

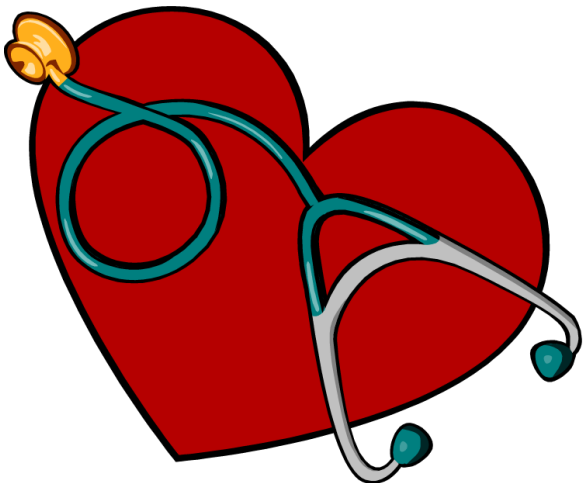
SNF Market Report

Analyzing the Performance of Skilled Nursing Facilities
Serving ACO Beneficiaries

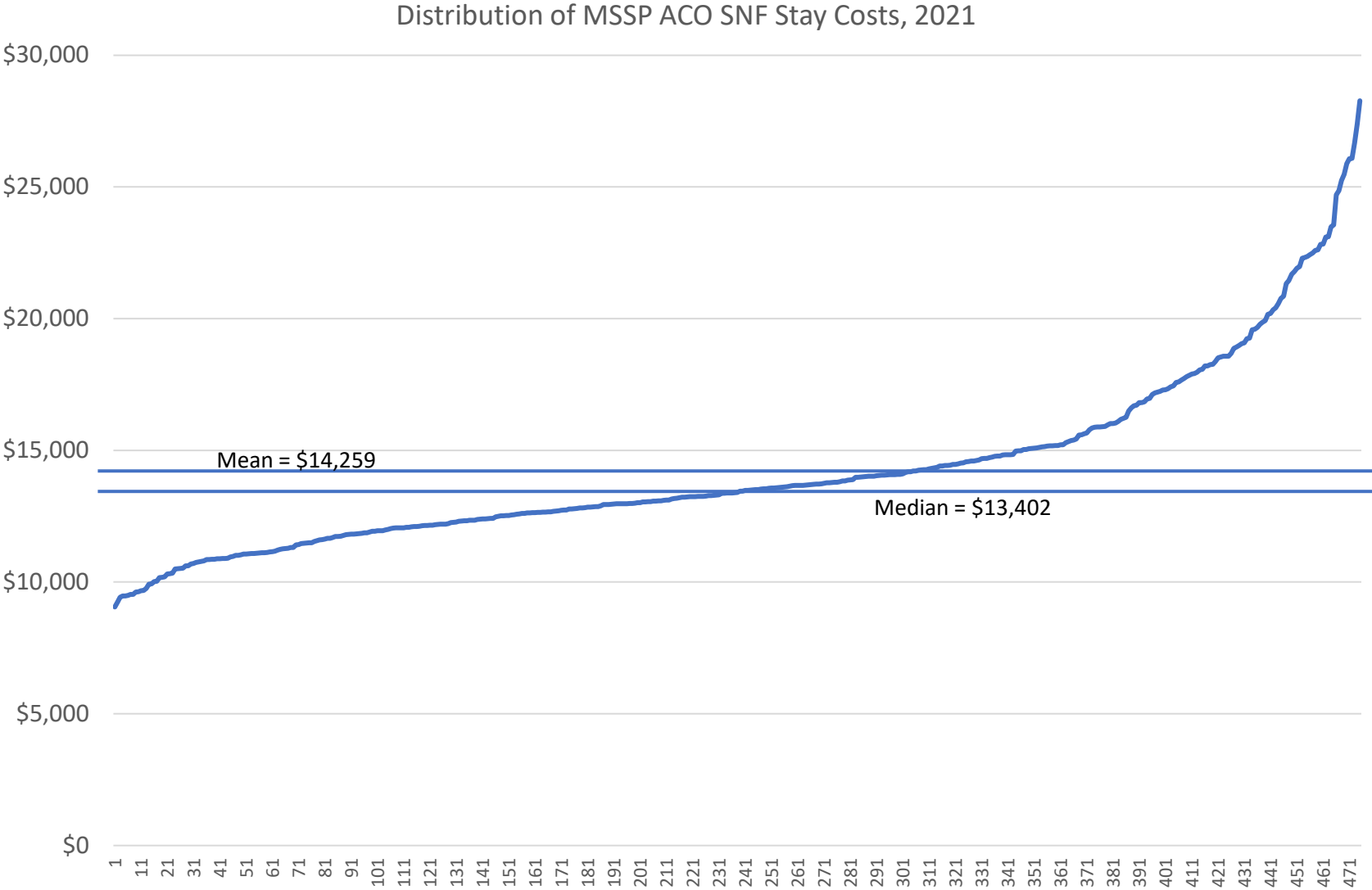
Institute for Accountable Care

Why Skilled Nursing Facilities (SNFs)?

