model that supports ongoing quality improvement initiatives. With increased revenue, facilities can invest in advanced medical technologies, staff training, and better infrastructure. This, in turn, fosters a cycle of continuous improvement, where resources are allocated to areas that directly impact patient care and satisfaction.

Earning incentive payments also enhances the reputation and competitiveness of SNFs in the healthcare market. Patients and their families are more likely to choose facilities that demonstrate

measurable success in quality care. Moreover, partnerships with healthcare systems, insurers, and other stakeholders are strengthened when SNFs can showcase their ability to meet industry standards. This trust builds long-term relationships that benefit all parties involved.

Additionally, achieving performance metrics fosters a culture of accountability and teamwork within SNFs. Staff members, from administrators to direct caregivers, are motivated to collaborate and align their efforts with organizational goals. This shared focus on quality care not only improves workplace morale but also reduces staff turnover, a common challenge in the healthcare industry. Engaged and satisfied employees are better equipped to provide compassionate, patient-centered care.

Optimizing Clinical and Financial Performance

To optimize clinical and financial performance under the SNF VBC models, a facility should focus on prioritizing patient care, implementing evidence-based practices, and adopting a proactive approach that integrates quality improvement, staff education, and operational efficiency.

The first step is to conduct a comprehensive assessment to evaluate a facility's operations, clinical outcomes, and financial performance. A thorough evaluation will provide a clear roadmap for targeted improvement efforts.

- Review historical performance data, such as hospital readmission rates, patient satisfaction scores, and Medicare star ratings.
- Evaluate regulatory compliance to ensure adherence to federal and state regulations tied to value-based care programs.
- Assess operational workflows to identify inefficiencies in patient care delivery that may hinder quality improvement.
- Perform a gap analysis to identify areas where the facility's current performance falls short of benchmarks required for VBC incentives.

With insights gained from the assessment, the next step is to develop tailored strategies that address the facility's unique needs. These customized plans ensure that a facility can align its operations with the objectives of value-based care and may include:

- Implement a robust governance structure with committees and organizational decision-making structure.

- Implement clinical quality improvement initiatives including evidence-based practices to reduce hospital readmissions, prevent infections, and manage chronic conditions effectively.
- Enhance staff competencies with training programs in areas such as care coordination, patient engagement, and quality documentation.
- Integrate tools or analytics to track and report quality measures.
- Consider forming strategic alliances with hospitals, Accountable Care Organizations (ACOs), and community-based organizations.

Accurate data management and reporting are essential for achieving VBC incentives. Improved data processes enable a facility to showcase its successes and secure optimize financial incentives.

- Optimize electronic health record (EHR) systems by ensuring systems are configured to capture and report on VBC-related metrics and facilitate seamless care coordination.
- Develop robust analytics and user-friendly dashboards and other tools to allow for real-time performance monitoring against key benchmarks.
- Educate team members on documentation best practices and the importance of data accuracy.
- Establish quality reporting support to ensure accurate and timely data submissions for VBC programs.

Achieving success with value-based care initiatives also demands a significant cultural shift within the organization. By aligning the organizational culture with VBC principles, a facility can sustain meaningful improvements over time.

- Offer leadership development programs to foster a culture of accountability, collaboration and continuous improvement to drive organizational change.
- Engage frontline caregivers in the development and implementation of quality improvement initiatives.
- Educate patients and families on their roles in achieving care goals.
- Promote patient-centered care models by engaging in practices that prioritize the needs and preferences of patients, enhancing satisfaction and outcomes.
- Establish recognition programs to reward staff for meeting quality milestones and embodying the values of VBC.

Ongoing progress and sustainability require continuous monitoring. Furthermore, periodic evaluations will help ensure the facility remains on track to meet VBC requirements, adapts to evolving challenges and maintains eligibility for incentives.

- Regularly review quality metrics and financial performance that are being tracked.

- Benchmark the facility's performance against industry standards and peer organizations.
- Adjust strategies as part of continuous improvement plans to address emerging challenges or capitalize on new opportunities.
- Conduct periodic compliance audits to ensure continued adherence to regulatory requirements.
- Develop contingency plans to address potential underperformance.

The shift to value-based care presents both challenges and opportunities for skilled nursing facilities. Strategies such as implementing comprehensive assessments, using data analytics and tools, cultural transformation and sustained monitoring must be navigated for long-term success under these programs. Achieving metrics and earning incentive payments significantly benefit facilities by improving patient outcomes, enhancing financial stability and fostering a culture of excellence. These advantages position SNFs to thrive in a value-based healthcare landscape, ensuring they can continue to meet the needs of their patients and communities effectively.