- Steer patients to efficient providers
- Develop and managed preferred networks
- Develop clinical partnerships (e.g., wound care)
- Align incentives (e.g., FFS withhold)



Wide Variation in SNF Stay Costs



Challenges

- SNF stays can include multiple claims
- Market capacity matters (more SNF beds, more stays)
- Patient complexity and context matters
- Lack of alignment between SNF and ACO incentives
- Diverse market with large and small providers
- Recent shift to patient driven payment model (PDPM)



An ACO Post-Acute Story



The **SNF Market Report**

provides ACOs with post-acute data that tracks the cost and utilization of their ACO beneficiaries from SNF admission to SNF discharge plus 30, 60, and 90-days after.

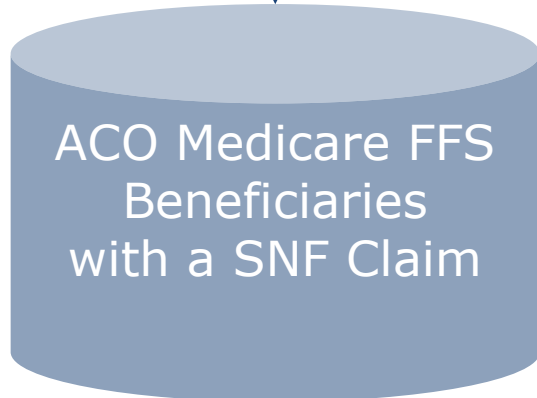
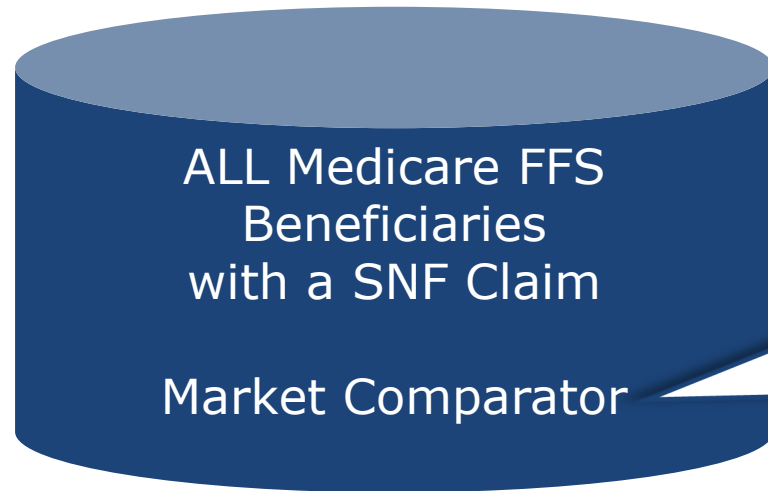
This report aims to add beneficial information to help aid and inform future decisions regarding post-acute care for ACO beneficiaries.



SNF Market Report

- Spending and Utilization for All SNFs in an ACO's Market
- Observed versus Predicted Costs as an Efficiency Indicator
- SNF Episodes of Care Combining SNF Stay and Post-Discharge Costs for 30, 60, & 90 Days
- Cost and Quality of Care with Market Comparator
- Highlighting Performance of Your Highest Volume SNF Facilities

SNF Stay Populations



ACO Market

- Each ACO has their own market comparator
- Includes combined counties of all SNFs utilized by an ACO's beneficiaries.
- Market aggregations by state are also included for times when SNF care is sought in multiple states.

Inclusions/Exclusions

Inclusions

- FFS Medicare Beneficiaries
- Continuous Part A and B Coverage, no Part C in the year
- SNF stays or post discharge time periods that extend into the following year require additional coverage for that year as well
 - 2019 base year

Exclusions

- SNF Stays > 100 Days
- Negative and zero cost claims
 - Indirect Medical Education (IME) and disproportionate share hospital (DSH) and uncompensated care payment (UCC) costs removed from the Medicare inpatient payments.

Medicare Coverage of SNF Stays

SNF Stays Requirements:

- Qualifying Inpatient Hospital Stay – 3 consecutive day inpatient hospital stay, not counting discharge day

OR

- 3-Day waivers during pandemic – ended May 11, 2023

OR

- Some ACO tracks offer an opportunity to apply for the 3-day waiver

Patient Pays:

Days 1 – 20: \$0 coinsurance

Days 21 – 100: Up to \$200 coinsurance per day

Days 101 and beyond: All costs

There's a 100-day limit of Part A SNF coverage for each benefit period

Building SNF Stays



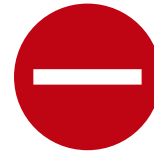
Pull SNF claims to build stays for current year based on the from date of the SNF claim.

Extend into following year to complete any stays that cross years



Combine same day or next day claims, regardless of SNF provider number.

Accounts for SNF stays that begin in a swing bed



Interrupted Stays - SNF claims 2 and 3 days apart are combined if the SNF is the same.



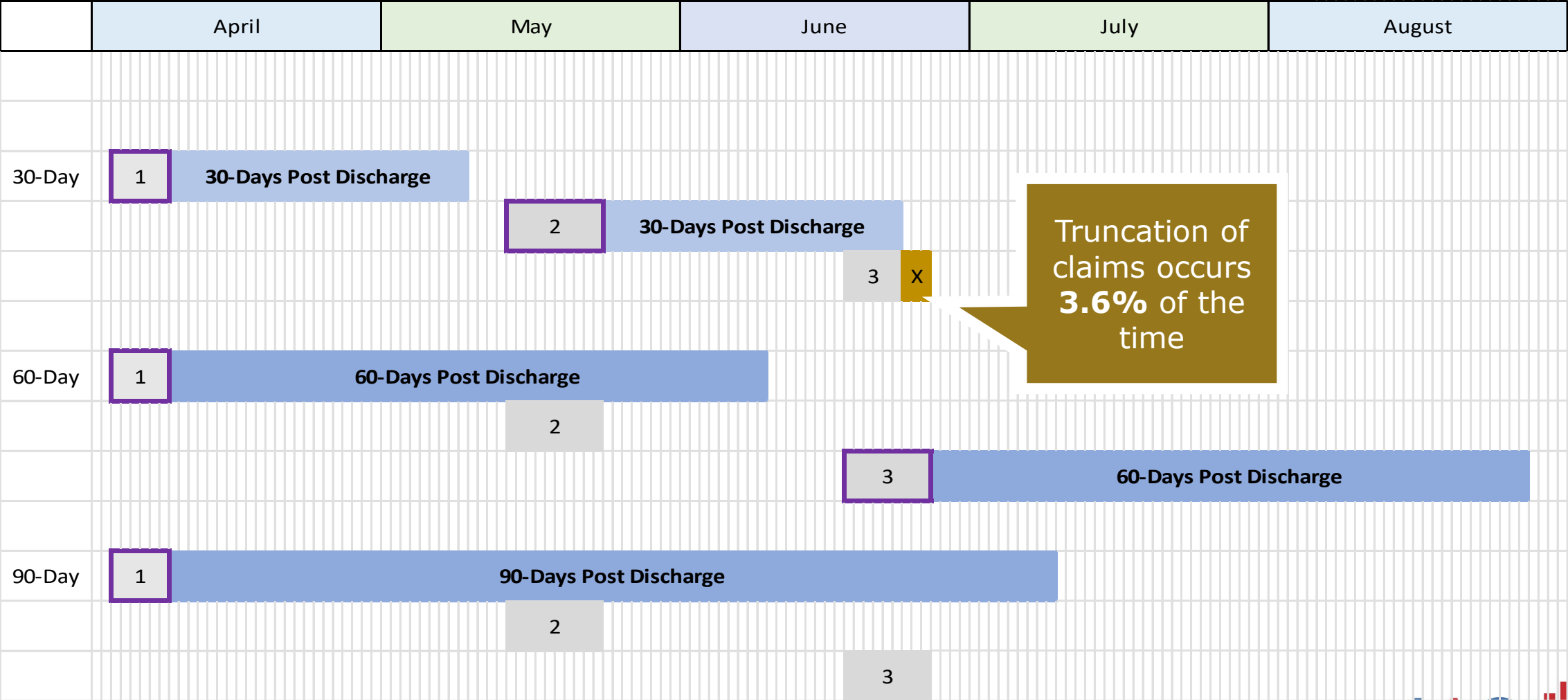
Post Discharge Time period must run out before next SNF stay 'counts'

SNF stays that start during the post discharge time period will be reflected in the previous SNF stay's post discharge costs for SNFs.

Prevents double counting of ancillary and post discharge costs

SNF stays may differ for the 30, 60, and 90-Day post discharge periods

Building Longitudinal SNF Episodes - Index Stays



2021 Index/Non-Index Stay Breakouts

Population	30-Day Post Discharge		60-Day Post Discharge		90-Day Post Discharge	
	Index	Non-Index	Index	Non-Index	Index	Non-Index
All Medicare FFS	1,266,037 (86%)	200,844 (14%)	1,186,035 (83%)	238,456 (17%)	1,123,407 (81%)	257,895 (19%)
ACO Medicare FFS	401,580 (87%)	59,663 (13%)	377,506 (84%)	70,828 (16%)	358,380 (82%)	76,338 (18%)

Cost and Utilization

All costs displayed are allowed* wage-standardized amounts

**Allowed costs include Medicare and beneficiary paid amounts*

SNF Stay Costs

Costs incurred on SNF claims

Other Non-Facility Costs

Outside part A and B costs incurred **during** the SNF stay.

Post Discharge Costs

Costs Incurred 30, 60, or 90-Days **after** SNF discharge

Both **Observed** and **Expected** Costs with O/E Ratios included as a proxy to measure efficiency of SNF

Calculating Expected Values

Risk Factors for Expected Allowed Amount:

- PDPM variables
- Total elixhauser comorbidities
- Age
- Race
- Rural
- Entitlement status (disabled, ESRD)
- MA Rate in the geographic area
- SNF Bed Rate in the geographic area
- Swing bed
- Frailty score
- Prior year's SNF use
- HCC Scores

The SNF stay allowed cost and SNF stay allowed cost + post discharge costs are predicted using an ordinary least squares regression.

Data Sources for Other Non-Facility and Post Discharge Cost and Utilization

Inpatient Claims – Acute, IRF, IPF, LTCH

HHA Claims

Hospice Claims

Outpatient Claims

SNF Claims (Post Discharge Only)

Part B Physician Claims

Additional Public Data Sources

Care Compare:

- Overall Star and Staffing Rating
- Certified Bed Counts
- Ownership Type
- Address
- Readmissions
- ED visits

Social Vulnerability Index (SVI) Ranking (AHRQ)

SNF Data Available

- Number of ACO beneficiary stays
- Number of all FFS beneficiary stays
- Post Discharge Costs by Setting
- Psychiatric and Physical Therapy Costs
- Expected Costs
- Observed to Expected Ratios

Stratifications

- PDPM categories
- Chronic Conditions
- Demographics

Cost and Utilization Stratifications

By Patient Driven Payment Model (PDPM) Categories:

- Acute Neurologic
- Acute Infection
- Cancer
- Cardiovascular and Coagulations
- Medical Management
- Major Joint Replacement or Spinal Surgery
- Orthopedic – Surgical Extremities Not Major Joint
- Non-Orthopedic/Musculoskeletal
- Pulmonary

By Chronic Conditions:

- Opioid Use Disorder
- Chronic Heart Failure
- Obesity
- Stroke/Transient Ischemic Attack
- Alzheimer's/Dementia

By Demographic Categories:

- Age
- Gender
- Entitlement Reason
- RTI Race

Possibly More to Come . . .

- Part D and Part B Drug Measures:
 - Number and Percent of SNF beneficiaries prescribed:
 - Antipsychotics (without presence of a psychosis condition)
 - Benzodiazepines
 - Insulin and Sulfonylureas
 - Opioids
 - By morphine milligram equivalent (MME) groupings
 - By opioid drug type (fentanyl, hydrocodone, tramadol, etc)
 - BEERs criteria measures:
 - Drugs that should be avoided
 - Drugs to avoid in patients with certain diseases or syndromes
 - Potentially inappropriate drug-drug interactions
- Quality Measures:
 - ED visits
 - Readmissions
 - Falls
 - Frailty

National Cost and Utilization

Non-ACO FFS vs. ACO

National Non-ACO FFS Medicare Beneficiaries

Mean LOS: 29.0 Days

Mean SNF Stay Cost: \$17,950

Mean SNF Stay + 30-Day: \$25,926

Mean SNF Stay + 60-Day: \$30,302

Mean SNF Stay + 90-Day: \$33,691

National ACO FFS Medicare Beneficiaries

Mean LOS: 26.5 Days

Mean SNF Stay Cost: \$16,243

Mean SNF Stay + 30-Day: \$24,080

Mean SNF Stay + 60-Day: \$28,452

Mean SNF Stay + 90-Day: \$31,793

National Observed to Expected (O/E) Ratios

Non-ACO FFS vs. ACO

National Non-ACO FFS Medicare Beneficiaries

Mean SNF Stay Cost O/E: 1.22

Mean SNF Stay + 30-Day O/E: 1.20

Mean SNF Stay + 60-Day O/E: 1.20

Mean SNF Stay + 90-Day: 1.20

National ACO FFS Medicare Beneficiaries

Mean SNF Stay Cost: .98

Mean SNF Stay + 30-Day: 1.01

Mean SNF Stay + 60-Day: 1.01

Mean SNF Stay + 90-Day: 1.01

Questions

